



UNIVERSITY OF DELAWARE

Consolidated Financial Statements and
Information on Federal Awards

June 30, 2019

(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 sheets as of June 30, 2019 and 2018, and the related consolidated statements of activities, and cash flows for the years then ended, the consolidated statement of functional expenses for the year ended June 30, 2019 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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, 2019 and 2018, and the changes in their net assets, and their cash flows for the years then ended and their functional expenses for the year ended June 30, 2019, in accordance with U.S. generally accepted accounting principles.



Emphasis of Matters

As discussed in note 1(n) to the consolidated financial statements, in 2019, the University of Delaware adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019 in 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 14, 2019

UNIVERSITY OF DELAWARE

Consolidated Balance Sheets

June 30, 2019 and 2018

(Dollars in thousands)

Assets	2019	2018
Cash and cash equivalents	\$ 111,398	85,022
Operating investments	177,487	316,988
	288,885	402,010
Accounts and notes receivable, net	40,865	41,360
Prepaid expenses and inventories	1,621	1,974
Contributions receivable, net	49,517	35,244
Restricted deposits	209,516	199,811
Student loan receivables, net	10,419	12,199
Investments	1,655,963	1,607,764
Funds held in trust by others	78,655	77,067
Property, plant, and equipment, net	1,706,809	1,580,965
Total assets	\$ 4,042,250	3,958,394
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 125,653	115,376
Deferred revenue and student deposits	36,750	28,926
Long-term debt and capital leases	718,624	732,906
Postemployment benefit obligations	505,986	497,803
Other liabilities	82,912	71,603
Total liabilities	1,469,925	1,446,614
Net assets:		
Without donor restrictions	1,365,974	1,372,661
With donor restrictions	1,206,351	1,139,119
Total net assets	2,572,325	2,511,780
Total liabilities and net assets	\$ 4,042,250	3,958,394

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE
Consolidated Statements of Activities
Years ended June 30, 2019 and 2018
(Dollars in thousands)

	2019	2018
Changes in net assets without donor restrictions:		
Operating revenues:		
Tuition and fees, net of scholarships and fellowships (\$185,078 in 2019 and \$165,596 in 2018)	\$ 455,052	444,724
Sales and services of auxiliary enterprises	137,576	136,607
Grants, contracts, and other exchange transactions	201,657	181,600
State operating appropriations	122,320	118,794
Contributions	9,868	12,218
Endowment distributions	51,877	51,422
Other investment income	26,782	20,386
Other revenue	45,889	44,782
Net assets released from restrictions	18,373	11,954
Total operating revenues	1,069,394	1,022,487
Operating expenses:		
Salaries and wages	492,916	468,823
Benefits	170,752	162,476
Postemployment	13,825	19,657
Total compensation	677,493	650,956
Supplies, materials and purchased services	249,715	232,487
Travel	30,918	29,002
Depreciation and amortization	76,332	73,586
Interest	28,772	21,887
Total operating expenses before loss on disposals and write-offs	1,063,230	1,007,918
Change in net assets from operating activities before loss on disposals and write-offs	6,164	14,569
Loss on disposals and write-offs	22,659	10,382
Total operating expenses	1,085,889	1,018,300
Change in net assets from operating activities	(16,495)	4,187
Other changes in net assets without donor restrictions:		
Investment return in excess of endowment distributions	19,726	12,655
Contributions	1,465	414
Postemployment costs other than service costs	(22,258)	(30,398)
Other changes in postemployment benefit obligations	10,166	86,604
Other, net	(2,658)	2,554
Net assets released from restrictions	3,366	3,620
Other changes in net assets without donor restrictions	9,807	75,449
Total changes in net assets without donor restrictions	(6,688)	79,636
Changes in net assets with donor restrictions:		
Investment return in excess of endowment distributions	27,220	31,881
Contributions	56,533	42,356
State capital appropriations	187	827
Endowment distributions	61	7
Other investment income	75	75
Other, net	4,896	522
Net assets released from restrictions	(21,739)	(15,574)
Total changes in net assets with donor restrictions	67,233	60,094
Total changes in net assets	60,545	139,730
Net assets at beginning of year	2,511,780	2,372,050
Net assets at end of year	\$ 2,572,325	2,511,780

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE

Consolidated Statement of Functional Expenses

Year ended June 30, 2019 with summarized information for 2018

(Dollars in thousands)

		2019									
		Instruction and departmental research	Sponsored research	Extension and public service	Academic support	Student services	Student aid	Auxiliary enterprises	General institutional support	Total	2018 Total
Operating expenses:											
Expenses:											
Salaries and wages	\$	265,690	68,771	27,526	40,306	20,140	4,390	9,412	56,681	492,916	468,823
Benefits		89,560	19,400	8,082	16,771	7,305	(79)	3,792	25,921	170,752	162,476
Postemployment benefits		9,329	1,230	552	935	340	—	173	1,266	13,825	19,657
Total compensation		364,579	89,401	36,160	58,012	27,785	4,311	13,377	83,868	677,493	650,956
Supplies, materials and purchased services		64,000	47,653	12,920	12,405	12,087	3,238	70,702	26,710	249,715	232,487
Travel		19,645	3,728	1,783	1,785	1,547	156	145	2,129	30,918	29,002
Depreciation and amortization		26,190	14,026	1,182	12,500	2,338	—	14,939	5,157	76,332	73,586
Interest		11,696	776	—	—	22	—	16,248	30	28,772	21,887
Total operating expenses before loss on disposals and write-offs		486,110	155,584	52,045	84,702	43,779	7,705	115,411	117,894	1,063,230	1,007,918
Loss on disposals and write-offs		3,486	1,128	38	—	—	—	18,007	—	22,659	10,382
Total operating expenses		489,596	156,712	52,083	84,702	43,779	7,705	133,418	117,894	1,085,889	1,018,300
Other changes in net assets without donor restrictions:											
Postemployment other than service costs		15,638	1,812	813	1,377	500	—	254	1,864	22,258	30,398
Total functional expenses 2019	\$	505,234	158,524	52,896	86,079	44,279	7,705	133,672	119,758	1,108,147	1,048,698
Total functional expenses 2018	\$	476,037	153,048	53,037	86,779	42,394	7,655	123,672	106,075	1,048,698	

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE
Consolidated Statements of Cash Flows
Years ended June 30, 2019 and 2018
(Dollars in thousands)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 60,545	139,730
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization, and loss on disposals	98,663	85,932
Change in postemployment benefit obligations and other nonoperating activities	14,188	(51,117)
Net realized and unrealized gains	(96,408)	(96,469)
Change in fair value of swap	10,529	(7,591)
Gifts of equipment	(1,235)	(414)
State capital appropriations	(187)	(827)
Contributions restricted for endowment and capital	(41,983)	(29,160)
Endowment income restricted for reinvestment	(281)	(200)
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	495	4,049
Prepaid expenses and inventories	353	3,837
Contributions receivable, net	3,850	3,792
Accounts payable, accrued and other liabilities	10,888	8,781
Deferred revenue and students deposits	7,824	7,114
Postemployment benefit obligations	(3,909)	3,600
Net cash provided by operating activities	<u>63,332</u>	<u>71,057</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,739,372	1,548,329
Purchases of investments	(1,553,250)	(1,514,224)
Acquisitions of property, plant, and equipment	(226,317)	(114,174)
Disbursements of loans to students	(256)	(1,167)
Repayments of loans by students	<u>2,035</u>	<u>2,234</u>
Net cash used in investing activities	<u>(38,416)</u>	<u>(79,002)</u>
Cash flows from financing activities:		
Repayments of principal on long-term debt and capital leases	(149,121)	(23,041)
Net proceeds from issuance of long-term debt	135,788	199,002
State capital appropriations	187	827
Endowment income restricted for reinvestment	281	200
Contributions restricted for endowment and capital	23,860	17,107
Repayments (advances) from federal government for student loans	170	(2,465)
Change in restricted deposits	<u>(9,705)</u>	<u>(149,687)</u>
Net cash provided by financing activities	<u>1,460</u>	<u>41,943</u>
Net increase in cash and cash equivalents	<u>26,376</u>	<u>33,998</u>
Cash and cash equivalents, beginning of year	<u>85,022</u>	<u>51,024</u>
Cash and cash equivalents, end of year	<u>\$ 111,398</u>	<u>85,022</u>
Supplemental disclosure of cash flow information:		
Interest paid, net of amounts capitalized	\$ 31,926	22,563
Construction – accounts payable	37,777	24,607
Property additions through capital leases	325	33,508

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(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 33,700 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 12).

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 inter-entity activities and balances are eliminated for financial reporting purposes.

Accordingly, net assets of the University and changes therein are classified and reported as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated by the Board of Trustees for specific or general purposes.
- Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met by actions of the University and/or the passage of time, and 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 consolidated 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. Functional categories are programmatic with the exception of general institutional support, which is management and general. 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

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Notes to Consolidated Financial Statements

June 30, 2019 and 2018

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 \$70,076,000 and \$65,434,000, and fund-raising costs were approximately \$23,799,000 and \$21,131,000 for the years ended June 30, 2019 and 2018, respectively.

Revenue is reported as increases in net assets without donor restrictions unless its use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions that reflect reclassifications from net assets with donor restrictions to net assets without donor restrictions. 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 and 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 5 and 6.

(d) Revenue Recognition – Contracts with Customers and Accounts Receivable

In May 2014, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which, along with related amendments, replaces existing revenue recognition requirements. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration it expects to be entitled in exchange. In addition, Topic 606 requires disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Revenues from student education (tuition and fees) are reflected net of reductions from scholarships and fellowships, while residence, dining services, and student health services are not reflected net of financial aid. All of these revenues are recognized as the services are provided over the academic year, which generally aligns with the University's fiscal year. Disbursements made directly to students for services or other costs are reported as an expense. 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 (see note 15). Disbursements made directly to students for services or other costs are reported as an expense. 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 (see note 15).

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

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Notes to Consolidated Financial Statements

June 30, 2019 and 2018

and guaranteed loans are not reflected on the University's consolidated financial statements as the loans are issued to the students.

Payments for student services are generally received prior to the commencement of each academic term and are reported as deferred revenue to the extent services will be rendered in the following fiscal year.

The composition of student tuition and fees, net revenue was as follows for the years ended June 30, 2019 and 2018 (in thousands):

	2019	2018
Undergraduate	\$ 367,747	365,249
Graduate	33,397	35,213
Other	53,908	44,262
Total	<u>\$ 455,052</u>	<u>444,724</u>

Auxiliary services revenue consisted of the following for the years ended June 30, 2019 and 2018 (in thousands):

	2019	2018
Student housing	\$ 65,067	62,513
Dining services	47,581	46,809
Student health services	10,022	10,055
Parking	7,498	7,042
Conference services	3,891	4,576
Other	3,517	5,612
Total	<u>\$ 137,576</u>	<u>136,607</u>

Other revenue includes revenues from service centers, program accounts, and other miscellaneous activities. Such revenues are recognized when goods or services are provided to customers.

Student receivables are invoiced based upon contractual terms with students. The University maintains allowances for doubtful accounts to reflect management's best estimate of probable losses inherent in receivable balances. Management determines the allowances for doubtful accounts based on known troubled accounts, historical experience, and other currently available evidence.

(e) Revenue Recognition – Contributions, including Government Grants and Contracts

In June 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this ASU to reduce diversity in reporting by clarifying (1) whether transactions should be accounted for as contributions or as exchange transactions subject to other guidance and (2) whether a contribution is conditional.

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Notes to Consolidated Financial Statements

June 30, 2019 and 2018

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 barriers on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

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 net assets without donor restrictions. Income and realized and unrealized net gains (losses) on investments of donor-restricted endowment and similar funds are reported as follows:

- Changes in net assets with donor restrictions 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 net assets with donor restrictions 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.

State operating appropriations are provided by the State of Delaware to support the general operations of the University. Funds are to be spent in accordance with applicable law and revenue is recognized ratably over the fiscal year as the funds are received and expended.

The University conducts sponsored program activity with various sponsors, including agencies and departments of the federal government, local government entities, and foundations. Such grants and contracts revenue (research and other programs) are recognized as the related qualifying expenses are incurred.

State construction grants are provided by the state of Delaware to fund certain capital projects in support of the University's mission. This revenue is classified as with donor restrictions until the capital project is completed and placed in service, at such time the net assets are released from restrictions.

(f) *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.

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Notes to Consolidated Financial Statements
June 30, 2019 and 2018

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.

(g) Investments

Investments are stated at fair value or estimated fair value using net asset value as a practical expedient, as described in notes 5 and 6. Other investment income, including dividend and interest, is recognized when earned.

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, 2019, 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.

(h) 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 or the lease term, if shorter. 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.

(i) Nonoperating Activities

Nonoperating activities include investment gains (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, as discussed in note 1(b); changes in postemployment benefit and asset retirement obligations; and nonrecurring or unusual transactions. Nonoperating activities are presented in the statement of activities in the "other changes in net assets without donor restrictions" and "changes in net assets with donor restrictions."

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Notes to Consolidated Financial Statements

June 30, 2019 and 2018

(j) 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 the tax positions taken by the University and has concluded that as of June 30, 2019 and 2018, 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.

(k) 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. Actual results could differ from these estimates.

(l) 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 \$13,340,000 and \$13,171,000 as of June 30, 2019 and 2018, respectively.

(m) 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 sheets as assets or liabilities, with changes in fair value recognized in the consolidated statement of activities.

(n) Recently Issued Accounting Standards

In August 2016, FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities* (ASU 2016-14). The ASU is effective, and has been adopted, for fiscal year 2019 including the required reclassification of the 2018 activities. ASU 2016-14 reduces the number of net assets classes from three to two, increases disclosure regarding liquidity (note 2), and requires expenses to be reported by their natural and functional classifications in one location (statement of functional expenses).

With respect to the net asset classes, net assets without donor restrictions were previously reported as of June 30, 2018 as unrestricted net assets (\$1,372,661) and net assets with donor restrictions were previously reported as temporarily restricted (\$706,222) and permanently restricted (\$432,897) net assets as of June 30, 2018. Additional disclosures related to the University's net assets are included in note 13.

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Notes to Consolidated Financial Statements

June 30, 2019 and 2018

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The University has implemented the provision of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements on a modified retrospective basis in 2019, with no substantive change.

In 2019, the University adopted ASU 2014-09, *Revenue from Contracts with Customers*, as amended. This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The University adopted the ASU on the modified retrospective basis. The guidance did not significantly impact the timing of the University's revenue recognition.

(o) Upcoming Accounting Pronouncements Not Yet Adopted

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU is effective for fiscal year 2020 and will require lessees to report most leases as assets and liabilities on the balance sheet, while lessor accounting will remain substantially unchanged. The ASU requires a modified retrospective transition approach for existing leases, whereby the new rules will be applied to the earliest year presented. The University is currently working on the implementation of this ASU but does not expect the adoption of this standard to have a significant impact on its financial position or activities.

(p) Reclassifications

Certain amounts in 2018 have been reclassified to conform to 2019 presentation.

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(2) Liquidity

The following table reflects the University's financial assets as of June 30, 2019 and 2018, available for general expenditures within one year (in thousands):

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 111,398	85,022
Operating investments	177,487	316,988
Less: Donor restricted gifts for capital projects	<u>(4,217)</u>	<u>(9,262)</u>
	284,668	392,748
Accounts and notes receivable collectible within one year	40,865	41,360
Operating funds invested in pooled portfolio	247,785	250,311
Endowment spending payout	<u>51,877</u>	<u>51,877</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 625,195</u>	<u>736,296</u>

The University manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. In addition, the University invests cash in excess of daily requirements in short-term investments or fixed income securities. Additionally, as of June 30, 2019 and 2018, the University had board-designated endowments and other investments of \$362,976,000 and \$353,656,000. Although the University does not intend to spend from these investments, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, they could be made available if necessary, subject to liquidity of the underlying investments.

(3) Contributions Receivable

Contributions receivable as of June 30, 2019 and 2018 are summarized as follows (in thousands):

	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$ 11,352	7,829
One to five years	34,193	21,799
Over five years	<u>9,270</u>	<u>10,637</u>
	54,815	40,265
Less:		
Allowance for uncollectible pledges	(610)	(500)
Unamortized discounts	<u>(4,688)</u>	<u>(4,521)</u>
	<u>\$ 49,517</u>	<u>35,244</u>

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Contributions to be received after one year are discounted at discount rates ranging from 2.5% to 3.5% for the years ended June 30, 2019 and 2018, respectively.

(4) Restricted Deposits

Restricted deposits as of June 30, 2019 and 2018 consisted of the following (in thousands):

	<u>2019</u>	<u>2018</u>
Unexpended bond proceeds (primarily 2019 and 2018 bonds)	\$ 190,831	175,914
Debt service reserve funds	14,279	20,536
Other deposits	<u>4,406</u>	<u>3,361</u>
	<u>\$ 209,516</u>	<u>199,811</u>

The unexpended bond proceeds represent the amount of unspent bond proceeds that remain on deposit. Approximately \$83,000,000 and \$171,000,000 are related to the 2018 general obligation bonds for the years ended June 30, 2019 and 2018, respectively. These bonds are held by the University, to be used in certain capital projects, with the remainder being held with the trustee. Under terms of the trust agreement, these proceeds are not released to the University until expenditures related to the specific purpose of the bond indenture have occurred. The unexpended bond proceeds 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 10. These funds are generally invested in cash equivalents and short-term U.S. government securities.

(5) Investments

Investments are recorded at fair value, or estimated fair value as a practical expedient, as described in note 6. The fair value by investment class as of June 30, 2019 and 2018 was as follows (in thousands):

	<u>2019</u>	<u>2018</u>
Money market and other liquid funds	\$ 43,364	44,093
U.S. government obligations	126,000	146,628
Corporate obligations	211,858	281,114
Stock and convertible securities	448,016	412,438
International equity investments	65,004	96,500
Limited partnerships and limited liability corporations (LLCs)	933,183	937,659
Other	<u>6,025</u>	<u>6,320</u>
Total	<u>\$ 1,833,450</u>	<u>1,924,752</u>

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	<u>2019</u>	<u>2018</u>
Operating investments	\$ 177,487	316,988
Investments	<u>1,655,963</u>	<u>1,607,764</u>
	<u>\$ 1,833,450</u>	<u>1,924,752</u>

Included in the investments table above is \$6,352,000 and \$6,576,000 of annuity and life-income funds at June 30, 2019 and 2018, 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.

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>2019</u>	<u>2018</u>	<u>Estimated remaining lives (years)</u>	<u>As of June 30, 2019 unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice frequency</u>
Limited partnerships and LLCs:						
U.S. corporate debt funds	\$ —	82,053	—	\$ —	Monthly	45 Days
International equity funds	280,669	266,718	—	—	Monthly	10 Days
Multistrategy hedge funds	50,059	41,964	—	—	Annually	100 Days
Long-short hedge funds	188,493	174,667	—	—	Annually	90 Days
Private equity	165,184	123,428	1–13	215,877	Not eligible	N/A
Venture capital	83,672	73,816	1–14	78,278	Not eligible	N/A
Hybrid fund of funds	18,775	22,902	1–7	5,393	Not eligible	N/A
Distressed securities	46,306	43,660	1–6	7,697	Not eligible	N/A
Real estate	31,093	30,668	1–9	30,330	Not eligible	N/A
Natural resources	45,539	33,677	1–13	2,601	Not eligible	N/A
Oil and gas	23,393	44,106	8–9	24,579	Not eligible	N/A
	<u>\$ 933,183</u>	<u>937,659</u>		<u>\$ 364,755</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.

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(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.

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.

(g) Investment Return

Investment return for fiscal years ended June 30, 2019 and 2018 was as follows (in thousands):

	<u>2019</u>	<u>2018</u>
Dividend and interest income	\$ 35,700	28,206
Net realized and unrealized gains	96,408	96,469
External investment management fees and expenses	<u>(6,367)</u>	<u>(8,249)</u>
Investment return, net	<u>\$ 125,741</u>	<u>116,426</u>

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Investment return is presented for fiscal years ended June 30, 2019 and 2018 was as follows (in thousands):

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Other investment income	\$ 26,782	20,386
Endowment distributions	51,877	51,422
Investment return in excess of endowment distributions	<u>19,726</u>	<u>12,655</u>
	<u>98,385</u>	<u>84,463</u>
With donor restrictions:		
Other investment income	75	75
Endowment distributions	61	7
Investment return in excess of endowment distributions	<u>27,220</u>	<u>31,881</u>
	<u>27,356</u>	<u>31,963</u>
Investment return, net	<u>\$ 125,741</u>	<u>116,426</u>

(6) 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.

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

Level 1: Quoted or published 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.

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

(a) Investments and Restricted Deposits

Investments and restricted deposits are recorded at fair value. 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.)

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 assets 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 Counsel 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, 2019 and 2018 consolidated balance sheets (in thousands):

		June 30, 2019			
		Total	Level 1	Level 2	Level 3
Financial assets:					
Investments:					
Money market and other liquid funds	\$	43,364	43,220	144	—
U.S. government obligations:					
Mortgage-backed securities		39,641	—	39,641	—
Treasury obligations		82,088	82,088	—	—
Other		4,271	478	3,793	—
		126,000	82,566	43,434	—
Corporate obligations		211,858	335	211,523	—
Stock and convertible securities		448,016	445,677	2,339	—
International investments		65,004	63,052	1,952	—
Other		6,025	2,431	—	3,594
Investments measured at net asset value ⁽¹⁾		933,183	—	—	—
Total investments		1,833,450	637,281	259,392	3,594
Restricted deposits		209,516	153,657	55,859	—
Funds held in trust by others		78,655	—	—	78,655
Total	\$	<u>2,121,621</u>	<u>790,938</u>	<u>315,251</u>	<u>82,249</u>
Financial liabilities, included in the other liabilities:					
Annuity and life income funds payable	\$	4,493	—	—	4,493
Interest rate swaps		28,353	—	28,353	—
Total	\$	<u>32,846</u>	<u>—</u>	<u>28,353</u>	<u>4,493</u>

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		June 30, 2018			
		Total	Level 1	Level 2	Level 3
Financial assets:					
Investments:					
Money market and other liquid funds	\$	44,093	43,973	120	—
U.S. government obligations:					
Mortgage-backed securities		26,838	—	26,838	—
Treasury obligations		111,024	107,979	3,045	—
Other		8,766	1,313	7,453	—
		146,628	109,292	37,336	—
Corporate obligations		281,114	304	280,810	—
Stock and convertible securities		412,438	409,963	2,475	—
International investments		96,500	94,515	1,985	—
Other		6,320	2,901	—	3,419
Investments measured at net asset value ⁽¹⁾		937,659	—	—	—
Total investments		1,924,752	660,948	322,726	3,419
Restricted deposits		199,811	135,048	64,763	—
Funds held in trust by others		77,067	—	—	77,067
Total	\$	2,201,630	795,996	387,489	80,486
Financial liabilities, included in the other liabilities:					
Annuity and life income funds payable	\$	4,467	—	—	4,467
Interest rate swaps		17,824	—	17,824	—
Total	\$	22,291	—	17,824	4,467

- ⁽¹⁾ 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 sheets.

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The following table presents a reconciliation of the consolidated balance sheets amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2019 and 2018 (in thousands):

	Financial assets		Financial liabilities
	Funds held in trust by others	Other	Annuity and life income funds payable
Total at June 30, 2017	\$ 74,131	3,149	4,977
Net gains on investments	5,112	—	—
Net losses on liabilities	—	—	(67)
Purchases	22,916	559	140
Sales	(25,092)	(289)	(583)
Total at June 30, 2018	77,067	3,419	4,467
Net gains on investments	3,032	—	459
Purchases	37,573	591	100
Sales	(39,017)	(416)	(533)
Total at June 30, 2019	\$ 78,655	3,594	4,493

During the year ended June 30, 2019, there were no transfers of assets between levels.

(7) Annuity and Life-Income Funds

The University held \$6,352,000 and \$6,576,000 in investments related to annuity and life income funds as of June 30, 2019 and 2018, respectively. A related liability of \$4,493,000 and \$4,467,000 as of June 30, 2019 and 2018, 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 \$2,225,000 and \$2,285,000 as of June 30, 2019 and 2018, respectively.

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(8) Property, Plant, and Equipment

Property, plant, and equipment as of June 30, 2019 and 2018 consisted of the following (in thousands):

	<u>2019</u>	<u>2018</u>	<u>Range of useful lives (years)</u>
Land	\$ 58,375	55,534	n/a
Land improvements	79,376	78,252	15
Buildings	1,830,197	1,837,009	40
Equipment and furnishings	315,764	294,498	2–20
Library	275,049	262,765	10
Capital leasehold	102,407	46,017	29–40
Collections and works of art	8,829	8,674	n/a
Construction in progress	202,422	118,947	n/a
	<u>2,872,419</u>	<u>2,701,696</u>	
Less accumulated depreciation	<u>(1,165,610)</u>	<u>(1,120,731)</u>	
	<u>\$ 1,706,809</u>	<u>1,580,965</u>	

At June 30, 2019, the University had outstanding contractual commitments of \$110,753,000 for building and renovation projects. Interest costs associated with various construction projects of \$3,809,000 and \$2,059,000 were capitalized at June 30, 2019 and 2018, respectively.

(9) 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 \$22,315,000 and \$21,395,000 as of June 30, 2019 and 2018, respectively, which is included in other liabilities on the accompanying consolidated balance sheets. The following table reconciles the obligation as of June 30, 2019 and 2018 (in thousands):

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	\$ 21,395	21,291
Additional obligations incurred	46	3
Obligations settled in current period	(374)	(1,013)
Changes in estimates, including timing	637	505
Accretion expense	611	609
Balance at end of year	<u>\$ 22,315</u>	<u>21,395</u>

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(10) Long-Term Debt and Capital Leases

Indebtedness at June 30, 2019 and 2018 consisted of the following (in thousands):

	<u>Fiscal year of maturity</u>	<u>Interest rate(s)%</u>	<u>Outstanding principal</u>	
			<u>2019</u>	<u>2018</u>
Variable-rate debt:				
Series 2004B	2035	3.73 %	\$ 30,770	32,185
Series 2005	2036	4.32	30,850	32,925
Series 2013C	2038	4.15	55,440	57,475
Variable-rate debt			<u>117,060</u>	<u>122,585</u>
Fixed-rate bonds:				
Series 2009B	—	3.00–5.00	—	24,040
Series 2010A taxable Build America Bonds (BABs)	2041	3.95	119,580	119,580
Series 2010B taxable	2020	2.97–3.80	2,365	4,640
Series 2013A	—	3.00–5.00	—	67,270
Series 2013A	—	5.00	—	27,825
Series 2013B taxable	2027	1.12–3.00	6,065	6,750
Series 2013B taxable	2034	3.83	6,770	6,770
Series 2013B taxable	2044	3.98	13,555	13,555
Series 2015	2036	4.00–5.00	23,380	24,235
Series 2015	2041	5.00	11,385	11,385
Series 2015	2046	5.00	14,625	14,625
Series 2018 taxable	2051	4.07	76,770	76,770
Series 2018 taxable	2059	4.22	123,230	123,230
Series 2019	2043	5.00	113,295	—
Fixed-rate debt			<u>511,020</u>	<u>520,675</u>
Capital leases	2021–2049	3.68–4.25	<u>62,431</u>	<u>64,027</u>
			690,511	707,287
Premium on long-term debt, net of debt issue costs			<u>28,113</u>	<u>25,619</u>
Long-term debt and capital leases			<u>\$ 718,624</u>	<u>732,906</u>

With the exception of the Series 2019 and 2018 bonds, 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. The Series 2019 and 2018 bonds are unsecured general obligations of the University. All variable-rate debt referenced are subject to

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fixed-rate interest rate swap agreements and the corresponding interest rates for each issue include 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, 2019 was 1.55% and 1.55%, respectively.

The Series 2010A Taxable Revenue Bonds are Build America Bonds and the University receives payments from the U.S. Treasury equal to 32.7% of the corresponding interest payable on the bonds (the Subsidy Payments). For the year ended June 30, 2019, the University received Subsidy Payments of \$2,296,000 for fiscal year, 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, 2019 was 1.91%.

On April 12, 2018, the University issued its Taxable Bonds, Series 2018. The bonds are unsecured general obligations of the University. The bonds are subject to mandatory redemption from November 1, 2041 through November 1, 2058.

On May 29, 2019, the University legally defeased its Series 2009B and 2013A Bonds with a total par value of \$132,295,000.

On June 20, 2019, the University issued its Tax-Exempt Bonds, Series 2019. The bonds are unsecured general obligations of the University. The bonds consist of serial bonds maturity from November 1, 2019 through November 1, 2043. The bonds maturity from November 1, 2029 through November 1, 2043 are subject to optional redemption.

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, 2019.

The University has obligations under capital leases with annual lease payments ranging from \$900,000 to \$2,169,000. As of June 30, 2019, the gross amount of assets and accumulated depreciation thereon accounted for as capital leases amounted to \$102,407,000 and \$11,846,000, respectively.

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

2020	\$ 12,515
2021	14,351
2022	13,968
2023	14,608
2024	15,344
Thereafter	<u>619,725</u>
	<u>\$ 690,511</u>

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 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, 2021, May 31, 2021, and April 30, 2022, respectively.

(11) Interest Rate Swap Agreements

The University has interest rate swap agreements for notional amounts of approximately \$153,785,000 and \$131,935,000 as of June 30, 2019 and 2018 (in thousands):

	Consolidated balance sheets location	Location of (loss)/gain	Fair value 2019	Fair value 2018	(Loss)/gain and other changes 2019	2018
Interest rate swap agreements	Other liabilities	Other, net	\$ 28,353	17,824	(10,529)	7,591

The change in 2019 includes \$4,488,000 of interest rate swaps assumed by the University as part of the Courtyard Apartments acquisition. A portion of the total interest rate swap liabilities reported on the consolidated balance sheets 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.

(12) 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 5% of their annual salary. The policy of the University is to pay its share of the cost accrued in connection with the University's Retirement Savings

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Plan. As a result, there are no unfunded benefits. Pension plan expense for the University's 403(b) Retirement Savings Plan was \$34,015,000 in 2019 and \$32,445,000 in 2018.

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.

(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.

Net periodic postemployment benefit cost for 2019 and 2018 includes the following components (in thousands):

	<u>2019</u>	<u>2018</u>
Operating expenses:		
Service cost	\$ 3,495	3,270
Nonoperating costs:		
Interest cost	3,017	2,333
Amortization of unrecognized loss	4,030	3,313
	<u>7,047</u>	<u>5,646</u>
Net periodic postemployment benefit cost	<u>\$ 10,542</u>	<u>8,916</u>

The University's estimated unfunded obligation related to this plan is \$79,237,000 and \$64,658,000, respectively, and is included in postemployment benefit obligations on the consolidated balance sheets as of June 30, 2019 and 2018.

The benefit obligation was determined using a discount rate of 3.37% as of June 30, 2019 and 4.20% as of June 30, 2018, and a rate of compensation increase of 3.0%. As of June 30, 2019, the University's expected future benefit payments for fiscal years 2020 through 2024 are \$9,454,000, \$8,868,000, \$6,577,000, \$6,088,000, and \$9,568,000, respectively.

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(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, 2019, the University has not funded these benefits.

Net periodic postemployment benefit cost for 2019 and 2018 includes the following components (in thousands):

	<u>2019</u>	<u>2018</u>
Operating expenses:		
Service cost	\$ 10,330	16,387
Nonoperating costs:		
Interest cost	16,371	19,358
Amortization of unrecognized (gain) loss	<u>(1,160)</u>	<u>5,393</u>
	<u>15,211</u>	<u>24,751</u>
Net periodic postemployment benefit cost	<u>\$ 25,541</u>	<u>41,138</u>

The accumulated postemployment benefit obligation recognized in the consolidated balance sheets at June 30, 2019 and 2018 is as follows (in thousands):

	<u>2019</u>	<u>2018</u>
Accrued postemployment liability	\$ 375,665	359,065
Unrecognized net loss	<u>51,085</u>	<u>74,080</u>
Accumulated postemployment benefit obligation	<u>\$ 426,750</u>	<u>433,145</u>

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Changes in the accumulated postemployment plan benefit obligation and funding status for 2019 and 2018 are as follows (in thousands):

	<u>2019</u>	<u>2018</u>
Benefit obligation at beginning of year	\$ 433,145	481,298
Service cost	10,330	16,387
Interest cost	16,371	19,358
Amortization of unrecognized (gain) loss	(1,160)	5,393
Actuarial gain	(22,995)	(80,503)
Disbursements	<u>(8,941)</u>	<u>(8,788)</u>
Benefit obligation at end of year	<u>426,750</u>	<u>433,145</u>
Fair value of plan assets at beginning of year	—	—
Employer contributions	8,941	8,788
Benefits paid	<u>(8,941)</u>	<u>(8,788)</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>426,750</u>	<u>433,145</u>

The accumulated postemployment benefit obligation was determined using a discount rate of 3.91% and 4.45% in 2019 and 2018, respectively. The healthcare cost trend rates used reflect the differences between pre-65 and post-65 claims were 7.50% and 7.00%, respectively, in 2019 and 7.5% and 8.25%, respectively, in 2018. This rate gradually decreases to 4.50% by the year 2028 for pre-65 and post-65 claims. The actuarial gain in 2018 relates to changes in assumptions in discount rates, mortality, healthcare cost trends, and withdrawal rates.

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):

	<u>Increase</u>	<u>Decrease</u>
Effect on service cost and interest cost components of net periodic postemployment benefit cost	\$ 6,803	(5,064)
Effect on benefit obligation as of June 30, 2019	89,708	(69,166)

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At June 30, 2019, the University's expected future benefit payments for future service are as follows (in thousands):

Year ending June 30:		
2020	\$	11,098
2021		12,196
2022		13,213
2023		14,066
2024		14,863
2025 through 2029		88,068

(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 other post employment benefits (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 23.15% in 2019 and 21.77% in 2018. Expense recognized for the State Plan was \$14,114,000 and \$13,151,000 in 2019 and 2018, respectively.

The State Plan's financial statements and actuarial reports for June 30, 2018 (most recent available) indicate the following:

The University has 1,321 active participants in the State Plan. The State Plan, in total, has 70,085 participants, 37,068 of which are active participants.

The University's contribution to the State Plan in fiscal year June 30, 2018 of \$6,663,000 was approximately 3.22% of the \$206,883,000 total annual required plan employer contributions to the State Plan.

At June 30, 2018, the State Plan had an 86.0% funded ratio of the actuarial accrued liability.

The funding objective of the State Plan 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 have consistently funded the full amounts required based on the actuarial valuations and specific statutory provisions.

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As disclosed in the State of Delaware's Postretirement Health Reporting for the year ended June 30, 2018 (most recent available), the State Plan for OPEB as of June 30, 2018 indicated the State had a net liability of \$8.21 billion. The University's contribution to the State Plan for OPEB in fiscal year June 30, 2018 of \$5,656,000 was approximately 2.6% of the \$214,466,000 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 2019 and 2018 was \$64,833,000 and \$63,450,000, respectively.

(13) **Net Assets**

The University's net assets as of June 30 (in thousands) includes:

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Undesignated	\$ 402,015	541,316
Board designated endowment	362,976	353,656
Commitments for postemployment obligations	(505,986)	(497,803)
Commitments for interest rate swap agreements	(28,353)	(17,824)
Net investment in plant	<u>1,135,322</u>	<u>993,316</u>
Total net assets without donor restrictions	<u>\$ 1,365,974</u>	<u>1,372,661</u>
With donor restrictions:		
Pledges receivable:		
Pledges receivable for operations, primarily instruction	\$ 5,571	9,422
Pledges receivable for buildings	28,001	15,294
Pledges receivable for endowment	<u>15,945</u>	<u>10,528</u>
Total pledges receivable	<u>49,517</u>	<u>35,244</u>
Amounts received subject to expenditures for specified purposes:		
Student aid and instruction	19,671	19,584
Research and other	11,189	13,000
Capital additions	<u>21,379</u>	<u>9,262</u>
Total expendable subject to purpose restrictions	<u>52,239</u>	<u>41,846</u>

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	<u>2019</u>	<u>2018</u>
Endowment earning subject to future appropriations:		
General institutional support	\$ 459,508	446,535
Student aid and instruction	191,431	178,652
Research and other	14,633	13,795
	<u>665,572</u>	<u>638,982</u>
Perpetual endowment funds – original gift corpus:		
General institutional support	71,375	71,314
Student aid and instruction	267,915	252,887
Research and other	19,577	19,291
	<u>358,867</u>	<u>343,492</u>
Other funds	1,501	2,488
Funds held in trust by others, primarily for general institutional support	<u>78,655</u>	<u>77,067</u>
Total net assets with donor restrictions	<u>\$ 1,206,351</u>	<u>1,139,119</u>

Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the years ended June 30 (in thousands), as follows:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished – Operating:		
Instruction and operations	\$ 9,744	4,198
Scholarships	2,591	2,188
Student services	214	347
Academic support	3,030	2,386
Other	2,794	2,835
Total purpose restrictions accomplished – Operating	<u>\$ 18,373</u>	<u>11,954</u>
Purpose restrictions accomplished – Non-Operating:		
Capital asset additions	<u>\$ 3,366</u>	<u>3,620</u>

(14) Endowment

The University endowment consists of approximately 1,224 individual funds established for a variety of purposes. The endowment funds are subdivided into appropriate net asset classifications. The donor restricted endowment funds represent gifts with a stipulation by the donor that the principal not be

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expended. Board-designated with restrictions and without donor 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 all donor-restricted endowment funds as donor restricted net assets. At the time of appropriation by the University, and provided there are no additional purpose restrictions in place, with donor restricted net assets will be reclassified to without donor restricted net assets. The University considers donor restricted net assets at historical cost value of the original donor-restricted endowment to be permanent.

(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 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 4.11% and 4.14% at June 30, 2019 and 2018, respectively.

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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 net assets with donor restrictions. There were no deficiencies of this nature as of June 30, 2019 and 2018.

(f) Net Asset Classification of Endowment Funds

Endowment net assets by type of fund consist of the following as of June 30, 2019 and 2018 (in thousands):

		2019		
		Without donor restrictions	With donor restrictions	Total
Donor restricted	\$	—	1,021,738	1,021,738
Board designated		362,976	2,701	365,677
	\$	<u>362,976</u>	<u>1,024,439</u>	<u>1,387,415</u>
		2018		
		Without donor restrictions	With donor restrictions	Total
Donor restricted	\$	—	981,300	981,300
Board designated		353,656	1,174	354,830
	\$	<u>353,656</u>	<u>982,474</u>	<u>1,336,130</u>

Board-designated with donor restrictions 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, 2019, the amount of with donor restrictions net assets, which may be used for purposes of the University as determined by the Board of Trustees, was \$444,213,000. Additionally, \$218,658,000 as of June 30, 2019, is determined to be with purpose restrictions as set forth by the donors.

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Changes in endowment net assets for the years ended June 30, 2019 and 2018 (in thousands) are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, June 30, 2017	\$ 347,589	942,336	1,289,925
Investment return:			
Investment income, net	4,311	11,974	16,285
Net appreciation – realized and unrealized	<u>19,389</u>	<u>52,394</u>	<u>71,783</u>
Total investment return	23,700	64,368	88,068
Contributions	104	13,112	13,216
Endowment spending distribution	(13,864)	(37,777)	(51,641)
Other changes, including life income fund and other transfers	<u>(3,873)</u>	<u>435</u>	<u>(3,438)</u>
Endowment net assets, June 30, 2018	353,656	982,474	1,336,130
Investment return:			
Investment income, net	4,789	13,535	18,324
Net appreciation – realized and unrealized	<u>17,885</u>	<u>50,106</u>	<u>67,991</u>
Total investment return	22,674	63,641	86,315
Contributions	230	12,967	13,197
Endowment spending distribution	(13,804)	(38,428)	(52,232)
Other changes, including life income fund and other transfers	<u>220</u>	<u>3,785</u>	<u>4,005</u>
Endowment net assets, June 30, 2019	<u>\$ 362,976</u>	<u>1,024,439</u>	<u>1,387,415</u>

(15) 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.

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The table below identifies this financial assistance by source and by student classification for the years ended June 30, 2019 and 2018 (in thousands):

	2019			2018		
	Undergraduate	Graduate	Total	Undergraduate	Graduate	Total
Tuition:						
Unrestricted	\$ 92,962	67,857	160,819	82,317	62,566	144,883
Federal grants	870	1,791	2,661	820	1,373	2,193
State grants	11,847	1,294	13,141	10,887	95	10,982
Private gifts	2,691	1,323	4,014	2,167	1,202	3,369
Endow ment	4,225	218	4,443	3,978	191	4,169
Total	112,595	72,483	185,078	100,169	65,427	165,596
Student aid expenses	3,660	4,045	7,705	3,618	4,037	7,655
Total	\$ 116,255	76,528	192,783	103,787	69,464	173,251

(16) 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.

(17) 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 sheets, statement of activities, or cash flows.

(18) 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, 2019 through November 14, 2019, which was the date the consolidated financial statements were issued.

On September 17, 2019, the University issued Series 2019A tax-exempt bonds amounting to \$49,390,000. The bond proceeds will be used for various capital projects of the University. On October 3, 2019, the University legally defeased its Series 2015 Bonds.

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Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Research and development cluster:				
United States Department of Agriculture:				
Direct:				
United States Department of Agriculture	10.000		\$ —	7,811
United States Department of Agriculture	10.001		—	3,410
Agricultural Research_Basic and Applied Research	10.001		—	449,438
Subtotal for CFDA No. 10.001			—	452,848
United States Department of Agriculture	10.025		—	41,202
Plant and Animal Disease, Pest Control, and Animal Care	10.025		—	20,407
Subtotal for CFDA No. 10.025			—	61,609
Cooperative Forestry Research	10.202		—	163,039
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		—	1,372,131
Animal Health and Disease Research	10.207		—	28,173
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210		52,514	88,334
Higher Education Challenge Grants	10.217		—	22,848
Agricultural and Rural Economic Research	10.250		152,262	187,974
Agriculture and Food Research Initiative (AFRI)	10.310		326,546	1,841,168
Partnership Agreements	10.699		—	13,249
Environmental Quality Incentives Program	10.912		—	21,931
Subtotal: United States Department of Agriculture -- Direct			531,322	4,261,115
Pass-through:				
University of Rhode Island	10.000	0006852/111617 UD	—	5,013
West Virginia University	10.320	16-710-UD	—	46,279
The Ohio State University	10.310	19A01015	—	3,500
Cornell University	10.329	73984-10401	—	19,532
Wholesome Wave	10.331	FINI-NYC	—	49,343
Delaware Department of Agriculture	10.170	SCBG-FB-16-05	—	6,992
Texas Beekeepers Assoc.	10.170	2017-002	—	12,238
Delaware Department of Agriculture	10.170	SCBGP-FB-18-01	—	296
Subtotal for CFDA No. 10.170			—	19,526
State University of New Jersey- Rutgers	10.200	6174-NER17P&B-VanGessel	—	8,923
State University of New Jersey- Rutgers	10.200	0629-NER18P-VanGessel	—	5,927
Subtotal for CFDA No. 10.200			—	14,850
University of Maryland-College Park	10.215	60322-Q1643201	—	8,796
Subtotal for CFDA No. 10.215			—	8,796
Kansas State University	10.250	S17058a	—	18,856
Subtotal for CFDA No. 10.250			—	18,856
Albany State University	10.290	58011118003-01	—	51,301
Subtotal for CFDA No. 10.290			—	51,301
Cornell University	10.304	80289-10771	—	26,469
Subtotal for CFDA No. 10.304			—	26,469
Texas A & M University	10.309	06-S150658	—	1,842
Subtotal for CFDA No. 10.309			—	1,842
University of Maine	10.310	UMS-1009	—	96,510
Johns Hopkins University	10.310	17A00016	—	5,998
Albany State University	10.310	2017-67024-26278-03	—	66,311
Albany State University	10.310	ASU-2016-0002	—	31,169
Virginia Tech	10.310	545991-19650	—	50,383
The Ohio State University	10.310	60045862	7,900	89,022
North Carolina State University	10.310	2011-0494-15	—	(37)
University of Nebraska	10.310	25-6239-0235-307	—	2,545
University of Maryland	10.310	36692-Z5782002	—	370,400
Subtotal for CFDA No. 10.310			7,900	712,301
University of Georgia	10.329	RC293-417/S001588	—	57,912
Subtotal for CFDA No. 10.329			—	57,912
Delaware Dept of Health & Social Service	10.557	19-117	—	25,072
Delaware Dept of Health & Social Service	10.557	PO 398194	—	25,841
Delaware Dept of Health & Social Service	10.557	18-066	—	3,444
Subtotal for CFDA No. 10.557			—	54,357
National Fish & Wildlife Foundation	10.912	0601.14.044706	—	71
Subtotal for CFDA No. 10.912			—	71
Subtotal: United States Department of Agriculture -- Pass-through			7,900	1,089,948
Total: United States Department of Agriculture			539,222	5,351,063

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Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Department of Commerce:				
Direct:				
Department of Commerce	11.017		\$ —	90,727
Integrated Ocean Observing System (IOOS)	11.012		3,377	15,838
Sea Grant Support	11.417		9,465	1,225,012
Meteorologic and Hydrologic Modernization Development	11.467		8,354	84,910
Center for Sponsored Coastal Ocean Research, Coastal Ocean Program	11.478		—	492,918
Measurement and Engineering Research and Standards	11.609		—	2,251,978
Arrangements for Interdisciplinary Research Infrastructure	11.619		2,962,483	12,022,784
Subtotal: Department of Commerce -- Direct			2,983,679	16,184,167
Pass-through:				
University of Nebraska	11.000	26-0521-0129-003	—	298
Commonwealth of Massachusetts	11.000	UNIVDELAWARE9739JL18	—	1,434
Subtotal for CFDA No. 11.000			—	1,732
University of California-San Diego	11.011	98363779	—	17,544
Subtotal for CFDA No. 11.011			—	17,544
State University of New Jersey- Rutgers	11.012	5934	—	70,324
State University of New Jersey- Rutgers	11.012	5928	—	(90)
State University of New Jersey- Rutgers	11.012	6165	—	177,521
Southeast Coastal Ocean Observing	11.012	IOOS.16(028)UDEL.WC.OA.1	—	23
State University of New Jersey- Rutgers	11.012	A18-03180S002-PO64226E	—	15,772
Subtotal for CFDA No. 11.012			—	263,550
Delaware Department of Natural Resources	11.419	17A01165	—	29
Delaware Department of Natural Resources	11.419	19A00846	—	8,197
Subtotal for CFDA No. 11.419			—	8,226
State University of California- Santa Cruz	11.432	A16-0309-S005-P0684758	—	36,528
Texas A & M University	11.432	18A00970	—	17,689
Subtotal for CFDA No. 11.432			—	54,217
The University of Southern Mississippi	11.451	USM-GR05830-01	—	74,225
Subtotal for CFDA No. 11.451			—	74,225
Virginia Institute of Marine Science	11.454	720641-712683	—	50,459
Subtotal for CFDA No. 11.454			—	50,459
Northeast States Emergency Consortium	11.467	NA18NWS4670073-SUD	—	65,035
Subtotal for CFDA No. 11.467			—	65,035
University of Maryland	11.478	SA075258490	—	51,346
Subtotal for CFDA No. 11.478			—	51,346
Optofluidics, Inc	11.620	17A01335	—	25,962
Subtotal for CFDA No. 11.620			—	25,962
Subtotal: Department of Commerce -- Pass-through			—	612,296
Total: Department of Commerce			2,983,679	16,796,463
Department of Defense:				
Direct:				
Department of Defense	12.000		164,971	340,304
Department of Defense	12.000		—	148,388
Department of Defense	12.000		—	39,902
Department of Defense	12.000		—	(130)
Department of Defense	12.000		—	223,719
Department of Defense	12.000		—	207,823
Department of Defense	12.000		—	27,540
Department of Defense	12.000		—	24,449
Department of Defense	12.000		—	40,000
Department of Defense	12.000		—	38,607
Department of Defense	12.000		—	49,322
Department of Defense	12.000		—	206,804
Basic and Applied Scientific Research	12.300		—	2,299,997
Basic Scientific Research -- Combating Weapons of Mass Destruction	12.351		24,206	148,790
Military Medical Research and Development	12.420		637,234	2,031,706
Basic Scientific Research	12.431		—	786,412
Air Force Defense Research Sciences Program	12.800		74,214	1,696,911
Research and Technology Development	12.910		770,451	4,674,109
Subtotal: Department of Defense -- Direct			1,671,076	12,984,653
Pass-through:				
Systems and Materials Research Corp	12.000	120-01	—	35,000
University of Iowa	12.000	14A00058	—	(4,698)
Phase Sensitive Innovations, Inc.	12.000	15A01014	—	21,616
SRI International	12.000	16205	—	(6,995)
Lumilant, Inc.	12.000	16A01142	—	49,326
Phase Sensitive Innovations, Inc.	12.000	17A00021	—	145,089
Phase Sensitive Innovations, Inc.	12.000	18A00166	—	287,154

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Chip Design Systems	12.000	18A01014	\$ —	60,000
Convergent Manufacturing Technologies US	12.000	18A01719	—	13,493
Composites Automation LLC	12.000	2017-0001 UD-CCM	—	59,311
Composites Automation LLC	12.000	2019-1018 UD-CCM	—	3,965
Lawrence Livermore National Laboratory	12.000	B619636	—	(4,012)
Leidos, Inc.	12.000	P010226619	—	9,654
Phase Sensitive Innovations, Inc.	12.000	S-124-001-002	—	15,125
Synectic Research & Analysis, Inc	12.000	SRA SA-17-001	—	(1)
Subtotal for CFDA No. 12.000			—	684,027
Cyber 20/20	12.300	17A00549	—	108,462
Knobles Scientific and Analysis, LLC	12.300	18A01618	—	43,286
Oregon State University	12.300	N0301A-B	—	42,003
University of Pennsylvania	12.300	572767	—	108,657
Subtotal for CFDA No. 12.300			—	302,408
University of California—San Francisco	12.420	8398	3,979	3,979
University of Michigan	12.420	3003497403 YR2	—	122,194
University of Iowa	12.420	S00522-01	—	2,646
University of Iowa	12.420	S00429-01	—	106,217
Subtotal for CFDA No. 12.420			3,979	235,036
Scripps Institute of Oceanography	12.431	90824835	—	291,191
University of Minnesota	12.431	A004135003	—	210,986
University of Michigan	12.431	3002780062	—	214,787
Brown University	12.431	00000819	—	214,282
Subtotal for CFDA No. 12.431			—	931,246
Johns Hopkins University	12.630	2001518468 CLIN 8	—	117,547
Johns Hopkins University	12.630	2001518468 CLIN 10	270,461	576,417
Johns Hopkins University	12.630	2001518468 PLUS UP 18	—	740,517
Johns Hopkins University	12.630	2001518468-CLIN 10.19	50,777	242,755
Johns Hopkins University	12.630	2001518468 PLUS UP 19	—	477,696
BBN Technologies	12.630	PO# 9500009858	—	22,379
Subtotal for CFDA No. 12.630			321,238	2,177,311
The BentProp Project, Limited	12.740	18A01738	—	66,000
Henry M. Jackson Foundation	12.740	4351	—	133,493
Subtotal for CFDA No. 12.740			—	199,493
University of Texas at Austin	12.800	UTA16-001296	—	189,949
Lumilant, Inc.	12.800	16A00970	—	25,208
Chip Design Systems	12.800	15A00829	—	4,412
University of California—San Diego	12.800	104170068	—	161,863
Baylor University	12.800	37060170-01	—	17,468
University of Houston	12.800	R-18-0074	—	22,192
Subtotal for CFDA No. 12.800			—	421,092
Johns Hopkins University	12.910	2004112405	—	17,000
Donald Danforth Plant Science Center	12.910	23107-DE	—	81,150
University of Florida	12.910	SUB000001630	—	112,159
Subtotal for CFDA No. 12.910			—	210,309
Subtotal: Department of Defense -- Pass-through			325,217	5,160,922
Total: Department of Defense			1,996,293	18,145,575
Department of Interior:				
Direct:				
Department of Interior	15.678		—	12,689
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423		26,751	64,113
Migratory Bird Monitoring, Assessment, and Conservation	15.655		113,825	287,047
National Fish and Wildlife Foundation	15.663		—	2,779
Assistance to State Water Resources Research Institutes	15.805		—	122,242
U.S. Geological Survey_ Research and Data Collection	15.808		—	43,287
Cooperative Research and Training Programs – Resources of the National Park System	15.945		—	206,742
National Ground-Water Monitoring Network	15.980		—	36,492
Subtotal: Department of Interior -- Direct			140,576	775,391
Pass-through:				
VA Department of Game & Inland Fisheries	15.000	PR6865970	—	1,116
Subtotal for CFDA No. 15.000			—	1,116
Delaware Department of Natural Resources	15.611	W-56-R-1 12282017	—	110,882
Subtotal for CFDA No. 15.611			—	110,882
Delaware Department of Natural Resources	15.634	17A01654	—	150,982
Subtotal for CFDA No. 15.634			—	150,982
Delaware Department of Natural Resources	15.677	17A00498	—	76,737
Subtotal for CFDA No. 15.677			—	76,737
Subtotal: Department of Interior -- Pass-through			—	339,717
Total: Department of Interior			140,576	1,115,108

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Department of Justice:				
Direct:				
National Institute of Justice Research, Evaluation, and Development Project Grant:	16.560		\$ —	170,034
Subtotal: Department of Justice -- Direct			—	170,034
Pass-through:				
Northeastern University	16.560	504625-78050	—	3,678
Subtotal for CFDA No. 16.560			—	3,678
Subtotal: Department of Justice -- Pass-through			—	3,678
Total: Department of Justice			—	173,712
Department of Transportation:				
Direct:				
Department of Transportation	20.000		—	86,748
Highway Research and Development Program	20.200		13,377	39,969
Federal Transit Technical Assistance	20.512		—	187,139
Air Emissions and Energy Initiative	20.817		—	44,974
Subtotal: Department of Transportation -- Direct			13,377	358,830
Pass-through:				
State University of New Jersey- Rutgers	20.000	0446	—	198,288
Intelligent Automation, Inc.	20.000	2398-1	—	25,000
Subtotal for CFDA No. 20.000			—	223,288
Delaware Department of Transportation	20.200	TASK 80-1717	—	60,994
National Academy of Science	20.200	NCHRP-211	—	23,515
Lehigh University	20.200	542621-78002	—	14,488
Delaware Department of Transportation	20.200	TASK 97-1717	—	32,257
Delaware Department of Transportation	20.200	Task 88-1717	—	5,973
Delaware Department of Transportation	20.200	TASK 67-1717	—	4,955
Delaware Department of Transportation	20.200	TASK 64-1717	—	22,367
Delaware Department of Transportation	20.200	TASK 51-1717	—	4,074
Delaware Department of Transportation	20.200	TASK 41-1717	—	7,039
Delaware Department of Transportation	20.200	TASK 30D-1717	—	39,846
Delaware Department of Transportation	20.200	TASK 30C-1717	—	22,449
Delaware Department of Transportation	20.200	Task 29-1891	—	500
Delaware Department of Transportation	20.200	Task 28-1891	—	500
Delaware Department of Transportation	20.200	TASK 112-1717	—	28,356
Delaware Department of Transportation	20.200	TASK 102-1717	—	29,909
Delaware Department of Transportation	20.200	TASK 100-1717	—	21,124
Delaware Department of Transportation	20.200	TASK 94-1717	—	43,020
Subtotal for CFDA No. 20.200			—	361,366
Delaware Department of Transportation	20.505	TASK 108-1717	—	136,621
Wilmington Area Planning Council	20.505	11A00263	—	(100)
Delaware Department of Transportation	20.505	TASK 105-1717	—	58,166
Subtotal for CFDA No. 20.505			—	194,687
Delaware Department of Transportation	20.515	TASK 50-1717	—	(1,091)
Delaware Department of Transportation	20.515	1739-8	—	(191)
Delaware Department of Transportation	20.515	1739-3	—	9,935
Delaware Department of Transportation	20.515	TASK 81-1717	—	32,172
Delaware Department of Transportation	20.515	TASK 79-1717	—	100,337
Delaware Department of Transportation	20.515	TASK 78-1717	—	50,666
Delaware Department of Transportation	20.515	TASK 77-1717	—	17,110
Delaware Department of Transportation	20.515	TASK 75-1717	—	23,048
Delaware Department of Transportation	20.515	TASK 69-1717	—	14,781
Delaware Department of Transportation	20.515	1739-1	—	(84)
Delaware Department of Transportation	20.515	TASK 109-1717	—	194,325
Delaware Department of Transportation	20.515	TASK 106-1717	—	45,437
Delaware Department of Transportation	20.515	TASK 104-1717	—	107,213
Delaware Department of Transportation	20.515	1794-9	—	46,111
Delaware Department of Transportation	20.515	1794-8	—	25,199
Delaware Department of Transportation	20.515	1794-5	—	2,011
Delaware Department of Transportation	20.515	1794-3	—	8,787
Delaware Department of Transportation	20.515	1794-2	—	22,462
Delaware Department of Transportation	20.515	1794-11	—	100,614
Delaware Department of Transportation	20.515	1794-1	—	39,739
Delaware Department of Transportation	20.515	TASK 70-1717	—	14,744
Subtotal for CFDA No. 20.515			—	853,325
State University of New Jersey- Rutgers	20.701	5232	—	46,137
Pennsylvania State University	20.701	5903-UD-DOT-7103	—	59,105
University of Nevada-Las Vegas	20.701	17-22GL-01	—	536,028
University of Virginia	20.701	GG11746 146799	—	104,567
Subtotal for CFDA No. 20.701			—	745,837
Subtotal: Department of Transportation -- Pass-through			—	2,378,503
Total: Department of Transportation			13,377	2,737,333

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National Aeronautics and Space Administration:				
Direct:				
National Aeronautics and Space Administration	43.000		\$ —	8,525
National Aeronautics and Space Administration	43.000		—	92,499
National Aeronautics and Space Administration	43.000		—	(469)
Subtotal for CFDA No. 43.000			—	100,555
National Aeronautics and Space Administration	43.001		—	96,740
National Aeronautics and Space Administration	43.001		—	1,753
National Aeronautics and Space Administration	43.001		—	64,376
National Aeronautics and Space Administration	43.001		—	3,064
National Aeronautics and Space Administration	43.001		33,959	60,023
Aerospace Education Services Program	43.001		161,702	1,307,918
Subtotal for CFDA No. 43.001			195,661	1,533,874
Education	43.008		243,329	985,663
National Aeronautics and Space Administration	43.012		—	210,733
Subtotal: National Aeronautics and Space Administration -- Direct			438,990	2,830,825
Pass-through:				
STF Technologies, LLC	43.000	17A01571	—	118,719
STF Technologies, LLC	43.000	18A00843	—	73,945
Composites Automation LLC	43.000	2018-0001 UD-CCM	—	100,405
Composites Automation LLC	43.000	2018-0002 UD-CCM	—	46,763
Composites Automation LLC	43.000	2018-0003 UD-CCM	—	58,298
Space Telescope Science Institute	43.000	HST-GO-13629.002-A	—	1,250
Space Telescope Science Institute	43.000	HST-GO-14195.001-A	—	4,320
Space Telescope Science Institute	43.000	HST-GO-15066.001-A	—	8,864
Space Telescope Science Institute	43.000	HST-GO-15066.005-A	—	415
Princeton University	43.000	SUB0000165	—	44,159
Subtotal for CFDA No. 43.000			—	457,138
University of Massachusetts	43.001	18802	—	(1,305)
University of California--Berkeley	43.001	00006185	—	160,503
Oregon State University	43.001	NS309A-A	—	19,903
Pennsylvania State University	43.001	5078-UD-NASA-M37G	—	7
Washington University- St Louis	43.001	WU-19-50	—	85,279
Subtotal for CFDA No. 43.001			—	264,387
University of Southern California	43.002	68797092	—	113,750
Subtotal for CFDA No. 43.002			—	113,750
Delaware State University	43.008	16015HEH	—	7,127
Subtotal for CFDA No. 43.008			—	7,127
Space Science Institute	47.049	15A01666	—	23,642
Subtotal: National Aeronautics and Space Administration -- Pass-through			—	866,044
Total: National Aeronautics and Space Administration			438,990	3,696,869
National Science Foundation:				
Direct:				
National Science Foundation	47.000		—	217,655
National Science Foundation	47.000		—	149,304
National Science Foundation	47.000		—	(15,486)
Subtotal for CFDA No. 47.000			—	351,473
National Science Foundation	47.041		—	(74)
National Science Foundation	47.041		—	(10,004)
National Science Foundation	47.041		—	84,812
National Science Foundation	47.041		—	30,269
National Science Foundation	47.041		—	3,050
Engineering Grants	47.041		524,620	6,245,174
Subtotal for CFDA No. 47.041			524,620	6,353,227
National Science Foundation	47.049		—	4,223
National Science Foundation	47.049		—	21,712
National Science Foundation	47.049		—	53,764
National Science Foundation	47.049		—	47,946
National Science Foundation	47.049		—	69,331
National Science Foundation	47.049		—	192,747
National Science Foundation	47.049		—	118,326
National Science Foundation	47.049		—	40,099
National Science Foundation	47.049		—	9,047
National Science Foundation	47.049		—	20,362
National Science Foundation	47.049		—	20,370
Mathematical and Physical Sciences	47.049		14,831	4,557,836
Subtotal for CFDA No. 47.049			14,831	5,155,763
National Science Foundation	47.050		—	20,810
National Science Foundation	47.050		—	582
National Science Foundation	47.050		—	85,872
National Science Foundation	47.050		—	158,110
National Science Foundation	47.050		—	72,135
National Science Foundation	47.050		—	13,517
Geosciences	47.050		128,937	3,906,219
Subtotal for CFDA No. 47.050			128,937	4,257,245
National Science Foundation	47.070		—	66,574
Computer and Information Science and Engineering	47.070		162,596	2,583,994
Subtotal for CFDA No. 47.070			162,596	2,650,568

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National Science Foundation	47.074		\$ —	25,824
National Science Foundation	47.074		—	223,990
Biological Sciences	47.074		—	1,928,139
Subtotal for CFDA No. 47.074			—	2,177,953
National Science Foundation	47.075		—	116
National Science Foundation	47.075		—	54,020
Social, Behavioral, and Economic Sciences	47.075		—	85,405
Subtotal for CFDA No. 47.075			—	139,541
National Science Foundation	47.076		—	174,749
National Science Foundation	47.076		—	103,683
Education and Human Resources	47.076		166,105	1,315,971
Subtotal for CFDA No. 47.076			166,105	1,594,403
Polar Programs	47.078		—	226,395
International Science and Engineering (OISE)	47.079		842,072	2,016,010
Office of Integrative Activities	47.083		1,749,097	4,531,359
Subtotal: National Science Foundation -- Direct			3,588,258	29,453,937
Pass-through:				
Johns Hopkins University	47.000	2003586408	—	28,503
Subtotal for CFDA No. 47.000			—	28,503
University of Nebraska	47.041	25-0521-0210-005a	—	176,419
Johns Hopkins University	47.041	2004180159	—	11
Johns Hopkins University	47.041	2003986929	—	64,941
Johns Hopkins University	47.041	19A00357	—	26,616
Jackson State University	47.041	2016-633196UD	—	254,399
Medical College of Georgia	47.041	1727949	—	7,782
Johns Hopkins University	47.041	2003586152	—	111,631
Johns Hopkins University	47.041	2003586555	—	60,682
George Mason University	47.041	E2041102	—	72,923
Clemson University	47.041	1961-206-2012124	—	315,802
Arizona State University	47.041	17-097	—	54,291
Arizona State University	47.041	19A00100	—	326,331
Subtotal for CFDA No. 47.041			—	1,471,828
University of Pittsburgh	47.049	0056149 (12006-1)A	—	101,638
National Radio Astronomy Observatory	47.049	SOSPA5-005	—	17,992
University of Colorado	47.049	1552489	—	28,553
University of Arizona	47.049	129153	—	437
Subtotal for CFDA No. 47.049			—	148,620
University of Rhode Island	47.050	0004450/081814	—	88,827
Columbia University	47.050	3(GG008891)	—	42,394
University of Georgia	47.050	RR100-621/4944446	—	20,723
University of Massachusetts	47.050	14-007985 A 00	—	6,473
University of Washington	47.050	19A00849	—	14,667
University of Wisconsin-Madison	47.050	674K170	—	264,227
University of Georgia	47.050	SUB00001905	—	3,231
Subtotal for CFDA No. 47.050			—	440,542
Oak Ridge National Laboratory	47.070	4000154744	—	107,787
University of Tennessee	47.070	A18-1401-S001	—	45,383
University of Michigan	47.070	3004228393	—	89,602
Indiana University	47.070	BL4812539UD	—	65,637
Univ Corporation Atmospheric Research	47.070	SUBAWD 000650	—	48,674
Subtotal for CFDA No. 47.070			—	357,083
Donald Danforth Plant Science Center	47.074	23908-D	—	177,174
Donald Danforth Plant Science Center	47.074	23905-D	—	(210)
University of Kentucky	47.074	3048112549-16-028	—	48,920
Samuel Robert Noble Foundation	47.074	2012-934-002	—	5,477
Samuel Robert Noble Foundation	47.074	2017-G04-004	—	(1,232)
Cold Spring Harbor Laboratory	47.074	52650112	—	51,502
Subtotal for CFDA No. 47.074			—	281,631
Idaho State University	47.075	18-0008A	—	67,558
State University of New Jersey- Rutgers	47.075	0079	—	16,240
University of Texas at Dallas	47.075	1503120	—	124
Subtotal for CFDA No. 47.075			—	83,922
The University of Oklahoma	47.076	2016-23	—	238,847
Drexel University	47.076	235920	—	43,175
Drexel University	47.076	820043	—	215,895
Education Development Center	47.076	2019-0009	—	19,291
Arizona State University	47.076	17-193	—	167,604
University of Maryland	47.076	1239758-C	—	36,637
Boys Town	47.076	96443-B	—	223,692
Subtotal for CFDA No. 47.076			—	945,141
National Academy of Science	47.079	2000005677	—	27,424
Subtotal for CFDA No. 47.079			—	27,424
Subtotal: National Science Foundation -- Pass-through			—	3,784,694
Total: National Science Foundation			3,588,258	33,238,631

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Veterans Administration:				
Direct:				
Veterans Administration	64.000		\$ —	47,607
Subtotal: Veterans Administration -- Direct			—	47,607
Total: Veterans Administration			—	47,607
Environmental Protection Agency:				
Direct:				
P3 Award: National Student Design Competition for Sustainability	66.516		—	4,213
Pollution Prevention Grants Program	66.708		—	33,009
Subtotal: Environmental Protection Agency -- Direct			—	37,222
Pass-through:				
Delaware Department of Natural Resources	66.419	PO 0000454062	—	27,789
Subtotal for CFDA No. 66.419			—	27,789
National Fish & Wildlife Foundation	66.466	0600.17.058843	—	28,868
Subtotal for CFDA No. 66.466			—	28,868
Subtotal: Environmental Protection Agency -- Pass-through			—	56,657
Total: Environmental Protection Agency			—	93,879
Department of Energy:				
Direct:				
Department of Energy	81.000		—	22,242
Office of Science Financial Assistance Program	81.049		—	848
Office of Science Financial Assistance Program	81.049		591,225	4,507,746
Renewable Energy Research and Development	81.087		200,850	568,596
Fossil Energy Research and Development	81.089		—	243,483
Advanced Research and Projects Agency -- Energy Financial Assistance Program	81.135		1,165,999	3,568,735
Subtotal: Department of Energy -- Direct			1,958,074	8,911,650
Pass-through:				
Sandia National Labs	81.000	2033134	—	6,839
UT-Battelle, LLC	81.000	4000156092	—	107,172
UT-Battelle, LLC	81.000	4000159498	—	74,570
Los Alamos National Laboratory	81.000	476673a	—	34,592
Argonne National Lab	81.000	8F-30070	—	127,645
Lawrence Livermore National Laboratory	81.000	B627631	—	48,260
National Renewable Energy Laboratory	81.000	NCS-6-42326-05	—	89
National Renewable Energy Laboratory	81.000	XEJ-6-62140-01	—	24,497
Subtotal for CFDA No. 81.000			—	423,664
University of California--Davis	81.049	201603457-05	—	241,329
University of California--Santa Barbara	81.049	KK1610	—	38,199
University of California--Santa Barbara	81.049	KK1970	—	3,786
JC Solutions LLC	81.049	18A01163	—	9,201
RiKarbon, Inc.	81.049	18A01179	—	64,852
STF Technologies, LLC	81.049	19A00533	—	4,532
Subtotal for CFDA No. 81.049			—	361,899
TPI Composites, Inc.	81.086	TPI-EERE-FOA1201-001	—	50,290
Xergy Inc.	81.086	XERGY-DE-0008218	—	76,026
Iowa State University	81.086	401-20-15B	—	95,210
Clemson University	81.086	1852-219-2021156	—	126,552
Subtotal for CFDA No. 81.086			—	348,078
American Institute of Chemical Engineers	81.087	DE-EE0007888-6.5	—	353,568
American Institute of Chemical Engineers	81.087	DE-EE0007888-7.6	—	371,141
American Institute of Chemical Engineers	81.087	DE-EE0007888-8.3	1,811	240,940
American Institute of Chemical Engineers	81.087	DE-EE0007888-9.5	—	631,710
Giner, Inc	81.087	402546	—	60,536
Northeastern University	81.087	503032-78050	—	99,523
American Institute of Chemical Engineers	81.087	DE-EE0007888-08-1A	—	114,783
Subtotal for CFDA No. 81.087			1,811	1,872,201
Molecule Works Inc.	81.135	MWI-NEMR-001	—	63,174
Giner, Inc	81.135	17A00306	—	107,771
Subtotal for CFDA No. 81.135			—	170,945
Subtotal: Department of Energy -- Pass-through			1,811	3,176,787
Total: Department of Energy			1,959,885	12,088,437
Department of Education:				
Direct:				
Education Research, Development, and Dissemination	84.305		1,131,492	3,525,041
Research in Special Education	84.324		205,591	857,685
Special Education Technology and Media Services for Individuals with Disabilities	84.327		—	263,764
Subtotal: Department of Education -- Direct			1,337,083	4,646,490
Pass-through:				
Mathematica Policy Research	84.000	50388S05329	—	(108)
Subtotal for CFDA No. 84.000			—	(108)

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Temple University	84.305	259746-UDE	\$ —	16,810
Texas A & M University	84.305	S150284	—	7,733
Temple University	84.305	256200-UD	—	18,039
University of Pennsylvania	84.305	566788	—	40,931
Duke University	84.305	343-0810	—	56,965
Subtotal for CFDA No. 84.305			—	140,478
Duquesne University	84.324	G1500085	—	124,261
Subtotal for CFDA No. 84.324			—	124,261
Subtotal: Department of Education -- Pass-through			—	264,631
Total: Department of Education			1,337,083	4,911,121
Department of Health & Human Services Programs				
Direct:				
Department of Health & Human Services	93.000		—	154
Department of Health & Human Services	93.000		—	69,717
Department of Health & Human Services	93.000		—	45,981
Subtotal for CFDA No. 93.000			—	115,852
Maternal and Child Health Federal Consolidated Programs	93.110		270,790	990,512
Environmental Health	93.113		—	201,142
Oral Diseases and Disorders Research	93.121		—	14
Research Related to Deafness and Communication Disorders	93.173		173,711	1,140,456
Nursing Workforce Diversity	93.178		—	(11)
Mental Health Research Grants	93.242		—	1,031,865
Alcohol Research Programs	93.273		—	148,626
Drug Abuse and Addiction Research Programs	93.279		—	161,532
National Institutes of Health Loan Repayment Program for Clinical Researchers	93.280		—	222,516
National Institutes of Health Pediatric Research Loan Repayment Program	93.285		1,115,542	2,245,120
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		134,640	322,242
Minority Health and Health Disparities Research	93.307		78,740	206,008
Trans-NIH Research Support	93.310		125,187	617,154
Research Infrastructure Programs	93.351		—	420,000
Nursing Research	93.361		—	173,872
National Center for Research Resources	93.389		—	10
Cancer Cause and Prevention Research	93.393		25,049	484,378
Cancer Treatment Research	93.395		—	10,799
Cancer Biology Research	93.396		670	254,046
Department of Health & Human Services	93.464		—	36,259
Department of Health & Human Services	93.464		—	438,476
Department of Health & Human Services	93.464		—	13,896
Subtotal for CFDA No. 93.464			—	488,631
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		—	558,080
Heart and Vascular Diseases Research	93.837		386,755	1,446,623
Lung Diseases Research	93.838		—	302,998
Blood Diseases and Resources Research	93.839		—	43,796
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		149,375	1,662,828
Diabetes, Endocrinology and Metabolism Research	93.847		226,135	856,120
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		48,379	430,111
Allergy, Immunology and Transplantation Research	93.855		—	272,755
Department of Health & Human Services	93.859		—	182,026
Biomedical Research and Research Training	93.859		3,463,862	13,872,422
Subtotal for CFDA No. 93.859			3,463,862	14,054,448
Child Health and Human Development Extramural Research	93.865		608,703	2,458,162
Aging Research	93.866		232,230	1,227,042
Department of Health & Human Services	93.867		—	138,288
Vision Research	93.867		—	1,202,714
Subtotal for CFDA No. 93.867			—	1,341,002
Subtotal: Department of Health & Human Services -- Direct			7,039,768	33,888,729
Pass-through:				
Vaya Health	93.000	17A01132	—	32,199
Assoc of Univ Centers on Disabilities	93.000	18A00945	—	479
Delaware Department for Children Youth and Families	93.000	PBH(UD-LAUNCH)FY15-13820	—	53,987
Delaware Department for Children Youth and Families	93.000	PBH(UD-SAFETY)15-2689	—	56,888
Delaware Department of Education	93.000	S18-62	—	16,453
Subtotal for CFDA No. 93.000			—	160,006
University of South Carolina	93.073	193772	—	129,347
Subtotal for CFDA No. 93.073			—	129,347
Delaware Dept of Health & Social Service	93.074	19-086	—	130,776
Delaware Dept of Health & Social Service	93.074	18-091	—	10,616
Subtotal for CFDA No. 93.074			—	141,392
Delaware Dept of Health & Social Service	93.079	18-039	—	18,264
Subtotal for CFDA No. 93.079			—	18,264
Delaware Department of Agriculture	93.103	17A01355	—	(580)
Delaware Department of Agriculture	93.103	18A01478	—	30,452
Subtotal for CFDA No. 93.103			—	29,872

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University of Wisconsin–Madison	93.113	869K142	\$ —	4,459
University of Wisconsin–Madison	93.113	869K186	—	14,598
Subtotal for CFDA No. 93.113			—	19,057
University of Colorado	93.121	1555749	—	(13,474)
Subtotal for CFDA No. 93.121			—	(13,474)
Delaware Dept of Health & Social Service	93.130	19-196	—	9,798
Subtotal for CFDA No. 93.130			—	9,798
Delaware Dept of Health & Social Service	93.136	18-437	—	45,014
Delaware Dept of Health & Social Service	93.136	19-274	—	39,000
Subtotal for CFDA No. 93.136			—	84,014
European Molecular Biology Laboratory	93.172	PIRUD-3068-01	—	678,485
European Molecular Biology Laboratory	93.172	14A00216	—	(10,579)
Subtotal for CFDA No. 93.172			—	667,906
University of Texas at Austin	93.173	UTA16-000683	—	(1,255)
Temple University	93.173	263001-UD	—	92,298
Subtotal for CFDA No. 93.173			—	91,043
Delaware Dept of Health & Social Service	93.236	18-218	—	44,454
Delaware Dept of Health & Social Service	93.236	19-220	—	4,266
Delaware Dept of Health & Social Service	93.236	17A00141	—	(1,443)
Subtotal for CFDA No. 93.236			—	47,277
Univ of Illinois at Chicago	93.242	17208	—	34,771
The Cleveland Clinic	93.242	1014-SUB	—	32,318
Brown University	93.242	00001133	—	23,873
Subtotal for CFDA No. 93.242			—	90,962
Delaware Dept of Health & Social Service	93.243	041912	—	162,047
Delaware Department of Education	93.243	S19-87	—	72,561
Delaware Dept of Health & Social Service	93.243	18A01635	—	26,418
DE Dept for Children Youth and Families	93.243	PBH(UD-CORE)FY15-2688	—	122,572
Delaware Dept of Health & Social Service	93.243	041911	—	68,981
Delaware Dept of Health & Social Service	93.243	041812	—	119,926
Delaware Dept of Health & Social Service	93.243	19-PIPBHC-UD	—	4,571
Delaware Dept of Health & Social Service	93.243	0419236	—	35,445
State of Delaware–General	93.243	UDEVAL-LAUNCH FY16-13899	—	134,670
Thomas Jefferson University	93.243	080-21000-S32601	—	9,202
University of Maryland- Baltimore	93.243	19A01498	—	1,385
Delaware Dept of Health & Social Service	93.243	041811	—	60,301
Subtotal for CFDA No. 93.243			—	818,079
Columbia University	93.280	1(GG008696)	—	16,289
Subtotal for CFDA No. 93.280			—	16,289
Duke University	93.282	2035369	—	208,400
Subtotal for CFDA No. 93.282			—	208,400
Johns Hopkins University	93.283	2003570856	—	117,490
Subtotal for CFDA No. 93.283			—	117,490
University of California–Davis	93.285	18A01576	—	3,488
Subtotal for CFDA No. 93.285			—	3,488
University of Colorado	93.286	1550235	—	84,552
University of North Carolina	93.286	5100169	—	(345)
Subtotal for CFDA No. 93.286			—	84,207
Delaware Dept of Health & Social Service	93.305	18-314	—	34,836
Subtotal for CFDA No. 93.305			—	34,836
Temple University	93.307	261331-Delaware	—	117,508
Temple University	93.307	261331-Delaware B	—	74,771
University of Texas at Arlington	93.307	19A01019	—	43,872
Duke University	93.307	A030634	—	84,100
Subtotal for CFDA No. 93.307			—	320,251
Georgetown University	93.310	GR411418	—	71,656
Northwestern University	93.310	60045250 UDEL	—	269,402
Subtotal for CFDA No. 93.310			—	341,058
Christopher Reeve Paralysis Foundation	93.325	16A00746	—	48,976
Subtotal for CFDA No. 93.325			—	48,976
University of Maryland	93.361	17A00874	—	205,279
University of Michigan	93.361	3003341608	—	3
Subtotal for CFDA No. 93.361			—	205,282
George Washington University	93.394	18-M28	—	61,764
Subtotal for CFDA No. 93.394			—	61,764

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University of Pennsylvania	93.396	574371	\$ —	56,758
Subtotal for CFDA No. 93.396			—	56,758
New York University	93.433	15-A0-00-005283-01	—	32,063
Subtotal for CFDA No. 93.433			—	32,063
Concept Systems	93.624	17A01024	—	1
Subtotal for CFDA No. 93.624			—	1
Florida Developmental Disabilities Council	93.630	1005SA18	—	99,569
Subtotal for CFDA No. 93.630			—	99,569
Icahn School of Medicine at Mount Sinai	93.837	0255-7885-4609	—	(664)
Nemours/A. I. duPont Hosp for Children	93.837	12A01165	—	50,712
Subtotal for CFDA No. 93.837			—	50,048
University of Texas at Dallas	93.838	1806479	—	28,306
Subtotal for CFDA No. 93.838			—	28,306
Boston Children's Hospital	93.839	GENFD0001569488	—	71,096
Subtotal for CFDA No. 93.839			—	71,096
Thomas Jefferson University	93.846	080-23000-S13301	—	53,092
Thomas Jefferson University	93.846	080-23000-R92203	—	(4,210)
University of Pennsylvania	93.846	1R01AR-071718-01A1	—	10,013
Indiana University	93.846	IN4679861UD	—	13,814
Subtotal for CFDA No. 93.846			—	72,709
Northwestern University	93.847	60037274UD	—	2,642
University of Pennsylvania	93.847	565371	—	20,876
Icahn School of Medicine at Mount Sinai	93.847	0255-4671-4609	—	3,904
Subtotal for CFDA No. 93.847			—	27,422
Nemours/A. I. duPont Hosp for Children	93.859	3004973476	—	2,787
Temple University	93.859	262103 DE	—	28,008
Towson University	93.859	5040112 PO #8180	—	4,889
University of Pittsburgh	93.859	0056812 (130039-5)	—	281,320
University of South Florida	93.859	1210-1063-00-A	—	19,913
Temple University	93.859	361067-04710-02	—	(71)
University of Pittsburgh	93.859	0056812 (130039-8)	—	101,770
University of California-Davis	93.859	A17-0297-S001	—	94,856
Nemours/A. I. duPont Hosp for Children	93.859	3004973470	—	30,990
Delaware State University	93.859	18-050HEH	—	1,277,763
Subtotal for CFDA No. 93.859			—	1,842,225
Simbex	93.865	Simbex-004	—	37,738
Washington University, St Louis	93.865	WU-19-130	—	8,468
University of Michigan	93.865	3003881030	—	39,419
Monell Chemical Senses Center	93.865	NIH060A01MENNE	—	14,528
University of Nebraska	93.865	44-1014-1002-202	—	4,901
Northwestern University	93.865	60043012UD	—	(5,948)
Northwestern University	93.865	60047828 DELA	—	84,750
Northwestern University	93.865	60047828 UDE	—	14,947
University of Cincinnati	93.865	011445-002	—	138,500
Washington University, St Louis	93.865	WU-18-170	—	76,084
Temple University	93.865	257826-UD	—	22,385
Northwestern University	93.865	60047828 UD	—	5,558
State University of New York - Buffalo	93.865	R1137621	—	1,109
Subtotal for CFDA No. 93.865			—	442,439
University of Colorado	93.866	1557625	—	9,590
University of Maryland	93.866	1600268	—	23,912
Northwestern University	93.866	60048330 UD	—	73,297
Northwestern University	93.866	60051680 UD	—	25,588
Subtotal for CFDA No. 93.866			—	132,387
University of Washington	93.867	UWSC9280	—	67,025
Subtotal for CFDA No. 93.867			—	67,025
Indiana University	93.879	IN-4684687-DEL	—	42,122
Subtotal for CFDA No. 93.879			—	42,122
Delaware Dept of Health & Social Service	93.898	19-344	—	11,842
Subtotal for CFDA No. 93.898			—	11,842
Delaware Dept of Health & Social Service	93.913	19-246	—	38,111
Subtotal for CFDA No. 93.913			—	38,111
State of Minnesota	93.958	16A00548	—	121,215
Subtotal for CFDA No. 93.958			—	121,215

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
DE Dept for Children Youth and Families	93.959	PBH(UD-EVAL)17-14629	\$ —	71,040
DE Dept for Children Youth and Families	93.959	PBH(UD-SAP)fy15-2551 A4	—	84,804
Delaware Dept of Health & Social Service	93.959	031820	—	82
Delaware Dept of Health & Social Service	93.959	031920	—	101,323
Subtotal for CFDA No. 93.959			—	257,249
Georgia Institute of Technology	93.989	RF135-G3	—	44,250
Georgia Institute of Technology	93.989	RF135-G3S1	—	24,312
Thomas Jefferson University	93.989	080-7000-S28101	—	(10)
Subtotal for CFDA No. 93.989			—	68,552
Delaware Dept of Health & Social Service	93.994	18-198	—	28,982
Subtotal for CFDA No. 93.994			—	28,982
Subtotal: Department of Health & Human Services -- Pass-through			—	7,225,705
Total: Department of Health & Human Services			7,039,768	41,114,434
Department of Homeland Security:				
Pass-through:				
Delaware Department of Natural Resources	97.041	19A00676	—	62,762
Subtotal for CFDA No. 97.041			—	62,762
Subtotal: Department of Homeland Security -- Pass-Through			—	62,762
Total: Department of Homeland Security			—	62,762
Research and development cluster total			20,037,131	139,572,994
Other programs:				
United States Department of Agriculture Programs:				
Direct:				
Agricultural Research_Basic and Applied Research	10.001		—	109,868
Plant and Animal Disease, Pest Control, and Animal Care	10.025		—	400,271
Agriculture and Food Research Initiative (AFRI)	10.310		—	110,973
Crop Protection and Pest Management Competitive Grants Program	10.329		3,998	173,779
Crop Insurance Education in Targeted States	10.458		95,692	208,497
Cooperative Extension Service	10.500		362,057	2,385,118
Expanded Food and Nutrition Education Program:	10.514		—	217,466
Renewable Resources Extension Act and National Focus Fund Project:	10.515		—	26,481
Soil and Water Conservation	10.902		—	26,760
Subtotal: United States Department of Agriculture Programs -- Direct			461,747	3,659,213
Pass-through:				
Delaware Department of Agriculture	10.025	18A01349	—	172,741
Delaware Department of Agriculture	10.025	19A01452	—	11,910
Subtotal for CFDA No. 10.025			—	184,651
New Castle County	10.168	PO177450	—	5,924
Subtotal for CFDA No. 10.168			—	5,924
Delaware Department of Agriculture	10.170	16A01569	—	2,837
Delaware Department of Agriculture	10.170	SCBGP-FB-18-04	—	4,399
Delaware Department of Agriculture	10.170	SCBGP-FB-18-03	—	3,786
Delaware Department of Agriculture	10.170	SCBGP-FB-18-02	—	303
Delaware Department of Agriculture	10.170	SCBGP-FB-17-02	—	11,952
Delaware Department of Agriculture	10.170	SCBGP-FB-16-03	—	12,603
Delaware Department of Agriculture	10.170	SCBGP-FB-15-05	—	217
Delaware Department of Agriculture	10.170	SCBGP-FB-15-04	—	21,086
Delaware Department of Agriculture	10.170	SCBGP-FB-15-03	—	2,619
Delaware Department of Agriculture	10.170	18A01751	—	1,491
Delaware Department of Agriculture	10.170	SCBGP-FB-17-01	—	14,689
Delaware Department of Agriculture	10.170	SCBGP-FB-17-03	—	2,647
Delaware Department of Agriculture	10.170	SCBGP-FB-17-04	—	18,943
Subtotal for CFDA No. 10.170			—	97,572
State University of New Jersey- Rutgers	10.200	0626-NER18EH-Kunkel	—	1,671
State University of New Jersey- Rutgers	10.200	6181-NER17OH-Kunkel	—	5,143
Subtotal for CFDA No. 10.200			—	6,814
University of Vermont	10.215	ONE16-289C-29994	—	6,367
University of Vermont	10.215	SNE17-02-31064	—	10,504
University of Vermont	10.215	SNE18-02-33243	—	9,831
Subtotal for CFDA No. 10.215			—	26,702
University of Maryland	10.310	65255-Z5062203	—	9,472
Subtotal for CFDA No. 10.310			—	9,472
Kansas State University	10.500	S19150	—	5,454
Kansas State University	10.500	S18132	—	14,123
Kansas State University	10.500	S17113	—	8,878
Kansas State University	10.500	19A00386	—	16,056
Subtotal for CFDA No. 10.500			—	44,511
Delaware Department of Education	10.558	CHEP212119	—	208,611
Subtotal for CFDA No. 10.558			—	208,611

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Kent Conservation District	10.902	68-21J2-17-014	\$ —	38,887
Subtotal for CFDA No. 10.902			—	38,887
Subtotal: United States Department of Agriculture Programs -- Pass-through			—	623,144
Total: United States Department of Agriculture Programs			461,747	4,282,357
Department of Commerce Programs:				
Direct:				
Sea Grant Support	11.417		—	54,729
Science, Technology, Business, and/or Education Outreach	11.620		—	200
Subtotal: Department of Commerce Programs -- Direct			—	54,929
Pass-through:				
Synoptic Data Corp.	11.000	S2017-0112	—	122,659
Subtotal for CFDA No. 11.000			—	122,659
State University of New Jersey- Rutgers	11.012	5930	—	509,005
Subtotal for CFDA No. 11.012			—	509,005
University of Mississippi	11.417	19-12-026	—	896
Subtotal for CFDA No. 11.417			—	896
National Fish & Wildlife Foundation	11.457	0603.15 050171	5,900	22,075
Subtotal for CFDA No. 11.457			5,900	22,075
Subtotal: Department of Commerce Programs -- Pass-through			5,900	654,635
Total: Department of Commerce Programs			5,900	709,564
Department of Defense Programs:				
Procurement Technical Assistance For Business Firms	12.002		—	212,178
Basic and Applied Scientific Research	12.300		—	749,187
Total: Department of Defense Programs			—	961,365
Department of Interior Programs:				
Direct:				
Marine Minerals Activities	15.424		—	162,333
National Cooperative Geologic Mapping Program	15.810		—	107,156
National Geological and Geophysical Data Preservation Program	15.814		—	38,921
National Ground-Water Monitoring Network	15.980		—	8,574
Subtotal: Department of Interior Programs -- Direct			—	316,984
Pass-through:				
AmericaView	15.815	AV18-DE-01	—	14,833
Subtotal for CFDA No. 15.815			—	14,833
New Castle County	15.904	17A01275	—	46
Subtotal for CFDA No. 15.904			—	46
The City of Delaware City	15.954	18A01502	—	5,177
Town of Milton	15.954	18A01500	—	4,044
Subtotal for CFDA No. 15.954			—	9,221
Subtotal: Department of Interior Programs -- Pass-through			—	24,100
Total: Department of Interior Programs			—	341,084
Department of Justice Programs:				
Direct:				
Grants to Combat Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		28,678	50,591
Subtotal: Department of Justice Programs -- Direct			28,678	50,591
Pass-through:				
Criminal Justice Council	16.609	18A01667	—	7,512
Subtotal for CFDA No. 16.609			—	7,512
National 4-H Council	16.726	17A00118	—	12,078
National 4-H Council	16.726	18A00168	—	37,848
National 4-H Council	16.726	19A00305	—	12,521
Subtotal for CFDA No. 16.726			—	62,447
Criminal Justice Council	16.812	18A01654	—	38,439
Criminal Justice Council	16.812	18A01673	—	63,558
Criminal Justice Council	16.812	2016-JZ-PASSTHRU-1753	—	15,662
Subtotal for CFDA No. 16.812			—	117,659
Criminal Justice Council	16.827	2014MUBX0004	—	(1,334)
Subtotal for CFDA No. 16.827			—	(1,334)
Subtotal: Department of Justice Programs -- Pass-through			—	186,284
Total: Department of Justice Programs			28,678	236,875
Department of State Programs:				
Direct:				
Academic Exchange Programs -- Undergraduate Programs	19.009		—	783

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Investing in People in The Middle East and North Africa	19.021		\$ —	108,405
Educational Exchange_University Lecturers (Professors) and Research Scholars	19.401		—	277,178
Subtotal: Department of State Programs -- Direct			—	386,366
Pass-through:				
IREX	19.009	FY18-YALI-CL-Delaware-05	—	113,071
IREX	19.009	FY19-YALI-CL-Delaware-06	—	26,838
University of Kansas	19.009	FY2018-053	—	223,920
Subtotal for CFDA No. 19.009			—	363,829
Institute of International Education	19.021	FS18_UDEL IVSP	—	105,424
Subtotal for CFDA No. 19.021			—	105,424
University of Montana	19.401	19A00856	—	50,775
Subtotal for CFDA No. 19.401			—	50,775
American Councils for Intl Education	19.415	UD-200389	—	174,019
American Councils for Intl Education	19.415	UDEL-200391	—	16,843
Subtotal for CFDA No. 19.415			—	190,862
Georgetown University	19.600	UDEL-20190310	—	18,817
Georgetown University	19.600	UDEL-GR205341	—	(55)
Georgetown University	19.600	UDEL-GR205767	—	143,033
Subtotal for CFDA No. 19.600			—	161,795
Subtotal: Department of State Programs -- Pass-through			—	872,685
Total: Department of State Programs			—	1,259,051
Department of Transportation Programs:				
Direct:				
Highway Training and Education	20.215		—	13,641
Subtotal: Department of Transportation Programs -- Direct			—	13,641
Pass-through:				
Delaware Department of Transportation	20.200	TASK 74-1717	—	240,313
Delaware Department of Transportation	20.200	TASK 55-1717	—	16,278
Delaware Department of Transportation	20.200	TASK-117-1717	—	10,293
Subtotal for CFDA No. 20.200			—	266,884
Delaware Department of Transportation	20.505	TASK 121-1717	—	48,500
Delaware Department of Transportation	20.505	TASK 73-1717	—	28,823
Subtotal for CFDA No. 20.505			—	77,323
Delaware Department of Transportation	20.515	TASK 107-1717	—	120,714
Delaware Department of Transportation	20.515	TASK 76-1717	—	26,022
Delaware Department of Transportation	20.515	TASK 83-1717	—	77,686
Subtotal for CFDA No. 20.515			—	224,422
Subtotal: Department of Transportation Programs -- Pass-through			—	568,629
Total: Department of Transportation Programs			—	582,270
Federal Communications Commission Programs:				
Direct:				
Federal Communications Commission	32.000		—	3,091
Federal Communications Commission	32.000		—	17,659
Subtotal: Federal Communications Commission Programs -- Direct			—	20,750
Total: Federal Communications Commission Programs			—	20,750
Library of Congress:				
Pass-through:				
Waynesburg University	42.000	17A01501	—	14,870
Subtotal for CFDA No. 42.000			—	14,870
Subtotal: Library of Congress -- Pass-through			—	14,870
Total: Library of Congress			—	14,870
National Endowment for the Humanities Programs:				
Direct:				
Promotion of the Humanities_Challenge Grants	45.130		—	123,197
Promotion of the Humanities_Division of Preservation and Access	45.149		—	233,599
Promotion of the Humanities_Digital Humanities Initiative	45.169		—	13,934
Subtotal: National Endowment for the Humanities Programs -- Direct			—	370,730
Pass-through:				
Delaware Humanities Forum	45.129	16REG3012	—	2,498
Subtotal for CFDA No. 45.129			—	2,498
Delaware Humanities Forum	45.129	16REG3003	—	100
Subtotal for CFDA No. 45.129			—	100
Subtotal: National Endowment for the Humanities Programs -- Pass-through			—	2,598
Total: National Endowment for the Humanities Programs			—	373,328

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
National Endowment for the Arts Programs:				
Pass-through:				
Delaware Division of The Arts	45.025	2019.8485	\$ —	10,000
Delaware Division of The Arts	45.025	2019.8486	—	20,000
Delaware Division of The Arts	45.025	2019-8487	—	70,000
Subtotal for CFDA No. 45.025			—	100,000
Subtotal: National Endowment for the Arts Programs -- Pass-through			—	100,000
Total: National Endowment for the Arts Programs			—	100,000
Securities and Exchange Commission:				
Direct:				
Securities and Exchange Commission	58.000		—	(21,610)
Subtotal: Securities and Exchange Commission -- Direct			—	(21,610)
Total: Securities and Exchange Commission			—	(21,610)
Small Business Administration Programs:				
Direct:				
Small Business Development Center	59.037		—	817,919
Federal and State Technology Partnership Program	59.058		—	162,272
Subtotal: Small Business Administration Programs -- Direct			—	980,191
Total: Small Business Administration Programs			—	980,191
Veterans Administration Programs:				
Direct:				
Veterans Administration Programs	64.000		—	25,398
Veterans Administration Programs	64.000		—	65,015
Subtotal: Veterans Administration Programs -- Direct			—	90,413
Total: Veterans Administration Programs			—	90,413
Environmental Protection Agency Programs:				
Pass-through:				
Center For The Inland Bays	66.456	18A00553	—	12,733
Subtotal for CFDA No. 66.456			—	12,733
Delaware Department of Natural Resources	66.466	PO 0000413250	—	5,206
Delaware Department of Natural Resources	66.466	PO 0000445355	—	12,946
Subtotal for CFDA No. 66.466			—	18,152
Delaware Department of Natural Resources	66.472	18A00377	—	78,519
Delaware Department of Natural Resources	66.472	19A00420	—	64,445
Subtotal for CFDA No. 66.472			—	142,964
eXtension Foundation	66.716	SA-2017-64	—	12,858
eXtension Foundation	66.716	SA-2019-13	—	10,533
Subtotal for CFDA No. 66.716			—	23,391
Subtotal: Environmental Protection Agency Programs -- Pass-through			—	197,240
Total: Environmental Protection Agency Programs			—	197,240
Department of Energy Programs:				
Pass-through:				
Battelle	81.089	US001-0000494466	—	35,027
Battelle	81.089	US001-0000505654	—	9,521
Subtotal for CFDA No. 81.089			—	44,548
Subtotal: Department of Energy Programs -- Pass-through			—	44,548
Total: Department of Energy Programs			—	44,548
Department of Education Programs:				
Pass-through:				
Delaware Department of Education	84.000	S18-47	—	71,860
Delaware Department of Education	84.000	S18-72	—	4,013
Delaware Department of Education	84.000	S19-13	—	919,481
Subtotal for CFDA No. 84.000			—	995,354
Delaware Department of Education	84.184	S18-57	—	195,961
Delaware Department of Education	84.184	S19-93	—	232,896
Subtotal for CFDA No. 84.184			—	428,857
Delaware Department of Education	84.287	S17-69	—	550
Delaware Department of Education	84.287	S17-70	—	3,848
Delaware Department of Education	84.287	S18-82	—	146,000
Delaware Department of Education	84.287	S18-83	—	67,770
Delaware Department of Education	84.287	S18-84	—	183,062
Delaware Department of Education	84.287	S18-85	—	204,966
Delaware Department of Education	84.287	S19-105	—	1,129
Delaware Department of Education	84.287	S17-68	—	1

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Delaware Department of Education	84.287	S19-106	\$ —	2,573
Delaware Department of Education	84.287	S19-104	—	353
Capital School District	84.287	19A00903	—	1,012
Delaware Department of Education	84.287	S17-64	—	29,958
Capital School District	84.287	17A01207	—	(69)
Capital School District	84.287	18A00923	—	10,731
Capital School District	84.287	19A00892	—	422
Colonial School District	84.287	19A00874	—	949
Delaware Department of Education	84.287	17A01172	—	1
Delaware Department of Education	84.287	RFP 2018-03	—	226,376
Delaware Department of Education	84.287	S16-48	—	(87)
Delaware Department of Education	84.287	S17-63	—	55,473
Delaware Department of Education	84.287	S16-59 STATE-0000333476	—	(1,281)
Delaware Department of Education	84.287	RFP # DOE 2016-01 Year 4	—	110,033
Delaware Department of Education	84.287	S17-61	—	48,777
Capital School District	84.287	18A01176	—	5,424
Delaware Department of Education	84.287	S17-60	—	30,329
Subtotal for CFDA No. 84.287			—	1,128,300
Delaware Department of Education	84.366	MSP 01-17	—	32,441
Delaware Department of Education	84.366	MSP 02-17	—	188,932
Subtotal for CFDA No. 84.366		Text65:	—	221,373
Colonial School District	84.367	19A00256	—	16,250
National Writing Project Corporation	84.367	99-DE01-SEED2017-CRWPAI	—	8,430
Delaware Department of Education	84.367	2017-11	—	23
Delaware Department of Education	84.367	S17-87	—	(191)
Subtotal for CFDA No. 84.367			—	24,512
Subtotal: Department of Education Programs -- Pass-through			—	2,798,396
Total: Department of Education Programs			—	2,798,396
Corporation for National and Community Service Programs:				
Pass-through:				
Public Allies	94.006	OP004-94.006-19-PADE	—	310,842
First State Animal Center and SPCA	94.006	17A01288	—	65
Public Allies	94.006	OP004-94.006-18-PADE	—	(18,632)
Subtotal for CFDA No. 94.006			—	292,275
Subtotal: Corporation for National and Community Service Programs -- Pass-through			—	292,275
Total: Corporation for National and Community Service Programs			—	292,275
Department of Homeland Security Programs:				
Pass-through:				
Delaware Emergency Management Agency	97.067	CCP16-002	—	1,920
Subtotal for CFDA No. 97.067			—	1,920
Delaware Emergency Management Agency	97.036	PW00013	—	2
Subtotal for CFDA No. 97.036			—	2
Delaware Emergency Management Agency	97.042	EMPG-19-005	—	74,818
Subtotal for CFDA No. 97.042			—	74,818
Delaware Emergency Management Agency	97.047	PDMC-PJ-03-DE-2016-001	—	49,900
Subtotal for CFDA No. 97.047			—	49,900
Subtotal: Department of Homeland Security Programs -- Pass-through			—	126,640
Total: Department of Homeland Security Programs			—	126,640
Unidentified Programs:				
Direct:				
Consumer Financial Protection Bureau -- 19A00376	NA		—	12,460
Subtotal: Unidentified Programs -- Direct			—	12,460
Total: Unidentified Programs			—	12,460
NON R&D CLUSTER Total			496,325	13,402,067
CCDF Cluster:				
Department of Health & Human Services Programs:				
Direct:				
Child Care and Development Block Grant	93.575		—	67,815
Subtotal: Department of Health & Human Services Programs -- Direct			—	67,815
Pass-through:				
Delaware Department of Education	93.575	S15-67	—	(146)
Subtotal for CFDA No. 93.575			—	(146)
Subtotal: Department of Health & Human Services Programs -- Pass-through			—	(146)
Total: Department of Health & Human Services Programs			—	67,669
CCDF Cluster Total			—	67,669

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Drinking Water State Revolving Fund Cluster:				
Environmental Protection Agency Programs:				
Pass-through:				
Delaware Department of Natural Resources	66.468	PO 0000449560	\$ —	19,734
Delaware Department of Natural Resources	66.468	18A00887	—	15,000
Subtotal for CFDA No. 66.468			—	34,734
Subtotal: Environmental Protection Agency Programs -- Pass-through			—	34,734
Total: Environmental Protection Agency Programs			—	34,734
Drinking Water State Revolving Fund Cluster Total			—	34,734
Federal Transit Cluster:				
Department of Transportation Programs:				
Direct:				
Federal Transit_Capital Investment Grants	20.500		—	4,120
Subtotal: Department of Transportation Programs -- Direct			—	4,120
Total: Department of Transportation Programs			—	4,120
Federal Transit Cluster Total			—	4,120
Fish and Wildlife Cluster:				
Department of Interior Programs:				
Pass-through:				
Delaware Department of Natural Resources	15.611	306416	—	63,438
Subtotal for CFDA No. 15.611			—	63,438
Subtotal: Department of Interior Programs -- Pass-through			—	63,438
Total: Department of Interior Programs			—	63,438
Fish and Wildlife Cluster Total			—	63,438
Head Start Cluster:				
Department of Health & Human Services Programs:				
Direct:				
Head Start	93.600		694,709	2,524,990
Subtotal: Department of Health & Human Services Programs -- Direct			694,709	2,524,990
Pass-through:				
Delaware Department of Education	93.600	S19-38	—	37,752
Subtotal for CFDA No. 93.600			—	37,752
Subtotal: Department of Health & Human Services Programs -- Pass-through			—	37,752
Total: Department of Health & Human Services Programs			694,709	2,562,742
Head Start Cluster Total			694,709	2,562,742
Highway Planning and Construction Cluster:				
Department of Transportation Programs:				
Pass-through:				
University of Illinois	20.205	087795-16578	—	55,866
Subtotal for CFDA No. 20.205			—	55,866
Subtotal: Department of Transportation Programs -- Pass-through			—	55,866
Total: Department of Transportation Programs			—	55,866
Highway Planning and Construction Cluster Total			—	55,866
Homeland Security:				
Department of Homeland Security Programs:				
Pass-through:				
Delaware Emergency Management Agency	97.067	FY17-001	—	29,944
Delaware Emergency Management Agency	97.067	CCP17-002	—	10,533
Subtotal for CFDA No. 97.067			—	40,477
Subtotal: Department of Homeland Security Programs -- Pass-through			—	40,477
Total: Department of Homeland Security Programs			—	40,477
Homeland Security Total			—	40,477
Medicaid Cluster:				
Department of Health & Human Services Programs:				
Pass-through:				
Delaware Dept of Health & Social Service	93.778	19A01081	—	6,601
Delaware Dept of Health & Social Service	93.778	19A01062	—	1,202
Delaware Dept of Health & Social Service	93.778	06202017-4	—	33
Subtotal for CFDA No. 93.778			—	7,836
Subtotal: Department of Health & Human Services Programs -- Pass-through			—	7,836
Total: Department of Health & Human Services Programs			—	7,836
Medicaid Cluster Total			—	7,836

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
SNAP Cluster:				
United States Department of Agriculture Programs:				
Pass-through:				
Delaware Dept of Health & Social Service	10.561	023534-0001-0000	\$ 300,836	573,456
Delaware Dept of Health & Social Service	10.561	State-0000408288	228,015	318,037
Subtotal for CFDA No. 10.561			528,851	891,493
Subtotal: United States Department of Agriculture Programs -- Pass-through			528,851	891,493
Total: United States Department of Agriculture Programs			528,851	891,493
SNAP Cluster Total			528,851	891,493
Special Education Cluster (IDEA):				
Department of Education Programs:				
Pass-through:				
Delaware Department of Education	84.027	SG 05-18	—	5,000
Delaware Department of Education	84.027	S16-23	—	(17)
Delaware Department of Education	84.027	S18-53	45,935	59,917
Delaware Department of Education	84.027	S19-72	—	630,257
Delaware Department of Education	84.027	S18-60	—	124,349
Subtotal for CFDA No. 84.027			45,935	819,506
Subtotal: Department of Education Programs -- Pass-through			45,935	819,506
Total: Department of Education Programs			45,935	819,506
Special Education Cluster (IDEA) Total			45,935	819,506
Student Financial Assistance Programs:				
Department of Education Programs:				
Direct:				
Federal Supplemental Educational Opportunity Grants	84.007		—	878,058
Federal Work-Study Program	84.033		—	947,603
Federal Perkins Loan Program	84.038		—	11,198,310
Federal Pell Grant Program	84.063		—	12,939,535
Federal Direct Student Loans	84.268		—	108,380,247
Subtotal: Department of Education Programs -- Direct			—	134,343,753
Total: Department of Education Programs			—	134,343,753
Department of Health & Human Services Programs:				
Direct:				
Federal Nursing Student Loans	93.364		—	1,167,516
Subtotal: Department of Health & Human Services Programs --Direct			—	1,167,516
Total: Department of Health & Human Services Programs			—	1,167,516
Student Financial Assistance Programs Total			—	135,511,269
TANF Cluster:				
Department of Health & Human Services Programs:				
Pass-through:				
Wright County Health & Human Services	93.558	18A00176	—	338
Subtotal for CFDA No. 93.558			—	338
Subtotal: Department of Health & Human Services Programs -- Pass-through			—	338
Total: Department of Health & Human Services Programs			—	338
TANF Cluster Total			—	338
Title I, Part A Cluster:				
Department of Education Programs:				
Pass-through:				
Christina School District	84.010	PO 371558	—	66
Subtotal for CFDA No. 84.010			—	66
Subtotal: Department of Education Programs -- Pass-through			—	66
Total: Department of Education Programs			—	66
Title I, Part A Cluster Total			—	66
TRIO Cluster:				
Department of Education Programs:				
Direct:				
TRIO--Student Support Services	84.042		—	209,142
TRIO--Upward Bound	84.047		—	600,737
TRIO--McNair Post-Baccalaureate Achievement	84.217		—	214,892
Subtotal: Department of Education Programs -- Direct			—	1,024,771
Total: Department of Education Programs			—	1,024,771
TRIO Cluster Total			—	1,024,771
Grand Total			\$ 21,802,951	294,059,386

UNIVERSITY OF DELAWARE

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

(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 under the Perkins and direct loan programs, where applicable.

Expenditures for other federal awards are determined using the cost accounting principles 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, 2019 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, 2019 are summarized as follows:

Federal Perkins Loan Program Federal	\$	—
Federal Nursing Student Loans		<u>211,350</u>
	\$	<u>211,350</u>
Federal Direct Student Loans	\$	108,380,247

UNIVERSITY OF DELAWARE

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

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 July 1, 2018 of \$11,198,310 and \$956,166, respectively, and new loans issued during fiscal year 2019. As of June 30, 2019, loans receivable for Federal Perkins and Nursing Student Loan programs amount to \$9,269,098 and \$1,013,099, 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 2019.



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**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 sheets as of June 30, 2019 and 2018, and the related consolidated statements of activities, and cash flows for the years then ended, the consolidated statement of functional expenses for the year ended June 30, 2019, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 14, 2019, which included an emphasis of matters paragraph, which stated the University adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended.

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 14, 2019



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 the University's major federal program for the year ended June 30, 2019. 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 the University's major federal program 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 the 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, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002. Our opinion on the major federal program is not modified with respect to these matters.



The University's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 a deficiency in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001 and 2019-002, that we consider to be significant deficiencies.

The University's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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, 2019, and have issued our report thereon dated November 14, 2019, 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 for the year ended June 30, 2019 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
March 25, 2020

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

(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 (2019-001 and 2019-002)**
- (e) The type of report issued on compliance for its major program:
 - Research and Development Cluster: **Unmodified**
- (f) Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a):
Yes (2019-001 and 2019-002)
- (g) Major program:
 - Research and Development 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, 2019

Reference Number: 2019-001
Federal Agency: Various
Program Name (CFDA #): Research and Development Cluster (CFDA No. Various)
Federal Award Year: July 1, 2018 to June 30, 2019
Federal Award Number: 70NANB17H002; DE-AR0000771; P20GM103446-18; W81XWH-11-2-0222; FA9550-14-1-0198; 1507540
Compliance Requirement: Allowability

Criteria or Requirement

Per 2 CFR section 200.430(i), salaries and wages charged to Federal awards must be based on records that accurately reflect the work performed. These records must be (1) supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (2) incorporated into the official records of the non-Federal entity; (3) reasonably reflect the total activity for which the employee is compensated not exceeding 100 percent of compensated activities; (4) support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity; and (5) comply with the established accounting policies and practices of the non-Federal entity.

Additionally, the University has policies that require each effort certification to be completed within ninety (90) days following the end of the reporting period. The University divides each year into three (3) effort reporting periods: two (2) apply to all salaried employees who are required to report effort and one (1) applies only to faculty on academic appointments of less than 12 months.

Condition Found, including Perspective

In 6 of 65 payroll samples selected, the effort certification forms were completed more than 90 days after the end of the University's reporting period, an average of 138 days.

Possible Cause and Effect

The University was significantly delayed in sending out the certification forms during fiscal year 2018 and part of fiscal year 2019; therefore, the certifications were not completed timely. The University's monitoring control over initiating the effort certification process at the end of the reporting period was not operating effectively for the early portion of fiscal year 2019.

Questioned Costs

None.

Statistical Validity of Sample

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

Repeat Finding in the Prior Year

Yes (2018-001)

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

Recommendation

We recommend the University continuously enhance its monitoring control over the timely initiating and completion of the effort certification process.

Views of Responsible Officials

The University agrees that timely reporting is required. The University has implemented escalation functionality within its current effort certification system in order to reduce the number of delinquent reports per reporting period. The Research Office will continue to educate effort administrators and faculty about effort reporting deadlines and their certification responsibilities.

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

Reference Number: 2019-002
Federal Agency: Department of Health and Human Services
Program Name (CFDA #): Research and Development Cluster (CFDA No. Various)
Federal Award Year: July 1, 2018 to June 30, 2019
Federal Award Number: 14A00216; 1600268; 263001-UD; GR411418; P20GM103446-17; P20GM103446-18; P20GM113125-03; R01AG041202C; R01AG058853A; R01GM080646D; R01HD086362; R01HD087459A; R01HL104106B; R03HD088668A; T32HD007490-18; T32HD007490-19; U54GM104941-05; U54GM104941C; U54GM104941C; UTA16-000683

Compliance Requirement: Allowability

Criteria or Requirement

Per 2 CFR section 200.430 provides that Federal agencies may approve alternative methods of accounting for salaries and wages based on achievement of performance outcomes, including instances where funding from multiple programs/awards is blended to more efficiently achieve a combined outcome. National Institute of Health (NIH) contains restrictions on the amount that can be charged for individual salaries. NIH is the largest biomedical research agency in the world and part of the U.S. Department of Health and Human Services (DHHS).

Additionally, the University has policies over monitoring DHHS salary cap compliance.

Condition Found, including Perspective

For 7 of 7 employees sampled with 12 month salaries during fiscal year 2019 that exceeded the corresponding 12 month period estimated NIH salary cap, we noted that the University did not monitor whether the salaries were charged in accordance with the NIH salary cap limit. The University direct charged \$459,506 for those included in the sample during fiscal year 2019. For 5 of 7 employees, we noted fiscal year 2019 compensation charged, without regard to cost sharing commitments, exceeded the estimated salary cap for the corresponding period by approximately \$80,000. However, when cost-sharing estimates were considered for the sample of 7, we noted 2 of 7 employees exceeded the estimated salary cap limit by approximately \$13,000 in aggregate.

Possible Cause and Effect

The University's monitoring control over the salary cap compliance was not operating effectively during fiscal year 2019.

Questioned Costs

Known questioned costs are estimated to be approximately \$26,000, which includes salary charges and estimated fringe benefits and indirect cost recovery.

Statistical Validity of Sample

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

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

Repeat Finding in the Prior Year

No

Recommendation

We recommend the University enhance its monitoring control over compliance with NIH salary cap.

Views of Responsible Officials

The University agrees that it should continue to improve NIH salary cap monitoring procedures. The University is strengthening its internal controls by revising salary cap monitoring procedures and procuring a new effort certification system with automated salary cap alerts and guidance. The new procedures ensure that every NIH project is manually checked for cap compliance at least once per project budget period by the Manager of Financial Compliance.

Corrective Action Plan
Year Ended June 30, 2019

Finding 2019-001: Allowability

Recommendation:

We recommend the University continuously enhance its monitoring control over the timely initiating and completion of the effort certification process.

Views of Responsible Officials:

The University agrees that timely reporting is required.

University of Delaware Corrective Action Plan:

The University has implemented escalation functionality within its current effort certification system in order to reduce the number of delinquent reports per reporting period. The system automatically notifies effort administrators and leadership when a report is at risk of becoming delinquent. The Research Office will continue to educate effort administrators and faculty about effort reporting deadlines and their certification responsibilities. The University is procuring a new effort certification system, which contains additional functionality to notify individuals of impending delinquencies.

Anticipated Completion Date:

Effort System Implementation: July 2021

Contact Person:

Jeff Friedland, AVP Research Administration

Corrective Action Plan
Year Ended June 30, 2019

Finding 2019-002: Allowability

Recommendation:

We recommend the University enhance its monitoring control over compliance with NIH salary cap.

Views of Responsible Officials:

The University agrees that it should continue to improve NIH salary cap monitoring procedures.

University of Delaware Corrective Action Plan:

The University is strengthening its internal controls by revising salary cap monitoring procedures and procuring a new effort certification system with automated salary cap alerts and guidance. The new procedures ensure that every NIH project is manually checked for cap compliance at least once per project budget period by the Manager of Financial Compliance. This will be in addition to the checks performed at closeout by the Research Office, and the intermediate project period checks performed by department administrators. The Research Office is also introducing stricter monitoring of supplemental contracts paying out summer salary for NIH projects.

Anticipated Completion Date:

Monitoring Program: June 2020
Effort System Implementation: July 2021

Contact Person:

Jeff Friedland, AVP Research Administration



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Newark, DE 19716-1551
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UNIVERSITY OF DELAWARE
Summary Status of Prior Year Finding
June 30, 2019

Finding 2018-001: Allowability

Recommendation:

We recommend the University review its current policies and procedures over effort certification and implement procedures to ensure timely completion by all departments and personnel.

Corrective Action Plan:

The University agrees to further strengthen its internal controls by amending its policies and procedures over effort certification. This will ensure effort reports are released in accordance with the effort certification schedule to facilitate timely completion by all departments. The Effort Certification Policy will be updated to remove any institutional restrictions that are not supported by either best-practices, regulations, or other standards. In addition, the Research Office is actively recruiting for the position of Manager, Financial Compliance (Sponsored Programs Financial Compliance & Audit). This position will lead efforts to increase compliance to University, federal, state and industry research standards through routine monitoring of financial and other post-award data, as well as managing the university's effort reporting process.

Status: Partially Complete

Contact Person:

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UNIVERSITY OF DELAWARE

Summary Status of Prior Year Finding

June 30, 2019

Finding 2018-002: Reporting

Recommendation:

We recommend the University review its current monitoring controls over timeliness of the preparation of the reports and implement procedures to ensure compliance with the filing deadlines and close-out procedures.

Corrective Action Plan:

The University is developing training to further educate staff on federal reporting regulations and timelines. The Research Office is redesigning business processes to enhance its monitoring of federal report submissions, and updating award closeout procedures to standardize operations and refine institutional timelines with escalations.

Status: Partially Complete

Contact Person:

Jeffrey Friedland, AVP Research and Administration, 302-831-4978