

UNIVERSITY OF DELAWARE
ANNUAL DISCLOSURE INFORMATION
SERIES 2010A, 2013B, 2013C, 2018, 2019, and 2019A BONDS

As of June 30, 2023
Student Data as of the Official 10th Day of Fall Semester 2023
Employee Data as of October 2023

PROJECT FACILITIES

The University of Delaware's housing system can accommodate 6,876 students in 44 undergraduate residence halls and special interest housing units on the main campus in Newark, Delaware. For the Fall Semester 2023, there were 6,728 students living on campus. This represents approximately 37% of the total number of undergraduate students attending the University at the main campus. With limited exceptions, freshmen are required to live in University housing and agreements are enforced for the entire academic year.

The University's main campus in Newark offers students numerous dining hall, snack bar, restaurant, and convenience store facilities. The University's dining halls have combined seating capacity of approximately 3,500. During the 2023-2024 year, approximately 8,900 students had some type of meal contract. In Fall 2023, there were twelve dining services locations open with three residential dining halls, one training table, three food courts that include eleven sub-locations, four coffee shops, three 24/7 marketplaces, and three Provisions on Demand convenience stores.

LITIGATION

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

FACULTY AND STAFF

During the 2023-24 academic year, the University's faculty and staff consist of 4,860 full-time and 35 part-time employees. Full-time faculty members for Fall 2023 totaled 1,349 members including department chairpersons, academic center directors, and faculty with administrative appointments as follows: 473 professors; 388 associate professors; 401 assistant professors; and 87 instructors. More than 79% of the University's full-time tenure-eligible faculty are tenured and 92% of full-time faculty hold a doctorate or terminal professional degree in their field.

The University faculty is represented by the American Association of University Professors. The existing contract was effective through June 30, 2023, however a new agreement was signed in December 2023 and is effective July 1, 2023 through June 30, 2026. The maintenance and service employees are represented by two local unions (439 and 3472) of the American Federation of State, County and Municipal Employees, AFL-CIO. Both contracts expired June 30, 2023, however, they will remain in effect until negotiations are settled and a new contract is ratified. There are 43 uniformed police officers of the police department who are represented by the Fraternal Order of Police, whose contract terminates June 30, 2025. Additionally, there are seven senior police personnel and one sworn constable not covered by the contract. The constable's commission expired on December 31, 2023 and will not be renewed.

DEBT SERVICE COVERAGE

Gross Revenue Coverage The following debt service coverage schedule is based on Gross Revenues derived from University Project Facilities. Revenues are based on the University’s fiscal years ending June 30. The debt service coverage computations based on Gross Revenues are included herein based on the pledge of such Gross Revenues under the Trust Agreement and the University’s covenant with respect to the expenses of maintaining and repairing the Project Facilities as set forth under the “Maintenance Covenant.”

Pledged Gross Revenue Coverage					
<u>Pledged Revenue Source</u>	2019	2020	2021	2022	2023
Housing	\$ 65,138,593	\$ 42,265,363	\$ 54,785,008	\$ 60,629,188	\$ 64,402,306
Dining	47,600,514	30,369,208	16,720,289	38,515,177	46,526,648
Student Health Fee	10,021,530	9,762,423	14,239,086	14,326,013	14,658,919
Ice Arena	1,724,934	957,537	432,144	1,216,232	1,383,281
Parking	7,497,844	5,328,650	1,053,285	7,116,554	8,248,024
Student Center Fee	5,112,777	4,326,375	5,049,411	4,999,688	5,111,191
Comprehensive Student Fee	12,808,736	12,384,487	14,023,748	18,602,682	18,921,761
Book Store	905,240	914,216	900,003	900,000	900,000
Pledged Gross Revenues	\$ 150,810,169	\$ 106,308,259	\$ 107,202,974	\$ 146,305,534	\$ 160,152,131
Pledged Revenue Maximum Annual Debt Service	\$ 25,364,505	\$ 22,058,180	\$ 25,230,894	\$ 25,230,894	\$ 25,230,894
Pledged Revenue Debt Service Coverage	594.57%	481.94%	424.89%	579.87%	634.75%

Note: Gross Revenue Coverage applicable to the University’s Series 2004B, Series 2005, Series 2010A, Series 2013B and Series 2013C Bonds.

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Net Revenue Coverage The following debt service coverage schedule is based on net revenues (Gross Revenues less Current Expenses of the Project Facilities) derived from University Project Facilities. Revenues are based on the University’s fiscal years ended June 30.

Net Revenue Coverage	2019	2020	2021	2022	2023
Pledged Gross Revenues	\$ 150,810,169	\$ 106,308,259	\$ 107,202,974	\$ 146,305,534	\$ 160,152,131
Expenditures:					
Housing	\$ 21,613,334	\$ 21,675,569	\$ 21,127,773	\$ 22,145,258	\$ 22,013,285
Dining	40,179,905	28,763,741	17,462,582	34,134,199	41,277,084
Health	11,130,237	10,922,289	9,683,404	10,431,363	12,113,667
Ice Arena	1,688,468	1,408,024	913,758	1,118,532	1,350,454
Parking	3,001,167	2,052,343	1,870,744	1,742,123	2,171,219
Student Center	2,137,826	3,673,986	2,981,131	3,024,537	4,357,978
Student Recreation Expenses	997,326	969,364	911,820	976,145	1,023,679
Book Store	75,605	72,016	78,332	98,597	111,562
Pledged Gross Expenditures	\$ 80,823,868	\$ 69,537,332	\$ 55,029,542	\$ 73,670,754	\$ 84,418,928
Pledged Net Revenues	\$ 69,986,301	\$ 36,770,927	\$ 52,173,432	\$ 72,634,780	\$ 75,733,203
Pledged Maximum Annual Debt Service *	\$ 25,364,505	\$ 22,058,180	\$ 25,230,894	\$ 25,230,894	\$ 25,230,894
Pledged Revenue Debt Service Coverage	275.92%	166.70%	206.78%	287.88%	300.16%
Enterprise Maximum Annual Debt Service **	\$ 41,313,189	\$ 41,270,489	\$ 41,320,859	\$ 41,320,859	\$ 41,320,859

* The pledged maximum annual debt service for each year is based upon the debt service on the outstanding bonds of each pledged revenue series as of the end of each fiscal year and the assumptions set forth in the Debt Service Requirements section therein, and reflects BAB Subsidy payments expected to be received by the University. This does not include the unsecured Series 2018, Series 2019, and Series 2019A bonds.

** The Enterprise maximum annual debt service for each year is based upon the debt service on the outstanding bonds of each Series as of the end of each fiscal year and the assumptions set forth in the Debt Service Requirements section therein, and reflects BAB Subsidy payments expected to be received by the University. This includes the unsecured Series 2018, Series 2019, and Series 2019A bonds.

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DEBT SERVICE REQUIREMENTS

Following is the University's estimated current total Enterprise Debt Service both excluding and including the Build America Bonds subsidy (BABs):

Fiscal Year Ending June 30	Pledged Revenue Bond Debt Service (Pre- BABs Subsidy) ¹	Pledged Revenue Bond Debt Service (Net of BABs Subsidy) ¹	General Obligation Debt Service ²	Enterprise Debt Service (Net of BABs Subsidy) ³
2024	\$12,726,511	\$10,271,414	\$25,119,095	\$35,390,509
2025	12,725,604	10,270,507	23,282,470	33,552,977
2026	20,481,216	18,026,119	23,282,220	41,308,339
2027	20,478,986	18,023,889	23,296,970	41,320,859
2028	20,470,712	18,015,615	21,637,970	39,653,585
2029	26,416,853	24,024,684	15,630,470	39,655,154
2030	27,482,067	25,230,894	15,084,720	40,315,614
2031	27,312,141	25,220,135	15,084,470	40,304,605
2032	27,135,913	25,209,233	15,081,095	40,290,328
2033	26,957,109	25,202,171	15,079,220	40,281,391
2034	26,769,438	25,192,913	15,083,220	40,276,133
2035	26,575,813	25,184,581	15,087,470	40,272,051
2036	22,960,755	21,762,001	15,076,845	36,838,846
2037	19,580,165	18,581,383	15,080,845	33,662,228
2038	19,359,244	18,568,133	15,078,720	33,646,853
2039	13,991,952	13,416,520	15,075,095	28,491,615
2040	13,768,181	13,416,793	15,084,095	28,500,888
2041	13,537,290	13,418,672	15,080,095	28,498,767
2042	1,640,359	1,640,359	16,414,935	18,055,294
2043	1,644,947	1,644,947	16,416,622	18,061,569
2044	1,642,047	1,642,047	16,415,944	18,057,991
2045	0	0	18,104,021	18,104,021
2046	0	0	18,100,147	18,100,147
2047	0	0	18,146,496	18,146,496
2048	0	0	18,148,483	18,148,483
2049	0	0	18,146,844	18,146,844
2050	0	0	18,145,869	18,145,869
2051	0	0	18,144,741	18,144,741
2052	0	0	18,147,425	18,147,425
2053	0	0	18,147,168	18,147,168
2054	0	0	18,147,323	18,147,323
2055	0	0	18,146,836	18,146,836

Fiscal Year Ending June 30	Pledged Revenue Bond Debt Service (Pre-BABs Subsidy) ¹	Pledged Revenue Bond Debt Service (Net of BABs Subsidy) ¹	General Obligation Debt Service ²	Enterprise Debt Service (Net of BABs Subsidy) ³
2056	0	0	18,149,546	18,149,546
2057	0	0	18,149,291	18,149,291
2058	0	0	18,149,912	18,149,912
2059	0	0	18,150,141	18,150,141
Total	\$383,657,301	\$353,963,008	\$634,596,829	\$988,559,837

¹ Pledged Revenue Bond Debt Service (net of BABs subsidy) applicable to the Series 2004B, Series 2005, Series 2010A, Series 2013B, and Series 2013C Bonds.

² General Obligation Bond Debt Service applicable to the Series 2018, Series 2019 and Series 2019A Bonds.

³ Enterprise Debt Service (net of BABs subsidy) equal to General Obligation Bond Debt Service plus Pledged Revenue Debt Service (net of BABs subsidy).

The following sets forth, for each of the periods indicated, the estimated amount required in such period to be made available for debt service based upon the following calculations and assumptions for each issue.

- Debt service on the Series 2004B Bonds is calculated based on an assumed interest rate of 3.25% per annum, and assuming amortization of the balloon principal payment due November 1, 2034 during the fiscal years 2026 to 2035 inclusive in annual amounts ranging from \$2,530,000 to \$3,370,000. The assumed interest rate (excluding the cost of remarketing and liquidity) is based on an existing interest rate exchange agreement (“2004B Swap”). Under the 2004B Swap, the University received a variable rate equal to 67% of 1-month LIBOR, which converted to 67% of the SOFR index on July 1, 2023, which may not be sufficient to provide for the payment of the variable rate which the University must pay on the Series 2004B Bonds. If such amounts are insufficient, the University’s debt service costs for the Series 2004B Bonds will exceed the amount shown in the preceding table. The University has no legal obligation to retire any Series 2004B Bonds prior to their stated maturity date of November 1, 2034.
- Debt service on the Series 2005 Bonds is calculated: (i) assuming amortization of the balloon principal payment due November 1, 2035 during the fiscal years 2026 to 2036 inclusive in amounts ranging from \$2,140,000 to \$3,130,000; (ii) based on an assumed interest rate of 3.75% per annum (excluding the cost of remarketing and liquidity) based on an existing interest rate exchange agreement (“2005 Swap I”), applicable to November 1, 2022 on a portion (in the original amount of \$12,945,000) of the balloon principal payment due on November 1, 2035, and (iii) an assumed interest rate of 3.87% per annum (excluding the cost of remarketing and liquidity) based on an existing interest rate exchange agreement (“2005 Swap II”), applicable to the remaining portion (in the original amount of \$37,000,000) of the balloon principal payment due on November 1, 2035. Under the 2005 Swap I and 2005 Swap II, the University received a variable rate equal to 67% of 1-month LIBOR, which converted to 67% of the SOFR index on July 1, 2023, which may not be sufficient to provide for the payment of the variable rate which the University must pay on the Series 2005 Bonds. If such amounts are

insufficient, the University's debt service costs for the Series 2005 Bonds will exceed the amounts shown in the preceding table. The University has no legal obligation to retire any Series 2005 Bonds prior to their stated maturity date of November 1, 2035.

- Debt service on the Series 2010A Bonds is based upon the actual fixed rates of interest and amortization requirements for such bonds and is shown before and after the expected periodic payments from the United States Treasury on each interest payment date equal to 35% of the corresponding interest payable on such Series 2010A Bonds (the "BAB Subsidy"). The BAB Subsidy was lowered by 5.7% for Fiscal Year 2022 due to federal budget sequestration.
- Debt service on the Series 2013B Bonds is based upon the actual fixed rates of interest and amortization requirements for such bonds.
- Debt service on the Series 2013C Bonds is calculated based on an assumed interest rate of 3.764% per annum, and assuming amortization of the balloon principal payment due November 1, 2037 during the fiscal years 2026 to 2038 inclusive in annual amounts ranging from \$3,255,000 to \$5,070,000. The assumed interest rate is based on an existing interest rate exchange agreement (the "2007 Swap"). Under the 2007 Swap, the University received a variable rate equal to 67% of 3-month LIBOR until November 1, 2022 and receives 100% of SIFMA from such date until November 1, 2037, which rates may not be sufficient to provide for the payment of the variable rate which the University must pay on the Series 2013C Bonds. If such amounts are insufficient, the University's debt service costs for the Series 2013C Bonds will exceed the amounts shown in the preceding table. The University has no legal obligation to retire any Series 2013C Bonds prior to their stated maturity date of November 1, 2037.
- Debt service on the Series 2018 Bonds is based upon the actual fixed rates of interest and amortization requirements for such bonds.
- Debt service on the Series 2019 Bonds is based upon the actual fixed rates of interest and amortization requirements for such bonds.
- Debt service on the Series 2019A Bonds is based upon the actual fixed rates of interest and amortization requirements for such bonds.

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OPERATING INFORMATION

Student Enrollment Summary - FTE (excludes Professional and Continuing Studies and includes Associate in Arts Students)

Year	Undergraduate	Graduate	Total
Fall 2019	18,584	3,552	22,136
Fall 2020	18,137	3,610	21,747
Fall 2021	18,226	3,865	22,091
Fall 2022	18,236	3,944	22,180
Fall 2023	18,305	3,880	22,185

Note: Student data are as of Official 10th Day of the Fall Semester.

Student SAT Scores and Admissions – First-Time Freshman Admissions Activity (Newark Campus)

Year	Completed Applications	Offered Admission	Offer Rate %	Accepted Admission	Yield Rate %
Fall 2019	26,501	18,106	68.3	4,146	22.9
Fall 2020	33,505	21,125	63.1	3,742	17.7
Fall 2021	33,965	23,931	70.5	4,276	17.9
Fall 2022	35,228	25,519	72.4	4,632	18.2
Fall 2023	37,472	23,817	63.6	4,205	17.7

Student Tuition and Fees, Room and Board 2023-24 Academic Year Resident and Non-resident Student Tuition and Fees

	State Resident (\$)	Out-of-State Resident (\$)
Pennsylvania State University	20,234	40,188
University of Virginia	18,808	56,420
Rutgers University	17,239	36,001
Virginia Polytechnic University	15,476	36,693
University of Delaware	16,080	39,720
University of Maryland	11,505	40,306

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FINANCIAL STATEMENT INFORMATION

Student Financial Aid - Expenditures for Scholarship, Fellowship and Other Student Aid

Fiscal Year	Undergraduate (\$)	Graduate (\$)	Total (\$)
2019	116,254,124	76,528,771	192,782,895
2020	127,669,146	75,826,622	203,495,768
2021	143,699,509	71,249,618	214,949,127
2022	175,333,721	42,902,149	218,235,870
2023	177,058,812	43,305,251	220,364,063

State Financial Support – State Appropriations

Fiscal Year	Operating Appropriation (\$)	Original Capital Appropriation (\$)	Capital Appropriation Expenditure (\$)*
2019	122,320,320	10,000,000	186,565
2020	125,314,060	10,000,000	1,197,138
2021	125,167,500	10,000,000	3,139,484
2022	129,357,556	15,200,000	10,616,663
2023	134,016,140	20,100,000	12,341,271

* The State of Delaware has provided capital appropriations to the University for certain new academic facilities and capital improvements. The table provides operating and capital appropriations for the periods indicated and lists capital appropriation expenditures in the year expended.

Research Program Funds – Sources of University Grants, Contracts and Other Exchange Transactions Year Ended June 30

Fiscal Year	Operating Appropriation (\$)*	Contracts and Grants (\$)*	Total (\$)
2019	3,122,420	123,311,978	126,434,398
2020	2,762,247	140,019,072	142,781,319
2021	2,777,496	199,782,586	202,560,082
2022	2,735,921	211,940,481	214,676,402
2023	2,935,508	192,649,668	195,585,176

* The breakout between “Operating Appropriation” and “Contracts and Grants” is required for disclosure applicable to 2010A, 2013B, and 2013C Bonds.

Financial Resources – (1) Cash, Cash Equivalents and Investments as of June 30 Comprised of Endowment Funds and Endowment Distribution and (2) Funds Held in Trust by Others as of June 30

Fiscal Year	Market Value of University Held (\$)	Market Value of Funds Held in Trust by Others (\$)	Spending Distribution (\$)
2019	1,387,414,579	78,655,355	51,938,405
2020	1,376,354,000	76,835,873	52,834,000
2021	1,864,134,237	93,659,058	53,395,318
2022	1,702,194,962	78,981,720	56,725,783
2023	1,739,153,775	80,629,071	62,598,187

Contributions – Contributions Year Ended June 30

Fiscal Year	Contributions Received (\$)	Net Change in Contributions Receivable (\$) *	Total (\$)
2019	53,593,733	14,272,695	67,866,428
2020	47,691,260	(6,279,580)	41,411,680
2021	62,175,748	(8,510,937)	53,664,811
2022	68,984,401	(10,424,422)	58,559,979
2023	62,003,491	(6,415,553)	55,587,938

* The column "Net Change in Contributions Receivable" is required for disclosure applicable to 2010A, 2013B, and 2013C Bonds.

Investment in Physical Plant as of June 30 (\$000s)

Category	2019	2020	2021	2022	2023
Land and Improvements	\$137,751	\$141,005	\$141,572	\$151,091	\$151,099
Buildings	1,830,197	2,030,058	2,233,321	2,267,269	2,324,878
Equipment and Furnishings	590,813	625,866	653,549	690,031	719,597
Collections and Works of Art	8,829	9,156	9,545	9,101	14,241
Finance Leasehold	102,407	103,029	85,853	85,853	85,853
Construction in Progress	<u>202,422</u>	<u>172,448</u>	<u>62,487</u>	<u>60,329</u>	<u>135,755</u>
Total Property, Plant and Equipment	\$2,872,419	\$3,081,562	\$3,186,327	\$3,263,674	\$3,431,423
Less: Accumulated Depreciation	<u>(1,165,610)</u>	<u>(1,243,981)</u>	<u>(1,325,613)</u>	<u>(1,410,076)</u>	<u>(1,493,882)</u>
Total Property, Plant and Equipment, Net	<u>\$1,706,809</u>	<u>\$1,837,581</u>	<u>\$1,860,714</u>	<u>\$1,853,598</u>	<u>\$1,937,541</u>

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Outstanding Indebtedness of the University

Long-Term Debt and Finance Leases

Indebtedness at June 30, 2023 and 2022 consisted of the following (in thousands):

	<u>Fiscal year of maturity</u>	<u>Interest rate(s) %</u>	<u>Outstanding Principal</u>	
			<u>2023</u>	<u>2022</u>
Variable-rate debt:				
Series 2004B	2035	3.65%	\$ 29,305	\$ 29,305
Series 2005	2036	4.27	28,690	28,690
Series 2013C	2038	4.13	53,335	53,335
Variable Rate Debt			<u>111,330</u>	<u>111,330</u>
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	3,185	3,930
	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	82,620	91,780
Series 2019A	2046	5.00	44,575	45,580
Fixed-rate debt			<u>470,285</u>	<u>481,195</u>
Finance leases	2043-2049	4.11-4.25	<u>55,596</u>	<u>56,930</u>
			637,211	649,455
Premium on long-term debt, net of debt issue costs of \$2.6 million (2023) and \$2.7 million (2022)			<u>33,961</u>	<u>35,048</u>
Long-term debt and finance leases			<u>\$ 671,172</u>	<u>\$ 684,503</u>

On July 6, 2017, the Blue Hen Hotel LLC bonds were mandatorily tendered, repaid in full, and are no longer outstanding from that day forward. The University will continue to service the outstanding swap agreement associated with this debt.

On June 3, 2019, the University acquired University Courtyard Apartments from CHF-Delaware, L.L.C. Concurrent with the acquisition, the University fully repaid CHF-Delaware's obligation associated with the outstanding Series 2005 Variable Rate Demand Bonds (the "CHF Bonds"). The CHF Bonds were hedged by an interest rate swap agreement (the "Courtyard Swap"), which was novated to the University and remains outstanding.