



**UNIVERSITY OF DELAWARE**

Consolidated Financial Statements and  
Information on Federal Awards

June 30, 2017

(With Independent Auditors' Reports Thereon)

# UNIVERSITY OF DELAWARE

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KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

## Independent Auditors' Report

The Board of Trustees  
University of Delaware

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the University of Delaware and its subsidiaries, which comprise the consolidated balance sheet as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University of Delaware and its subsidiaries as of June 30, 2017, and the changes in their net assets, their functional expenses, and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



**Report on Summarized Comparative Information**

We have previously audited the University of Delaware's 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated November 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2017 on our consideration of the University of Delaware'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 University of Delaware's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University of Delaware's internal control over financial reporting and compliance.

**KPMG LLP**

Philadelphia, Pennsylvania  
November 10, 2017

**UNIVERSITY OF DELAWARE**

Consolidated Balance Sheet

June 30, 2017

(with summarized comparative financial information  
for the year ended June 30, 2016)

(Dollars in thousands)

Assets	2017	2016
Cash and cash equivalents	\$ 51,024	121,580
Accounts and notes receivable, net	45,409	28,742
Prepaid expenses and inventories	5,811	5,604
Contributions receivable, net	26,983	30,355
Restricted deposits	50,124	83,590
Student loan receivables, net	13,266	13,673
Investments	1,865,325	1,646,593
Funds held in trust by others	74,131	69,072
Property, plant, and equipment, net	1,506,826	1,479,213
Total assets	\$ 3,638,899	3,478,422
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 89,047	91,082
Deferred revenue and student deposits	21,812	14,198
Long-term debt and capital leases	524,210	540,323
Postemployment benefit obligations	550,410	528,234
Other liabilities	81,370	92,459
Total liabilities	1,266,849	1,266,296
Net assets:		
Unrestricted	1,292,198	1,212,730
Temporarily restricted	660,014	593,112
Permanently restricted	419,838	406,284
Total net assets	2,372,050	2,212,126
Total liabilities and net assets	\$ 3,638,899	3,478,422

See accompanying notes to consolidated financial statements.

**UNIVERSITY OF DELAWARE**

Consolidated Statement of Activities

Year ended June 30, 2017  
(with summarized comparative financial information  
for the year ended June 30, 2016)

(Dollars in thousands)

	2017			2016	
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Total
Operating revenue:					
Tuition and fees	\$ 575,451	—	—	575,451	559,846
Less scholarships and fellowships	(152,347)	—	—	(152,347)	(147,605)
Net tuition and fees	423,104	—	—	423,104	412,241
Sales and services of auxiliary enterprises, net	129,036	—	—	129,036	129,691
Grants, contracts, and other exchange transactions	180,417	—	—	180,417	172,405
State operating appropriations	121,186	—	—	121,186	118,749
Contributions	12,841	15,865	—	28,706	29,392
Endowment distributions	50,626	407	—	51,033	50,470
Other investments income	17,779	63	—	17,842	15,909
Other revenue	40,679	—	—	40,679	35,924
Net assets released from restrictions	13,555	(13,555)	—	—	—
Total operating revenue	989,223	2,780	—	992,003	964,781
Operating expenses:					
Salaries and wages	441,762	—	—	441,762	423,340
Benefits	177,323	—	—	177,323	163,219
Supplies and general	217,158	—	—	217,158	210,386
Travel	27,349	—	—	27,349	25,812
Depreciation, amortization, and loss on disposals	70,721	—	—	70,721	75,189
Interest	20,582	—	—	20,582	21,104
Total operating expenses	954,895	—	—	954,895	919,050
Change in net assets from operating activities	34,328	2,780	—	37,108	45,731
Nonoperating activities:					
Investment return in excess of (less than) endowment distributions	40,751	64,440	6,070	111,261	(113,504)
Contributions restricted for endowment and capital	1,051	369	7,242	8,662	21,645
State capital appropriations	5,781	—	—	5,781	3,212
Postemployment costs other than service costs	(35,314)	—	—	(35,314)	(27,042)
Other changes in postemployment benefit obligations	20,271	—	—	20,271	(71,239)
Other, net	11,801	112	242	12,155	(21,076)
Net assets released from restrictions	799	(799)	—	—	—
Change in net assets	79,468	66,902	13,554	159,924	(162,273)
Net assets at beginning of year	1,212,730	593,112	406,284	2,212,126	2,374,399
Net assets at end of year	\$ 1,292,198	660,014	419,838	2,372,050	2,212,126

**UNIVERSITY OF DELAWARE**

Consolidated Statement of Functional Expenses

Year ended June 30, 2017  
(with summarized comparative financial information  
for the year ended June 30, 2016)

(Dollars in thousands)

	2017								2016	
	Instruction and departmental research	Sponsored research	Extension and public service	Academic support	Student services	General institutional support	Student aid	Auxiliary enterprises	Total	Total
Operating expenses:										
Expenses:										
Salaries and wages	\$ 232,346	67,293	24,939	37,246	17,993	49,209	3,906	8,830	441,762	423,340
Benefits	80,518	19,081	8,310	15,449	6,429	21,121	21	3,157	154,086	145,495
Postemployment benefits	15,384	2,352	951	1,632	558	2,058	—	302	23,237	17,724
Benefits	95,902	21,433	9,261	17,081	6,987	23,179	21	3,459	177,323	163,219
Supplies and general	72,181	49,817	12,797	12,418	13,734	30,609	372	69,644	261,572	255,293
Information processing	26	—	—	—	2,506	11,946	—	(1)	14,477	14,128
Scholarships, fellowships, and awards	—	—	—	—	—	—	2,849	—	2,849	2,259
Internal service (credits) charges	(21,345)	(6,652)	(1,276)	(3,464)	(3,744)	(23,968)	—	(1,291)	(61,740)	(61,294)
Supplies and general	50,862	43,165	11,521	8,954	12,496	18,587	3,221	68,352	217,158	210,386
Travel	17,648	3,516	1,963	1,479	1,270	1,261	86	126	27,349	25,812
Depreciation and accretion	19,017	13,372	960	11,476	2,328	4,071	—	19,940	71,164	70,913
Loss on disposals and other write-offs	268	143	6	1	—	9	—	11	438	5,224
Amortization of bond discount (premium)	(21)	23	—	—	(34)	—	—	(849)	(881)	(948)
Depreciation, amortization, and loss on disposals	19,264	13,538	966	11,477	2,294	4,080	—	19,102	70,721	75,189
Interest expense	3,247	405	16	145	106	192	—	16,471	20,582	21,104
Total operating expenses	\$ 419,269	149,350	48,666	76,382	41,146	96,508	7,234	116,340	954,895	919,050

See accompanying notes to consolidated financial statements.

**UNIVERSITY OF DELAWARE**  
Consolidated Statement of Cash Flows  
Year ended June 30, 2017  
(with summarized comparative financial information  
for the year ended June 30, 2016)

(Dollars in thousands)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 159,924	(162,273)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization, and loss on disposals	69,901	78,195
Change in postemployment benefit obligations and other nonoperating activities	17,184	99,974
Net realized and unrealized losses (gains)	(163,221)	66,522
Change in fair value of swap	(11,983)	10,593
Gifts of equipment	(1,051)	(675)
State capital appropriations	(5,781)	(3,212)
Contributions restricted for endowment and capital	(8,061)	(15,357)
Endowment income restricted for reinvestment	(316)	(340)
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	(16,667)	(524)
Prepaid expenses and inventories	(207)	213
Contributions receivable, net	2,320	1,736
Accounts payable, accrued and other liabilities	(3,539)	11,993
Deferred revenue and students deposits	7,614	2,065
Postemployment benefit obligations	7,132	3,096
Net cash provided by operating activities	<u>53,249</u>	<u>92,006</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,366,470	1,886,099
Purchases of investments	(1,427,032)	(1,819,107)
Acquisitions of property, plant, and equipment	(97,252)	(91,265)
Disbursements of loans to students	(1,897)	(2,678)
Repayments of loans by students	2,305	2,406
Net cash used in investing activities	<u>(157,406)</u>	<u>(24,545)</u>
Cash flows from financing activities:		
Repayments of principal on long-term debt and capital leases	(15,241)	(14,687)
State capital appropriations	5,781	3,212
Endowment income restricted for reinvestment	316	340
Contributions restricted for endowment and capital	9,113	14,211
Advances from federal government for student loans	166	113
Change in restricted deposits	33,466	11,272
Net cash provided by financing activities	<u>33,601</u>	<u>14,461</u>
Net (decrease) increase in cash and cash equivalents	(70,556)	81,922
Cash and cash equivalents, beginning of year	<u>121,580</u>	<u>39,658</u>
Cash and cash equivalents, end of year	<u>\$ 51,024</u>	<u>121,580</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 23,035	23,608
Construction - Accounts payable	\$ 9,770	7,546

See accompanying notes to consolidated financial statements.



# UNIVERSITY OF DELAWARE

## Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information  
for the year ended June 30, 2016)

### (1) Summary of Significant Accounting Policies

#### (a) Description of Operations

The University of Delaware (the University), a privately chartered university with public support, is a doctoral/research institution-extensive, land-grant, sea-grant, space-grant, and urban-grant institution. The University, with origins in 1743, was chartered by the State of Delaware (the State) in 1833. A Women's College was opened in 1914, and in 1945, the University became permanently coeducational. The main campus is located in Newark, Delaware, a suburban community of 31,500, situated midway between Philadelphia and Baltimore. Courses are also offered at other locations throughout the State, including Wilmington, Lewes, Dover, Milford, and Georgetown.

The University receives an annual operating and capital appropriation from the State of Delaware. The University also participates in certain benefit plans of the State (note 11).

The significant accounting principles and practices followed by the University are presented below to assist the reader in analyzing the consolidated financial statements and accompanying notes.

#### (b) Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of the various academic and support divisions and other affiliated entities, including 1743 Holdings, LLC, Blue Hen Wind, Inc., and Blue Hen Hotel LLC, controlled by the University. 1743 Holdings, LLC was created as a wholly owned subsidiary of the University for the purpose of purchasing and managing a 272-acre site, which is contiguous to the University's 968-acre Newark campus. Blue Hen Wind, Inc. operates a wind turbine adjacent to the University's Hugh R. Sharp campus in Lewes. Blue Hen Hotel LLC is a limited liability company originally formed on May 4, 2001. It was formed for the sole purpose of developing, managing, and operating a 125-room Courtyard Marriott Hotel adjacent to the Clayton Hall Conference Facility located in Newark, Delaware and owned by the University. All significant interentity activities and balances are eliminated for financial reporting purposes.

The consolidated statements of activities and functional expenses for the year ended June 30, 2017 is presented with certain summarized comparative information for the year ended June 30, 2016 in total but not by net asset class or by function. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be read in conjunction with the University's consolidated financial statements for the year ended June 30, 2016 from which the summarized information was derived. Internal service (credits) charges included on the consolidated statement of functional expenses represent expense allocations from its internal service centers to other functions and classes.

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Restricted gifts, which may be expended only for the purpose indicated by the donor/grantor, are maintained in separate accounts in the University's system. Accordingly, net assets of the University and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information  
for the year ended June 30, 2016)

- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the University and/or the passage of time
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that are maintained permanently by the University. Generally, the donors of these assets permit the University to use all of, or part of, the total investment return on related investments for general or specific purposes.

In addition to the three primary financial statements presented under U.S. GAAP for not-for-profit organizations, the consolidated statement of functional expenses presents expenses by natural classification within functional categories. Operation and maintenance of plant, depreciation and accretion expense, and disposals are allocated based on square footage. Postemployment and fringe benefit expenses are allocated based on salaries and wages. Interest expense and amortization of bond discount are allocated to the functional classification that benefited from the use of the proceeds of the debt. Operation and maintenance of plant costs were approximately \$61,608,000 and \$57,654,000 and fund-raising costs were approximately \$17,901,000 and \$15,954,000 for the years ended June 30, 2017 and 2016, respectively.

Revenue is reported as increases in unrestricted net assets unless its use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions, which reflect reclassifications from temporarily restricted net assets to unrestricted net assets. Releases from restrictions are presented as either operating or nonoperating. Nonoperating releases represent capital gifts for which the related assets were placed into service, and operating releases represent utilization of restricted gifts for program and operating purposes and related pledge payments.

#### **(c) Cash and Cash Equivalents**

Cash equivalents include all highly liquid interest-bearing deposits and short-term investments with maturities of three months or less at time of purchase, excluding amounts held for long-term investments as disclosed in notes 4 and 5.

#### **(d) Contributions**

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Unconditional promises to give are recognized initially at fair value, giving consideration to anticipated future cash receipts and discounting such amounts at a risk-adjusted rate. Amortization of the discount is included in contributions revenue. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

**UNIVERSITY OF DELAWARE**  
Notes to Consolidated Financial Statements  
June 30, 2017  
(with summarized comparative financial information  
for the year ended June 30, 2016)

Allowance is made, if necessary, for uncollectible contributions receivable based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue in unrestricted net assets. Income and realized and unrealized net gains (losses) on investments of donor-restricted endowment and similar funds are reported as follows:

- Changes in permanently restricted net assets if the terms of the gift or the University's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund
- Changes in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or the income is not available to be used until appropriated by the University under state law

**(e) *Split-Interest Agreements and Interests in Trusts***

The University's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts and charitable gift annuity agreements for which the University serves as trustee. Assets held under these arrangements are included in investments and are recorded at fair value. Contribution revenue is recognized at the date the trusts or agreements are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the terms of the trusts for changes in the values of the assets, accretion of the discounts, and other changes in estimates of future benefits.

The University is also the beneficiary of certain perpetual and remainder trusts held and administered by others. The fair values of the trusts are recognized as assets and contribution revenue at the dates the trusts are established. The assets held in these trusts are included in funds held in trust by others and are adjusted for changes in the fair value of the trust assets.

**(f) *Tuition and Fees and Student Financial Aid***

Tuition and fees are recorded as revenue during the year the related academic services are rendered. Tuition and fees received in advance of services are recorded as deferred revenue and student deposits. The University provides financial aid to eligible students, generally in an "aid package" that includes loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided primarily through programs of the U.S. government (including direct and guaranteed loan programs) under which the University is responsible only for certain administrative duties. These direct and guaranteed loans are not reflected on the University's financial statement as the loans are issued to the students. Grants and scholarships include awards provided from gifts and grants from private donors, income earned on endowment funds restricted for student aid, and the University's funds.

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information  
for the year ended June 30, 2016)

#### **(g) Auxiliary Enterprises**

The operation of auxiliaries is supplementary to the primary educational function of the University. Revenue of auxiliary enterprises, which is recognized as services are rendered, provides for debt service, and renewal and replacement of equipment. Auxiliary operations primarily include the residence and dining halls, the bookstore, and student health services.

#### **(h) Grants and Contracts**

Revenue under grants and contracts with sponsors is recognized as expenditures are incurred. This revenue includes recoveries of facilities and administrative costs, which are generally determined as a negotiated or agreed-upon percentage of direct costs, with certain exclusions.

#### **(i) Investments**

Investments are stated at fair value or estimated fair value, using net asset value as a practical expedient, as described in notes 4 and 5. Other investment income, including dividend and interest, is recognized when earned.

#### **(j) Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, if purchased, or at estimated fair value at the date of gift, if donated, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Land, including land deeded by the Board of Trustees of Delaware College to the State in the early 1900s and thereafter, used by the University is not depreciated. Costs of major renovations to buildings are capitalized. Costs of equipment in excess of \$5,000 with a useful life expectancy of more than one year are also capitalized. Repairs and maintenance costs are expensed as incurred. Costs relating to retirement, disposal, or abandonment of assets where the University had a legal obligation to perform activities are accrued using site-specific information.

Interest on borrowings is capitalized from the date of the borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use or the borrowing is retired, whichever occurs first. Capitalized interest is amortized over the useful life of the qualifying asset.

#### **(k) Nonoperating Activities**

Nonoperating activities include investment gains and losses, net of endowment distributions for operations; contributions and appropriations for endowment and plant purposes; the operations of subsidiaries ancillary to the University's mission; changes in postemployment benefit and asset retirement obligations; and nonrecurring or unusual transactions.

#### **(l) Income Taxes**

The University and its affiliates have been recognized by the Internal Revenue Service (IRS) as exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code, except for taxes on income from activities unrelated to its exempt purpose. Accordingly, no provisions for income taxes have been made in the accompanying consolidated financial statements. Management has analyzed

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information  
for the year ended June 30, 2016)

the tax positions taken by the University, and has concluded that as of June 30, 2017 and 2016, there are no uncertain positions. The University is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

#### **(m) Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amount of revenue and expenses during the reporting period. The University's most significant estimates include the fair value of investments, allowances for uncollectible accounts and contributions receivable, and the actuarial assumptions used to determine postemployment benefit obligations. Actual results could differ from these estimates.

#### **(n) Refundable Advances from the U.S. Government**

Student loan programs provided by the U.S. government under the Federal Perkins and Nursing Student Loan program are loaned to qualified students, administered by the University, and may be reloaned after collections. These funds, which are ultimately refundable to the government and are included in other liabilities, aggregated \$15,636,000 and \$15,469,000 as of June 30, 2017 and 2016, respectively.

#### **(o) Derivative Financial Instruments**

The University uses interest rate swap agreements to manage interest rate risk associated with certain variable-rate debt or to adjust its debt structure. Derivative financial instruments are measured at fair value and recognized in the consolidated balance sheet as assets or liabilities, with changes in fair value recognized in the consolidated statement of activities.

#### **(p) Recently Issued Accounting Standards**

In 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-07, *Compensation – Retirement Benefits (Topic 715)*. The ASU attempts to improve the presentation of net periodic pension and postretirement benefit costs. The ASU requires that the service cost component of net benefit cost be presented in the same line item as other employee compensation costs and that the remaining components be presented separately from those line items and outside of operations. ASU 2017-07 is effective for fiscal years beginning after December 15, 2018 with early adoption permitted. In fiscal 2017, the University early adopted the ASU retrospectively, which resulted in the reclassification of \$27,042,000 of net periodic benefit cost from benefits expenses to postemployment costs other than service costs within non-operating activities for the year ended June 30, 2016. Postemployment costs other than service costs was \$35,314,000 for the year ended June 30, 2017.

**UNIVERSITY OF DELAWARE**  
Notes to Consolidated Financial Statements  
June 30, 2017  
(with summarized comparative financial information  
for the year ended June 30, 2016)

**(2) Contributions Receivable**

Contributions receivable as of June 30, 2017 and 2016 are summarized as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Amounts due in:		
Less than one year	\$ 9,461	8,597
One to five years	<u>18,839</u>	<u>22,724</u>
	28,300	31,321
Less:		
Allowance for uncollectible pledges	(700)	(250)
Unamortized discounts	<u>(617)</u>	<u>(716)</u>
	<u>\$ 26,983</u>	<u>30,355</u>

Contributions to be received after one year are discounted at discount rates ranging from 1.1% to 2.4% for the years ended June 30, 2017 and 2016, respectively.

**(3) Restricted Deposits**

Restricted deposits as of June 30, 2017 and 2016 consisted of the following (in thousands):

	<u>2017</u>	<u>2016</u>
Unexpended bond proceeds	\$ 20,749	56,410
Debt service reserve funds	24,334	23,008
Other deposits	<u>5,041</u>	<u>4,172</u>
	<u>\$ 50,124</u>	<u>83,590</u>

Unexpended bond proceeds represent the amount of unspent bond proceeds that remain on deposit with the trustee. Under terms of the trust agreement, proceeds are not released to the University until expenditures related to the specific purpose of the bond indenture have occurred. These amounts are generally invested in cash equivalents and short-term U.S. government or commercial securities with maturities that support the anticipated cash flow of the underlying construction projects.

Debt service reserve funds are also held with the trustee. The University transfers funds to the trustee in accordance with bond covenant agreements to meet future bond payments. These funds remain on deposit until scheduled interest payments and scheduled or optional redemption principal payments are made, as disclosed in note 9. These funds are generally invested in cash equivalents and short-term U.S. government securities.

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Notes to Consolidated Financial Statements  
June 30, 2017  
(with summarized comparative financial information  
for the year ended June 30, 2016)

Other deposits are under the control of the University but are restricted in their use and include funds held for federal loan programs or for the benefit of or under regulations promulgated by the federal government. These funds are generally invested in cash equivalents.

**(4) Investments**

Investments are recorded at fair value, or estimated fair value as a practical expedient, as described in note 5. The fair value by investment class as of June 30, 2017 and 2016 was as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Money market and other liquid funds	\$ 33,974	67,131
U.S. government obligations	191,189	129,512
Corporate obligations	218,870	163,119
Stock and convertible securities	420,943	352,912
International equity investments	87,426	73,164
Limited partnerships and limited liability corporations (LLCs)	907,658	856,523
Other	<u>5,265</u>	<u>4,232</u>
Total	<u>\$ 1,865,325</u>	<u>1,646,593</u>

Included in the investments table above are \$6,533,000 and \$6,353,000 of annuity and life-income funds at June 30, 2017 and 2016, respectively.

The asset allocation of the University's investments involves exposure to a diverse set of markets. The investments within these markets involve various risks such as interest rate, market, sovereign, and credit risks. The University anticipates that the value of its investments may, from time to time, fluctuate substantially as a result of these risks.

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*Net Asset Value, as a Practical Expedient for Fair Value*

The following table presents the attributes of the University's alternative investments, which are stated at net asset value as a practical expedient for fair value, as reported by the funds (in thousands):

	<u>2017</u>	<u>2016</u>	<u>Estimated remaining lives (years)</u>	<u>As of June 30, 2017 unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice frequency</u>
Limited partnerships and LLCs:						
U.S. corporate debt funds	\$ 79,540	75,586			Monthly	45 Days
International equity funds	259,728	213,676			Monthly	10 Days
Multistrategy hedge funds	36,878	51,908			Annually	100 Days
Long-short hedge funds	187,039	197,447			Annually	90 Days
Private equity	82,588	58,491	1-11	\$ 185,437	Not eligible	N/A
Venture capital	69,111	70,111	1-7	6,461	Not eligible	N/A
Hybrid fund of funds	27,065	34,624	1-9	11,945	Not eligible	N/A
Distressed securities	43,390	42,179	1-7	16,233	Not eligible	N/A
Real estate	40,119	48,019	1-10	37,978	Not eligible	N/A
Natural resources	41,533	34,496	1-15	2,479	Not eligible	N/A
Oil and gas	40,667	29,986	1-10	20,598	Not eligible	N/A
	<u>\$ 907,658</u>	<u>856,523</u>		<u>\$ 281,131</u>		

**(a) U.S. Corporate Debt Funds and International Equity Funds**

These categories are investments in commingled funds that invest primarily in public debt and equity securities.

**(b) Multistrategy Hedge Funds**

This category includes investments in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds that make up these funds invest in a variety of marketable securities, including stocks, bonds, credit-oriented securities, and arbitrage investments. The managers have the ability to shift investments between strategies and between net long and net short positions.

**(c) Long-Short Hedge Funds**

This category includes commingled funds that invest, both long and short, in a variety of instruments including U.S. stocks, international stocks, fixed-income securities, currencies, and derivative transactions. The funds can be further broken down into the following categories: equity long/short, event-driven, credit, macro and multistrategy funds. These investments are subject to risks including market risk, manager risk, and liquidity risk. The goal of these investments is to provide returns that exhibit lower correlations and lower volatility than the public equity markets.

All of the following University limited partnerships and LLCs, paragraphs (d), (e), and (f), receive distributions through the liquidation of the underlying assets of the funds. These investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated.



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The University is obligated, under certain limited partnership agreements, to make additional capital contributions up to contractual levels (unfunded commitments). The timing and amounts of the contributions will be determined by the general partner of the respective limited partnership.

**(d) Private Equity, Venture Capital, Hybrid Fund of Funds, and Distressed Securities**

These categories include illiquid investments in buyout, mezzanine, venture capital, growth equity, and distressed debt held in commingled limited partnership funds.

**(e) Real Estate**

This category includes illiquid investments in residential and commercial real estate assets, projects, or land held in commingled limited partnership funds.

**(f) Natural Resources and Oil and Gas**

These categories include illiquid assets in timber, oil and gas production, mining, energy, and related businesses held in commingled limited partnership funds.

*Investment Return*

Investment return for fiscal years 2017 and 2016 was as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Dividend and interest income	\$ 24,771	23,744
Net realized and unrealized gains (losses)	163,221	(66,522)
External investment management fees and expenses	<u>(7,856)</u>	<u>(4,347)</u>
Investment return	<u>\$ 180,136</u>	<u>(47,125)</u>

Investment return is classified in the consolidated statement of activities as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Other investments income	\$ 17,842	15,909
Endowment distributions	51,033	50,470
Investment return in excess of (less than) endowment distributions	<u>111,261</u>	<u>(113,504)</u>
Investment return	<u>\$ 180,136</u>	<u>(47,125)</u>

**(5) Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market in an orderly transaction between participants at the measurement date and establishes a framework for measuring fair value.

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The three levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The University measures its restricted deposits, investments, liabilities related to annuity and life-income funds, and interest rate swaps related to its debt using the valuation methodologies described below:

**(a) Investments and Restricted Deposits**

Investments and restricted deposits are recorded at fair value as described above. Additional considerations used to categorize investments include:

Money market and other liquid funds, certain U.S. government obligations, stock and convertible securities, and international investments held directly by the University are classified as Level 1 since quoted prices in active markets are available. Corporate obligations and certain U.S. government obligations are classified as Level 2 as they are not traded in an active market but are valued using third-party vendor pricing services by custodian banks, for similar securities. Certain stock and convertible securities and international investments are classified as Level 2 because the underlying investments are held in annuity and life-income funds (see paragraph (b) below.)

Valuations for limited partnerships, LLC, and inflation sensitive assets are based on net asset value or the equivalent, as reported by investment managers, as a practical expedient to estimate fair value without further adjustment.

Investments measured at net asset value, as a practical expedient for fair value, include the University's interests in limited partnerships and LLCs and are reported by investment managers, unless it is probable that all or a portion of the investment will be sold for an amount different from net asset value. As of June 30, 2017, the University had no plans or intentions to sell investments at amounts different from net asset value. The estimated fair values are reported by the general partners or fund managers and are reviewed and evaluated by the University. These estimated fair values may differ from the values that would have used had a ready market existed for these investments and the differences could be significant.

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Other investment classes classified as Level 2 consist primarily of municipal obligations held in commingled funds, while those classified as Level 3 consist primarily of collateralized mortgage obligations and restricted real estate.

**(b) Annuity and Life-Income Funds**

The annuity and life-income funds asset represent the fair value of assets held in charitable gift annuities, charitable remainder annuity trusts, and charitable remainder unitrusts. These assets consist primarily of corporate obligations, stock and convertible securities, and international investments and have been classified as Level 2 using the same methodology described above for similar types of underlying assets.

The annuity and life-income funds payable represents the present value of future annuity payments due under these agreements, as calculated for each annuity using discount rates and actuarial assumptions consistent with American Council of Gift Annuities standards. These liabilities have been classified as Level 3 as the fair value is determined based upon a discounted cash flow methodology, which required judgment and estimation.

**(c) Funds Held in Trust by Others**

Funds held in trust by others represent amounts held by third parties where the University receives an income stream in perpetuity, but the assets are required to be held by a trustee. The University does not own the underlying assets, but rather has a beneficial interest in the trust. These trusts are invested in a combination of readily marketable assets, limited partnerships, and land and have been classified as Level 3 since the University maintains an interest in the trust not the underlying investments.

**(d) Debt Interest Rate Swap Agreements**

The fair value of the University's interest rate swaps is based on a third-party valuation independent of the counterparty using observable market data. The University considers this a Level 2 measurement.

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The following table presents the University's fair value hierarchy for financial instruments that are measured at fair value on a recurring basis as shown on the June 30, 2017 consolidated balance sheet (in thousands):

	<b>June 30, 2017</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets:				
Investments:				
Money market and other liquid funds	\$ 33,974	33,899	75	—
U.S. government obligations:				
Mortgage-backed securities	47,134	—	47,134	—
Treasury obligations	134,670	131,647	3,023	—
Other	9,385	1,307	8,078	—
	<u>191,189</u>	<u>132,954</u>	<u>58,235</u>	<u>—</u>
Corporate obligations	218,870	577	218,293	—
Stock and convertible securities	420,943	418,512	2,431	—
International investments	87,426	85,387	2,039	—
Other	5,265	2,116	—	3,149
Investments measured at net asset value <sup>(1)</sup>	<u>907,658</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments	1,865,325	673,445	281,073	3,149
Restricted deposits	50,124	29,882	20,242	—
Funds held in trust by others	74,131	—	—	74,131
Total	<u>\$ 1,989,580</u>	<u>703,327</u>	<u>301,315</u>	<u>77,280</u>
Financial liabilities, included in the other liabilities:				
Annuity and life income funds payable	\$ 4,977	—	—	4,977
Interest rate swaps	25,415	—	25,415	—
Total	<u>\$ 30,392</u>	<u>—</u>	<u>25,415</u>	<u>4,977</u>

<sup>1</sup> Investments in limited partnerships and LLCs that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet. See note 4 for detail of investments measured at net asset value.

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The following table presents a reconciliation of the consolidated balance sheet amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2017 and 2016 (in thousands):

	<u>Financial assets</u>		<u>Financial liabilities</u>
	<u>Funds held in trust by others</u>	<u>Other</u>	<u>Annuity and life income funds payable</u>
Total at June 30, 2015	\$ 66,681	3,191	4,521
Net losses on investments	(1,522)	—	—
Net losses on liabilities	—	—	1,666
Purchases	46,972	86	212
Sales	<u>(43,059)</u>	<u>(460)</u>	<u>(1,080)</u>
Total at June 30, 2016	69,072	2,817	5,319
Net losses on investments	7,447	—	84
Net losses on liabilities	—	—	—
Purchases	29,609	571	42
Sales	<u>(31,997)</u>	<u>(239)</u>	<u>(468)</u>
Total at June 30, 2017	<u>\$ 74,131</u>	<u>3,149</u>	<u>4,977</u>
Change in unrealized losses related to financial instruments still held at June 30, 2017	\$ 5,573	—	329

Transfers between leveled assets are based upon beginning of year value of the asset, if any. During the years ended June 30, 2017 and 2016, there were no transfers of assets between levels. In 2017, the University transferred its interest rate swap from Level 3 to Level 2.

**(6) Annuity and Life-Income Funds**

The University held \$6,533,000 and \$6,353,000 in investments related to annuity and life-income funds as of June 30, 2017 and 2016, respectively. A related liability of \$4,977,000 and \$5,319,000 as of June 30, 2017 and 2016, respectively, represents the present value of future annuity payments due under these agreements, and was calculated for each annuity using discount rates and actuarial assumptions consistent with the terms of the gift. Such liabilities are included in other liabilities in the consolidated balance sheets.

The University is required by the laws of certain states to maintain reserves against charitable gift annuities. Such reserves amounted to \$2,369,000 and \$2,407,000 as of June 30, 2017 and 2016, respectively.

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**(7) Property, Plant, and Equipment**

Property, plant, and equipment as of June 30, 2017 and 2016 consisted of the following (in thousands):

	<u>2017</u>	<u>2016</u>	<u>Range of useful lives (years)</u>
Land	\$ 54,366	54,366	n/a
Land improvements	75,681	75,449	15
Buildings	1,778,631	1,741,686	40
Equipment and furnishings	278,556	272,395	2–20
Library	250,603	237,982	10
Capital leasehold	46,017	46,017	29–40
Collections and works of art	8,757	9,183	n/a
Construction in progress	75,087	38,821	n/a
	<u>2,567,698</u>	<u>2,475,899</u>	
Less accumulated depreciation	<u>(1,060,872)</u>	<u>(996,686)</u>	
	<u>\$ 1,506,826</u>	<u>1,479,213</u>	

At June 30, 2017, the University had outstanding contractual commitments of \$30,275,152 for building and renovation projects. Major projects in construction in progress are related to Academy Street Dining and Residence Hall amounting to \$49,317,000 as of June 30, 2017.

**(8) Asset Retirement Obligations**

The University has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities. When an asset retirement obligation is identified, the University records the fair value of the obligation as a liability. The liability is accreted to its present value and accretion expense is recognized. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the period of expected remediation.

The University had asset retirement obligations of \$21,291,000 and \$21,123,000 as of June 30, 2017 and 2016, respectively, which is included in other liabilities on the accompanying consolidated balance sheets. The following table reconciles the obligation as of June 30, 2017 and 2016 (in thousands):

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 21,123	20,472
Additional obligations incurred	58	—
Obligations settled in current period	(750)	(460)
Changes in estimates, including timing	257	528
Accretion expense	603	583
Balance at end of year	<u>\$ 21,291</u>	<u>21,123</u>

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**(9) Long-Term Debt and Capital Leases**

Indebtedness at June 30, 2017 and 2016 consisted of the following (in thousands):

	Fiscal years of maturity	Interest rate(s)%	Outstanding principal	
			2017	2016
Variable-rate debt:				
Series 2004B	2035	3.73	\$ 32,185	32,185
Series 2005	2036	4.32	32,925	32,925
Series 2013C	2038	4.15	57,475	57,475
Blue Hen Hotel LLC bonds	2028	6.05	7,050	7,500
Variable-rate debt			<u>129,635</u>	<u>130,085</u>
Fixed-rate bonds:				
Series 2009B	2027	3.00–5.00	28,645	33,155
Series 2010A Taxable (BABs)	2041	3.95	119,580	119,580
Series 2010B Taxable	2020	2.69–3.80	6,845	8,990
Series 2013A	2034	3.00–5.00	73,535	79,660
	2044	5.00	27,825	27,825
Series 2013B Taxable	2027	1.12–3.00	7,430	8,100
	2034	3.83	6,770	6,770
	2044	3.98	13,555	13,555
Series 2015	2036	4.00–5.00	25,060	25,060
	2041	5.00	11,385	11,385
	2046	5.00	14,625	14,625
Fixed-rate debt			<u>335,255</u>	<u>348,705</u>
Capital leases	2021–2043	3.68–4.11	<u>31,930</u>	<u>33,271</u>
			496,820	512,061
Premium on long-term debt, net of debt issue			<u>27,390</u>	<u>28,262</u>
Long-term debt and capital leases			<u>\$ 524,210</u>	<u>540,323</u>

The bonds in the preceding table were primarily issued to finance capital projects associated with auxiliary services and are secured by a pledge of gross revenue received by the University from the operations of all project facilities including housing, dining, parking, and other revenue-producing facilities and mandatory student fees. All variable-rate debt referenced are subject to fixed-rate interest rate swap agreements and the corresponding interest rates for each issue includes the swap rate, credit costs, and remarketing fee.

The 2004B and 2005 bonds initially bear interest at a daily rate and can be converted to bear interest at a weekly, flexible, term, or fixed rate to maturity. The daily rate of interest on June 30, 2017 was 0.78% and 0.78%, respectively.

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The Series 2010A Taxable Revenue Bonds are Build America Bonds and the University receives payments from the U.S. Treasury equal to 32.6% of the corresponding interest payable on the bonds (the Subsidy Payments). For the year ended June 30, 2017, the University received Subsidy Payments of \$2,281,000, which are included in other revenue. The bonds are subject to mandatory redemption from November 1, 2028 through November 1, 2040, but are subject to optional redemption and tender for purchase prior to maturity.

The 2013C bonds were converted from a term rate to bear interest at a daily rate on May 1, 2016. The bonds can be converted to bear interest at a weekly, flexible, term, or fixed rate to maturity. The daily rate of interest on June 30, 2017 was 0.88%.

The Blue Hen Hotel, LLC bonds, which are guaranteed by the University, bear interest at a weekly rate, and can be converted to bear interest at a daily, flexible, term, or fixed rate to maturity. The weekly rate of interest on June 30, 2017 was 1.49%. On July 6, 2017, the Blue Hen Hotel LLC bonds were mandatorily tendered, repaid in full, and are no longer outstanding from that day forward. The University will continue to service the outstanding swap agreement associated with this debt (see note 10).

The rate ranges shown on the fixed-rate bonds depict the varying interest rate ranges of the serial bonds for those respective series through the fiscal year of maturity listed.

The University's debt agreements require that the University meet certain financial and other covenants. The University was in compliance with these covenants as of June 30, 2017.

The University has obligations under capital leases with annual lease payments ranging from \$900,000 to \$1,998,000. As of June 30, 2017, the gross amount of assets and accumulated depreciation thereon accounted for as capital leases amounted to \$46,017,000 and \$9,638,000, respectively.

The aggregate amount of principal payments on the University's long-term debt and capital leases are due as follows (in thousands):

2018	\$	16,466
2019		13,673
2020		11,935
2021		14,453
2022		13,548
Thereafter		<u>426,745</u>
	\$	<u><u>496,820</u></u>

The University entered into a contract on May 1, 2017 to lease space at the STAR campus. The annual lease payment due from 2018 through 2022 is \$1,905,000.

The University has Standby Bond Purchase Agreements (SBPA) for the Series 2004B, 2005, and 2013C variable-rate demand bonds to provide liquidity for the purchase of the bonds should the remarketing agent



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be unable to sell the bonds on the open market. The SBPAs provide for the banks to purchase any outstanding bonds not remarketed for a period of up to 90 days at variable interest rates as defined in the SBPAs. The SBPAs for the Series 2004B, 2005, and 2013C bonds expire on April 5, 2018, May 31, 2021, and April 30, 2019, respectively. An SBPA also exists for the Blue Hen Hotel LLC bonds and expires on December 31, 2016.

**(10) Interest Rate Swap Agreements**

The University has interest rate swap agreements for notional amounts of approximately \$133,235,000 as of June 30, 2017 (in thousands):

	<u>Balance sheet location</u>	<u>Location of gain (loss)</u>		<u>Fair value 2017</u>	<u>Fair value 2016</u>	<u>Amount of gain (loss)</u>	
						<u>2017</u>	<u>2016</u>
Interest rate swap agreements	Other liabilities	Other, net	\$	25,415	37,398	11,983	(10,593)

A portion of the total interest rate swap liabilities reported on the consolidated balance sheet contains provisions that require the University's debt and the counterparty to maintain an investment grade credit rating from one or both of the major credit rating agencies. A downgrade of the University or the counterparty's rating may require that party to provide collateralization above a predetermined threshold on all rate swaps in net liability positions. To date, the University has not posted collateral.

**(11) Employee Benefit Plans**

**(a) University Pension Plans – Defined Contribution**

The University's 403(b) Retirement Savings Plan is available to substantially all faculty and professional employees. The University's contribution for this program is fixed at 11% of annual base salary for eligible employees who contribute a minimum of 4% of their annual salary. The policy of the University is to pay its share of the cost accrued in connection with the University Retirement Savings Plan. As a result, there are no unfunded benefits. Pension plan expense for the University's 403(b) Retirement Savings Plan was \$30,482,000 in 2017 and \$29,477,000 in 2016.

In addition, the University also offers two additional voluntary retirement benefit plans:

The Voluntary 403(b) Retirement Plan is available to all eligible full-time and part-time employees who wish to make additional contributions to their retirement savings. Participation is voluntary and does not require a minimum contribution. The University makes no contributions to this plan, incurs no expense for the operation of this plan, and has no unfunded liability.

The Voluntary 457(b) Deferred Compensation Plan is available to all eligible full-time and part-time employees who are already making the maximum allowable contribution to the Voluntary 403(b) Retirement Plan and wish to make additional contributions to their retirement savings. The University makes no contributions to this plan, incurs no expense for the operation of this plan, and has no unfunded liability.

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**(b) Faculty Retirement**

Faculty members subject to the current collective bargaining agreement (CBA) that expires on June 30, 2021 who qualify for retirement can elect certain additional benefits upon notice of their retirement from the University. These benefits may include a combination of retirement leave or phased retirement, and a lump-sum payment based upon years of service and salary level. Faculty retirement benefits are funded by the University on a pay-as-you-go basis.

For the years ended June 30, 2017 and 2016, the University recognized service costs related to this plan of \$5,314,000 and \$4,511,000, respectively. Postemployment costs other than service costs was \$8,659,000 in 2017 and \$6,171,000 in 2016. The University's estimated unfunded obligation related to this plan is \$69,112,000 and \$99,542,000, respectively, and is included in postemployment benefit obligations on the consolidated balance sheets as of June 30, 2017 and 2016. Amendments to the CBA effective May 18, 2017 resulted in a \$36,941,000 decrease in postemployment benefit obligations in fiscal year 2017.

The benefit obligation was determined using a discount rate of 3.62% as of June 30, 2017 and 3.75% as of June 30, 2016, and a rate of compensation increase between 2.00% and 3.00%. As of June 30, 2017, the University's expected future benefit payments for fiscal years 2018 through 2022 are \$9,279,000, \$8,903,000, \$8,890,000, \$6,961,000, and \$4,280,000, respectively.

**(c) Postemployment**

The University also provides postemployment benefits primarily for medical insurance to retired employees who are not eligible under the State Plan, as described below. The University recognizes the funded status (i.e., the difference between the fair value of plan assets and the accumulated postemployment benefit obligation) of its postemployment benefit plan in the consolidated balance sheets. Also, the University measures the fair value of plan assets and benefit obligations as of the date of the fiscal year-end consolidated balance sheets. As of June 30, 2017, the University has not funded these benefits.

Net periodic postemployment benefit cost for 2017 and 2016 includes the following components (in thousands):

	2017	2016
Operating expenses		
Service cost	\$ 17,923	13,214
Nonoperating costs		
Interest cost	18,974	17,252
Amortization of unrecognized loss	7,681	3,619
	26,655	20,871
Net periodic postemployment benefit cost	\$ 44,578	34,085

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The accumulated postemployment benefit obligation recognized in the consolidated balance sheets at June 30, 2017 and 2016 is as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Accrued postemployment liability	\$ 326,715	290,330
Unrecognized net loss	<u>154,583</u>	<u>138,362</u>
Accumulated postemployment benefit obligation	<u>\$ 481,298</u>	<u>428,692</u>

Changes in the accumulated postemployment plan benefit obligation and funding status for 2017 and 2016 are as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Benefit obligation at beginning of year	\$ 428,692	343,220
Service cost	17,923	13,214
Interest cost	18,974	17,252
Amortization of unrecognized loss	7,681	3,619
Actuarial loss	16,221	58,352
Disbursements	<u>(8,193)</u>	<u>(6,965)</u>
Benefit obligation at end of year	<u>481,298</u>	<u>428,692</u>
Fair value of plan assets at beginning of year	—	—
Employer contributions	8,193	6,965
Benefits paid	<u>(8,193)</u>	<u>(6,965)</u>
Fair value of plan assets at end of year	<u>—</u>	<u>—</u>
Funded status at end of year – liability included in other postemployment benefit obligations on the consolidated balance sheets	<u>\$ 481,298</u>	<u>428,692</u>

The accumulated postemployment benefit obligation was determined using a discount rate of 4.22% and 4.24% in 2017 and 2016, respectively. The healthcare cost trend rates used reflect the differences between pre-65 and post-65 claims were 7.50% and 8.00%, respectively, in 2017, and 6.80% and 7.75%, respectively, in 2016. This rate gradually decreases to 4.50% by the year 2025 for pre-65 and by the year 2026 for post-65 claims.

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The impact of a one-percentage-point change in the assumed healthcare cost trend rate, while holding all other assumptions constant, would be as follows (in thousands):

	<b>Increase</b>	<b>Decrease</b>
Effect on service cost and interest cost components of net periodic postemployment benefit cost	\$ 10,216	(7,513)
Effect on benefit obligation as of June 30, 2017	104,847	(80,497)

At June 30, 2017, the University's expected future benefit payments for future service are as follows (in thousands):

Year ending June 30:		
2018	\$	10,747
2019		11,711
2020		12,842
2021		14,510
2022		15,829
2023 through 2027		99,454

**(d) Participation in State Retirement Plans**

Salaried and hourly staff employees participate in the Delaware State Employees' Pension Plan (the State Plan), a cost sharing defined-benefit plan. The State Plan (established in 1970), is one of nine plans encompassed within the Delaware Public Employees' Retirement System (<http://www.delawarepensions.com/FinancialReports/AnnualFinancialReports.shtml>). Under the state pension statute, a mandatory pretax contribution of 5% of salary (or 3% if pension-creditable service began prior to January 1, 2012) in excess of \$6,000 per year plus 5% of salary in excess of the social security wage base is required, by the employee (pension). In addition to these retirement benefits, salaried and hourly staff employees also receive postemployment healthcare benefits through the State Plan, which are funded by the State on a pay-as-you-go basis (OPEB).

The University is required to pay its share of the annual premium accrued in connection with the State Plan (inclusive of Pension and OPEB), which is based upon a percentage of covered payroll. The percentage of covered payroll was 22.28% in 2017 and 21.16% in 2016. Expense recognized for the State Plan was \$13,090,000 and \$12,323,000 in 2017 and 2016, respectively.

The State Plan for Pension financial statements and actuarial reports for June 30, 2016 (most recent available) indicate the following:

- The University has 1,324 active participants in the State Plan for Pension. The State Plan for Pension, in total, has 67,304 participants, 36,198 of which are active participants.

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- The University's contribution to the State Plan for pension in fiscal year June 30, 2016 of \$5,428,000 was approximately 2.97% of the \$182,707,000 total annual required plan employer contributions to the plan.
- At June 30, 2016, the State Plan for Pension had an 89.0% funded ratio of the actuarial accrued liability.
- The funding objective of the State Plan for Pension is to establish contribution rates that, over time, will remain level as a percent of payroll. The contribution rate was developed to provide for current cost (i.e., normal cost expressed as a level percent of payroll) plus level percent of payroll amortizations of each layer of the unfunded liability over a specified period. The participant organizations to the State Plan for Pension have consistently funded the full amounts required based on the actuarial valuations and specific statutory provisions.

As disclosed in the State of Delaware's Consolidated Annual Financial Report for the year ended June 30, 2016 (most recent available), the State Plan for OPEB as of June 30, 2016 indicated the State had an unfunded actuarial accrued liability of \$7,150,000. The University's contribution to the State Plan for OPEB in fiscal year June 30, 2016 of \$5,487,000 was approximately 2.5% of the \$219,700,000 total annual required employer contributions to the plan.

#### **(e) Participation in Other State Benefits**

The University maintains health insurance benefits for its employee base through the State of Delaware. Premiums are established annually by the State, based upon employee elections for coverages. The University remits premiums monthly to the State. Depending on the plan selected by the employee, premiums are funded 86.75% to 96.00% by the University and 4.00% to 13.25% by employee contributions. Medical insurance expense for 2017 and 2016 was \$61,729,037 and \$56,452,000, respectively.

#### **(12) Net Assets**

Temporarily restricted net assets include the following at June 30, 2017 and 2016 (in thousands):

	<u>2017</u>	<u>2016</u>
Contributions receivable	\$ 12,687	16,580
Contributions restricted for buildings	2,550	789
Annuity and life-income funds	467	684
Accumulated gains on permanent endowment funds	612,384	546,970
Other time and purpose restrictions	31,926	28,089
	<u>\$ 660,014</u>	<u>593,112</u>

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Permanently restricted net assets include the following at June 30, 2017 and 2016 (in thousands):

	<u>2017</u>	<u>2016</u>
Contributions receivable	\$ 14,296	13,775
Permanent loan funds	368	357
Annuity and life-income funds	1,091	349
Funds held in trust by others	74,131	69,072
Permanent endowment funds	<u>329,952</u>	<u>322,731</u>
	<u>\$ 419,838</u>	<u>406,284</u>

Generally, the donors of these assets permit the University to use all or part of the income earned and net appreciation on related investments for general or specific purposes, such as scholarships, faculty salaries, or other operational support.

**(13) Endowment**

The University endowment consists of approximately 1,100 individual funds established for a variety of purposes. The endowment funds are subdivided into appropriate net asset classifications. The permanently restricted endowment funds represent gifts with a stipulation by the donor that the principal not be expended. Board-designated temporarily restricted and unrestricted endowment funds represent funds where there is no requirement to maintain the principal.

**(a) Interpretation of Relevant Law**

Based upon its interpretation of the provisions of the State's enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the University classifies the portion of donor-restricted endowment funds that is not classified as permanently restricted net assets as temporarily restricted net assets, unless it has previously been appropriated for use by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. At the time of appropriation by the University, and providing there are no additional purpose restrictions in place, the temporarily restricted net assets will be reclassified to unrestricted net assets. The University classifies as permanently restricted net assets the historical cost value of the original donor-restricted endowment.

**(b) Return Objectives and Risk Parameters**

The University has adopted investment and spending policies for endowment funds that attempt to provide in perpetuity financial support of the University's educational goals. Toward that end, the University's Board of Trustees, Investment Visiting Committee, and administration have a shared mission to maximize the endowment fund's total return consistent with the University's prudent investment risk constraints. Endowment funds include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy approved by the Board of Trustees, the endowment funds are invested in a manner that is intended to achieve an average annual real return of at least 5% over time while assuming an acceptable level of investment risk. Actual returns in any year may vary from that amount. To monitor

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the effectiveness of the investment strategy of endowment funds, performance goals are established and monitored related to benchmark indices and returns earned by comparable endowment funds.

#### **(c) Investment Strategy**

To satisfy its long-term rate of return objectives, the University employs a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The University's investment policy includes a target asset allocation, well diversified among suitable asset classes, that is expected to generate, on average, the level of expected return necessary to meet endowment objectives while assuming a level of risk (volatility) consistent with achieving that return.

#### **(d) Spending Policy**

In accordance with the State's enacted version of 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; and (7) the investment policies of the University.

The University endowment spending policy guidelines target an annual distribution in the range of 4.0% to 5.0% of the endowment pooled portfolio average market value over the 12 trailing quarters through December 31 of the year prior to the new fiscal year. The actual rate is set annually by the Board of Trustees, and was 4.15% and 4.30% at June 30, 2017 and 2016, respectively.

In establishing this policy, the University considered the long-term expected return on its funds. Accordingly, over the long-term, the University expects the current spending policy to allow its endowment to grow at a rate in excess of inflation. This is consistent with the University's objective to maintain the purchasing power of the endowment funds held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

#### **(e) Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift amount maintained as permanently restricted net assets. There were no significant deficiencies of this nature as of June 30, 2017 and 2016. Such deficiencies would be recorded in unrestricted net assets. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level would be classified as an increase in unrestricted net assets.

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**(f) Net Asset Classification of Endowment Funds**

Endowment net assets by type of fund consist of the following as of June 30, 2017 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor restricted	\$ —	611,256	329,952	941,208
Board designated	347,589	1,128	—	348,717
	<u>\$ 347,589</u>	<u>612,384</u>	<u>329,952</u>	<u>1,289,925</u>

Net asset composition by type of fund consists of the following as of June 30, 2016 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor restricted	\$ —	545,937	322,731	868,668
Board designated	323,017	1,033	—	324,050
	<u>\$ 323,017</u>	<u>546,970</u>	<u>322,731</u>	<u>1,192,718</u>

Board-designated temporarily restricted net assets represent the income on restricted gifts to the University that the Board of Trustees has designated as endowment, but which cannot reasonably be expended within a year. As of June 30, 2017 and 2016, the amount of temporarily restricted endowment net assets, which may be used for purposes of the University as determined by the Board of Trustees, was \$417,803,000 and \$383,676,000, respectively. Additionally, \$193,453,000 and \$162,261,000 as of June 30, 2017 and 2016, respectively, is determined to be with purpose restrictions as set forth by the donors.

Changes in endowment net assets for the years ended June 30, 2017 and 2016 (in thousands) are as follows:



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	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2015 \$	339,500	622,899	312,293	1,274,692
Investment return:				
Investment income	16,787	—	—	16,787
Net depreciation – realized and unrealized	<u>(27,737)</u>	<u>(30,713)</u>	<u>(2,792)</u>	<u>(61,242)</u>
Total investment return	(10,950)	(30,713)	(2,792)	(44,455)
Contributions	—	—	9,696	9,696
Endowment spending distribution	(13,728)	(36,742)	—	(50,470)
Other changes, including life income fund and other transfers	<u>8,195</u>	<u>(8,474)</u>	<u>3,534</u>	<u>3,255</u>
Endowment net assets, June 30, 2016	<u>323,017</u>	<u>546,970</u>	<u>322,731</u>	<u>1,192,718</u>
Investment return:				
Investment income	4,358	11,801	—	16,159
Net appreciation (depreciation) – realized and unrealized	<u>33,773</u>	<u>91,010</u>	<u>(40)</u>	<u>124,743</u>
Total investment return	38,131	102,811	(40)	140,902
Contributions	187	19	6,547	6,753
Endowment spending distribution	(13,936)	(37,403)	—	(51,339)
Other changes, including life income fund and other transfers	<u>190</u>	<u>(13)</u>	<u>714</u>	<u>891</u>
Endowment net assets, June 30, 2017 \$	<u>347,589</u>	<u>612,384</u>	<u>329,952</u>	<u>1,289,925</u>

**(14) Scholarship Allowance**

The University provides financial assistance to eligible students to partially offset the direct costs of tuition, on-campus housing, and meal contracts. These scholarship allowances are presented as a reduction of tuition and fees.

Scholarships are funded from unrestricted resources, as well as funds from donors, federal and state governments, and endowment income restricted to use for student financial assistance.

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The table below identifies this financial assistance by source and by student classification for the years ended June 30, 2017 and 2016 (in thousands):

	2017			2016		
	Undergraduate	Graduate	Total	Undergraduate	Graduate	Total
Tuition:						
Unrestricted	\$ 72,776	57,980	130,756	70,500	56,382	126,882
Federal grants	714	1,099	1,813	700	1,335	2,035
State grants	11,081	368	11,449	10,913	72	10,985
Private gifts	2,284	1,938	4,222	2,851	669	3,520
Endow ment	3,935	172	4,107	4,091	92	4,183
Total	90,790	61,557	152,347	89,055	58,550	147,605
Student aid expenses	3,270	3,964	7,234	2,797	3,975	6,772
Total	\$ 94,060	65,521	159,581	91,852	62,525	154,377

**(15) Related-Party Transactions**

The University may, from time to time, do business with companies that may be associated, either directly or indirectly, with members of the University's Board of Trustees or senior management. Although not material, the University believes that these transactions are executed on terms comparable to those available from unrelated parties and are in the best interest of the University.

**(16) Contingencies**

The University is party to certain claims and litigation arising in the ordinary course of business. In the opinion of management, the resolution of such claims and litigation will not materially affect the University's consolidated balance sheet, statement of activities, or cash flows.

**(17) Subsequent Events**

In connection with the preparation of the consolidated financial statements, the University evaluated subsequent events after the consolidated balance sheet date of June 30, 2017 through November 10, 2017, which was the date the consolidated financial statements were issued, and determined no additional disclosures are required.

**University of Delaware**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2017**

Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Research and Development Cluster</b>				
<b>Direct</b>				
<b>U.S. Department of Agriculture</b>				
Agricultural Research Basic and Applied Research	10.001		\$ —	\$ 475,793
Plant and Animal Disease, Pest Control, and Animal Care	10.025		—	51,729
Federal-State Marketing Improvement Program	10.156		—	33,608
Cooperative Forestry Research	10.202		—	168,426
Agricultural Experiment Stations under the Hatch Act	10.203		—	1,735,759
Animal Health and Disease Research	10.207		—	8,357
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210		20,252	102,299
Higher Education Challenge Grants	10.217		27,435	122,771
Agricultural and Rural Economic Research	10.250		263,325	339,491
Specialty Crop Research Initiative	10.309		109,043	320,200
Agriculture and Food Research Initiative (AFRI)	10.310		1,488,980	3,391,694
Forest Health Protection	10.680		—	16
Partnership Agreements	10.699		—	12,780
Environmental Quality Incentives Program	10.912		—	5,260
Various	10.RD		—	146,562
Subtotal: U.S. Department of Agriculture			<u>1,909,035</u>	<u>6,914,745</u>
<b>Pass-Through</b>				
<b>U.S. Department of Agriculture</b>				
Maryland, University of	10.001	38503-Z5447001	—	34,713
Delaware Department of Agriculture	10.170	SCBGP-FB-16-05	—	10,010
Delaware Department of Agriculture	10.170	SCBGP-FB-14-01	—	22,554
Delaware Department of Agriculture	10.170	SCBGP-FB-14-03	—	13,013
Delaware Department of Agriculture	10.170	SCBGP-FB-14-08	—	11,509
Subtotal for CDFA No. 10.170			<u>—</u>	<u>57,086</u>
Rutgers, State University of New Jersey	10.200	5956-NER16F&B-VANGESSEL	—	19,000
Step Analysis, LLC	10.212	USDA-NIFA-SBIR-004418	—	8,826
Vermont, University of	10.215	GNE 15-111-29001A	—	10,661
Delaware State University	10.216	14-003HEH	—	24,766
Maryland, University of	10.216	2012-20515-UDE	—	25,731
Subtotal for CDFA No. 10.216			<u>—</u>	<u>50,497</u>
Kansas State University	10.250	S17058a	—	6,537
Pennsylvania State University	10.303	5224-UD-USDA-2521	—	16,842
Cornell University	10.304	67826-9927	—	103
Cornell University	10.304	80289-10771	—	7,347
Subtotal for CDFA No. 10.304			<u>—</u>	<u>7,450</u>
Maryland, University of	10.309	Z546701	—	75,422
Texas A & M University	10.309	06-S150658	—	40,330
Subtotal for CDFA No. 10.309			<u>—</u>	<u>115,752</u>
Albany State University	10.310	ASU-2016-0002	—	11,386
Arkansas, University of	10.310	UA AES 91134-01	—	15,580
Johns Hopkins University	10.310	17A00016	—	1,915
Maine, University of	10.310	UMS-1009	—	101,483

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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Maryland, University of	10.310	36692-Z5782002	\$ —	\$ 174,348
Nebraska, University of	10.310	25-6239-0235-307	—	115,787
North Carolina State University	10.310	2011-0494-15	—	65,220
Temple University	10.310	240245-UDel	—	37,927
Temple University	10.310	242673-02-UD	—	76,323
The Ohio State University	10.310	60045862	—	87,799
Wholesome Wave	10.310	FINI-1	—	111,329
Subtotal for CDFA No. 10.310			—	<u>799,097</u>
Delaware Dept of Health & Social Service	10.557	16-157	—	8,885
Delaware Dept of Health & Social Service	10.557	16-163	—	33,216
Delaware Dept of Health & Social Service	10.557	17-212	—	41,526
Delaware Dept of Health & Social Service	10.557	17-235	—	14,826
Subtotal for CDFA No. 10.557			—	<u>98,453</u>
National Fish & Wildlife Foundation	10.912	0601.14.044706	—	20,669
Cornell University	10.RD	73984-10401	—	9,874
Wholesome Wave	10.RD	FINI-2	—	18,244
Wholesome Wave	10.RD	FINI-NYC	—	13,576
Subtotal for CDFA No. 10.RD			—	<u>41,694</u>
Subtotal: U.S. Department of Agriculture			—	<u>1,287,277</u>
<b>Total: U.S. Department of Agriculture</b>			<u>1,909,035</u>	<u>8,202,022</u>
<b>Direct</b>				
<b>U.S. Department of Commerce</b>				
Sea Grant Support	11.417		2,764	1,379,621
Climate and Atmospheric Research	11.431		—	52,972
Unallied Management Projects	11.454		9,915	47,352
Cooperative Science and Education Program	11.455		—	15,454
Meteorologic and Hydrologic Modernization Development	11.467		136,541	295,302
Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	11.478		—	546,337
Measurement and Engineering Research and Standards	11.609		—	2,976,776
Arrangements for Interdisciplinary Research Infrastructure	11.619		—	1,402,144
Subtotal: U.S. Department of Commerce			<u>149,220</u>	<u>6,715,958</u>
<b>Pass-Through</b>				
Friends of Thunder Bay National Marine	11.011	16A00890	—	20,936
Rutgers, State University of New Jersey	11.012	5928	—	78,336
Rutgers, State University of New Jersey	11.012	5934	—	59,073
Rutgers, State University of New Jersey	11.012	S1570029	—	17
Southeast Coastal Ocean Observing	11.012	IOOS.11(033)UDEL.WC.OA.5	—	3,765
Southeast Coastal Ocean Observing	11.012	IOOS.16(028)UDEL.WC.OA.1	—	97,449
Subtotal for CDFA No. 11.012			—	<u>238,640</u>
Delaware Department of Natural Resources	11.419	15A01430	—	3,545
Delaware Department of Natural Resources	11.419	16A01331	—	6,157
Delaware Department of Natural Resources	11.419	16A01519	—	8,500
Delaware Department of Natural Resources	11.419	17A00258	—	6,000

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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Delaware Department of Natural Resources	11.419	17A00832	\$ —	\$ 25,395
Delaware Department of Natural Resources	11.419	17A01165	—	12,097
Friends of GTM Reserve	11.419	16A00945	—	1,027
Subtotal for CDFA No. 11.419			—	62,721
Delaware Department of Natural Resources	11.420	16A01596	—	34,111
Delaware Department of Natural Resources	11.420	297998	—	4
Subtotal for CDFA No. 11.420			—	34,115
Massachusetts, University of	11.609	S57100000026209	—	(981)
Massachusetts, University of	11.619	S51700000029488	—	28,137
Optofluidics, Inc	11.620	Opto_001	—	2,294
Nebraska, University of	11.RD	26-0521-0129-003	—	152,509
Subtotal: U.S. Department of Commerce			—	538,371
<b>Total: U.S. Department of Commerce</b>			<b>149,220</b>	<b>7,254,329</b>
<b>Direct</b>				
<b>U.S. Department of Defense</b>				
Basic and Applied Scientific Research	12.300		47,607	1,629,313
Basic Scientific Research – Combating Weapons of Mass Destruction	12.351		28,694	217,288
Military Medical Research and Development	12.420		1,407,859	4,258,579
Basic Scientific Research	12.431		—	1,178,000
Basic, Applied, and Advanced Research in Science and Engineering	12.630		—	121,125
Air Force Defense Research Sciences Program	12.800		115,848	817,469
Research and Technology Development	12.910		1,264,789	3,502,733
Various	12.RD		—	2,606,642
Subtotal: U.S. Department of Defense			<b>2,864,797</b>	<b>14,331,149</b>
<b>Pass-Through</b>				
Composites Automation LLC	12.300	2016-0001 UD-CCM	—	21,000
Composites Automation LLC	12.300	2016-0002 UD-CCM	—	22,594
Drexel University	12.300	840002	—	71,887
Oregon State University	12.300	N0301A-B	—	113,111
Woods Hole Oceanographic Institute	12.300	A100750	—	116,578
Woods Hole Oceanographic Institute	12.300	A100848	—	174,360
Subtotal for CDFA No. 12.300			—	519,530
Delaware Army National Guard	12.401	17A01494	—	1,656
California-San Francisco, University of	12.420	8398	53,476	53,477
Michigan, University of	12.420	3003497403	—	7,473
Michigan, University of	12.420	3003497403 YR2	—	135,656
Subtotal for CDFA No. 12.420			53,476	196,606
Brown University	12.431	00000819	—	378,323
Michigan, University of	12.431	3002780062	—	83,756
Minnesota, University of	12.431	A004135003	—	151,167
New Mexico, University of	12.431	271413-87J5	—	169,411
Subtotal for CDFA No. 12.431			—	782,657

**University of Delaware**  
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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Delaware State University	12.630	11-006JNA	\$ —	\$ 127,356
Green Dynamics, Inc.	12.630	DMDII-14-01-06	—	37,580
Johns Hopkins University	12.630	2001518468	6,947	6,948
Johns Hopkins University	12.630	2001518468 CLIN-5.17	64,617	355,786
Johns Hopkins University	12.630	20015-18468-CLIN 5	276,894	644,906
Subtotal for CDFA No. 12.630			<u>348,458</u>	<u>1,172,576</u>
Chip Design Systems	12.800	15A00829	—	479,581
Lumilant, Inc.	12.800	15A01061	—	33,402
Lumilant, Inc.	12.800	16A00970	—	5,399
Phase Sensitive Innovations, Inc.	12.800	16A00519	—	33,983
Rice University	12.800	R17536	—	139,340
Texas at Austin, University of	12.800	UTA16-001296	—	47,216
Subtotal for CDFA No. 12.800			<u>—</u>	<u>738,921</u>
Aerojet Rocketdyne	12.RD	200038862	—	34,128
BBN Technologies	12.RD	9500013017	—	43,954
BBN Technologies	12.RD	PO# 9500009858	—	45,255
Chip Design Systems	12.RD	16A00055	—	102,713
Chip Design Systems	12.RD	16A00056	—	79,512
Chip Design Systems	12.RD	16A00869	—	100,775
Composites Automation LLC	12.RD	2017-0001 UD-CCM	—	34,025
Composites Automation LLC	12.RD	2017-0002 UD-CCM	—	16,723
DIAPedia, LLC	12.RD	17A00289	—	6,531
General Technical Services, LLC	12.RD	15-S-15-030	—	101,252
General Technical Services, LLC	12.RD	GTS-S-17-013	—	41,265
Iowa, University of	12.RD	14A00058	—	82,958
Johns Hopkins University	12.RD	133104	—	65,829
Lawrence Livermore National Laboratory	12.RD	B619636	—	87,391
Lumilant, Inc.	12.RD	15A00642	—	127,886
Lumilant, Inc.	12.RD	16A01142	—	86,720
New Jersey Institute of Technology	12.RD	NP 996426	—	6,297
New York University	12.RD	13-A0-00-001975-01	—	95,508
Phase Sensitive Innovations, Inc.	12.RD	15A01014	—	25,091
Phase Sensitive Innovations, Inc.	12.RD	S-124-001-002	—	39,116
Seton Hall University	12.RD	16A00481	—	7,813
Synectic Research & Analysis, Inc	12.RD	SRA SA-17-001	—	3,790
Washington University, St Louis	12.RD	Wu-16-178	—	5,663
Subtotal for CDFA No. 12.RD			<u>—</u>	<u>1,240,195</u>
Subtotal: U.S. Department of Defense			<u>401,934</u>	<u>4,652,141</u>
<b>Total: U.S. Department of Defense</b>			<u>3,266,731</u>	<u>18,983,290</u>
<b>Pass-Through</b>				
<b>U.S. Department of Housing and Urban Development</b>				
Honeywell International	14.RD	3501884528	—	72,950
<b>Total: U.S. Department of Housing and Urban Development</b>			<u>—</u>	<u>72,950</u>

University of Delaware  
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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Direct</b>				
<b>U.S. Department of Interior</b>				
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423		\$ 71,378	\$ 107,147
Migratory Bird Joint Ventures	15.637		—	11,966
Migratory Bird Monitoring, Assessment and Conservation	15.655		—	17,905
National Fish and Wildlife Foundation	15.663		—	37,012
Hurricane Sandy Disaster Relief Activities – FWS	15.677		—	173,939
Assistance to State Water Resources Research Institutes	15.805		—	79,363
U.S. Geological Survey Research and Data Collection	15.808		—	35,032
Cooperative Research and Training Programs – Resources of the National Park System	15.945		—	141,574
Various	15.RD		—	64,796
Subtotal: U.S. Department of Interior			<u>71,378</u>	<u>668,734</u>
<b>Pass-Through</b>				
Delaware Department of Natural Resources	15.634	309800	—	53,584
Connecticut, University of	15.677	69879	—	77,278
Delaware Department of Natural Resources	15.677	15A00065	—	150,491
Maine, University of	15.677	UM-S989	—	135,996
Subtotal for CDFA No. 15.677			<u>—</u>	<u>363,765</u>
AmericaView	15.815	AV15-DE01	—	5,000
New Castle County	15.904	16A00764	—	17,848
CALIBRE	15.RD	K0311-16-167	—	197,913
VA Department of Game & Inland Fisheries	15.RD	PR6865970	—	62,373
Subtotal for CDFA No. 15.RD			<u>—</u>	<u>260,286</u>
Subtotal: U.S. Department of Interior			<u>—</u>	<u>700,483</u>
<b>Total: U.S. Department of Interior</b>			<u>71,378</u>	<u>1,369,217</u>
<b>Pass-Through</b>				
<b>US Department of Justice</b>				
Maryland, University of	16.560	13207-Z9842001	—	24,122
Criminal Justice Council	16.609	2015-SN-Passthru-1390	—	18,883
<b>Total: U.S. Department of Justice</b>			<u>—</u>	<u>43,005</u>
<b>Direct</b>				
<b>U.S. Department of Transportation</b>				
Highway Research and Development Program	20.200		25,732	216,946
Federal Transit Technical Assistance	20.512		—	309,068
Clean Fuels	20.519		—	15,615
Various	20.RD		—	71,135
Subtotal: U.S. Department of Transportation			<u>25,732</u>	<u>612,764</u>
<b>Pass-Through</b>				
Delaware Department of Transportation	20.200	12A00269	—	490
Delaware Department of Transportation	20.200	13A01154	—	2
Delaware Department of Transportation	20.200	13A01197	—	241
Delaware Department of Transportation	20.200	13A01361	—	2,508

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Delaware Department of Transportation	20.200	TASK 30A-1717	\$ —	\$ 15,400
Delaware Department of Transportation	20.200	TASK 30B-1717	—	44,088
Delaware Department of Transportation	20.200	TASK 31-1717	—	12,990
Delaware Department of Transportation	20.200	TASK 35-1717	—	54,532
Delaware Department of Transportation	20.200	TASK 36-1717	—	5,314
Delaware Department of Transportation	20.200	TASK 39-1717	—	47,431
Delaware Department of Transportation	20.200	TASK 41-1717	—	59,667
Delaware Department of Transportation	20.200	TASK 51-1717	—	3,682
Delaware Department of Transportation	20.200	TASK 52-1717	—	15,958
Delaware Department of Transportation	20.200	TASK 64-1717	—	11,625
Delaware Department of Transportation	20.200	TASK 67-1717	—	7,891
Lehigh University	20.200	542621-78002	—	7,125
Subtotal for CDFA No. 20.000			—	288,944
Transportation Research Board	20.301	NCHRP-182	—	61,898
National Academy of Science	20.301	SAFETY-28A	—	64,550
Triad Railroad Consulting, LLC	20.301	15A01203	—	13,536
Subtotal for CDFA No. 20.301			—	139,984
Delaware Department of Transportation	20.515	1687-H	—	9,026
Delaware Department of Transportation	20.515	1739-1	—	96,129
Delaware Department of Transportation	20.515	1739-2	—	85,939
Delaware Department of Transportation	20.515	1739-3	—	24,364
Delaware Department of Transportation	20.515	1739-8	—	95,397
Delaware Department of Transportation	20.515	1739-9	—	133,005
Delaware Department of Transportation	20.515	1794-1	—	1,052
Delaware Department of Transportation	20.515	1794-2	—	3,597
Delaware Department of Transportation	20.515	1794-5	—	2,690
Delaware Department of Transportation	20.515	1794-9	—	2,690
Delaware Department of Transportation	20.515	TASK 16-1717	—	19,421
Delaware Department of Transportation	20.515	TASK 17-1717	—	5,225
Delaware Department of Transportation	20.515	TASK 18-1717	—	19,517
Delaware Department of Transportation	20.515	TASK 19-1717	—	54,137
Delaware Department of Transportation	20.515	TASK 26-1717	—	(14,739)
Delaware Department of Transportation	20.515	TASK 28-1717	—	62,317
Delaware Department of Transportation	20.515	TASK 33-1717	—	32,300
Delaware Department of Transportation	20.515	TASK 38-1717	—	30,570
Delaware Department of Transportation	20.515	TASK 40-1717	—	101,373
Delaware Department of Transportation	20.515	TASK 43-1717	—	74,611
Delaware Department of Transportation	20.515	TASK 44-1717	—	56,485
Delaware Department of Transportation	20.515	TASK 47-1717	—	81,552
Delaware Department of Transportation	20.515	TASK 48-1717	—	140,869
Delaware Department of Transportation	20.515	TASK 50-1717	—	3,516
Subtotal for CDFA No. 20.515			—	1,121,043
Nevada-Las Vegas, University of	20.701	17-22GL-01	—	62,132
Rutgers, State University of New Jersey	20.701	5232	—	238,927
Virginia, University of	20.701	GG11746 146799	—	238,930
Subtotal for CDFA No. 20.701			—	539,989



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National Academy of Science	20.RD	HR 12-100	\$ 4,189	\$ 12,721
National Ctr for Manufacturing Sciences	20.RD	201439-124015	—	7,434
Subtotal for CDFA No. 20.RD			<u>4,189</u>	<u>20,155</u>
Subtotal: U.S. Department of Transportation			<u>4,189</u>	<u>2,110,115</u>
<b>Total: U.S. Department of Transportation</b>			<u><u>29,921</u></u>	<u><u>2,722,879</u></u>
<b>Direct</b>				
<b>National Aeronautics and Space Administration</b>				
Aerospace Education Services Program	43.001		314,033	1,818,737
Space Operations	43.007		—	142,434
Education	43.008		37,252	707,836
Cross Agency Support	43.009		—	4,150
Various	43.RD		—	(4,359)
Subtotal: National Aeronautics and Space Administration			<u>351,285</u>	<u>2,668,798</u>
<b>Pass-Through</b>				
California-Berkeley, University of	43.001	00006185	—	10,451
Jet Propulsion Laboratory	43.001	1544122	—	33,821
Maryland Baltimore County, University of	43.001	16504	—	5,352
Massachusetts, University of	43.001	18802	—	57,653
Pennsylvania State University	43.001	5078-UD-NASA-M37G	—	2,062
Smithsonian Astrophysical Observatory	43.001	GO5-16011X	—	451
Smithsonian Astrophysical Observatory	43.001	TM3-14001A	—	8,955
Subtotal for CDFA No. 43.001			<u>—</u>	<u>118,745</u>
Southern California, University of	43.002	68797092	—	91,415
Delaware State University	43.008	16015HEH	—	3,481
Jet Propulsion Laboratory	43.RD	1287615	—	7,487
Jet Propulsion Laboratory	43.RD	1524391	—	2,065
Jet Propulsion Laboratory	43.RD	1568568	—	7,534
Southwest Research Institute	43.RD	D99031L	—	1,044
Space Science Institute	43.RD	15A01666	—	51,232
Space Telescope Science Institute	43.RD	HST-GO-12929.01-A	—	4,315
Space Telescope Science Institute	43.RD	HST-GO-13629.002-A	—	3,616
Space Telescope Science Institute	43.RD	HST-GO-14195.001-A	—	27,882
STF Technologies, LLC	43.RD	16A00967	—	37,881
Subtotal for CDFA No. 43.RD			<u>—</u>	<u>143,056</u>
Subtotal: National Aeronautics and Space Administration			<u>—</u>	<u>356,697</u>
<b>Total: National Aeronautics and Space Administration</b>			<u><u>351,285</u></u>	<u><u>3,025,495</u></u>
<b>Direct</b>				
<b>National Science Foundation</b>				
Engineering Grants	47.041		342,807	5,063,446
Mathematical and Physical Sciences	47.049		14,711	4,488,762
Geosciences	47.050		86,722	4,429,264
Computer and Information Science and Engineering	47.070		22,606	1,980,583
Biological Sciences	47.074		666,703	2,808,138

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Social, Behavioral, and Economic Sciences	47.075		\$ 67,017	\$ 462,860
Education and Human Resources	47.076		109,435	1,377,045
Polar Programs	47.078		(6,500)	463,675
International Science and Engineering (OISE)	47.079		2,947,907	5,341,362
Office of Integrative Activities	47.083		202,489	598,643
Various	47.RD		—	1,729,764
Subtotal: National Science Foundation			<u>4,453,897</u>	<u>28,743,542</u>
<b>Pass-Through</b>				
Arizona State University	47.041	12-726E	—	38,075
Arizona State University	47.041	17-097	—	310,251
George Mason University	47.041	E2041102	—	88,286
Jackson State University	47.041	2016-633196UD	—	127,723
Johns Hopkins University	47.041	2001929028	—	52,487
Maryland, University of	47.041	15060-Z4386001	—	42,225
Subtotal for CDFA No. 47.041			<u>—</u>	<u>659,047</u>
Arizona, University of	47.049	129153	—	4,735
Arizona, University of	47.049	335306	—	33,753
Colorado, University of	47.049	1552489	—	27,790
Minnesota, University of	47.049	00000524410	—	20,000
Subtotal for CDFA No. 47.049			<u>—</u>	<u>86,278</u>
Clemson University	47.050	1661-206-2009300	—	5,785
Georgia, University of	47.050	RR100-621/4944446	—	41,356
Massachusetts, University of	47.050	14-007985 A 00	—	93,309
Rhode Island, University of	47.050	0004450/081814	—	132,337
Southern California, University of	47.050	52455363	—	15,000
Wisconsin-Madison, University of	47.050	674K170	—	102,562
Subtotal for CDFA No. 47.050			<u>—</u>	<u>390,349</u>
Oak Ridge National Laboratory	47.070	4000154744	—	26,483
Yale University	47.070	C17D12536(D01898)	—	91,229
Subtotal for CDFA No. 47.070			<u>—</u>	<u>117,712</u>
Donald Danforth Plant Science Center	47.074	23902-D	—	116,671
Donald Danforth Plant Science Center	47.074	23905-D	—	604,518
Georgia, University of	47.074	RR100-635/4945536	—	34,206
Kentucky, University of	47.074	3048112549-16-028	—	34,937
Northern Arizona University	47.074	1003017-06	—	7,568
Samuel Robert Noble Foundation	47.074	2012-934-002	—	36,611
Subtotal for CDFA No. 47.074			<u>—</u>	<u>834,511</u>
Rutgers, State University of New Jersey	47.075	0079	—	2,301
University of Texas at Dallas	47.075	1503120	—	22,277
Subtotal for CDFA No. 47.075			<u>—</u>	<u>24,578</u>
Drexel University	47.076	820043	—	330,936
Franklin Institute Science Museum	47.076	12A00848	—	2,817
Maryland, University of	47.076	1239758-C	47,022	472,388
The University of Oklahoma	47.076	2016-23	—	3,975
Subtotal for CDFA No. 47.076			<u>47,022</u>	<u>810,116</u>

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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
National Academy of Science	47.079	2000005677	\$ —	\$ 46,229
Southern California, University of	47.083	72836732	—	31,214
Michigan, University of	47.RD	3004228393	—	18,707
Scalable Networking Technologies	47.RD	14A00591	—	18,852
Washington University, St Louis	47.RD	WU-16-17	—	52,157
Subtotal for CDFA No. 47.RD			—	89,716
Subtotal: National Science Foundation			47,022	3,089,750
<b>Total: National Science Foundation</b>			<b>4,500,919</b>	<b>31,833,292</b>
<b>Direct</b>				
<b>Small Business Administration</b>				
Small Business Development Center	59.037		—	(450)
<b>Total: Small Business Administration</b>			—	(450)
<b>Direct</b>				
<b>Department of Veterans Affairs</b>				
Various	64.RD		—	3,124
<b>Total: Department of Veterans Affairs</b>			—	3,124
<b>Direct</b>				
<b>U.S. Environmental Protection Agency</b>				
P3 Award: National Student Design Competition for Sustainability	66.516		—	13,367
Subtotal: U.S. Environmental Protection Agency			—	13,367
<b>Pass-Through</b>				
Delaware Department of Natural Resources	66.419	16A01070	—	15,958
National Fish & Wildlife Foundation	66.466	45161	—	85,709
Delaware Department of Natural Resources	66.RD	206240	—	99,546
Delaware Department of Natural Resources	66.RD	207198	—	20,811
Subtotal for CDFA No. 66.RD			—	120,357
Subtotal: U.S. Environmental Protection Agency			—	222,024
<b>Total: U.S. Environmental Protection Agency</b>			—	235,391
<b>Direct</b>				
<b>U.S. Department of Energy</b>				
Office of Science Financial Assistance Program	81.049		1,177,263	4,562,960
Renewable Energy Research and Development	81.087		37,272	640,288
Fossil Energy Research and Development	81.089		—	9,846
Advanced Research and Projects Agency – Energy Financial Assistance Program	81.135		168,364	1,309,970
Various	81.RD		—	77,548
Subtotal: U.S. Department of Energy			1,382,899	6,600,612

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<b>Pass-Through</b>				
California-Davis, University of	81.049	201603457-05	\$ —	\$ 23,146
California-Santa Barbara, University of	81.049	KK1610	—	88,456
Subtotal for CDFA No. 81.049			—	111,602
Clemson University	81.086	1852-219-2021156	—	163,385
Iowa State University	81.086	401-20-15B	—	56,841
TPI Composites, Inc.	81.086	TPI-EERE-FOA1201-001	—	479,443
Xergy Inc.	81.086	XERGY-DE-EE-0007040	—	65,490
Subtotal for CDFA No. 81.086			—	765,159
IBM Corporation	81.087	4913900073	—	76,030
Lawrence Berkeley National Laboratory	81.087	7211946	—	32,137
National Renewable Energy Laboratory	81.087	ZGJ-6-62157-01	—	113,705
Research Foundation of SUNY, The	81.087	59372	—	13,628
Subtotal for CDFA No. 81.087			—	235,500
Battelle	81.089	US001-0000494466	—	34,818
Kentucky, University of	81.089	3200000258-16-094	—	103,520
Virginia Polytechnic Institute	81.089	429334-19650	—	9,466
Subtotal for CDFA No. 81.089			—	147,804
Argonne National Lab	81.RD	5F-30161	—	42,783
Lawrence Berkeley National Laboratory	81.RD	7227929	—	4,317
Lawrence Livermore National Laboratory	81.RD	B615318	—	33,300
Lawrence Livermore National Laboratory	81.RD	B617435	—	62,531
Lawrence Livermore National Laboratory	81.RD	B617610	—	93,184
Lawrence Livermore National Laboratory	81.RD	B622630	—	37,213
National Renewable Energy Laboratory	81.RD	NCS-5-42326-05	100,070	316,534
National Renewable Energy Laboratory	81.RD	XEJ-6-62140-01	—	183,137
UChicago Argonne, LLC	81.RD	6F-31961	—	14,760
UChicago Argonne, LLC	81.RD	7F-30068	—	1,000
Subtotal for CDFA No. 81.RD			100,070	788,759
Subtotal: U.S. Department of Energy			100,070	2,048,824
<b>Total: U.S. Department of Energy</b>			<b>1,482,969</b>	<b>8,649,436</b>
<b>Direct</b>				
<b>U.S. Department of Education</b>				
Fund for the Improvement of Education	84.215		59,611	413,772
Education Research, Development and Dissemination	84.305		733,985	2,706,708
Research in Special Education	84.324		239,289	870,447
Special Education_Technology and Media Services for Individuals with Disabilities	84.327		—	357,811
Early Reading First	84.359		—	47
Subtotal: U.S. Department of Education			1,032,885	4,348,785

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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Pass-Through</b>				
Michigan, University of	84.133	3003319397	\$ —	\$ 48,261
Duke University	84.305	14-ED-1071	—	(18)
Temple University	84.305	256200-UD	—	106,587
Texas A & M University	84.305	S150284	—	122,462
Subtotal for CFDA No. 84.305			<u>—</u>	<u>229,031</u>
Duquesne University	84.324	G1500085	—	207,759
Delaware Department of Education	84.366	MSP 01-16	—	46,727
Delaware Department of Education	84.412	S15-52	—	113,485
University of North Carolina -Greensboro	84.412	120492.2	—	7,506
Subtotal: U.S. Department of Education			<u>—</u>	<u>652,769</u>
<b>Total: U.S. Department of Education</b>			<u>1,032,885</u>	<u>5,001,554</u>
<b>Direct</b>				
<b>U.S. Department of Health and Human Services</b>				
Maternal and Child Health Federal Consolidated Programs	93.110		64,866	482,210
Environmental Health	93.113		—	457,177
Oral Diseases and Disorders Research	93.121		71,065	153,037
Research Related to Deafness and Communication Disorders	93.173		299,169	1,029,416
Nursing Workforce Diversity	93.178		—	376,718
Disabilities Prevention	93.184		—	17,776
Mental Health Research Grants	93.242		—	1,462,850
Alcohol Research Programs	93.273		—	13,301
National Institutes of Health Loan Repayment Program for Clinical Researchers	93.280		75,904	602,123
Discovery and Applied Research for Technological Innovations	93.286		308,771	600,560
Trans-NIH Research Support	93.310		1,887	39,999
National Center for Research Resources	93.389		—	251,144
Cancer Cause and Prevention Research	93.393		—	11,180
Cancer Treatment Research	93.395		2,925	288,232
Cancer Biology Research	93.396		—	9,920
Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		—	530,271
Heart and Vascular Diseases Research	93.837		136,837	735,893
Lung Diseases Research	93.838		—	94,934
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846		179,019	1,131,007
Diabetes, Endocrinology, and Metabolism Research	93.847		115,150	421,445
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		—	148,890
Allergy, Immunology, and Transplantation Research	93.855		45,616	305,228
Biomedical Research and Research Training	93.859		4,735,889	17,398,323
Child Health and Human Development Extramural Research	93.865		512,616	2,568,712
Aging Research	93.866		20,087	400,591
Vision Research	93.867		—	460,459
Medical Library Assistance	93.879		—	216,431
Various	93.RD		22,386	780,103
Subtotal: U.S. Department of Health and Human Services			<u>6,592,187</u>	<u>30,987,930</u>

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<b>Pass-Through</b>				
Delaware Dept of Health & Social Service	93.079	17-091	\$ —	\$ 71,767
California-Davis, University of	93.103	201400020-01	—	153,591
Delaware Department of Agriculture	93.103	17A01355	—	3,562
Subtotal for CDFA No. 93.103			—	157,153
Colorado, University of	93.121	1553467	—	20,041
Colorado, University of	93.121	1554751	—	113,178
Rice University	93.121	R22231	—	(7,864)
Subtotal for CDFA No. 93.130			—	125,355
Delaware Dept of Health & Social Service	93.130	17-332	—	36,374
Columbia University	93.143	2(GGO11006-14)	—	18,497
European Molecular Biology Laboratory	93.172	14A00216	—	112,426
Johns Hopkins University	93.173	2003089509	—	13,690
Delaware Dept of Health & Social Service	93.236	16-197	—	50,517
Delaware Dept of Health & Social Service	93.236	17A00141	—	101,543
Subtotal for CDFA No. 93.236			—	152,060
Connecticut, University of	93.242	139561	—	28,281
Drexel University	93.242	232589	—	32,146
Subtotal for CDFA No. 93.242			—	60,427
DE Dept of Children, Youth & Family	93.243	PBH(UD-CORE)FY15-2688	—	170,776
Delaware Dept of Health & Social Service	93.243	041511	—	33,090
Delaware Dept of Health & Social Service	93.243	041662	—	54,636
Delaware Dept of Health & Social Service	93.243	041711	—	99,551
Delaware Dept of Health & Social Service	93.243	041712	—	179,486
Delaware Dept of Health & Social Service	93.243	0417142	—	8,056
Delaware Dept of Health & Social Service	93.243	0417170	—	1,030
Delaware Dept of Health & Social Service	93.243	041762	—	54,356
Delaware Dept of Health & Social Service	93.243	15A01181	—	83,959
State of Delaware-General	93.243	UDEVAL-LAUNCH FY16-13899	—	152,428
Subtotal for CDFA No. 93.243			—	837,368
Duke University	93.282	2035369	—	174,529
Assoc of Univ Centers on Disabilities	93.283	15A00678	—	1,071
Delaware Department of Education	93.283	S17-38	—	28,715
Delaware Dept of Health & Social Service	93.283	16-325	—	3,473
Johns Hopkins University	93.283	4796	—	231,965
Subtotal for CDFA No. 93.283			—	265,224
Colorado, University of	93.286	1550235	—	223,174
North Carolina, University of	93.286	5100169	—	68,281
Subtotal for CDFA No. 93.286			—	291,455
Delaware Dept of Health & Social Service	93.305	17-167	—	49,561
Georgetown University	93.310	GR411418	—	143,433
Northwestern University	93.310	60045250 UDEL	—	52,879
Subtotal for CDFA No. 93.310			—	196,312
Michigan, University of	93.361	3003341608	—	57,182
Building Capacity of the Public Health System to Improve Population Health	93.424		—	35,491
New York University	93.433	15-A0-00-005283-01	—	104,278

**University of Delaware**  
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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Research Institute of Chicago	93.433	15A00374	\$ —	\$ 2,600
Syracuse University	93.433	27411-03731-S01	—	16,361
TransCen Inc.	93.433	16A00354	—	2,473
Subtotal for CDFA No. 93.433			—	125,712
Concept Systems	93.624	16A00676	—	55,595
Concept Systems	93.624	17A01024	—	30,320
Delaware Dept of Health & Social Service	93.624	HSS-16-014	—	209,557
Subtotal for CDFA No. 93.624			—	295,472
NC Council on Developmental Disabilities	93.630	31032	—	35,383
Assoc of Univ Centers on Disabilities	93.632	16A00542	—	24,274
Delaware Dept of Health & Social Service	93.758	17-109	—	48,051
Icahn School of Medicine at Mount Sinai	93.837	0255-7875-4609	—	104,561
Nemours/A. I. duPont Hosp for Children	93.837	12A01165	—	36,561
Subtotal for CDFA No. 93.837			—	141,122
Thomas Jefferson University	93.846	080-23000-R92203	—	45,064
Thomas Jefferson University	93.846	080-23000-S13301	—	45,332
Subtotal for CDFA No. 93.846			—	90,396
Northwestern University	93.847	60037274UD	—	40,529
Delaware State University	93.859	12-007-JNA-Amendment 5	—	277,654
Delaware State University	93.859	12-007-JNA-Amendment 6	—	341,723
Pittsburgh, University of	93.859	0029564 (126332-4)	—	22,463
Pittsburgh, University of	93.859	0029564 (128271-4)	—	280,722
Temple University	93.859	361067-04710-02	—	52,696
Temple University	93.859	361174-04710-02S1A	—	55,736
Vanderbilt University	93.859	VUMC2247-R	—	1,240
Subtotal for CDFA No. 93.859			—	1,032,234
Michigan, University of	93.865	3003881030	—	39,485
Monell Chemical Senses Center	93.865	30013	—	88,241
Northwestern University	93.865	60043012UD	—	41,006
Simbex	93.865	Simbex-004	—	104,257
Temple University	93.865	257826-UD	—	77,430
Washington University, St Louis	93.865	WU-16-95	—	51,687
Washington University, St Louis	93.865	WU-17-143	—	89,237
Subtotal for CDFA No. 93.865			—	491,343
Colorado, University of	93.866	FY16.792.001	—	60,238
Maryland, University of	93.866	1600268	—	19,063
Subtotal for CDFA No. 93.866			—	79,301
Indiana University	93.867	BL-4635567-UD	—	2,057
Indiana University	93.879	IN-4684687-DEL	—	103,027
Pittsburgh, University of	93.879	0050256 (127316-20)	—	16,668
Subtotal for CDFA No. 93.879			—	119,695
Delaware Dept of Health & Social Service	93.889	16-057	—	60,677
Delaware Dept of Health & Social Service	93.889	17-362	—	82,484
Subtotal for CDFA No. 93.889			—	143,161

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Delaware Dept of Health & Social Service	93.913	16-460	\$ —	\$ 38,161
Delaware Dept of Health & Social Service	93.945	16-062	—	64,440
Delaware Dept of Health & Social Service	93.945	16-188	—	(245)
Subtotal for CDFA No. 93.945			—	64,195
State of Minnesota	93.958	16A00548	—	152,182
DE Dept of Children, Youth & Family	93.959	PBH(UD-EVAL)17-14629	—	11,631
DE Dept of Children, Youth & Family	93.959	PBH(UD-SAP)fy15-2551 A4	—	84,380
Delaware Dept of Health & Social Service	93.959	031520	—	78
Delaware Dept of Health & Social Service	93.959	031720a	—	105,135
Subtotal for CDFA No. 93.959			—	201,224
Georgia Institute of Technology	93.989	RF135-G3	—	179,889
Georgia Institute of Technology	93.989	RF135-G3S1	—	77,319
Subtotal for CDFA No. 93.989			—	257,208
Delaware Dept of Health & Social Service	93.994	16-170	—	33,936
Brandywine School District	93.RD	16A00026	—	137
Christopher Reeve Paralysis Foundation	93.RD	16A00746	—	7,323
DE Dept of Children, Youth & Family	93.RD	PBH(UD-LAUNCH)FY15-13820	—	77,455
DE Dept of Children, Youth & Family	93.RD	PBH(UD-SAFETY)15-2689	—	71,600
Delaware Dept of Health & Social Service	93.RD	15-496	—	(220)
Pennsylvania, University of	93.RD	565371	—	22,622
Texas at Austin, University of	93.RD	UTA16-000683	—	135,272
Washington, University of	93.RD	UWSC9280	—	56,296
Subtotal for CDFA No. 93.RD			—	370,485
Subtotal: U.S. Department of Health and Human Services			—	6,440,992
<b>Total: U.S. Department of Health and Human Services</b>			<b>6,592,187</b>	<b>37,428,922</b>
<b>Direct</b>				
<b>U.S. Department of Homeland Security</b>				
Various	97.RD		102,351	169,446
Subtotal: U.S. Department of Homeland Security			102,351	169,446
<b>Pass-Through</b>				
Delaware Department of Natural Resources	97.041	16A00712	—	11,481
North Carolina, University of	97.061	5101658	—	59,355
Subtotal: U.S. Department of Homeland Security			—	70,836
<b>Total: U.S. Department of Homeland Security</b>			<b>102,351</b>	<b>240,282</b>
<b>Direct</b>				
<b>National Endowment for the Humanities</b>				
Promotion of the Humanities_Division of Preservation and Access	45.149		4,607	41,740
Promotion of the Humanities_Research	45.161		—	15,768
Subtotal: National Endowment for the Humanities			4,607	57,508
<b>Total: National Endowment for the Humanities</b>			<b>4,607</b>	<b>57,508</b>
<b>Research and Development Cluster Total</b>			<b>19,493,488</b>	<b>125,122,246</b>
<b>CCDF</b>				



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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Direct</b>				
U.S. Department of Health and Human Services				
Child Care and Development Block Grant	93.575		\$ 46,026	\$ 314,478
<b>Total: U.S. Department of Health and Human Services</b>			<u>46,026</u>	<u>314,478</u>
<b>Drinking Water State Revolving Fund</b>				
<b>Pass-Through</b>				
U.S. Environmental Protection Agency				
Delaware Department of Natural Resources	66.468	16A01143	—	12,319
Delaware Department of Natural Resources	66.468	State-0000305689	—	(1)
<b>Total: U.S. Environmental Protection Agency</b>			<u>—</u>	<u>12,318</u>
<b>Federal Transit</b>				
<b>Direct</b>				
U.S. Department of Transportation				
Federal Transit Capital Investment Grants	20.500		—	67,204
<b>Total: U.S. Department of Transportation</b>			<u>—</u>	<u>67,204</u>
<b>Fish and Wildlife</b>				
<b>Pass-Through</b>				
U.S. Department of Interior				
Delaware Department of Natural Resources	15.611	306416	—	130,096
<b>Total: U.S. Department of Interior</b>			<u>—</u>	<u>130,096</u>
<b>Head Start</b>				
<b>Direct</b>				
U.S. Department of Health and Human Services				
Head Start	93.600		700,853	2,818,541
<b>Total: U.S. Department of Health and Human Services</b>			<u>700,853</u>	<u>2,818,541</u>
<b>Highway Safety</b>				
<b>Pass-Through</b>				
U.S. Department of Transportation				
Delaware Office of Highway Safety	20.600	17A01294	—	15,114
<b>Total: U.S. Department of Transportation</b>			<u>—</u>	<u>15,114</u>
<b>SNAP</b>				
<b>Pass-Through</b>				
U.S. Department of Agriculture				
Delaware Dept of Health & Social Service	10.561	16A00146	572,327	737,869
Delaware Dept of Health & Social Service	10.561	State-0000368137	—	168,770
<b>Total: U.S. Department of Agriculture</b>			<u>572,327</u>	<u>906,639</u>

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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Special Education Cluster (IDEA)</b>				
<b>Pass-Through</b>				
<b>U.S. Department of Education</b>				
Delaware Department of Education	84.027	S16-22	\$ —	\$ 190,310
Delaware Department of Education	84.027	S16-23	8,195	242,957
Delaware Department of Education	84.027	S16-24	49,236	65,609
Delaware Department of Education	84.027	S17-02	—	78,925
Delaware Department of Education	84.027	S17-03	—	57,487
Delaware Department of Education	84.027	S17-29	—	511,932
<b>Total: U.S. Department of Education</b>			<u>57,431</u>	<u>1,147,220</u>
<b>Student Financial Assistance Programs</b>				
<b>Direct</b>				
<b>U.S. Department of Education</b>				
Federal Supplemental Educational Opportunity Grants	84.007		—	681,708
Federal Work-Study Program	84.033		—	639,431
Federal Perkins Loan Program	84.038		—	14,551,168
Federal Pell Grant Program	84.063		—	10,771,728
Federal Direct Student Loans	84.268		—	102,427,015
<b>Total: U.S. Department of Education</b>			<u>—</u>	<u>129,071,050</u>
<b>Direct</b>				
<b>U.S. Department of Health and Human Services</b>				
Federal Nursing Student Loans	93.364		—	940,903
<b>Total: U.S. Department of Health and Human Services</b>			<u>—</u>	<u>940,903</u>
<b>Student Financial Assistance Programs Total</b>				
			<u>—</u>	<u>130,011,953</u>
<b>Title I, Part A</b>				
<b>Pass-Through</b>				
<b>U.S. Department of Education</b>				
Christina School District	84.010	16A01675	—	3,248
<b>Total: U.S. Department of Education</b>			<u>—</u>	<u>3,248</u>
<b>TRIO Cluster</b>				
<b>Direct</b>				
<b>U.S. Department of Education</b>				
TRIO--Student Support Services	84.042		—	255,747
TRIO--Upward Bound	84.047		—	548,776
TRIO--McNair Post-Baccalaureate Achievement	84.217		—	198,325
<b>Total: U.S. Department of Education</b>			<u>—</u>	<u>1,002,848</u>

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<b>Other Programs</b>				
<b>Direct</b>				
<b>U.S. Department of Agriculture</b>				
Maryland, University of	10.001		\$ —	\$ 111,189
Plant and Animal Disease, Pest Control, and Animal Care	10.025		—	505,286
Agriculture and Food Research Initiative (AFRI)	10.310		—	86,162
Crop Protection and Pest Management Competitive Grants Program	10.329		—	96,413
Crop Insurance Education in Targeted States	10.458		72,526	103,842
Cooperative Extension Service	10.500		368,365	2,454,118
Norman E. Borlaug International Agricultural Science and Technology Fellowship	10.777		—	16
Environmental Quality Incentives Program	10.912		90,955	101,885
Subtotal: U.S. Department of Agriculture			<u>531,846</u>	<u>3,458,911</u>
<b>Pass-Through</b>				
Delaware Department of Agriculture	10.001	16A00873	—	3,036
Delaware Department of Agriculture	10.025	16A01311	—	182,550
New Castle County	10.168	PO173149	—	951
Delaware Department of Agriculture	10.170	12-25-B-1661	—	7,435
Delaware Department of Agriculture	10.170	16A01569	—	1,634
Delaware Department of Agriculture	10.170	SCBGP-FB-15-03	—	9,708
Delaware Department of Agriculture	10.170	SCBGP-FB-15-04	—	1,114
Delaware Department of Agriculture	10.170	SCBGP-FB-15-05	—	20,916
Delaware Department of Agriculture	10.170	SCBGP-FB-16-03	—	11,271
Subtotal for CFDA No. 10.170			<u>—</u>	<u>52,078</u>
Rutgers, State University of New Jersey	10.200	5732-NER15OHP-KUNKEL	—	7,434
Rutgers, State University of New Jersey	10.200	5762-NER15FRP-VANGESS	—	1,373
Subtotal for CFDA No. 10.200			<u>—</u>	<u>8,807</u>
Vermont, University of	10.215	ONE16-289C-29994	—	787
Vermont, University of	10.215	SNE15-02-29001	—	7,216
Vermont, University of	10.215	SNE16-02-29994	—	6,581
Subtotal for CFDA No. 10.215			<u>—</u>	<u>14,584</u>
Kansas State University	10.500	S16080	—	12,853
Kansas State University	10.500	S17113	—	7,004
Kansas State University	10.500	S17149	—	11,523
Subtotal for CFDA No. 10.500			<u>—</u>	<u>31,380</u>
Delaware Department of Education	10.558	01-38	—	(22,795)
Subtotal: U.S. Department of Agriculture			<u>—</u>	<u>270,591</u>
<b>Total: U.S. Department of Agriculture</b>			<u>531,846</u>	<u>3,729,502</u>

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Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Direct</b>				
<b>U.S. Department of Commerce</b>				
Sea Grant Support	11.417		\$ 43,969	\$ 178,297
Climate and Atmospheric Research	11.431		—	27,580
Chesapeake Bay Studies	11.457		—	23,139
Science, Technology, Business and/or Education Outreach	11.620		—	13,259
Various	11.UNK		—	22,534
Subtotal: U.S. Department of Commerce			<u>43,969</u>	<u>264,809</u>
<b>Pass-Through</b>				
Rutgers, State University of New Jersey	11.012	5930	—	645,674
Rutgers, State University of New Jersey	11.012	S1570035	—	(20,529)
Subtotal for CFDA No. 11.012			—	<u>625,145</u>
Virginia Institute of Marine Science	11.417	71858H-712683		34,267
National Fish & Wildlife Foundation	11.457	0603.15 050171	13,725	26,783
Coastal States Stewardship Foundation	11.473	17A00325	—	5,787
Global Science & Technology Inc	11.UNK	SA15-UOD01	—	132,083
Synoptic Data Corp.	11.UNK	S2017-0112	—	58,332
Subtotal: U.S. Department of Commerce			<u>13,725</u>	<u>882,397</u>
<b>Total: U.S. Department of Commerce</b>			<u>57,694</u>	<u>1,147,206</u>
<b>Direct</b>				
<b>U.S. Department of Defense</b>				
Procurement Technical Assistance For Business Firms	12.002		—	190,382
Basic and Applied Scientific Research	12.300		—	127,758
Air Force Defense Research Sciences Program	12.800		—	9,468
Subtotal: U.S. Department of Defense			—	<u>327,608</u>
<b>Pass-Through</b>				
Chip Design Systems	12.UNK	14A00605	—	(76,005)
<b>Total: U.S. Department of Defense</b>			—	<u>251,603</u>
<b>Pass-Through</b>				
<b>U.S. Department of Housing and Urban Development</b>				
Community Legal Aid Society	14.418	16A01341	—	7,307
Community Legal Aid Society	14.418	17A01223	—	7,401
<b>Total: U.S. Department of Housing and Urban Development</b>			—	<u>14,708</u>
<b>Direct</b>				
<b>U.S. Department of Interior</b>				
Marine Minerals Activities	15.424		—	173,720
National Cooperative Geologic Mapping Program	15.810		—	103,531
National Ground-Water Monitoring Network	15.980		—	25,748
Subtotal: U.S. Department of Interior			—	<u>302,999</u>
<b>Pass-Through</b>				

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New Castle County	15.904	17A01275	\$ —	\$ 14,096
The City of Delaware City	15.904	16A00814	—	5,712
Town of Milton	15.904	16A00765	—	5,712
Town of Milton	15.904	17A01276	—	4,774
Subtotal for CDFA No. 15.904			—	30,294
The City of Lewes	15.912	16A00805	—	5,712
The City of Lewes	15.912	16A00809	—	4,570
The City of Lewes	15.912	16A01641	—	4,774
Subtotal for CDFA No. 15.912			—	15,056
The City of Delaware City	15.954	17A01278	—	4,774
White Clay Watershed Association	15.954	16A00578	—	8,000
Subtotal for CDFA No. 15.954			—	12,774
Subtotal: U.S. Department of Interior			—	58,124
<b>Total: U.S. Department of Interior</b>			—	<b>361,123</b>
<b>Direct</b>				
<b>U.S. Department of Justice</b>				
Combat Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		68,918	162,538
Subtotal: U.S. Department of Justice			68,918	162,538
<b>Pass-Through</b>				
<b>U.S. Department of Justice</b>				
Criminal Justice Council	16.523	2014-CZ-Passthru-1173	—	212
National 4-H Council	16.726	16A00270	—	105,797
National 4-H Council	16.726	17A00118	—	52,729
Subtotal for CDFA No. 16.726			—	158,526
Criminal Justice Council	16.UNK	2014-PM-Admin-1163	—	165,645
Subtotal: U.S. Department of Justice			—	324,383
<b>Total: U.S. Department of Justice</b>			<b>68,918</b>	<b>486,921</b>
<b>Direct</b>				
<b>U.S. Department of State</b>				
Academic Exchange Programs - Undergraduate Programs	19.009		—	279,686
Investing in People in The Middle East and North Africa	19.021		—	238,269
Educational Exchange_University Lecturers (Professors) and Research Scholars	19.401		—	248,150
Middle East Partnership Initiative (MEPI)	19.500		—	265,087
Subtotal: U.S. Department of State			—	1,031,192
<b>Pass-Through</b>				
IREX	19.009	FY16-YALI-CL-Delaware-03	—	88,817
IREX	19.009	FY17-YALI-CL-Delaware-04	—	71,658
Subtotal for CDFA No. 19.009			—	160,475
Institute of International Education	19.021	3157-UDEL-4-1-16	—	51,834
Institute of International Education	19.400	3126_Del_2.19.2016	—	45,532
American Councils for Intl Education	19.415	S-ECAGD-15-CA-1045-UDEL-2	—	178,537

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American Councils for Intl Education	19.415	S-ECAGD-16-CA-1077-UD-200	\$ —	\$ 102,021
Subtotal for CDFA No. 19.415			—	280,558
Georgetown University	19.600	UDEL-GR205341	—	40,287
Subtotal: U.S. Department of State			—	578,686
<b>Total: U.S. Department of State</b>			—	1,609,878
<b>Pass-Through</b>				
<b>U.S. Department of Transportation</b>				
Delaware Department of Transportation	20.200	TASK 23-1717	—	193,237
Delaware Department of Transportation	20.200	TASK 45-1717	—	805
Delaware Department of Transportation	20.200	TASK 55-1717	—	12,102
Delaware Department of Transportation	20.200	TASK 57-1717	—	193,082
Subtotal for CDFA No. 20.200			—	399,226
Delaware Department of Transportation	20.215	TASK 20-1717	—	49,870
Delaware Department of Transportation	20.515	TASK 29-1717	—	85,354
Delaware Department of Transportation	20.515	TASK 32-1717	—	39,003
Delaware Department of Transportation	20.515	TASK 34-1717	—	74,126
Delaware Department of Transportation	20.515	TASK 37-1717	—	70,001
Delaware Department of Transportation	20.515	TASK 42-1717	—	168,541
Delaware Department of Transportation	20.515	TASK 46-1717	—	94,257
Delaware Department of Transportation	20.515	TASK 8-1717	—	15,268
Subtotal for CDFA No. 20.515			—	596,420
<b>Total: U.S. Department of Transportation</b>			—	995,646
<b>Direct</b>				
<b>Federal Communications Commission</b>				
Various	32.UNK		—	16,396
<b>Total: Federal Communications Commission</b>			—	16,396
<b>Direct</b>				
<b>National Aeronautics and Space Administration</b>				
Aerospace Education Services Program	43.001		—	17,328
Education	43.008		—	5,994
<b>Total: National Aeronautics and Space Administration</b>			—	23,322
<b>Direct</b>				
<b>Small Business Administration</b>				
Small Business Development Center	59.037		—	756,396
Federal and State Technology Partnership Program	59.058		—	54,820
Various	59.UNK		—	28,496
<b>Total: Small Business Administration</b>			—	839,712

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<b>Pass-Through</b>				
<b>U.S. Environmental Protection Agency</b>				
Delaware Department of Natural Resources	66.466	State-0000369484	\$ —	\$ 903
Delaware Department of Natural Resources	66.472	16A00269	—	59,440
Delaware Department of Natural Resources	66.472	17A00735	—	58,830
Subtotal for CDFA No. 66.472			—	118,270
Delaware Department of Natural Resources	66.UNK	166735	—	9,550
<b>Total: U.S. Environmental Protection Agency</b>			—	<b>128,723</b>
<b>Direct</b>				
<b>U.S. Department of Energy</b>				
Office of Science Financial Assistance Program	81.049		—	(265)
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training	81.117		4,400	123,316
Subtotal: U.S. Department of Energy			4,400	123,051
<b>Pass-Through</b>				
Battelle	81.089	US001-0000505654	—	135,235
Subtotal: U.S. Department of Energy			—	135,235
<b>Total: U.S. Department of Energy</b>			4,400	<b>258,286</b>
<b>Direct</b>				
<b>U.S. Department of Education</b>				
Graduate Assistance in Areas of National Need	84.200		—	2,649
Transition to Teaching	84.350		—	231,294
Transition Programs for Students with Intellectual Disabilities into Higher Education	84.407		—	9,742
Subtotal: U.S. Department of Education			—	243,685
<b>Pass-Through</b>				
Delaware Department of Education	84.184	02-15	—	159,312
Delaware Department of Education	84.184	03-15	—	259,323
Subtotal for CDFA No. 84.184			—	418,635
Capital School District	84.287	16A01262	—	6,799
Delaware Department of Education	84.287	17A01172	—	6,598
Delaware Department of Education	84.287	21 CCLC 20-15	—	24,218
Delaware Department of Education	84.287	21 CCLC 25-15	—	49,068
Delaware Department of Education	84.287	21CCLC 19-16	—	140,623
Delaware Department of Education	84.287	S16-48	—	65,045
Delaware Department of Education	84.287	S16-49	—	64,916
Delaware Department of Education	84.287	S16-50	—	143,775
Delaware Department of Education	84.287	S16-59 STATE0000333473	—	13,819
Delaware Department of Education	84.287	S16-59 STATE-0000333479	—	104,240
Delaware Department of Education	84.287	S16-60 STATE-0000333444	—	9,120
Delaware Department of Education	84.287	S16-60 STATE-0000333449	—	59,926
Delaware Department of Education	84.287	S16-61 STATE-0000333458	—	8,878
Delaware Department of Education	84.287	S16-61 STATE-0000333467	—	35,606
Delaware Department of Education	84.287	S16-62	—	209,159

University of Delaware  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Delaware Department of Education	84.287	S16-63	\$ —	\$ 76,794
Delaware Department of Education	84.287	S16-64 STATE-0000333489	—	9,833
Delaware Department of Education	84.287	S16-64 STATE-0000333498	—	201,783
Delaware Department of Education	84.287	S17-60	—	9,748
Delaware Department of Education	84.287	S17-61	—	401
Delaware Department of Education	84.287	S17-64	—	29
Delaware Department of Education	84.287	S17-68	—	1,451
Delaware Department of Education	84.287	S17-69	—	3,180
Delaware Department of Education	84.287	S17-70	—	3,519
Subtotal for CDFA No. 84.287			—	1,248,528
Delaware Department of Education	84.323	04-13	—	1,269
Delaware Department of Education	84.366	MSP 02-16	—	344,176
Delaware Department of Education	84.366	MSP 3-15	—	59,937
Delaware Department of Education	84.366	MSP 4-15	—	15,035
Subtotal for CDFA No. 84.366			—	419,148
Academy Of Dover Charter School	84.367	16A00735	—	173
Delaware Department of Education	84.367	01-15	—	81,893
Delaware Department of Education	84.367	S16-40	—	28,515
National Writing Project Corporation	84.367	99-DE01-SEED2016-ILI	—	9,994
National Writing Project Corporation	84.367	99-DE01-SEED2017-CRWPAI	—	1,042
Subtotal for CDFA No. 84.367			—	121,617
Red Clay Consolidated School District	84.395	15A01482	—	(606)
Capital School District	84.UNK	16A01265	—	5,248
Delmar School District	84.UNK	16A00292	—	463
Delmar School District	84.UNK	16A01506	—	8,625
Milford School District	84.UNK	16A00087	—	(26)
Seaford School District	84.UNK	16A00084	—	(17)
Woodbridge School District	84.UNK	15A01642	—	(130)
Subtotal for CDFA No. 84.UNK			—	14,163
Subtotal: U.S. Department of Education			—	2,222,754
<b>Total: U.S. Department of Education</b>			—	<b>2,466,439</b>



**University of Delaware**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2017**

Federal grantor/pass-through grantor/program or cluster title	Federal CFDA numbers	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Pass-Through</b>				
<b>Corporation for National and Community Service</b>				
Public Allies	94.006	OP004-94.006-15-PADE	\$ —	\$ (2,508)
Public Allies	94.006	OP004-94.006-16-PADE	—	39,486
Public Allies	94.006	OP004-94.006-17-PADE	—	324,397
<b>Total: Corporation for National and Community Service</b>			<u>—</u>	<u>361,375</u>
<b>Pass-Through</b>				
<b>U.S. Department of Homeland Security</b>				
Delaware Emergency Management Agency	97.036	PW00013	—	22,567
Delaware Department of Natural Resources	97.041	17A00984	—	19,646
Delaware Emergency Management Agency	97.042	EMPG-14-005 ADDENDUM 1	—	24,661
Delaware Emergency Management Agency	97.042	EMPG-15-005	—	5,602
Delaware Emergency Management Agency	97.042	EMPG-16-005	—	75,000
Subtotal for CDFA No. 97.042			<u>—</u>	<u>105,263</u>
Delaware Emergency Management Agency	97.UNK	CCP15-002	—	9,926
<b>Total: U.S. Department of Homeland Security</b>			<u>—</u>	<u>157,402</u>
<b>Direct</b>				
<b>National Endowment for the Humanities</b>				
Promotion of the Humanities_Division of Preservation and Access	45.149		—	198,138
Promotion of the Humanities_Digital Humanities Initiative	45.169		—	30,223
Subtotal: National Endowment for the Humanities			<u>—</u>	<u>228,361</u>
<b>Pass-Through</b>				
Delaware Division of The Arts	45.025	16A01082	—	72,000
Delaware Humanities Forum	45.169	13REG4005	—	4,931
Subtotal: National Endowment for the Humanities			<u>—</u>	<u>76,931</u>
<b>Total: National Endowment for the Humanities</b>			<u>—</u>	<u>305,292</u>
<b>Other Programs Total</b>			<u>662,858</u>	<u>13,153,534</u>
<b>Total Federal Expenditures</b>			<u>\$ 21,532,983</u>	<u>\$ 274,705,439</u>

**UNIVERSITY OF DELAWARE**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes all grants, contracts, and similar agreements entered into directly between the University of Delaware (the University) and agencies and departments of the federal government and all sub awards to the University by other organizations pursuant to federal grants, contracts, and similar agreements. The information in the Schedule is prepared on the accrual basis of accounting. The federal award information is presented in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, certain amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

**(2) Summary of Significant Accounting Policies**

Expenditures for student financial aid programs are recognized as incurred and include the federal share of students' Federal Supplemental Educational Opportunity Grants program and Federal Work-Study program earnings, Pell grants, loan disbursements, and administrative cost allowances, where applicable.

Expenditures for other federal awards are determined using the cost accounting principles and procedures set forth in OMB Circular A-21, *Cost Principles for Educational Institutions*, and the uniform administrative requirements as set forth in OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, or the administrative and cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as applicable. Under these cost principles and administrative requirements, certain expenditures are not allowable or are limited as to expenditures include facilities and administrative costs, related primarily to facilities operation and maintenance and general, divisional, and departmental administrative services, which are allocated as a percentage of direct cost based on negotiated rates. Facilities and administrative costs allocated to such awards for the year ended June 30, 2017 were based on predetermined fixed rates negotiated with the University's cognizant federal agency, Department of the Navy. The University has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**(3) Federal Student Financial Aid Loan Programs**

Loans made by the University to eligible students under federal student loan programs and loans issued to students of the University by the U.S. Department of Education during the year ended June 30, 2017 are summarized as follows:

Federal Perkins Loan Program Federal	
Capital Contributions	\$ 1,598,475
Federal Nursing Student Loans	<u>266,583</u>
	\$ <u><u>1,865,058</u></u>
Federal Direct Student Loans	\$ 102,427,015

## **UNIVERSITY OF DELAWARE**

### Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

The Federal Perkins and Nursing Student Loan programs are administered directly by the University, and balances and transactions relating to these programs are included in the University's consolidated financial statements. The amounts included on the Schedule under the Federal Perkins and Nursing Student Loan programs include the balance of the respective loan program as of June 30, 2016, and new loans issued during fiscal year 2017. As of June 30, 2017, loans receivable for Federal Perkins and Nursing Student Loan programs amount to \$12,377,363 and \$843,587, respectively.

The University is responsible only for the performance of certain administrative duties with respect to the Direct Loans, and accordingly, these loans are not included in its consolidated financial statements and it is not practical to determine the balance of loans outstanding to students and former students of the University under these programs. The amounts included on the Schedule for Direct Loans include all direct loans made to students during fiscal year 2017.



KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

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

The Board of Trustees  
University of Delaware:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the University of Delaware and its subsidiaries (the University), which comprise the consolidated balance sheet as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 10, 2017.

*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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Compliance and Other Matters*

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



*Purpose of this Report*

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

KPMG LLP

Philadelphia, Pennsylvania  
November 10, 2017



KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

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

The Board of Trustees  
University of Delaware:

**Report on Compliance for Each Major Federal Program**

We have audited the University of Delaware's (the University) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2017. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

*Opinion on Each Major Federal Program*

In our opinion, the University of Delaware complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

*Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on the major federal program is not modified with respect to this matter.



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

### **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 over compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



### **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2017, and have issued our report thereon dated November 10, 2017, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*KPMG LLP*

Philadelphia, Pennsylvania  
February 21, 2018



**UNIVERSITY OF DELAWARE**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2017

**(1) Summary of Auditors' Results**

- (a) The type of report issued on whether the consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the consolidated financial statements:
  - Material weaknesses: **No**
  - Significant deficiencies: **None reported**
- (c) Noncompliance material to the consolidated financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by audit:
  - Material weaknesses: **No**
  - Significant deficiencies: **Yes (2017-001)**
- (e) The type of report issued on compliance for its major program: **Unmodified**
- (f) Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes (2017-001)**
- (g) Major program:
  - **Student Financial Assistance Cluster: Various CFDA Numbers**
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as a low-risk auditee: **Yes**

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

None

**(3) Findings and Questioned Costs Related to Federal Awards**

**UNIVERSITY OF DELAWARE**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2017

**Reference Number:** 2017-001  
**Federal Agency:** U.S. Department of Education  
**Program Name (CFDA No):** Student Financial Aid Cluster: Federal Pell Grant Program (Pell) (CFDA No. 84.063)  
**Federal Award Year:** July 1, 2016 to June 30, 2017  
**Federal Award Number:** P063P160066  
**Compliance Requirement:** Reporting

***Criteria***

Per 34 CFR Section 690.83, all schools receiving Pell grants must submit Pell payment data to the U.S. Department of Education (ED) through the Common Origination and Disbursement (COD) System Origination. Records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. Institutions must report student payment data within 15 calendar days after the school makes a payment; or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 15 calendar days, bi-weekly or weekly or may set up their own system to ensure that changes are reported in a timely manner.

***Condition***

University of Delaware did not submit Pell disbursement data to the COD within the required 15 calendar days for fifteen (15) of the 65 students selected for testwork. The twelve (12) of 15 students, which were for Fall 2016, were submitted to COD within 35-38 days; while three (3) out of 15 were for Spring 2017 and were submitted to COD within 19-71 days.

***Cause***

During the end of fiscal year 2016, Pell submission was transitioned to another employee due to retirement of a key employee. During fiscal 2017, there were certain submissions that were missed and were not detected promptly through the University's reconciliation process. Therefore the control over this compliance requirement was not operating effectively during the year.

***Effect***

Pell disbursements were not reported timely to the COD by the University.

***Questioned Costs***

Questioned costs are not readily determinable. The exceptions related to the timely reporting to COD.

***Statistical Validity of Sample***

The sample was not intended to be, and was not, a statistically valid sample.

***Repeat Finding***

No

**UNIVERSITY OF DELAWARE**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2017

***Recommendation***

We recommend the University continuously enhance its current policies and procedures to reasonably ensure the timely reporting of the Pell disbursement to COD.

***Views of Responsible Officials***

The Management concurs with this finding and will implement policies and procedures to ensure timely reporting of the Pell disbursement to COD.