



UNIVERSITY OF DELAWARE

Consolidated Financial Statements and
Information on Federal Awards

June 30, 2021

(With Independent Auditors' Reports Thereon)

UNIVERSITY OF DELAWARE

Table of Contents

	Page
Independent Auditors' Report	1
Consolidated Balance Sheets	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Schedule of Expenditures of Federal Awards	39
Notes to Schedule of Expenditures of Federal Awards	54
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 <i>Government Auditing Standards</i>	56
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	58
Schedule of Findings and Questioned Costs	61



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Trustees
University of Delaware:

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

Management's Responsibility for the Consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of University of Delaware and its subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets, their functional expenses, and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2021 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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'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's internal control over financial reporting and compliance.

KPMG LLP

Philadelphia, Pennsylvania
November 12, 2021

UNIVERSITY OF DELAWARE

Consolidated Balance Sheets

June 30, 2021 and 2020

(Dollars in thousands)

Assets	2021	2020
Cash and cash equivalents	\$ 125,221	129,701
Operating investments	151,073	161,593
Total cash, cash equivalents, and operating investments	276,294	291,294
Restricted deposits	76,555	81,568
Accounts and notes receivable, net	51,493	41,543
Prepaid expenses and inventories	8,444	2,334
Operating lease right-of-use assets	12,525	—
Contributions receivable, net	34,726	43,237
Student loan receivables, net	6,576	8,252
Investments	2,171,747	1,623,458
Funds held in trust by others	93,659	76,836
Property, plant, and equipment, net	1,860,714	1,837,581
Total assets	<u>\$ 4,592,733</u>	<u>4,006,103</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 138,813	148,918
Deferred revenue and student deposits	66,030	46,316
Operating lease liabilities	12,254	—
Long-term debt and finance leases	696,879	709,343
Postemployment benefit obligations	582,143	569,657
Other liabilities	81,389	88,694
Total liabilities	<u>1,577,508</u>	<u>1,562,928</u>
Net assets:		
Without donor restrictions	1,453,852	1,246,616
With donor restrictions	1,561,373	1,196,559
Total net assets	<u>3,015,225</u>	<u>2,443,175</u>
Total liabilities and net assets	<u>\$ 4,592,733</u>	<u>4,006,103</u>

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE
Consolidated Statements of Activities
Years ended June 30, 2021 and 2020
(Dollars in thousands)

	2021	2020
Changes in net assets without donor restrictions:		
Operating revenues:		
Tuition and fees, net of scholarships and fellowships (\$200,722 in 2021 and \$192,213 in 2020)	\$ 416,774	457,838
Auxiliary services revenue	49,936	94,097
Grants, contracts, and other exchange transactions	272,738	214,147
State operating appropriations	125,168	125,314
Contributions	9,881	9,848
Endowment distributions	53,048	52,215
Other investment income	16,041	20,824
Other revenue	37,650	42,915
Net assets released from restrictions	14,805	14,551
Total operating revenues	996,041	1,031,749
Operating expenses:		
Salaries and wages	501,615	520,831
Benefits	175,301	177,369
Postemployment benefits	18,396	14,829
Total compensation	695,312	713,029
Supplies, materials and purchased services	187,100	225,225
Student aid	10,358	7,318
Travel	2,683	24,918
Depreciation, amortization and loss on disposals	88,383	78,385
Interest	27,919	22,478
Total operating expenses	1,011,755	1,071,353
Change in net assets from operating activities	(15,714)	(39,604)
Other changes in net assets without donor restrictions:		
Investment return in excess of (less than) endowment distributions	193,871	(8,940)
Contributions	1,842	2,220
Postemployment costs other than service costs	(21,081)	(19,184)
Other changes in postemployment benefit obligations	7,319	(48,608)
Other, net	9,403	(12,310)
Net assets released from restrictions	31,596	7,068
Other changes in net assets without donor restrictions	222,950	(79,754)
Total changes in net assets without donor restrictions	207,236	(119,358)
Changes in net assets with donor restrictions:		
Investment return in excess of (less than) endowment distributions	365,107	(20,542)
Contributions	41,942	29,344
State capital appropriations	3,139	1,197
Other, net	1,027	1,828
Net assets released from restrictions	(46,401)	(21,619)
Total changes in net assets with donor restrictions	364,814	(9,792)
Total changes in net assets	572,050	(129,150)
Net assets at beginning of year	2,443,175	2,572,325
Net assets at end of year	\$ 3,015,225	2,443,175

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE

Consolidated Statement of Functional Expenses

Year ended June 30, 2021

(Dollars in thousands)

	Instruction and departmental research	Sponsored research	Extension and public service	Academic support	Student services	Student aid	Auxiliary enterprises	General institutional support	Total
Operating expenses:									
Expenses:									
Salaries and wages	\$ 271,448	75,975	27,199	40,208	16,912	3,350	8,189	58,334	501,615
Benefits	93,606	22,169	9,520	16,387	6,398	19	3,096	24,106	175,301
Postemployment benefits	12,191	1,774	766	1,252	439	—	209	1,765	18,396
Total compensation	377,245	99,918	37,485	57,847	23,749	3,369	11,494	84,205	695,312
Supplies, materials and purchased services	36,622	57,293	10,750	7,640	8,428	500	40,884	24,983	187,100
Student aid	—	—	—	—	—	10,358	—	—	10,358
Travel	1,608	438	105	72	155	1	25	279	2,683
Depreciation, amortization and loss on disposals	30,718	16,456	1,227	13,112	2,843	—	18,064	5,963	88,383
Interest	11,254	657	—	—	—	—	16,008	—	27,919
Total operating expenses	457,447	174,762	49,567	78,671	35,175	14,228	86,475	115,430	1,011,755
Other changes in net assets without donor restrictions:									
Postemployment costs other than service costs	14,566	1,862	804	1,314	461	—	220	1,854	21,081
Total functional expenses 2021	\$ <u>472,013</u>	<u>176,624</u>	<u>50,371</u>	<u>79,985</u>	<u>35,636</u>	<u>14,228</u>	<u>86,695</u>	<u>117,284</u>	<u>1,032,836</u>

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE

Consolidated Statement of Functional Expenses

Year ended June 30, 2020

(Dollars in thousands)

	Instruction and departmental research	Sponsored research	Extension and public service	Academic support	Student services	Student aid	Auxiliary enterprises	General institutional support	Total
Operating expenses:									
Expenses:									
Salaries and wages	\$ 282,201	73,589	27,812	42,293	20,731	3,571	9,486	61,148	520,831
Benefits	92,946	21,751	9,630	17,034	7,271	(54)	3,558	25,233	177,369
Postemployment benefits	10,076	1,159	594	1,006	380	—	181	1,433	14,829
Total compensation	385,223	96,499	38,036	60,333	28,382	3,517	13,225	87,814	713,029
Supplies, materials and purchased services	57,654	53,985	11,329	11,787	11,971	395	56,424	21,680	225,225
Student aid	—	—	—	—	—	7,318	—	—	7,318
Travel	16,807	2,824	1,325	1,206	1,181	53	156	1,366	24,918
Depreciation, amortization and loss on disposals	29,293	15,203	1,165	12,940	2,557	—	11,654	5,573	78,385
Interest	9,778	583	—	—	—	—	12,117	—	22,478
Total operating expenses	498,755	169,094	51,855	86,266	44,091	11,283	93,576	116,433	1,071,353
Other changes in net assets without donor restrictions:									
Postemployment costs other than service costs	13,742	1,327	680	1,152	435	—	207	1,641	19,184
Total functional expenses 2020	\$ <u>512,497</u>	<u>170,421</u>	<u>52,535</u>	<u>87,418</u>	<u>44,526</u>	<u>11,283</u>	<u>93,783</u>	<u>118,074</u>	<u>1,090,537</u>

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE
Consolidated Statements of Cash Flows
Years ended June 30, 2021 and 2020
(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 572,050	(129,150)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in postemployment benefit obligations and other nonoperating activities	15,927	71,303
Net realized and unrealized gains	(616,293)	(21,962)
Change in fair value of swap	(10,355)	9,691
Gifts of equipment	(955)	(1,194)
State capital appropriations	(3,139)	(1,197)
Contributions restricted for endowment and capital	(21,789)	(17,166)
Endowment income restricted for reinvestment	(336)	(373)
Depreciation, amortization and loss on disposals	87,821	85,238
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	(9,950)	(678)
Prepaid expenses and inventories	(6,110)	(713)
Contributions receivable, net	(2,279)	548
Accounts payable, accrued and other liabilities	(5,302)	22,359
Deferred revenue and student deposits	19,714	9,566
Postemployment benefit obligations	(1,276)	(4,121)
Operating leases, net	(271)	—
Net cash provided by operating activities	<u>17,457</u>	<u>22,151</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,058,604	1,534,000
Purchases of investments	(996,903)	(1,461,820)
Acquisitions of property, plant, and equipment	(76,640)	(182,743)
Acquisitions of equipment and library materials	(35,801)	(33,530)
Disbursements of loans to students	(204)	(183)
Repayments of loans by students	1,880	2,350
Net cash used in investing activities	<u>(49,064)</u>	<u>(141,926)</u>
Cash flows from financing activities:		
Repayments of principal on long-term debt and finance leases	(12,188)	(17,223)
Refinancing of long-term debt	—	(59,053)
Net proceeds from issuance of long-term debt	—	64,941
State capital appropriations	3,139	1,197
Endowment income restricted for reinvestment	336	373
Contributions restricted for endowment and capital	32,579	22,898
Repayments to federal government for student loans	(1,751)	(3,003)
Change in restricted deposits	4,691	126,646
Net cash provided by financing activities	<u>26,806</u>	<u>136,776</u>
Net change in cash and cash equivalents	(4,801)	17,001
Cash, cash equivalents and restricted cash, beginning of year	<u>132,653</u>	<u>115,652</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 127,852</u>	<u>132,653</u>
Supplemental disclosure of cash flow information:		
Interest paid, net of amounts capitalized	\$ 31,511	29,808
Construction – accounts payable	8,825	33,741
Right-of-use assets obtained in exchange for new operating lease liabilities	2,166	—

See accompanying notes to consolidated financial statements.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(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 34,500 situated midway between Philadelphia and Baltimore. Courses are also offered at other locations throughout the State, including Wilmington, Lewes, Dover, Milford, and Georgetown.

The University receives an annual operating and capital appropriation from the State of Delaware. The University also participates in certain benefit plans of the State (note 13).

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.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

In addition to the three primary consolidated financial statements presented under U.S. GAAP for not-for-profit organizations, the consolidated statements of functional expenses present 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 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 \$57,359,000 and \$70,036,000, and fund-raising costs were approximately \$16,105,000 and \$19,812,000 for the years ended June 30, 2021 and 2020, 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.

Certain operating expenses for 2020 were reclassified and presented to conform with 2021 operating expense captions.

(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.

The following table summarizes cash, cash equivalents, and restricted cash reported on the consolidated statements of cash flows as of June 30, 2021 and 2020 (in thousands):

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 125,221	129,701
Restricted deposits:		
Cash held in other restricted deposits	<u>2,631</u>	<u>2,952</u>
	<u>\$ 127,852</u>	<u>132,653</u>

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

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

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

year, which generally aligns with the University’s fiscal year. Disbursements made directly to students for services or other costs are reported as expenses. 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 16).

The University provides financial aid to eligible students, generally in an “aid package” that includes loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided primarily through programs of the U.S. government (including direct and guaranteed loan programs) under which the University is responsible only for certain administrative duties. These direct and guaranteed loans are not reflected on the University’s 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, 2021 and 2020 (in thousands):

	2021	2020
Undergraduate	\$ 337,019	372,820
Graduate	29,832	29,679
Other, primarily fees	49,923	55,339
Total	\$ 416,774	457,838

Auxiliary services revenue consisted of the following for the years ended June 30, 2021 and 2020 (in thousands):

	2021	2020
Student housing (note 19)	\$ 23,515	44,133
Dining services (note 19)	11,720	30,330
Student health services	14,126	9,762
Parking	474	5,329
Conference services	66	1,793
Other	35	2,750
Total	\$ 49,936	94,097

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

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

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

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. Certain sponsors, however, provide funding in advance of related expenses, and such funding is recorded as deferred revenue of grant funds on the consolidated balance sheets. There is no assurance that sponsored awards will continue to be made at current levels.

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

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

beneficiaries. The liabilities are adjusted during the terms of the trusts for changes in the values of the assets, accretion of the discounts, and other changes in estimates of future benefits.

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

(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, 2021 and 2020, 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 been used had a ready market existed for these investments and the differences could be significant.

(h) Property, Plant, and Equipment

Property, plant, and equipment is 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 consolidated statement of activities in the "other changes in net assets without donor restrictions" and "changes in net assets with donor restrictions."

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(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, 2021 and 2020, 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 \$8,586,000 and \$10,337,000 as of June 30, 2021 and 2020, 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 statements of activities.

(n) Recently Issued Accounting Standards

Effective July 1, 2020, the University adopted ASU 2016-02, *Leases (Topic 842)*, which requires lessees to report a right-of-use asset and lease liability for essentially all leases on the balance sheet. The Topic also requires increased disclosure regarding leases (note 10). The University elected to apply the modified prospective transition method and elected the practical expedients to not reassess: (1) whether an existing contract is or contains a lease; (2) lease classification for existing contracts; and (3) initial direct costs for existing contracts. The University elected the short-term lease exception and the practical expedient to combine lease and non-lease components, while declining to use hindsight when reassessing lease terms or impairment. Upon adoption, the University recognized operating leases right-of-use assets of \$18,609,000 as of July 1, 2020, and lease liabilities of \$18,057,000.

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

(2) Liquidity

The following table reflects the University's financial assets as of June 30, 2021 and 2020, available for general expenditures within one year (in thousands):

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 125,221	129,701
Operating investments	<u>151,073</u>	<u>161,593</u>
	276,294	291,294
Accounts and notes receivable collectible within one year	51,493	41,543
Estimated operating funds invested in pooled portfolio	278,347	227,384
Estimated endowment spending payout – 2022 and 2021	<u>53,048</u>	<u>52,215</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 659,182</u>	<u>612,436</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. To help manage unanticipated liquidity needs, the University has a committed line of credit in the amount of \$100,000,000, which it could draw upon. Additionally, as of June 30, 2021 and 2020, the University had board-designated endowments and other investments of \$479,597,000 and \$357,273,000. 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, 2021 and 2020 are summarized as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Amounts due in:		
Less than one year	\$ 13,554	16,594
One to five years	17,096	22,903
Over five years	<u>8,280</u>	<u>8,640</u>
	38,930	48,137
Less:		
Allowance for uncollectible pledges	(1,141)	(1,190)
Unamortized discounts	<u>(3,063)</u>	<u>(3,710)</u>
	<u>\$ 34,726</u>	<u>43,237</u>

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Contributions to be received after one year are discounted at discount rates ranging from 1.1% to 3.5% for the years ended June 30, 2021 and 2020, respectively.

(4) Restricted Deposits

Restricted deposits as of June 30, 2021 and 2020 consisted of the following (in thousands):

	<u>2021</u>	<u>2020</u>
Unexpended bond proceeds	\$ 61,714	67,371
Debt service reserve funds	12,059	11,093
Other deposits	<u>2,782</u>	<u>3,104</u>
	<u>\$ 76,555</u>	<u>81,568</u>

The unexpended bond proceeds represent the amount of unspent 2018 general obligation bond proceeds that are held internally by the University, to be used in certain capital projects. The unexpended bond proceeds are generally invested in 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 held with a 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 11. These funds are generally invested in cash equivalents, but not considered restricted cash equivalents for purposes of the statements of cash flows.

(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, 2021 and 2020 was as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Money market and other liquid funds	\$ 41,560	33,551
U.S. government obligations	157,295	165,799
Corporate obligations	91,125	158,649
Stock and convertible securities	597,872	434,381
International equity investments	2,271	54,334
Limited partnerships and limited liability corporations (LLCs)	1,427,676	933,590
Other	<u>5,021</u>	<u>4,747</u>
Total	<u>\$ 2,322,820</u>	<u>1,785,051</u>

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

	2021	2020
Operating investments	\$ 151,073	161,593
Investments	2,171,747	1,623,458
	\$ 2,322,820	1,785,051

Included in the investments table above is \$7,132,000 and \$6,246,000 of annuity and life-income funds at June 30, 2021 and 2020, 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):

	2021	2020	Estimated remaining lives (years)	As of June 30, 2021 unfunded commitments	Redemption frequency	Redemption notice frequency
Limited partnerships and LLCs:						
International equity funds	\$ 422,426	288,689	—	\$ —	Monthly	10 Days
Multistrategy hedge funds	243	24,152	—	—	Annually	100 Days
Long-short hedge funds	296,712	168,885	—	—	Annually	90 Days
Private equity	352,860	222,182	1-13	176,670	Not eligible	N/A
Venture capital	179,840	89,024	1-12	84,770	Not eligible	N/A
Hybrid fund of funds	9,434	10,145	1-5	1,300	Not eligible	N/A
Distressed securities	52,989	43,604	1-4	2,932	Not eligible	N/A
Real estate	52,124	39,346	1-11	39,663	Not eligible	N/A
Natural resources	33,484	28,588	1-11	1,805	Not eligible	N/A
Oil and gas	27,564	18,975	6-11	17,839	Not eligible	N/A
	\$ 1,427,676	933,590		\$ 324,979		

Subsequent to June 30, 2021, the University executed additional commitments of \$67,500,000.

(a) International Equity Funds

These categories are investments in commingled funds that invest primarily in 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.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(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, 2021 and 2020 was as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Dividend and interest income	\$ 19,504	27,451
Net realized and unrealized gains	616,293	21,962
External investment management fees and expenses	<u>(7,647)</u>	<u>(5,532)</u>
Investment return, net	<u>\$ 628,150</u>	<u>43,881</u>

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Investment return is presented for fiscal years ended June 30, 2021 and 2020 was as follows (in thousands):

	2021	2020
Without donor restrictions:		
Other investment income	\$ 16,041	20,824
Endowment distributions	53,048	52,215
Investment return in excess of (less than) endowment distributions	193,871	(8,940)
	262,960	64,099
With donor restrictions:		
Investment return in excess of (less than) endowment distributions	365,107	(20,542)
Other, net	83	324
	365,190	(20,218)
Investment return, net	\$ 628,150	43,881

(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.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

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 irrevocable charitable remainder trusts and charitable gift annuity agreements. These assets consist primarily of corporate obligations, stock and convertible securities, and international investments and have been classified as Level 2 using the same methodology described above for similar types of underlying assets.

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

(c) Funds Held in Trust by Others

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

(d) Debt Interest Rate Swap Agreements

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

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

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, 2021 and 2020 consolidated balance sheets (in thousands):

	June 30, 2021			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Money market and other liquid funds	\$ 41,560	41,438	122	—
U.S. government obligations:				
Mortgage-backed securities	21,756	—	21,756	—
Treasury obligations	134,398	134,393	5	—
Other	1,141	129	1,012	—
	<u>157,295</u>	<u>134,522</u>	<u>22,773</u>	<u>—</u>
Corporate obligations	91,125	496	90,629	—
Stock and convertible securities	597,872	595,166	2,706	—
International investments	2,271	86	2,185	—
Other	5,021	1,085	—	3,936
Investments measured at net asset value, as a practical expedient ⁽¹⁾	<u>1,427,676</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments	<u>2,322,820</u>	<u>772,793</u>	<u>118,415</u>	<u>3,936</u>
Restricted deposits	76,555	76,555	—	—
Funds held in trust by others	<u>93,659</u>	<u>—</u>	<u>—</u>	<u>93,659</u>
Total	<u>\$ 2,493,034</u>	<u>849,348</u>	<u>118,415</u>	<u>97,595</u>
Financial liabilities, included in the other liabilities:				
Annuity and life income funds payable	\$ 4,965	—	—	4,965
Interest rate swaps	<u>27,689</u>	<u>—</u>	<u>27,689</u>	<u>—</u>
Total	<u>\$ 32,654</u>	<u>—</u>	<u>27,689</u>	<u>4,965</u>

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

	June 30, 2020			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Money market and other liquid funds	\$ 33,551	33,405	146	—
U.S. government obligations:				
Mortgage-backed securities	15,989	—	15,989	—
Treasury obligations	148,450	148,444	6	—
Other	1,360	331	1,029	—
	165,799	148,775	17,024	—
Corporate obligations	158,649	402	158,247	—
Stock and convertible securities	434,381	432,098	2,283	—
International investments	54,334	52,413	1,921	—
Other	4,747	1,258	—	3,489
Investments measured at net asset value, as a practical expedient ⁽¹⁾	933,590	—	—	—
Total investments	1,785,051	668,351	179,621	3,489
Restricted deposits	81,568	77,764	3,804	—
Funds held in trust by others	76,836	—	—	76,836
Total	\$ 1,943,455	746,115	183,425	80,325
Financial liabilities, included in the other liabilities:				
Annuity and life income funds payable	\$ 5,166	—	—	5,166
Interest rate swaps	38,044	—	38,044	—
Total	\$ 43,210	—	38,044	5,166

(1) Investments in limited partnerships and LLCs that are measured at fair value using the net asset value per share (or its equivalent) as a 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.

During the year ended June 30, 2021 and 2020, there were no transfers of assets between levels. The University's interest in funds held in trust by others changed in 2021 and 2020 primarily due to underlying investment gains.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(7) Annuity and Life-Income Funds

The University held \$7,132,000 and \$6,246,000 in investments related to annuity and life income funds as of June 30, 2021 and 2020, respectively. A related liability of \$4,965,000 and \$5,166,000 as of June 30, 2021 and 2020, 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 complies with all applicable laws of certain states to maintain reserves against charitable gift annuities.

(8) Property, Plant, and Equipment

Property, plant, and equipment as of June 30, 2021 and 2020 consisted of the following (in thousands):

	<u>2021</u>	<u>2020</u>	<u>Range of useful lives (years)</u>
Land	\$ 58,942	58,375	N/A
Land improvements	82,630	82,630	15
Buildings	2,233,321	2,030,058	40
Equipment and furnishings	356,014	338,249	2–20
Library	297,535	287,617	10
Finance leasehold	85,853	103,029	29–40
Collections and works of art	9,545	9,156	N/A
Construction in progress	62,487	172,448	N/A
	<u>3,186,327</u>	<u>3,081,562</u>	
Less accumulated depreciation	<u>(1,325,613)</u>	<u>(1,243,981)</u>	
	<u>\$ 1,860,714</u>	<u>1,837,581</u>	

At June 30, 2021, the University had outstanding contractual commitments of \$38,635,000 for building and renovation projects. Interest costs associated with various construction projects of \$3,512,000 and \$6,763,000 were capitalized at June 30, 2021 and 2020, respectively.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

At June 30, 2021, right-of-use assets from finance leases of \$72,910,000 are included in finance leasehold, net of accumulated depreciation of \$12,944,000. Lease liabilities from finance leases are included in long-term debt and finance leases on the consolidated balance sheets.

(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 \$21,847,000 and \$21,631,000 as of June 30, 2021 and 2020, respectively, which is included in other liabilities on the accompanying consolidated balance sheets. The following table reconciles the obligation as of June 30, 2021 and 2020 (in thousands):

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 21,631	22,315
Additional obligations incurred	53	588
Obligations settled in current period	(302)	(1,620)
Changes in estimates, including timing	(152)	(301)
Accretion expense	<u>617</u>	<u>649</u>
Balance at end of year	<u>\$ 21,847</u>	<u>21,631</u>

(10) Leases

The University is the lessee of space under both operating and finance lease agreements. Lease right-of-use assets represent the University's right to use the underlying asset for the lease term. Lease liabilities represent the University's obligation to make lease payments arising from the lease. Leases with terms over twelve months are measured, classified, and recognized at lease commencement. Measurement is based on the present value of future minimum lease payments over the lease term, discounted at an appropriate incremental borrowing rate, which is based on the information available at the commencement date in determining the present value of lease payments. The present value of an option to extend or terminate a lease is included at commencement when it is reasonably certain to be exercised.

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Amortization expense and interest expense is recognized as a component of lease payments for finance leases. The following table summarizes the components of lease expense for the year ended June 30, 2021 (in thousands):

Finance lease expense:		
Amortization of right-of-use assets	\$	3,132
Interest on lease liabilities		2,471
Operating lease expense		6,163
Total lease expense	\$	11,766

The following table contains the maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating and finance lease liabilities as of June 30, 2021 (in thousands):

Year	Operating	Finance
2022	\$ 4,904	3,694
2023	4,094	3,694
2024	1,998	3,731
2025	767	3,734
2026	394	3,734
Thereafter	210	75,988
Total lease payments	12,367	94,575
Less: imputed interest	113	36,365
Present value of lease liabilities	\$ 12,254	58,210

The weighted-average remaining lease term and discount rate for operating and finance leases as of June 30, 2021, are as follows (in thousands):

	Operating	Finance
Weighted average remaining lease term	3.1 Years	24.8 Years
Weighted average discount rate	0.55 %	4.19 %

The University leases as lessor rental properties to customers classified as operating leases. There are no sales-type or direct financing leases. Property owned by the University and leased to third parties remains in Property, plant, and equipment on the consolidated balance sheet. Revenue is recognized to the extent that amounts are determined to be collectible. The University recognized \$1.3 million in sublease income in fiscal year 2021.

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

(11) Long-Term Debt and Finance Leases

Indebtedness at June 30, 2021 and 2020 consisted of the following (in thousands):

	Fiscal year of maturity	Interest rate(s)%	Outstanding principal	
			2021	2020
Variable-rate debt:				
Series 2004B	2035	3.65 %	\$ 29,305	29,305
Series 2005	2036	4.24	28,690	28,690
Series 2013C	2038	4.16	53,335	53,335
Variable-rate debt			111,330	111,330
Fixed-rate bonds:				
Series 2010A taxable Build America Bonds (BABs)	2041	3.93	119,580	119,580
Series 2013B taxable	2027	1.12–3.00	4,655	5,365
	2034	3.83	6,770	6,770
	2044	3.98	13,555	13,555
Series 2018 taxable	2051	4.07	76,770	76,770
	2059	4.22	123,230	123,230
Series 2019	2043	5.00	100,495	108,860
Series 2019A	2046	5.00	46,540	47,455
Fixed-rate debt			491,595	501,585
Finance leases (note 8)	2021–2049	4.11-4.25	58,210	60,373
			661,135	673,288
Premium on long-term debt, net of debt issue costs of \$2.8 million (2021) and \$2.9 million (2020)			35,744	36,055
Long-term debt and finance leases			\$ 696,879	709,343

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

With the exception of the Series 2018, 2019, and 2019A 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 2018, 2019, and 2019A bonds are unsecured general obligations of the University. All variable-rate debt referenced are subject to 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, 2021 was 0.01% for both series of bonds.

The Series 2010A Taxable Revenue Bonds are Build America Bonds and the University receives payments from the U.S. Treasury equal to 33.0% of the corresponding interest payable on the bonds (the Subsidy Payments). For the year ended June 30, 2021, the University received subsidy payments of \$2,125,000, which are included in other revenue. The bonds are subject to mandatory redemption from November 1, 2028 through November 1, 2040, but are subject to optional redemption and tender for purchase prior to maturity.

The 2013C bonds were converted from a term rate to bear interest at a daily rate on May 1, 2016. The bonds can be converted to bear interest at a weekly, flexible, term, or fixed rate to maturity. The daily rate of interest on June 30, 2021 was 0.01%.

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 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 maturing from November 1, 2019 through November 1, 2043. The bonds maturing from November 1, 2029 through November 1, 2043 are subject to optional redemption.

On October 9, 2019, the University issued its Tax-Exempt Bonds, Series 2019A. The bonds are unsecured general obligations of the University. The bonds consist of serial bonds maturing from November 1, 2019 through November 1, 2045. The bonds maturing from November 1, 2030 through November 1, 2045 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, 2021.

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

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

2022		\$	11,680
2023			12,245
2024			12,894
2025			11,643
2026			12,207
Thereafter			600,466
		\$	661,135

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, 2024, May 31, 2024, and April 30, 2022, respectively.

(12) Interest Rate Swap Agreements

The University has interest rate swap agreements for notional amounts of approximately \$135,945,000 and \$141,088,000 as of June 30, 2021 and 2020 (in thousands):

	Consolidated balance sheets location	Location of change in fair value	Fair value		Change in fair value	
			2021	2020	2021	2020
Interest rate swap agreements	Other liabilities	Other, net	\$ 27,689	38,044	10,355	(9,691)

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.

(13) 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 Plan. As a result, there are no unfunded benefits. Pension plan expense for the University's 403(b) Retirement Savings Plan was \$35,819,000 in 2021 and \$36,239,000 in 2020.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

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, 2023, 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 2021 and 2020 includes the following components (in thousands):

	2021	2020
Operating expenses:		
Service cost	\$ 4,052	3,650
Nonoperating costs:		
Interest cost	1,340	2,094
Amortization of prior service cost and (gains) losses	4,681	4,286
	6,021	6,380
Net periodic postemployment benefit cost	\$ 10,073	10,030

The University's estimated unfunded obligation related to this plan is \$92,130,000 and \$83,135,000, respectively, and is included in postemployment benefit obligations on the consolidated balance sheets as of June 30, 2021 and 2020.

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

The benefit obligation was determined using a discount rate of 2.54% as of June 30, 2021 and 2.58% as of June 30, 2020, and a rate of compensation increase of 3.00%. As of June 30, 2021, the University's expected future benefit payments for fiscal years 2022 through 2026 are \$13,163,000, \$12,010,000, \$11,808,000, \$28,670,000 and \$2,081,000, respectively, and \$14,010,000 thereafter. In fiscal year 2021, final faculty retirement determinations were made, thereby fixing retirement assumptions. The impact of this amendment on the change in the actuarially-determined obligation was approximately \$14,300,000.

(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 on the consolidated balance sheets. Also, the University measures the fair value of plan assets and benefit obligations as of the date of the June 30th consolidated balance sheets. As of June 30, 2021, the University has not funded these benefits.

Net periodic postemployment benefit cost for 2021 and 2020 includes the following components (in thousands):

	<u>2021</u>	<u>2020</u>
Operating expenses:		
Service cost	\$ 14,345	11,179
Nonoperating costs:		
Interest cost	12,823	13,964
Amortization of prior service cost and losses (gains)	<u>2,237</u>	<u>(1,160)</u>
	<u>15,060</u>	<u>12,804</u>
Net periodic postemployment benefit cost	<u>\$ 29,405</u>	<u>23,983</u>

The accumulated postemployment benefit obligation recognized in the consolidated balance sheets at June 30, 2021 and 2020 is as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Accrued postemployment liability	\$ 410,173	390,476
Unrecognized net loss	<u>79,840</u>	<u>96,046</u>
Accumulated postemployment benefit obligation	<u>\$ 490,013</u>	<u>486,522</u>

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Changes in the accumulated postemployment plan benefit obligation and funding status for 2021 and 2020 are as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Benefit obligation at beginning of year	\$ 486,522	426,750
Service cost	14,345	11,178
Interest cost	12,823	13,964
Plan amendment	2,477	—
Actuarial (gain) loss	(16,446)	43,801
Disbursements	<u>(9,708)</u>	<u>(9,171)</u>
Benefit obligation at end of year	<u>490,013</u>	<u>486,522</u>
Fair value of plan assets at beginning of year	—	—
Employer contributions	9,708	9,171
Benefits paid	<u>(9,708)</u>	<u>(9,171)</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>490,013</u>	<u>486,522</u>

The accumulated postemployment benefit obligation was determined using a discount rate of 3.33% and 3.25% as of June 30, 2021 and 2020, respectively. Net periodic postemployment benefit costs was determined using a discount rate of 3.25% and 3.91% in 2021 and 2020, respectively. The healthcare cost trend rates used reflect the differences between pre-65 and post-65 claims were 6.50% and 6.25%, respectively, in 2021 and 7.25% and 6.75%, respectively, in 2020. This rate gradually decreases to 4.50% by the year 2028 for pre-65 and post-65 claims. The actuarial (gains) losses relate to changes in assumptions in discount rates, mortality, healthcare cost trends, and withdrawal rates.

At June 30, 2021, the University's expected future benefit payments for future service are as follows (in thousands):

Year ending June 30:	
2022	\$ 11,888
2023	13,043
2024	14,028
2025	15,708
2026	16,545
2027 through 2031	93,169

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(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 22.95% and 23.02% in 2021 and 2020. Expense recognized for the State Plan was \$12,604,000 and \$14,142,000 in 2021 and 2020, respectively.

The State Plan's financial statements and actuarial reports for June 30, 2020 (most recent available) indicate the following:

The University has 1,299 active participants in the State Plan. The State Plan, in total, has 73,005 participants, 38,518 of which are active participants.

The University's contribution to the State Plan in fiscal year June 30, 2020 of \$7,405,000 was approximately 2.87% of the \$257,838,000 total annual required plan employer contributions to the State Plan.

At June 30, 2020, the State Plan had an 85.5% 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.

As disclosed in the State of Delaware's Other Postemployment Benefits (OPEB) Fund Trust Schedules of Employer Allocations and OPEB Amounts by the Employer Report for the year ended June 30, 2020 (most recent available), the State had a net liability of \$10.4 billion. The University's contribution to the State Plan for OPEB in fiscal year June 30, 2020, of \$7,488,000 was approximately 2.7% of the \$276,336,000 total annual required employer contributions to the plan.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(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 2021 and 2020 was \$65,148,000 and \$66,698,000, respectively.

(14) Net Assets

The University's net assets as of June 30, 2021 and 2020 includes (in thousands):

	2021	2020
Without donor restrictions:		
Undesignated	\$ 401,201	347,409
Board designated endowment	479,597	357,273
Commitments for postemployment obligations	(582,143)	(569,657)
Commitments for interest rate swap agreements	(27,689)	(38,044)
Net investment in plant	1,182,886	1,149,635
Total net assets without donor restrictions	\$ 1,453,852	1,246,616
With donor restrictions:		
Contributions receivable:		
For operations, primarily instruction	\$ 7,302	5,023
For buildings	19,897	25,422
For endowment	7,527	12,792
Total contributions receivable	34,726	43,237
Amounts received subject to expenditures for specified purposes:		
Student aid and instruction	23,337	21,470
Research and other	10,592	8,993
Capital additions	11,940	25,458
Total expendable subject to purpose restrictions	45,869	55,921
Endowment earnings subject to future appropriations:		
General institutional support	626,369	449,613
Student aid	134,123	68,819
Instruction	201,838	113,576
Research and other	30,919	14,046
	993,249	646,054

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

	2021	2020
Perpetual endowment funds – original gift corpus:		
General institutional support	\$ 71,472	71,441
Student aid and instruction	283,613	280,650
Research and other	36,203	20,936
	391,288	373,027
Other funds	2,582	1,484
Funds held in trust by others, primarily for general institutional support	93,659	76,836
Total net assets with donor restrictions	\$ 1,561,373	1,196,559

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, 2021 and 2020 as follows (in thousands):

	2021	2020
Purpose restrictions accomplished – operating:		
Instruction and operations	\$ 6,953	6,198
Scholarships	3,172	2,834
Student services	97	160
Academic support	1,853	2,321
Other	2,730	3,038
Total purpose restrictions accomplished – operating	\$ 14,805	14,551
Purpose restrictions accomplished – non-operating:		
Capital asset additions	\$ 31,596	7,068

(15) Endowment

As of June 30, 2021, the University endowment consists of approximately 1,315 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 expended. Board-designated endowment funds with and without donor restrictions 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

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

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 3.91% and 4.05% at June 30, 2021 and 2020, respectively.

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

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(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. Deficiencies of this nature were approximately \$0 and \$85,000 as of June 30, 2021 and June 30, 2020, respectively. These deficiencies resulted from unfavorable market fluctuations.

(f) Net Asset Classification of Endowment Funds

Endowment net assets by type of fund consist of the following as of June 30, 2021 and 2020 (in thousands):

	2021		
	Without donor restrictions	With donor restrictions	Total
Donor restricted	\$ —	1,380,961	1,380,961
Board designated	479,597	3,576	483,173
	\$ 479,597	1,384,537	1,864,134
	2020		
	Without donor restrictions	With donor restrictions	Total
Donor restricted	\$ —	1,016,414	1,016,414
Board designated	357,273	2,667	359,940
	\$ 357,273	1,019,081	1,376,354

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, 2021, 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 \$606,113,000. Additionally, \$383,560,000 as of June 30, 2021, is determined to be with purpose restrictions as set forth by the donors.

UNIVERSITY OF DELAWARE
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Changes in endowment net assets for the years ended June 30, 2021 and 2020 (in thousands) are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2019	\$ 362,976	1,024,439	1,387,415
Investment return:			
Investment income, net	4,070	11,615	15,685
Net appreciation – realized and unrealized	<u>2,975</u>	<u>8,073</u>	<u>11,048</u>
Total investment return	7,045	19,688	26,733
Contributions	1,025	12,149	13,174
Endowment spending distribution	(13,835)	(38,999)	(52,834)
Other changes, including life income fund and other transfers	<u>62</u>	<u>1,804</u>	<u>1,866</u>
Endowment net assets, June 30, 2020	<u>357,273</u>	<u>1,019,081</u>	<u>1,376,354</u>
Investment return:			
Investment income, net	3,603	10,402	14,005
Net appreciation – realized and unrealized	<u>131,596</u>	<u>376,437</u>	<u>508,033</u>
Total investment return	135,199	386,839	522,038
Contributions	887	16,620	17,507
Endowment spending distribution	(13,864)	(39,531)	(53,395)
Other changes, including life income fund and other transfers	<u>102</u>	<u>1,528</u>	<u>1,630</u>
Endowment net assets, June 30, 2021	<u>\$ 479,597</u>	<u>1,384,537</u>	<u>1,864,134</u>

(16) 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.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The table below identifies this financial assistance by source and by student classification for the years ended June 30, 2021 and 2020 (in thousands):

	2021			2020		
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>
Tuition:						
Unrestricted	\$ 108,656	62,786	171,442	98,349	68,120	166,469
Federal grants	937	2,065	3,002	923	1,882	2,805
State grants	15,295	823	16,118	12,769	1,179	13,948
Private gifts	3,727	1,508	5,235	3,117	1,011	4,128
Endow ment	4,717	208	4,925	4,711	152	4,863
Total	133,332	67,390	200,722	119,869	72,344	192,213
Student aid expenses	10,368	3,860	14,228	7,800	3,483	11,283
Total	\$ 143,700	71,250	214,950	127,669	75,827	203,496

(17) 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.

(18) 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, statements of activities or cash flows.

The University receives significant financial assistance from the federal government including the sponsorship of federal research projects. Research grants and contracts normally provide for the recovery of direct and indirect costs, based on predetermined rates negotiated with the federal government. Indirect cost recovery rates from nonfederal sources may vary. Entitlement to these resources for the recovery of the applicable direct and related indirect costs is generally conditioned upon compliance with the terms and conditions of the grant or contract agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants and contracts, and the University's indirect cost rate, are subject to financial and compliance reviews and audits by the grantors.

(19) COVID-19 Environment

After the first coronavirus (COVID-19) case was identified in March 2020, the University made the switch to conducting undergraduate and graduate course instruction virtually and most students vacated the campus. By Fall 2020, residence halls opened with limited occupancy as the majority of classes remained virtual. Spring 2021 saw increased campus life with more students in residence halls and more in person instruction.

UNIVERSITY OF DELAWARE

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The University was granted student emergency grants under the CARES Act: Higher Education Emergency Relief Fund (HEERF) of approximately \$22,218,000 and \$6,087,000 for the years ended June 30, 2021 and June 30, 2020, respectively. In addition, another \$28,032,000 and \$6,087,000 was granted through HEERF during the years ended June 30, 2021 and June 30, 2020 to offset the University's institutional costs related to the pandemic. The University also received \$32,549,000 of relief funds through the State of Delaware. Total revenue of \$52,822,000 and \$9,362,000 is recognized as grants, contracts, and other exchange transactions in the consolidated statement of activities for the years ended June 30, 2021 and June 30, 2020, respectively. Additional revenue of \$32,789,000 is expected to be recognized in fiscal year 2022 when the remaining student grants are awarded and claimed.

The start of the 2022 academic year began with a modified return to campus plan for students and many faculty and staff remain working in a remote environment. There is no timetable for when instruction and campus operations will return to normal.

While the financial impact on the University is being monitored at this time, the pandemic may continue to adversely affect operations and financial conditions. The University continues to monitor the pandemic and is prepared to take additional measures to protect the health of the University community and promote the continuity of its academic and research missions.

(20) 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, 2021 through November 12, 2021, which was the date the consolidated financial statements were issued and determined no adjustments or disclosures were required.

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Research and Development Cluster:				
United States Department of Agriculture Programs:				
Direct:				
Agricultural Research Basic and Applied Research	10.001		\$ —	405,540
Plant and Animal Disease, Pest Control, and Animal Care	10.025		—	81,652
Cooperative Forestry Research	10.202		—	108,041
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		—	1,534,590
Animal Health and Disease Research	10.207		—	975
Higher Education Graduate Fellowships Grant Program	10.210		40,612	40,612
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250		2,817	47,539
Agriculture and Food Research Initiative (AFRI)	10.310		306,935	1,544,568
Equipment Grants Program (EGP)	10.519		—	225,466
Partnership Agreements	10.699		—	43,500
Research Joint Venture and Cost Reimbursable Agreements	10.707		—	11,162
Subtotal: United States Department of Agriculture Programs Direct			350,364	4,043,645
Pass through:				
University of Rhode Island	10.000	0006852/111617 UD	—	936
Subtotal for CFDA No. 10.000			—	936
Pennsylvania State University	10.001	6096 UD USDA 5062	—	(322)
Subtotal for CFDA No. 10.001			—	(322)
Delaware Department of Agriculture	10.170	AM180100XXXXG043	—	17,657
Delaware Department of Agriculture	10.170	AM2001100XXXXG035	—	1,661
Delaware Department of Agriculture	10.170	SCBGP FB 18 01	—	2,695
Subtotal for CFDA No. 10.170			—	22,013
University of Maryland Eastern Shore	10.200	IR4SZ5208280vangesselDEL	—	7,640
Rutgers State University of New Jersey	10.200	1273 NER19IS&P OWENS	—	19,105
Rutgers State University of New Jersey	10.200	1244 NER19B	—	6,373
University of Maryland	10.200	IR4SZ5208280owensDEL	—	664
University of Maryland	10.200	IR4SZ5208280KunkeDEL	—	2,760
Subtotal for CFDA No. 10.200			—	36,542
University of Maryland	10.215	88804 Q3173202	—	3,518
University of Vermont	10.215	GNE20_241_34268	—	3,774
University of Vermont	10.215	GNE19_217_33243	—	(180)
University of Vermont	10.215	GNE19_219_33243	—	93
University of Vermont	10.215	ONE19_344_33243	—	10,097
Subtotal for CFDA No. 10.215			—	17,302
Virginia State University	10.216	18A01168	—	14,439
Subtotal for CFDA No. 10.216			—	14,439
Cornell University	10.304	80289 10771	—	16,035
Subtotal for CFDA No. 10.304			—	16,035
Pennsylvania State University	10.309	S000322 USDA	—	88,662
Subtotal for CFDA No. 10.309			—	88,662
The Ohio State University	10.310	69045862	6,226	12,838
Virginia Tech	10.310	545991 19650	—	42,701
University of California Davis	10.310	A21 0253 S002	—	108,228
California State University Institute	10.310	A21 0011 S001	—	9,322
Stroud Water Research Center	10.310	320106 55900	—	16,871
University of Maryland	10.310	36692 Z5782002	—	131,029
University of Maine	10.310	UMS1217	—	4,764
University of Connecticut	10.310	416949	—	3,381
University of Maryland	10.310	65255 Z5062203	—	31,419
Subtotal for CFDA No. 10.310			6,226	360,553
Delaware Department of Health & Social Services	10.557	20 098	—	22,365
Subtotal for CFDA No. 10.557			—	22,365
University of Maryland	10.912	95758 Z51188201	—	13,452
Subtotal for CFDA No. 10.912			—	13,452
Subtotal: United States Department of Agriculture Programs Pass through			6,226	591,977
Total: United States Department of Agriculture Programs			356,590	4,635,622
Department of Commerce Programs:				
Direct:				
Integrated Ocean Observing System	11.012		213,647	369,480
Ocean Acidification Program	11.017		—	123,627
Bipartisan Budget Act 2018	11.022		452,127	543,181
Sea Grant Support	11.417		35,805	1,143,242
Climate and Atmospheric Research	11.431		—	10,882
Special Oceanic and Atmospheric Projects	11.460		291,434	339,523
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478		26,660	211,810
Measurement and Engineering Research and Standards	11.609		—	2,263,013
Arrangements for Interdisciplinary Research Infrastructure	11.619		7,433,511	20,741,188
Marine Debris Program	11.999		—	241,286
Subtotal: Department of Commerce Programs Direct			8,453,184	25,987,232

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Pass through:			\$	
University of California San Diego	11.011	703624	—	5,184
Subtotal for CFDA No. 11.011			—	5,184
Rutgers State University of New Jersey	11.012	1775	—	15,750
Rutgers State University of New Jersey	11.012	1158	—	25,917
Rutgers State University of New Jersey	11.012	6164	—	38,399
Rutgers State University of New Jersey	11.012	6165	—	69,609
Rutgers State University of New Jersey	11.012	A18 03180S002 PO642268	—	3,706
Rutgers State University of New Jersey	11.012	1157	—	79,572
Subtotal for CFDA No. 11.012			—	232,953
Virginia Institute of Marine Science	11.017	721672 712683	—	1,580
Subtotal for CFDA No. 11.017			—	1,580
University of Mississippi	11.417	21 01 022	—	1,760
Subtotal for CFDA No. 11.417			—	1,760
Delaware Department of Natural Resources	11.419	20A00382	—	36,558
Delaware Department of Natural Resources	11.419	20A00934	—	81,996
Delaware Department of Natural Resources	11.419	19A01660	—	20,653
Delaware Department of Natural Resources	11.419	19A01598	—	53,987
Delaware Department of Natural Resources	11.419	19A01477	—	1,453
Delaware Department of Natural Resources	11.419	19A01254	—	3,998
Delaware Department of Natural Resources	11.419	21A00779	—	34,979
Subtotal for CFDA No. 11.419			—	233,624
Delaware Department of Natural Resources	11.420	20A00559	—	15,885
Subtotal for CFDA No. 11.420			—	15,885
University of Michigan	11.432	SUBK00013407	—	54,135
University of California, Santa Cruz	11.432	A16 0309 S005 P0684758	—	65,741
Subtotal for CFDA No. 11.432			—	139,876
National Oceanic and Atmospheric Administration	11.454	NA20NMF4540034	—	16,333
Subtotal for CFDA No. 11.454			—	16,333
Northeast States Emergency Consortium	11.467	NA18NWS4670073 SUD	—	3,923
Northeast States Emergency Consortium	11.467	NA19NWS4670011 SUD	—	61,777
Subtotal for CFDA No. 11.467			—	65,700
Delaware Department of Natural Resources	11.474	20A01621	—	32,430
Delaware Department of Natural Resources	11.474	20A01934	—	6,065
Subtotal for CFDA No. 11.474			—	38,495
University of Maryland	11.478	SA075258490	—	59,895
Subtotal for CFDA No. 11.478			—	59,895
STF Technologies, LLC	11.620	20A01526	—	33,285
Subtotal for CFDA No. 11.620			—	33,285
Subtotal: Department of Commerce Programs Pass through			—	844,570
Total: Department of Commerce Programs			8,453,184	26,831,802
Department of Defense Programs:				
Direct:				
Department of Defense Programs	12.000		73,839	1,333,810
Basic and Applied Scientific Research	12.300		1,621,297	5,762,674
Basic Research for Combating Weapons of Mass Destruction	12.351		—	99,853
Military Medical Research and Development	12.420		275,512	1,159,139
Basic Scientific Research	12.431		2,616,680	6,462,156
Basic, Applied, and Advanced Research in Science and Engineering	12.630		—	1,454,616
Air Force Defense Research Sciences Program	12.800		—	1,149,372
CyberSecurity Core Curriculum	12.905		—	46,911
Research and Technology Development	12.910		21,743	506,778
Subtotal: Department of Defense Programs Direct			4,609,071	17,975,309
Pass through:				
National Advanced Mobility Consortium	12.000	69 201907	—	26,992
Oregon Health & Science University	12.000	1016202_DELAWARE	—	98,148
North Star Scientific Corporation	12.000	15984	—	136,452
Howard University	12.000	0009932 1000096536	—	25,000
Imperial Machine & Tool Co.	12.000	20A00643	—	64,903
Phase Sensitive Innovations, Inc.	12.000	S 124 001 002	—	1,593
Kraetronics, LLC	12.000	202097 T01	—	14,803
Mather & Associates	12.000	18 0130 0003	—	16,784
National Center for Manufacturing Sciences	12.000	202087	—	126,866
New Jersey Institute of Technology	12.000	997409	—	232,420
DeLUX Engineering, Inc.	12.000	20A01013	—	76,627
DeLUX Engineering, Inc.	12.000	20A00357	—	131,250
Phase Sensitive Innovations, Inc.	12.000	21A00790	—	16,116
The Boeing Company	12.000	1829592	—	100,000
Smart Material Solutions, Inc.	12.000	20A00461	—	94,250

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Chip Design Systems	12,000	19A01014	\$ —	134,140
Phase Sensitive Innovations, Inc.	12,000	20A01959	—	81,359
University of South Alabama	12,000	A20 0011 S001	—	51,124
Phase Sensitive Innovations, Inc.	12,000	17A00021	—	18,505
Composites Automation LLC	12,000	2019 1018 UD CCM	—	141,869
SI2 Technologies, Inc.	12,000	SI2 2019 3064 001	—	37,123
APTIM	12,000	206786 OS	—	77,955
Composites Automation LLC	12,000	2021 0013 UD CCM	—	2,536
Composites Automation LLC	12,000	2020 1001 UD CCM	—	61,652
Subtotal for CFDA No. 12.000			—	1,768,467
University of Iowa	12,114	17A00197	—	71,068
Subtotal for CFDA No. 12.114			—	71,068
Leidos, Inc.	12,300	P010248233	—	87,319
Leidos, Inc.	12,300	P010226619	—	(14,709)
University of Pennsylvania	12,300	572767	—	5,540
Knobles Scientific and Analysis, LLC	12,300	18A01618	—	131,176
Subtotal for CFDA No. 12.300			—	209,326
University of Iowa	12,420	S00522 01	—	17,464
University of Michigan	12,420	3003497403 YR2	—	(473)
University of California San Francisco	12,420	8398	4,394	4,394
University of Iowa	12,420	S00429 01	—	67,771
University of Michigan	12,420	SUBK00014061	—	1,333
Subtotal for CFDA No. 12.420			4,394	90,489
Johns Hopkins University	12,630	2001518468 CLIN 26	—	33,784
Johns Hopkins University	12,630	2001518468 CLIN 23.21	10,025	136,960
Johns Hopkins University	12,630	2001518468 CLIN 23	233,868	638,578
Research Foundation of CUNY	12,630	CM00005101 00	—	78,262
Johns Hopkins University	12,630	2001518468 PLUS UP 19	37,363	873,275
Subtotal for CFDA No. 12.630			281,256	1,760,859
Henry M. Jackson Foundation	12,750	5287	—	28,167
Subtotal for CFDA No. 12.750			—	28,167
Sage Smart Garden, LLC	12,800	20A00608	—	8,333
University of Texas at Austin	12,800	UTA16 001296	—	102,984
Rutgers State University of New Jersey	12,800	1316	—	75,534
Avkin Inc	12,800	20A00616	—	8,722
University of Idaho	12,800	EE1581 SB 752895	—	25,955
Distat Co	12,800	20A00350	—	7,500
Cyber 20/20	12,800	20A00596	—	8,333
University of California San Diego	12,800	104170068	—	173,449
4th Phase Water Technologies, LLC	12,800	20A00349	—	7,500
Arizona State University	12,800	ASUB00000463	—	48,575
Lyapunov Technologies LLC	12,800	20A00344	—	8,333
Subtotal for CFDA No. 12.800			—	475,218
Iowa State University	12,910	022714B	—	245,602
Donald Danforth Plant Science Center	12,910	23107 DE	—	85,374
Subtotal for CFDA No. 12.910			—	330,976
Subtotal: Department of Defense Programs Pass through			285,650	4,734,570
Total: Department of Defense Programs			4,894,721	22,709,879
Department of Interior Programs:				
Direct:				
Department of the Interior Programs	15,000		12,863	103,394
Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)	15,423		9,200	76,601
Marine Minerals Activities Hurricane Sandy	15,424		—	4,102
Coastal Program	15,630		—	54,396
Migratory Bird Monitoring, Assessment and Conservation	15,655		100,450	475,282
Cooperative Ecosystem Studies Units	15,678		—	11,741
Assistance to State Water Resources Research Institutes	15,805		—	112,811
U.S. Geological Survey Research and Data Collection	15,808		—	2,924
National Center for Preservation Technology and Training	15,923		—	13,367
Cooperative Research and Training Programs Resources of the National Park System	15,945		—	186,775
National Ground Water Monitoring Network	15,980		—	3,853
Subtotal: Department of Interior Programs Direct			122,513	1,045,246
Pass through:				
Delaware Department of Natural Resources	15,634	20A00985	—	152,021
Subtotal for CFDA No. 15.634			—	152,021
The Nature Conservancy	15,663	AJ_MDDC_01Nov2020	—	21,958
Oak Ridge National Laboratory	15,663	4000181409	—	47,450
Subtotal for CFDA No. 15.663			—	69,408
Subtotal: Department of Interior Programs Pass through			—	221,429
Total: Department of Interior Programs			122,513	1,266,675

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Department of Justice Programs:				
Direct:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		\$ —	327,223
Subtotal: Department of Justice Programs Direct			—	327,223
Pass through:				
New Castle County Police	16.000	20A00908	—	65,256
Subtotal for CFDA No. 16.000			—	65,256
Northeastern University	16.560	504625 78050	—	37,034
Subtotal for CFDA No. 16.560			—	37,034
New Castle County Police	16.745	20A00910	—	16,508
Subtotal for CFDA No. 16.745			—	16,508
Subtotal: Department of Justice Programs Pass through			—	118,798
Total: Department of Justice Programs			—	446,021
Department of Transportation Programs:				
Direct:				
Highway Research and Development Program	20.200		—	9,470
Railroad Research and Development	20.313		—	169,174
Air Emissions and Energy Initiative	20.817		—	38,957
Subtotal: Department of Transportation Programs Direct			—	217,601
Pass through:				
National Academy of Sciences	20.000	HR 20 05(51 13)	—	14,895
Rutgers State University of New Jersey	20.000	446	—	92,236
Subtotal for CFDA No. 20.000			—	107,131
National Academy of Sciences	20.200	NCHRP 211	—	29,922
Delaware Department of Transportation	20.200	Task 16 1891	—	63,790
Delaware Department of Transportation	20.200	Task 8 1929	—	(4,556)
Delaware Department of Transportation	20.200	Task 4 1891	—	29,978
Delaware Department of Transportation	20.200	Task 37A 1891	—	(922)
Delaware Department of Transportation	20.200	Task 36B 1891	—	22,999
Delaware Department of Transportation	20.200	Task 33 1929	—	55,760
Delaware Department of Transportation	20.200	Task 31 1891	4,027	38,266
Delaware Department of Transportation	20.200	Task 29 1891	—	12,918
Delaware Department of Transportation	20.200	Task 27 1891	—	73,440
Delaware Department of Transportation	20.200	1921P1 Task 1	—	60,469
Delaware Department of Transportation	20.200	Task 19 1891	—	70,513
Delaware Department of Transportation	20.200	Task 28 1891	—	52,983
Delaware Department of Transportation	20.200	Task 13 1929	1,352	1,865
Delaware Department of Transportation	20.200	Task 20 1891	—	78,661
Delaware Department of Transportation	20.200	1921P5 Task 1	—	51,699
Delaware Department of Transportation	20.200	19A01068	—	25,132
Delaware Department of Transportation	20.200	Task 13 1891	—	63,038
Subtotal for CFDA No. 20.200			5,379	725,955
National Academy of Sciences	20.313	J 07 (SE 07)	—	23,745
Subtotal for CFDA No. 20.313			—	23,745
Delaware Department of Transportation	20.515	Task 18 1929	—	(553)
Delaware Department of Transportation	20.515	Task 2 1929	—	(319)
Delaware Department of Transportation	20.515	Task 14 1929	—	(1,803)
Delaware Department of Transportation	20.515	Task 1 1929	—	9,881
Delaware Department of Transportation	20.515	Task 36A 1891	—	21,237
Subtotal for CFDA No. 20.515			—	28,443
University of Nevada Las Vegas	20.701	17 22GL 01	—	377,229
Subtotal for CFDA No. 20.701			—	377,229
Pennsylvania State University	20.701	5903 UD DOT 7103	—	462,932
Subtotal for CFDA No. 20.701			—	462,932
Subtotal: Department of Transportation Programs Pass through			5,379	1,725,435
Total: Department of Transportation Programs			5,379	1,943,036
National Aeronautics and Space Administration Programs:				
Direct:				
National Aeronautics and Space Administration Programs	43.000		—	1,246,783
Science	43.001		160,923	1,329,374
Aeronautics	43.002		65,655	564,906
Education	43.008		224,508	724,515
Space Technology	43.012		—	98,058
Subtotal: National Aeronautics and Space Administration Programs Direct			451,086	3,963,636
Pass through:				
Space Telescope Science Institute	43.000	HST AR 15794.001 A	—	17,185
STF Technologies, LLC	43.000	18A00843	—	48,216
STF Technologies, LLC	43.000	17A01571	—	47,541
Space Telescope Science Institute	43.000	HST GO 14195.001 A	—	(2,800)
Princeton University	43.000	SUB0000317	—	11,401

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Princeton University	43.000	SUB0000165	\$ —	1,243
Composites Automation LLC	43.000	2018 0003 UD CCM	—	89,574
Space Telescope Science Institute	43.000	HST GO 15066.005 A	—	6,014
Subtotal for CFDA No. 43.000			—	218,374
Southwest Research Institute	43.001	N99054DS	—	23,359
Oregon State University	43.001	NS309A A	—	12,951
Washington University, St Louis	43.001	WU 19 50	—	93,610
Subtotal for CFDA No. 43.001			—	129,920
Purdue University	43.007	12000309 018	—	1,375
Subtotal for CFDA No. 43.007			—	1,375
Subtotal: National Aeronautics and Space Administration Programs Pass through			—	349,669
Total: National Aeronautics and Space Administration Programs			451,086	4,313,305
National Science Foundation Programs:				
Direct:				
National Science Foundation Programs	47.000		—	337,503
Engineering Grants	47.041		524,429	4,848,089
Mathematical and Physical Sciences	47.049		293,191	7,160,199
Geosciences	47.050		53,362	3,742,783
Computer and Information Science and Engineering	47.070		72,443	2,780,557
Biological Sciences	47.074		—	2,498,484
Social, Behavioral, and Economic Sciences	47.075		86,802	1,757,354
Education and Human Resources	47.076		—	177,525
Polar Programs	47.078		297,540	688,574
Office of International and Integrative Activities	47.079		1,940,254	6,510,390
Office of Integrative Activities	47.083		3,268,021	30,771,508
Subtotal: National Science Foundation Programs Direct				
Pass through:				
Woods Hole Oceanographic Institute	47.000	A101425	—	18,405
University of South Florida	47.000	2500 1748 00 A	—	38,773
Subtotal for CFDA No. 47.000			—	57,178
Johns Hopkins University	47.041	2003586555	—	32,757
Johns Hopkins University	47.041	2004638063	—	41,518
Johns Hopkins University	47.041	2004173884	—	53,692
Jackson State University	47.041	2016 633196UD	—	147,408
Johns Hopkins University	47.041	19A00357	—	58,896
Clemson University	47.041	1961 206 2012124	—	315,361
Johns Hopkins University	47.041	2003586408	—	14,759
University of Nebraska	47.041	25 0521 0210 005a	—	57,281
University of Arizona	47.041	573543	—	49,368
Arizona State University	47.041	19A00100	—	118,693
Johns Hopkins University	47.041	2003586152	—	1,844
Subtotal for CFDA No. 47.041			—	891,577
University of Pittsburgh	47.049	0056149 (12006 1)A	—	63,496
University of Colorado	47.049	1552489	—	(2,793)
University of Wisconsin	47.049	19A00687	—	386,421
Baylor University	47.049	30060142 02	—	12,307
Subtotal for CFDA No. 47.049			—	459,431
University of Georgia	47.050	SUB00001905	—	17,174
Rutgers State University of New Jersey	47.050	21A00487	—	54,441
Columbia University	47.050	3(GG008891)	—	15,735
University of Wisconsin Madison	47.050	674K170	—	163,286
Columbia University	47.050	107(GG009393 04)	—	10,455
Subtotal for CFDA No. 47.050			—	261,091
Oak Ridge National Laboratory	47.070	4000154744	—	51,474
Yale University	47.070	GR109687(CON 80002379)	—	28,544
University of Tennessee	47.070	A18 1401 S001	—	9,364
University Corporation Atmospheric Research	47.070	SUBAWD001808	—	61,928
University of Michigan	47.070	3004228393	—	22,225
University of Illinois	47.070	067846 17497	—	9,280
Drexel University	47.070	210063	—	47,018
Subtotal for CFDA No. 47.070			—	229,833
University of Georgia	47.074	SUB00002347	—	109,679
Donald Danforth Plant Science Center	47.074	23908 D	—	154,683
Cold Spring Harbor Laboratory	47.074	52650 112	—	21,085
Subtotal for CFDA No. 47.074			—	285,446
Idaho State University	47.075	18 0008A	—	92,125
Subtotal for CFDA No. 47.075			—	92,125
University of California-Irvine	47.076	2019-1219	—	6,180
North Carolina State University	47.076	2019-0347-01	—	31,253
Boys Town	47.076	96443-B	—	89,546
Education Development Center	47.076	2019-0009	—	10,411
Arizona State University	47.076	17-193	—	91,161
Subtotal for CFDA No. 47.076			—	228,551

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
South Dakota School of Mines & Technology	47.083	SDSMT-UD 21-09	\$ —	191,383
Subtotal for CFDA No. 47.083			—	191,383
Subtotal: National Science Foundation Programs – Pass-through			—	2,696,615
Total: National Science Foundation Programs			3,268,021	33,468,123
Small Business Administration Programs:				
Direct:				
Small Business Administration Programs	59.000		—	32,794
Subtotal: Small Business Administration Programs – Direct			—	32,794
Total: Small Business Administration Programs			—	32,794
Veterans Administration Programs:				
Direct:				
Department of Veterans Affairs Programs	64.000		—	58,048
Subtotal: Veterans Administration Programs – Direct			—	58,048
Total: Veterans Administration Programs			—	58,048
Environmental Protection Agency Programs:				
Direct:				
Pollution Prevention Grants Program	66.708		—	62,998
Subtotal: Environmental Protection Agency Programs – Direct			—	62,998
Total: Environmental Protection Agency Programs			—	62,998
Department of Energy Programs:				
Direct:				
Department of Energy Programs	81.000		—	84,340
Office of Science Financial Assistance Program	81.049		2,208,375	7,904,821
Conservation Research and Development	81.086		—	209,454
Renewable Energy Research and Development	81.087		103,776	312,808
Fossil Energy Research and Development	81.089		—	420,856
Advanced Research Projects Agency – Energy	81.135		699,394	2,051,224
Subtotal: Department of Energy Programs – Direct			3,011,545	10,983,503
Pass-through:				
Lawrence Livermore National Laboratory	81.000	B642162	—	59,966
Lawrence Livermore National Laboratory	81.000	B639531	—	5,960
UT-Battelle, LLC	81.000	4000159498	—	50,176
National Renewable Energy Laboratory	81.000	SUB-2021-10487	—	15,366
Sandia National Labs	81.000	2033134	—	55,284
Argonne National Lab	81.000	1F-60336	—	24,652
Argonne National Lab	81.000	8F-30070	—	67,458
Pacific Northwest National Laboratory	81.000	520208	—	64,484
Composites Automation LLC	81.000	2020-1085 UD-CCM	—	82,985
Subtotal for CFDA No. 81.000			—	426,331
University of California-Davis	81.049	201603457-05	—	23,279
Giner, Inc	81.049	DE-SC0020576	—	60,000
University of California-Santa Barbara	81.049	KK1970	—	71,650
STF Technologies, LLC	81.049	20A00609	—	88,604
STF Technologies, LLC	81.049	20A00919	—	234,909
Subtotal for CFDA No. 81.049			—	478,442
Clemson University	81.086	1852-219-2021156	—	45,000
Subtotal for CFDA No. 81.086			—	45,000
Northeastern University	81.087	503032-78050	—	142,271
American Institute of Chemical Engineers	81.087	DE-EE0007888-6.5	—	223,656
Giner, Inc	81.087	402546	—	50,105
Rutgers State University of New Jersey	81.087	1767	—	12,953
American Institute of Chemical Engineers	81.087	DE-EE0007888-08-1A	—	40,898
American Institute of Chemical Engineers	81.087	DE-EE0007888-7.6	—	298,106
American Institute of Chemical Engineers	81.087	DE-EE0007888-8.3	192,422	483,899
American Institute of Chemical Engineers	81.087	DE-EE0007888-9.5	—	629,779
Drexel University	81.087	950017	—	21,805
Electrical Distribution Design	81.087	8768-005	—	195,613
Electrical Distribution Design	81.087	8768-006	—	15,171
Subtotal for CFDA No. 81.087			192,422	2,114,256
University of Maryland, Baltimore	81.089	88901-Z7092201	—	59,640
Subtotal for CFDA No. 81.089			—	59,640
Subtotal: Department of Energy Programs – Pass-through			192,422	3,123,669
Total: Department of Energy Programs			3,203,967	14,107,172
Department of Education Programs:				
Direct:				
Education Research, Development and Dissemination	84.305		684,935	2,477,917
Research in Special Education	84.324		14,947	596,443
Subtotal: Department of Education Programs – Direct			699,882	3,074,360
Pass-through:				
Abt Associates	84.000	50902	—	132,197
Subtotal for CFDA No. 84.000			—	132,197

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Educational Testing Service	84.305	19A00111	\$ —	156,681
Temple University	84.305	259746-UDE	—	30,432
Vanderbilt University	84.305	UNIV61168	—	26,915
Duke University	84.305	343-0810	—	104,654
Temple University	84.305	263672-UoD	—	27,886
Subtotal for CFDA No. 84.305			—	346,568
Duquesne University	84.324	G1500085	—	70,423
Subtotal for CFDA No. 84.324			—	70,423
Subtotal: Department of Education Programs – Pass-through			—	549,188
Total: Department of Education Programs			699,882	3,623,548
Department of Health and Human Services Programs:				
Direct:				
Department of Health and Human Services Programs	93.000		—	39,883
Innovations in Applied Public	93.061		—	58,115
Food and Drug Administration Research	93.103		1,688,227	2,206,318
Maternal and Child Health Federal Consolidated Programs	93.110		24,780	451,385
Environmental Health	93.113		—	(1,077)
Oral Diseases and Disorders Research	93.121		65,503	615,322
Research Related to Deafness and Communication Disorders	93.173		358,952	1,458,201
Research and Training in Complementary and Integrative Health	93.213		14,550	131,888
Mental Health Research Grants	93.242		125,469	1,948,454
Alcohol Research Programs	93.273		—	94,966
Drug Abuse and Addiction Research Programs	93.279		—	509,972
National Institutes of Health Loan Repayment Program for Clinical Researchers	93.280		—	542,228
National Institutes of Health Pediatric Research Loan Repayment Program	93.285		2,901,136	4,598,782
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		406,835	809,250
Minority Health and Health Disparities Research	93.307		11,537	18,121
Trans-NIH Research Support	93.310		34,781	149,008
Research Infrastructure Programs	93.351		—	842,290
Nursing Research	93.361		90,928	718,727
Cancer Cause and Prevention Research	93.393		128,520	929,402
Cancer Treatment Research	93.395		—	291,823
Cancer Biology Research	93.396		—	41,726
ACL Assistive Technology	93.464		—	425,391
Child Care and Development Block Grant	93.575		—	92,312
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		—	529,933
Heart and Vascular Diseases Research	93.637		70,972	2,164,234
Lung Diseases Research	93.838		—	300,008
Blood Diseases and Resources Research	93.839		—	61,917
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		30,426	1,474,826
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		—	133,058
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		403,018	973,335
Allergy, Immunology and Transplantation Research	93.855		—	73,237
Biomedical Research and Research Training	93.859		1,786,628	11,967,717
Child Health and Human Development Extramural Research	93.865		417,069	2,371,495
Aging Research	93.866		553,572	1,597,749
Vision Research	93.867		—	1,766,212
Medical Library Assistance	93.879		105,217	346,837
Subtotal: Department of Health & Human Services Programs – Direct			9,218,120	40,733,045
Pass-through:				
Association of University Centers on Disabilities	93.000	18A00945	—	2,807
University of South Carolina	93.000	20-3981	—	17,728
Delaware Department for Children Youth and Families	93.000	20-16039	—	112,377
Delaware Department for Children Youth and Families	93.000	PBH(UD-SAFETY)15-2689	—	1
University of Connecticut	93.000	369814	—	75,713
Delaware Department of Health & Social Services	93.000	FY21-EVALUATION-UD	—	636,809
University of Pittsburgh	93.000	CNVA00056812 (133186-8)	—	17,176
Rutgers State University of New Jersey	93.000	1718	—	55,927
eXtension Foundation	93.000	2021-2122	—	39,817
Subtotal for CFDA No. 93.000			—	958,355
Freedom Center for Independent Living	93.044	FCIL-00001	—	38,904
Subtotal for CFDA No. 93.044			—	38,904
CHEER, Inc.	93.048	19A01581	—	12,094
Education, Health, & Research International	93.048	21A00607	—	21,733
Subtotal for CFDA No. 93.048			—	33,827
Delaware Department of Health & Social Services	93.074	20-384	—	2,156
Delaware Department of Health & Social Services	93.074	21-093	—	122,159
Subtotal for CFDA No. 93.074			—	124,315
Oklahoma Department of Mental Health and Substance Abuse Services	93.087	21A00518	—	159,999
Subtotal for CFDA No. 93.087			—	159,999
Delaware Department of Agriculture	93.103	20A00054	—	423
Delaware Department of Agriculture	93.103	20A01341	—	64,312
Children's Hospital of Philadelphia	93.103	3201480820	—	41,724
Subtotal for CFDA No. 93.103			—	106,459
Carroll County Health Department	93.104	21A01250	—	1,818
Delaware Department for Children Youth and Families	93.104	15902	—	103,885
Subtotal for CFDA No. 93.104			—	105,703

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Delaware Department for Children Youth and Families	93.110	UD-EVAL DCPAP 19-15651	\$ —	49,873
Subtotal for CFDA No. 93.110			—	49,873
University of Wisconsin-Madison	93.113	869K186	—	(30,828)
Michigan State University	93.113	RC 105513UD	—	38,164
University of Wisconsin-Madison	93.113	0000000432	—	54,687
Subtotal for CFDA No. 93.113			—	62,023
Delaware Department of Health & Social Services	93.136	21-274	—	23,949
Delaware Department of Health & Social Services	93.136	21-365	—	11,609
Subtotal for CFDA No. 93.136			—	35,558
Texas A & M University	93.143	M2000977	—	2,162
Subtotal for CFDA No. 93.143			—	2,162
European Molecular Biology Laboratory	93.172	PIRUD-3068-01	—	654,340
Subtotal for CFDA No. 93.172			—	654,340
Temple University	93.173	263001-JD	—	151,529
University of Michigan	93.173	SUBK00011924	—	54,358
Subtotal for CFDA No. 93.173			—	205,887
University of Pennsylvania	93.213	576518	—	25
Subtotal for CFDA No. 93.213			—	25
Delaware Department of Health & Social Services	93.217	20-438	—	35,433
Subtotal for CFDA No. 93.217			—	35,433
University of Illinois at Chicago	93.242	17208	—	26,629
University of Connecticut	93.242	358235	—	27,306
University of Connecticut	93.242	359065	—	45,293
The Cleveland Clinic	93.242	1014-SUB	—	44,716
Brown University	93.242	90001133	—	24,692
Stony Brook University	93.242	84780/2/1184076	—	120,624
Case Western Reserve University	93.242	19A01632	—	100,677
Subtotal for CFDA No. 93.242			—	389,937
Delaware Department of Health & Social Services	93.243	041912	—	75,651
Delaware Department of Health & Social Services	93.243	041911	—	32,898
American Psychiatric Nurses Association	93.243	20A01008	—	3,324
Delaware Department of Education	93.243	S20-51	—	25,341
Delaware Department of Education	93.243	S21-51	—	155,256
Delaware Department of Education	93.243	S20-52	—	62,868
Subtotal for CFDA No. 93.243			—	355,338
University of Arizona	93.279	582784	—	75,810
Subtotal for CFDA No. 93.279			—	75,810
Columbia University	93.280	1(GG008696)	—	15,823
Subtotal for CFDA No. 93.280			—	15,823
Johns Hopkins University	93.283	2003570856	—	25,452
Subtotal for CFDA No. 93.283			—	25,452
University of California-Davis	93.285	18A01576	—	258,980
Subtotal for CFDA No. 93.285			—	258,980
University of Texas at Arlington	93.307	19A01019	—	133,533
Temple University	93.307	261331-Delaware B	—	207,841
Subtotal for CFDA No. 93.307			—	341,374
University of Georgia	93.310	SUB00002057	—	37,323
Northwestern University	93.310	60054546 UD	—	117,438
Northwestern University	93.310	60045250 UDEL	—	(1,785)
Subtotal for CFDA No. 93.310			—	152,996
University of Maryland	93.361	19A01565	—	25,539
University of Maryland	93.361	17A00874	7,174	231,873
Subtotal for CFDA No. 93.361			7,174	257,412
George Washington University	93.394	19-M33	—	2,205
Subtotal for CFDA No. 93.394			—	2,205
University of Virginia	93.396	GB10749_PO#2235323	—	81,315
University of Pennsylvania	93.396	579553	—	57,072
Subtotal for CFDA No. 93.396			—	138,387
Association of University Centers on Disabilities	93.421	17-21-8814	—	56,435
Subtotal for CFDA No. 93.421			—	56,435
TransCen, Inc.	93.433	20A01368	—	7,835
Subtotal for CFDA No. 93.433			—	7,835
Orange County Department of Social Service	93.556	20A00666	—	931
Subtotal for CFDA No. 93.556			—	931
Florida Developmental Disabilities Council	93.630	1033SA20C	—	62,242
Florida Developmental Disabilities Council	93.630	1020SA18B	—	22,708
Delaware Developmental Disabilities Council	93.630	20A01768	—	23,106
Subtotal for CFDA No. 93.630			—	108,056
Delaware Department of Health & Social Services	93.788	FY21-AMBASSADOR-UD	—	414,521
Subtotal for CFDA No. 93.788			—	414,521
Baylor College of Medicine	93.838	7000001102	—	32,348
University of Texas at Dallas	93.838	1806479	—	69,675
Subtotal for CFDA No. 93.838			—	102,023
Boston Children's Hospital	93.839	GENFD0001569488	—	202,721
Subtotal for CFDA No. 93.839			—	202,721

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Boston University	93.846	4500003181	\$ —	26,288
Boston University	93.846	4500003239	—	164,266
University of Pennsylvania	93.846	1R01AR-071718-01A1	—	4,281
University of Pennsylvania	93.846	581539	—	28,044
Indiana University	93.846	IN4679861UD	—	4,682
Subtotal for CFDA No. 93.846			—	227,561
University of Pennsylvania	93.847	574745	—	11,301
University of Pennsylvania	93.847	572700	—	19,632
Subtotal for CFDA No. 93.847			—	30,933
Washington University, St Louis	93.853	WU-21-99/ PO # 2940390K	—	116,117
Washington University, St Louis	93.853	WU-20-155/ PO # 2940905H	—	12,084
Subtotal for CFDA No. 93.853			—	128,201
Vanderbilt University	93.855	VUMC81981	—	23,846
Boston Children's Hospital	93.855	GENFD0001923439	—	139,060
Subtotal for CFDA No. 93.855			—	162,906
Delaware State University	93.856	21-750HEH	—	715,833
Subtotal for CFDA No. 93.856			—	715,833
University of Pittsburgh	93.859	0056812 (130039-5)	—	10
University of Texas at San Antonio	93.859	164960/164956	—	28,598
University of Pittsburgh	93.859	CNVA00056812 (133186-4)	—	263,259
Delaware State University	93.859	18-050HEH	—	(159)
Delaware State University	93.859	20-050HEH	—	273,043
Subtotal for CFDA No. 93.859			—	564,751
Washington University, St Louis	93.865	20A00188	—	36,925
Vanderbilt University	93.865	5R37HD095519-02	—	5,536
Washington University, St Louis	93.865	WU-21-169	—	12,329
University of Cincinnati	93.865	011445-002	—	139,965
University of Michigan	93.865	3003881030	—	18,719
Washington University, St Louis	93.865	WU-20-476	—	6,147
Monell Chemical Senses Center	93.865	NIH071A01MENNE	—	26,658
University of Nebraska	93.865	44-1014-1002-202	—	6,023
Northwestern University	93.865	60047828 UD	—	9,297
Washington University, St Louis	93.865	20A01900	—	87,746
Monell Chemical Senses Center	93.865	NIH060A01MENNE	—	16,724
Subtotal for CFDA No. 93.865			—	366,069
University of Pennsylvania	93.866	580755	—	10,810
Banner Health	93.866	20A00593	—	333,651
Banner Health	93.866	20A01676	—	239,929
University of Colorado	93.866	1557625	—	22,634
Northwestern University	93.866	60051680 UD	—	74,500
Northwestern University	93.866	60048330 UD	—	77,195
Subtotal for CFDA No. 93.866			—	758,719
Indiana University	93.879	IN-4684687-DEL	—	2,679
Subtotal for CFDA No. 93.879			—	2,679
Delaware Department of Health & Social Services	93.898	21-078	—	94,024
Delaware Department of Health & Social Services	93.898	20-366	—	1,258
Subtotal for CFDA No. 93.898			—	95,282
Delaware Department of Health & Social Services	93.913	20-349	—	3,222
Subtotal for CFDA No. 93.913			—	3,222
State of Minnesota	93.958	16A00548	—	184
Subtotal for CFDA No. 93.958			—	184
Delaware Department for Children Youth and Families	93.959	PBH(UD-SA-PREV)21-16284	—	49,541
Delaware Department for Children Youth and Families	93.959	PBH(UD-YOUTHRSRV)20-15914	—	1,816
Delaware Department of Health & Social Services	93.959	FY21-SURVEYS-UD	—	52,954
Delaware Department for Children Youth and Families	93.959	PBH(UD_SAP)20-15837	—	31,790
Delaware Department for Children Youth and Families	93.959	PBH(UD-EVAL)17-14629	—	10,549
Subtotal for CFDA No. 93.959			—	146,650
Delaware Coalition Against Domestic Violence	93.991	21A00566	—	11,264
Delaware Department of Health & Social Services	93.991	21-060	—	48,667
Subtotal for CFDA No. 93.991			—	59,931
Subtotal: Department of Health & Human Services Programs – Pass-through			7,174	8,742,020
Total: Department of Health & Human Services Programs			9,225,294	49,475,065

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Department of Homeland Security Programs:				
Pass-through:				
MITRE Corporation	97.000	Task Order 1-126239	\$ —	25,073
Subtotal for CFDA No. 97.000			—	25,073
Delaware Department of Natural Resources	97.041	20A00868	—	23,864
Delaware Department of Natural Resources	97.041	21A00691	—	51,367
Subtotal for CFDA No. 97.041			—	75,231
Subtotal: Department of Homeland Security Programs – Pass-through			—	100,304
Total: Department of Homeland Security Programs			—	100,304
Research & Development Cluster Total			30,680,637	163,074,392
Other Programs:				
United States Department of Agriculture Programs:				
Direct:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025		—	154,413
Crop Protection and Pest Management Competitive Grants Program	10.329		18,590	177,813
Cooperative Extension Service	10.500		639,905	1,062,012
1862 CES (Smith-Lever) and DCPPERA, 1862 Smith-Lever Special Needs, and Smith-Lever Special Needs-Competitive	10.511		—	761,126
Expanded Food and Nutrition Education Program	10.514		—	263,241
Renewable Resources Extension Act and National Focus Fund Projects	10.515		—	57,728
Soil and Water Conservation	10.902		—	54,543
Environmental Quality Incentives Program	10.912		(57)	(57)
Subtotal: United States Department of Agriculture Programs – Direct			658,438	2,530,819
Pass-through:				
Delaware Department of Health & Social Services	10.000	19A01670	451,714	643,717
Subtotal for CFDA No. 10.000			451,714	643,717
Delaware Department of Agriculture	10.025	20A01530	—	189,492
Subtotal for CFDA No. 10.025			—	189,492
Delaware Department of Agriculture	10.170	SCBGP-FB-17-04	—	427
Delaware Department of Agriculture	10.170	SCBGP-FB-19-04	—	8,781
Delaware Department of Agriculture	10.170	SCBGP-FB-19-02	—	713
Delaware Department of Agriculture	10.170	SCBGP-FB-19-01	—	3,167
Delaware Department of Agriculture	10.170	SCBGP-FB-18-04	—	7,733
Delaware Department of Agriculture	10.170	SCBGP-FB-17-03	—	555
Delaware Department of Agriculture	10.170	SCBGP-FB-17-02	—	10,003
Delaware Department of Agriculture	10.170	SCBGP-FB-17-01	—	23,402
Delaware Department of Agriculture	10.170	SCBGP-FB-18-02	—	21,078
Delaware Department of Agriculture	10.170	SCBGP-FB-18-03	—	8,092
Subtotal for CFDA No. 10.170			—	83,951
University of Vermont	10.215	SNE20-002-DE-34268	—	11,417
University of Vermont	10.215	SNE19-02-34268	—	3,700
University of Vermont	10.215	GNE19-210-33243	—	4,284
Subtotal for CFDA No. 10.215			—	19,401
Cornell University	10.329	86935-11347	—	7,763
Subtotal for CFDA No. 10.329			—	7,763
Kansas State University	10.500	A00-0983-S068	—	8,420
eXtension Foundation	10.500	21A00574	—	4,175
Subtotal for CFDA No. 10.500			—	12,595
National Young Farmers Coalition	10.525	21A00553	—	27,021
Subtotal for CFDA No. 10.525			—	27,021
Delaware Department of Health & Social Services	10.557	DSS-21-038	297,274	654,644
Subtotal for CFDA No. 10.557			297,274	654,644
Delaware Department of Education	10.558	21A00645	—	57,267
Delaware Department of Education	10.558	20A00370	—	18,852
Subtotal for CFDA No. 10.558			—	76,119
Kent Conservation District	10.902	68-21J2-17-014	—	11,985
Subtotal for CFDA No. 10.902			—	11,985
Subtotal: United States Department of Agriculture Programs – Pass-through			748,988	1,726,688
Total: United States Department of Agriculture Programs			1,407,426	4,257,507
Department of Commerce Programs:				
Direct:				
Sea Grant Support	11.417		—	127,987
Subtotal: Department of Commerce Programs – Direct			—	127,987
Pass-through:				
Synoptic Data Corp.	11.000	Task Order S2020-145	—	136,561
University of Maryland	11.000	SA75282000-D	—	3,712
Subtotal for CFDA No. 11.000			—	140,273

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Rutgers State University of New Jersey	11.012	5930	\$ —	643,131
Subtotal for CFDA No. 11.012			—	643,131
Subtotal: Department of Commerce Programs – Pass-through			—	783,404
Total: Department of Commerce Programs			—	911,391
Department of Defense Programs:				
Direct:				
Procurement Technical Assistance For Business Firms	12.002		—	280,071
Subtotal: Department of Defense Programs – Direct			—	280,071
Total: Department of Defense Programs			—	280,071
Department of Interior Programs:				
Direct:				
Department of the Interior Programs	15.000		—	61,870
U.S. Geological Survey Research and Data Collection	15.808		—	77,385
National Cooperative Geologic Mapping Program	15.810		—	148,099
National Geological and Geophysical Data Preservation Program	15.814		—	(35)
Cooperative Research and Training Programs – Resources of the National Park System	15.945		—	12,185
National Ground-Water Monitoring Network	15.980		—	7,481
Subtotal: Department of Interior Programs – Direct			—	306,985
Pass-through:				
Historic and Cultural Affairs	15.000	21A00294	—	38,193
Subtotal for CFDA No. 15.000			—	38,193
National Fish & Wildlife Foundation	15.663	0403.18.063213	—	164,924
Subtotal for CFDA No. 15.663			—	164,924
America View	15.815	AV18-DE-01	—	14,325
Subtotal for CFDA No. 15.815			—	14,325
The City of Delaware City	15.904	10-19-171392-03	—	5,104
New Castle County	15.904	10-19-171392-01	—	15,414
The City of Lewes	15.954	10-19-1713392-04	—	5,104
Subtotal for CFDA No. 15.954			—	25,622
Subtotal: Department of Interior Programs – Pass-through			—	243,064
Total: Department of Interior Programs			—	550,049
Department of Justice Programs:				
Pass-through:				
National 4-H Council	16.726	20A00626	—	86,526
Criminal Justice Council	16.812	18A01673	—	29,613
Criminal Justice Council	16.812	2018-RE-P/T-2229	—	8,050
Criminal Justice Council	16.812	2018-RE-P/T-2229 YR2	—	23,535
Subtotal for CFDA No. 16.812			—	147,724
Subtotal: Department of Justice Programs – Pass-through			—	147,724
Total: Department of Justice Programs			—	147,724
Department of State Programs:				
Direct:				
Investing in People in The Middle East and North Africa	19.021		—	134,876
Subtotal: Department of State Programs – Direct			—	134,876
Pass-through:				
American Councils for International Education	19.415	S-ECAGD-20-CA-0027	—	8,448
Subtotal for CFDA No. 19.415			—	8,448
Georgetown University	19.600	20A01927	—	100,189
Subtotal for CFDA No. 19.600			—	100,189
Subtotal: Department of State Programs – Pass-through			—	108,637
Total: Department of State Programs			—	243,513
Department of Transportation Programs:				
Pass-through:				
Delaware Department of Transportation	20.200	Task 16-1929	—	839
Subtotal for CFDA No. 20.200			—	839
Subtotal: Department of Transportation Programs – Pass-through			—	839
Total: Department of Transportation Programs			—	839
Department of the Treasury Programs:				
Pass-through:				
COVID-19: Coronavirus Relief Fund – Tech Impact	21.019	21A00729	—	32,400
COVID-19: Coronavirus Relief Fund – Delaware Restaurant Association	21.019	21A01308	—	16,020
COVID-19: Coronavirus Relief Fund – Delaware Restaurant Association	21.019	21A00871	—	38,345
COVID-19: Coronavirus Relief Fund – DE Office of Management and Budget	21.019	21A01731	—	32,548,893
COVID-19: Coronavirus Relief Fund – New Castle County	21.019	21A00377	—	40,000
Subtotal for CFDA No. 21.019			—	32,675,658
Subtotal: Department of the Treasury Programs – Pass-through			—	32,675,658
Total: Department of the Treasury Programs			—	32,675,658

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Federal Communications Commission Programs:				
Direct:				
Federal Communications Commission Programs	32.000		\$ —	37,425
Subtotal: Federal Communications Commission Programs – Direct			—	37,425
Total: Federal Communications Commission Programs			—	37,425
National Aeronautics and Space Administration Programs:				
Direct:				
Education	43.008		—	361,061
Subtotal: National Aeronautics and Space Administration Programs – Direct			—	361,061
Total: National Aeronautics and Space Administration Programs			—	361,061
National Endowment for the Humanities Programs:				
Direct:				
Promotion of the Humanities Challenge Grants	45.130		—	1,137
Promotion of the Humanities Division of Preservation and Access	45.149		—	191,564
Subtotal: National Endowment for the Humanities Programs – Direct			—	192,701
Pass-through:				
Delaware Division of The Arts	45.025	2021-10020	—	21,677
COVID-19 –Delaware Division of The Arts	45.025	20A01671	—	5,000
Delaware Division of The Arts	45.025	2021-10004	—	75,000
Delaware Division of The Arts	45.025	2020-9498	—	4,051
Delaware Humanities Forum	45.129	19VIS2006	—	1,735
Subtotal for CFDA No. 45.129			—	107,463
Subtotal: National Endowment for the Humanities Programs – Pass-through			—	107,463
Total: National Endowment for the Humanities Programs			—	300,164
Small Business Administration Programs:				
Direct:				
Small Business Development Centers	59.037		—	1,025,661
Federal and State Technology Partnership Program	59.058		—	69,270
Subtotal: Small Business Administration Programs – Direct			—	1,094,931
Total: Small Business Administration Programs			—	1,094,931
Veterans Administration Programs:				
Direct:				
Department of Veterans Affairs Programs	64.000		—	12,215
Subtotal: Veterans Administration Programs – Direct			—	12,215
Total: Veterans Administration Programs			—	12,215
Environmental Protection Agency Programs:				
Direct:				
Pollution Prevention Grants Program	66.708		—	4,164
Subtotal: Environmental Protection Agency Programs – Direct			—	4,164
Pass-through:				
Delaware Department of Natural Resources	66.466	19A01405	—	12,540
Delaware Department of Natural Resources	66.466	PO 0000490948	—	1,913
Delaware Department of Natural Resources	66.472	21A00454	—	78,858
Delaware Department of Natural Resources	66.472	PO 0000493257	—	92,935
eXtension Foundation	66.716	SA-2020-35	—	13,012
eXtension Foundation	66.716	SA-2021-39	—	1,849
Subtotal for CFDA No. 66.716			—	201,107
Subtotal: Environmental Protection Agency Programs – Pass-through			—	201,107
Total: Environmental Protection Agency Programs			—	205,271
Department of Energy Programs:				
Direct:				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		—	121,943
Subtotal: Department of Energy Programs – Direct			—	121,943
Total: Department of Energy Programs			—	121,943
Department of Education Programs:				
Direct:				
COVID-19 – Higher Education Emergency Relief Fund – Student Portion	84.425E		—	6,943,996
COVID-19 – Higher Education Emergency Relief Fund – Institutional Portion	84.425F		—	27,982,414
Subtotal: Department of Education Programs – Direct			—	34,926,410
Pass-through:				
Woodbridge School District	84.000	21A00333	—	29,888
Thomas Edison Charter School	84.000	21A00402	—	9,743
Seaford School District	84.000	21A00068	—	25,475
Policy Studies Associates	84.000	21A00308	—	34,501
Milford School District	84.000	21A00135	—	26,597
Laurel School District	84.000	21A00240	—	19,492
Laurel School District	84.000	21A00238	—	20,800
Laurel School District	84.000	21A00237	—	18,194
Laurel School District	84.000	20A01854	—	25,664
Eastside Charter School	84.000	21A00468	—	3,890
Pathways	84.000	21A00350	—	2,300
Brandywine School District	84.000	21A00876	—	5,200
Brandywine School District	84.000	21A00504	—	121,893
Brandywine School District	84.000	21A00260	—	57,760
Red Clay Consolidated School District	84.000	21A00235	—	183,188

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Brandywine School District	84.000	21A00276	\$ —	147,931
Brandywine School District	84.000	21A00065	—	11,991
Subtotal for CFDA No. 84.000			—	744,507
Delaware Department for Children Youth and Families	84.013	21-16225	—	17,603
Delaware Department for Children Youth and Families	84.013	15772	—	4,707
Delaware Department for Children Youth and Families	84.013	15755	—	1,644
Delaware Department for Children Youth and Families	84.013	15721	—	2,176
Subtotal for CFDA No. 84.013			—	26,130
Delaware Department of Education	84.184	S20-63	—	26,310
Subtotal for CFDA No. 84.184			—	26,310
Delaware Department of Education	84.287	S19-104	—	83,221
Capital School District	84.287	19A00892	—	2,075
Capital School District	84.287	20A01209	—	10,015
Capital School District	84.287	20A01250	—	9,751
Colonial School District	84.287	19A00874	—	10
Woodbridge School District	84.287	19A01154	—	144
Delaware Department of Education	84.287	S19-105	—	61,399
Delaware Department of Education	84.287	S21-46	—	98,301
Delaware Department of Education	84.287	20A01267	—	127,901
Delaware Department of Education	84.287	20A01266	—	184,151
Delaware Department of Education	84.287	20A01238	—	63,558
Colonial School District	84.287	20A01561	—	4,620
Colonial School District	84.287	20A01239	—	89,418
Delaware Department of Education	84.287	S19-106	—	30,560
Subtotal for CFDA No. 84.287			—	765,124
East Carolina University	84.325	AWD-20-0512-S007	—	98,839
Subtotal for CFDA No. 84.325			—	98,839
New Castle County Vocational School District	84.367	21A00505	—	3,750
Red Clay Consolidated School District	84.367	21A00870	—	10,000
Appoquinimink School District	84.367	21A00503	—	1,250
Colonial School District	84.367	21A00869	—	10,000
Christina School District	84.367	21A00455	—	13,750
Subtotal for CFDA No. 84.367			—	38,750
Subtotal: Department of Education Programs – Pass-through			—	1,699,660
Total: Department of Education Programs			—	36,626,070
Corporation for National and Community Service Programs:				
Pass-through:				
Public Allies	94.006	OP004-94.006-20-PADE	—	(47,923)
Subtotal for CFDA No. 94.006			—	(47,923)
Subtotal: Corporation for National and Community Service Programs – Pass-through			—	(47,923)
Total: Corporation for National and Community Service Programs			—	(47,923)
Department of Homeland Security Programs:				
Pass-through:				
Delaware Emergency Management Agency	97.042	EMPG-20-005	—	74,820
Subtotal for CFDA No. 97.042			—	74,820
Delaware Emergency Management Agency	97.067	20A01835	—	8,634
Subtotal for CFDA No. 97.067			—	8,634
Subtotal: Department of Homeland Security Programs – Pass-through			—	83,454
Total: Department of Homeland Security Programs			—	83,454
Miscellaneous Programs:				
Direct:				
Consumer Financial Protection Bureau – 20A01481			—	17,795
Consumer Financial Protection Bureau – 21A00413			—	28,741
United States Probation Office (DE) – 21A00453			—	16,000
Consumer Financial Protection Bureau – 19A01525			—	27,079
Subtotal: Miscellaneous Programs – Direct			—	89,615
Total: Miscellaneous Programs			—	89,615
Other Programs Total			1,407,426	77,950,978
Drinking Water State Revolving Fund Cluster:				
Environmental Protection Agency Programs:				
Pass-through:				
Delaware Department of Natural Resources	66.468	20A00424	—	9,715
Delaware Department of Natural Resources	66.468	21A00419	—	35,354
Subtotal for CFDA No. 66.468			—	45,069
Subtotal: Environmental Protection Agency Programs – Pass-through			—	45,069
Total: Environmental Protection Agency Programs			—	45,069
Drinking Water State Revolving Fund Cluster Total			—	45,069

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Federal Transit Cluster:				
Department of Transportation Programs:				
Direct:				
Federal Transit Capital Investment Grants	20.500		\$ —	60,143
Subtotal: Department of Transportation Programs – Direct			—	60,143
Total: Department of Transportation Programs			—	60,143
Federal Transit Cluster Total			—	60,143
Fish and Wildlife Cluster:				
Department of Interior Programs:				
Pass-through:				
Delaware Department of Natural Resources	15.611	W-56-R-1 12282017	—	90,680
Subtotal for CFDA No. 15.611			—	90,680
Subtotal: Department of Interior Programs – Pass-through			—	90,680
Total: Department of Interior Programs			—	90,680
Fish and Wildlife Cluster Total			—	90,680
Head Start Cluster:				
Department of Health & Human Services Programs:				
Direct:				
Head Start	93.600		919,953	2,651,289
Subtotal: Head Start Cluster – Direct			919,953	2,651,289
Pass-through:				
Delaware Department of Education	93.600	20A01950	—	52,739
Delaware Department of Education	93.600	S20-45	—	12,240
Subtotal for CFDA No. 93.600			—	64,979
Subtotal: Department of Health & Human Services Programs – Pass-through			—	64,979
Total: Department of Health & Human Services Programs			919,953	2,716,268
Head Start Cluster Total			919,953	2,716,268
Highway Planning and Construction Cluster:				
Department of Transportation Programs:				
Pass-through:				
Delaware Department of Transportation	20.205	Task 50-1929	—	63,027
University of Illinois	20.205	087795-16578	—	17,832
Delaware Department of Transportation	20.205	Task 60-1929	—	108,921
Delaware Department of Transportation	20.205	Task 54-1929	—	88,412
Delaware Department of Transportation	20.205	Task 53-1929	—	372,016
Delaware Department of Transportation	20.205	Task 51-1929	—	42,168
Delaware Department of Transportation	20.205	Task 46-1929	—	62,778
Delaware Department of Transportation	20.205	Task 45-1929	—	317,589
Delaware Department of Transportation	20.205	Task 44-1929	—	90,000
Delaware Department of Transportation	20.205	Task 43-1929	—	176,616
Delaware Department of Transportation	20.205	Task 42-1929	—	119,934
Delaware Department of Transportation	20.205	Task 41-1929	—	158,443
Delaware Department of Transportation	20.205	Task 40-1929	—	39,895
Delaware Department of Transportation	20.205	Task 47-1929	—	206,352
Delaware Department of Transportation	20.205	Task 52-1929	—	36,518
Subtotal for CFDA No. 20.205			—	1,900,501
Subtotal: Department of Transportation Programs – Pass-through			—	1,900,501
Total: Department of Transportation Programs			—	1,900,501
Highway Planning and Construction Cluster Total			—	1,900,501
Provider Relief Cluster:				
Department of Health and Human Services Program:				
Direct:				
COVID-19 – Provider Relief Fund	93.498		—	42,690
Subtotal: Department of Health and Human Services Program – Direct			—	42,690
Total: Department of Health and Human Services Program			—	42,690
Provider Relief Cluster Total			—	42,690
Medicaid Cluster:				
Department of Health & Human Services Programs:				
Pass-through:				
Delaware Department of Health & Social Services	93.778	21A00020	—	56,154
Delaware Department of Health & Social Services	93.778	PO 545694	—	1,585
Delaware Department of Health & Social Services	93.778	PO0000506626	—	24,924
Delaware Department of Health & Social Services	93.778	PO0000508168	—	61,257
Delaware Department of Health & Social Services	93.778	PO0000508170	—	30,280
Subtotal for CFDA No. 93.778			—	174,200
Subtotal: Department of Health & Human Services Programs – Pass-through			—	174,200
Total: Department of Health & Human Services Programs			—	174,200
Medicaid Cluster Total			—	174,200

UNIVERSITY OF DELAWARE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Special Education Cluster (IDEA):				
Department of Education Programs:				
Pass-through:				
Delaware Department of Education	84.027	S21-49	\$ 114,236	161,771
Delaware Department of Education	84.027	S20-49	—	291,273
Delaware Department of Education	84.027	S20-03	—	1
Subtotal for CFDA No. 84.027			<u>114,236</u>	<u>453,045</u>
Subtotal: Department of Education Programs – Pass-through			<u>114,236</u>	<u>453,045</u>
Total: Department of Education Programs			<u>114,236</u>	<u>453,045</u>
Special Education Cluster (IDEA) Total			<u>114,236</u>	<u>453,045</u>
Student Financial Assistance Cluster:				
Department of Education Programs:				
Direct:				
Federal Supplemental Education	84.007		—	933,541
Federal Work-Study Program	84.033		—	839,686
Federal Perkins Loan Program	84.038		—	7,195,588
Federal Pell Grant Program	84.063		—	14,087,405
Federal Direct Student Loans	84.268		—	84,809,475
Subtotal: Department of Education Programs – Direct			<u>—</u>	<u>117,665,695</u>
Total: Department of Education Programs			<u>—</u>	<u>117,665,695</u>
Department of Health & Human Services Programs:				
Direct:				
Federal Nursing Student Loans	93.364		—	1,121,346
Subtotal: Department of Health & Human Services Programs – Direct			<u>—</u>	<u>1,121,346</u>
Total: Department of Health & Human Services Programs			<u>—</u>	<u>1,121,346</u>
Student Financial Assistance Cluster Total			<u>—</u>	<u>118,787,041</u>
TRIO Cluster:				
Department of Education Programs				
Direct:				
TRIO Student Support Services	84.042		—	332,205
TRIO Upward Bound	84.047		—	401,087
TRIO McNair Post-Baccalaureate Achievement	84.217		—	232,037
Subtotal: Department of Education Programs – Direct			<u>—</u>	<u>965,329</u>
Total: Department of Education Programs			<u>—</u>	<u>965,329</u>
TRIO Cluster Total			<u>—</u>	<u>965,329</u>
Grand Total			<u>\$ 33,122,252</u>	<u>366,260,336</u>

See accompanying independent auditors' report.

UNIVERSITY OF DELAWARE

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

(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, 2021 were based on predetermined fixed rates negotiated with the University's cognizant federal agency, Department of Health and Human Services. 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, 2021 are summarized as follows:

Federal Perkins Loan Program Federal	\$	—
Federal Nursing Student Loans		<u>190,800</u>
	\$	<u>190,800</u>
Federal Direct Student Loans	\$	94,609,475

UNIVERSITY OF DELAWARE

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

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, 2020 of \$7,195,588 and \$930,546, respectively, and new loans issued during fiscal year 2020. As of June 30, 2021, loans receivable for Federal Perkins and Nursing Student Loan programs amount to \$5,532,753 and \$920,008, 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 2021.



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

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

The Board of Trustees
University of Delaware:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of University of Delaware and its subsidiaries (the University), which comprise the consolidated balance sheet as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 12, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 12, 2021



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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.



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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be significant deficiencies.

The University's responses to the internal control over compliance findings identified in our audit are 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 responses 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 responses 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of University of Delaware as of and for the year ended June 30, 2021 and have issued our report thereon dated November 12, 2021 which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2021 is presented for purposes of additional analysis as required by the 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
September 1, 2022

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

(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 2021-001 and 2021-002**
- (e) The type of report issued on compliance for its major program:
 - Student Financial Assistance Cluster: **Unmodified**
 - Higher Education Emergency Relief Fund: **Unmodified**
 - Coronavirus Relief Fund: **Unmodified**
- (f) Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes 2021-001 and 2021-002**
- (g) Major program:
 - Student Financial Assistance Cluster: **93.364, 84.268, 84.063, 84.038, 84.033, 84.007**
 - Higher Education Emergency Relief Fund: **84.425E and 84.425F**
 - Coronavirus Relief Fund: **21.019**
- (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

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

(3) Findings and Questioned Costs Related to Federal Awards

Finding 2021-001: Reporting

Federal Program

COVID-19 Higher Education Emergency Relief Fund (ALN: 84.425)

Federal Agency

U.S. Department of Education

Federal Award Year

July 1, 2020 through June 30, 2021

Criteria or Requirement

The objective of the Higher Education Emergency Relief Fund (HEERF) program is to use HEERF grant funds to “prevent, prepare for, and respond to coronavirus” through grants to eligible institutions. There are three components to reporting for HEERF: (1) public reporting on the (a)(1) Student Aid Portion;(2) public reporting on the (a)(1) Institutional Portion, (a)(2) and (a)(3) programs, as applicable; and the (3) the annual report. Beginning on May 6, 2020, ED required institutions that received a HEERF 18004(a)(1) Student Aid Portion award to publicly post certain information on their website no later than 30 days after award, and update that information every 45 days thereafter (by posting a new report). This was announced through an electronic announcement (EA). On August 31, 2020, ED revised the EA by decreasing the frequency of reporting after the initial 30-day period from every 45 days thereafter to every calendar quarter. Grantees posting a 45-day report on or after August 31, 2020, should instead post a report every calendar quarter, with the first calendar quarter report due by October 10, 2020, and covering the period from after their last 45-day or 30-day report through the end of the calendar quarter on September 30, 2020. Sections 18004(a)(1) Institutional Portion, (a)(2), and (a)(3) Quarterly Public Reporting must be conspicuously posted on the institution’s primary website on the same page the reports of the Institution of Higher Education (IHE)’s activities as to the emergency financial aid grants to students made with funds from the IHE’s allocation under Section 18004(a)(1) of the CARES Act (Student Aid Portion) are posted.

A new, separate form must be posted covering each quarterly reporting period (September 30, December 31, March 31, June 30), concluding after either (1) posting the quarterly report ending September 30, 2022, or (2) when an institution has expended and liquidated all (a)(1) Institutional Portion, (a)(2), and (a)(3) funds and checks the “final report” box. IHEs must post this quarterly report form no later than 10 days after the end of each calendar quarter (October 10, January 10, April 10, July 10) apart from the first report, which is due October 30, 2020.

Condition Found, Including Perspective

In the review of the quarterly reporting requirement for the institutional portion, we noted the University did not post their quarterly reports for March 31, 2021 and June 30, 2021 within the 10 day after each quarter end requirement. These reports were posted on October 10, 2021.

In the review of the quarterly reporting requirement for the student portion, we noted the University did not modify its student portion reporting to the quarterly requirement, but rather the University provided updates every 45 days from the date of the first student award made.

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Possible Cause and Effect

Management's review control over its reporting requirements for HEERF institutional and student was not operating effectively to ensure compliance with the requirements. While management's reporting in connection with the institutional portion was accurate, it was not posted timely. While management's reporting in connection with the student portion was more frequent than required, it was not in accordance with quarterly requirement.

Questioned Costs

None identified.

Statistical Validity

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

Repeat Finding in the Prior Year

No.

Recommendation

Given the nature of the pandemic funding, and the evolving guidance of the compliance requirements, we recommend management enhance its process level controls over reporting requirements for HEERF to ensure timely and accurate reporting in accordance with the stated reporting requirements.

View of Responsible Officials

The University agrees with the finding. The HEERF reporting guidelines were in flux throughout the 2021 fiscal year. Final changes required schools to change student reporting from the 15/30 day requirement to quarterly reporting. The University continued to report on a more frequent basis for the student reporting. The University will create and post the quarterly student reports. The institutional reporting has been posted. Controls over reporting requirements will be enhanced.

Finding 2021-002: Gramm-Leach-Bliley Act – Student Information Security

Federal Program

Student Financial Assistance Cluster (ALN: 93.364, 84.268, 84.063, 84.038, 84.033, 84.007)

Federal Agency

U.S. Department of Education

Federal Award Year

July 1, 2020, through June 30, 2021

Criteria or Requirement

The Gramm-Leach-Bliley Act (Pub. L. No. 106-102) (GLBA) requires financial institutions to explain their information-sharing practices to their customers and to safeguard sensitive data (16 CFR 314). The Federal Trade Commission considers Title IV-eligible institutions that participate in Title IV Educational Assistance Programs as 'financial institutions' and subject to the Gramm-Leach-Bliley Act because they

UNIVERSITY OF DELAWARE
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

appear to be significantly engaged in wiring funds to consumers (16 CFR 313.3(k)(2)(vi)). Under an institution's Program Participation Agreement with ED and the Gramm-Leach-Bliley Act, institutions must protect student financial aid information, with particular attention to information provided to institutions by ED or otherwise obtained in support of the administration of the federal student financial aid programs. (16 CFR 314.3; HEA 483(a)(3)(E) and HEA 485B(d)(2)) ED provides additional information about cybersecurity requirements at <https://ifap.ed.gov/fsa-cybersecurity-compliance>.

Among the requirements, institutions must: (a) designate an individual to coordinate the information security program; (b) perform a risk assessment that addresses the three required areas noted in 16 CFR 314.4(b), which are (1) employee training and management; (2) information systems, including network and software design as well as information processing, storage, transmission and disposal; and (3) detecting, preventing and responding to attacks, intrusions or other systems failures; and (c) document a safeguard for each risk identified.

Condition Found, Including Perspective

In the review of GLBA compliance requirements, we noted the University had performed a formal risk assessment in 2017, however, has not updated the risk assessment annually in accordance with 16 CFR 314.4(b), nor has it updated its safeguard response.

Possible Cause and Effect

Management's control over its compliance with GLBA risk assessment and responses was not operating effectively to ensure compliance with the requirements. Therefore, changes to the operating environment that could impact information technology risks may not have been identified and/or safeguard responses may not have been put into place or are not operating effectively.

Questioned Costs

None identified.

Statistical Validity

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

Repeat Finding in the Prior Year

No.

Recommendation

Given the nature of the finding, and the evolving information security environments and compliance requirements, we recommend management enhance its controls over GLBA risk assessment, which should include an annual review of risks and responses that is reviewed by senior management and discussed with the appropriate board committee.

View of Responsible Officials

The University agrees with the finding. The University is engaging an independent qualified consultant to conduct the risk assessment and to prepare the risk management plan for GLBA related data, including responses to risks identified. Controls over the annual risk assessment will be enhanced.