



**UNIVERSITY OF DELAWARE**

Consolidated Financial Statements and  
Information on Federal Awards

June 30, 2024

(With Independent Auditors' Reports Thereon)

# UNIVERSITY OF DELAWARE

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## Independent Auditors' Report

The Board of Trustees  
University of Delaware:

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the University of Delaware and its subsidiaries (the University), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, 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 15, 2024

**UNIVERSITY OF DELAWARE**

Consolidated Balance Sheets

June 30, 2024 and 2023

(Dollars in thousands)

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 43,850	50,431
Operating investments	264,481	250,501
Restricted deposits	9,327	61,429
Accounts and notes receivable, net	56,590	75,184
Prepaid expenses and inventories	2,845	1,963
Contributions receivable, net	20,629	17,887
Student loan receivables, net	2,796	3,751
Investments	2,108,463	1,992,007
Funds held in trust by others	86,541	80,629
Property, plant, and equipment, net	2,032,182	1,937,541
Operating lease right-of-use assets	21,998	14,129
Total assets	\$ 4,649,702	4,485,452
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 153,224	146,296
Deferred revenue and student deposits	74,555	60,636
Operating lease liabilities	22,269	14,358
Long-term debt and finance leases	656,767	671,172
Postemployment benefit obligations	515,307	447,680
Other liabilities	51,918	53,949
Total liabilities	1,474,040	1,394,091
Net assets:		
Without donor restrictions	1,559,353	1,591,093
With donor restrictions	1,616,309	1,500,268
Total net assets	3,175,662	3,091,361
Total liabilities and net assets	\$ 4,649,702	4,485,452

See accompanying notes to consolidated financial statements.

**UNIVERSITY OF DELAWARE**  
Consolidated Statements of Activities  
Years ended June 30, 2024 and 2023  
(Dollars in thousands)

	<b>2024</b>	<b>2023</b>
Changes in net assets without donor restrictions:		
Operating revenues:		
Tuition and fees, net of scholarships and fellowships (\$226,490 in 2024 and \$212,314 in 2023)	\$ 463,216	438,162
Auxiliary services revenue	142,266	136,044
Grants, contracts, and other exchange transactions	313,993	283,115
State operating appropriations	139,547	134,016
Contributions	10,779	8,103
Endowment distributions	66,497	61,936
Investment income, net	30,464	26,216
Other revenue	62,059	61,360
Net assets released from restrictions for operations	17,000	18,003
Total operating revenues	1,245,821	1,166,955
Operating expenses:		
Salaries and wages	588,785	552,589
Benefits	204,213	187,656
Postemployment benefits	15,071	13,788
Total compensation	808,069	754,033
Supplies, materials and purchased services	318,113	284,557
Student aid	3,224	3,752
Travel	30,689	30,344
Depreciation, amortization and loss on disposals	101,052	93,344
Interest	22,250	23,895
Total operating expenses	1,283,397	1,189,925
Change in net assets from operating activities	(37,576)	(22,970)
Other changes in net assets without donor restrictions:		
Investment return net of endowment distributions	38,431	2,330
Contributions	1,285	11,695
Postemployment costs other than service costs	(26,369)	(24,406)
Other changes in postemployment benefit obligations	(55,033)	42,582
Other, net	18,877	7,585
Net assets released from restrictions for capital	28,645	24,868
Other changes in net assets without donor restrictions	5,836	64,654
Total changes in net assets without donor restrictions	(31,740)	41,684
Changes in net assets with donor restrictions:		
Investment return net of endowment distributions	73,873	19,775
Contributions	50,573	35,789
State capital appropriations	38,353	12,341
Other, net	(1,113)	36,683
Net assets released from restrictions	(45,645)	(42,871)
Total changes in net assets with donor restrictions	116,041	61,717
Total changes in net assets	84,301	103,401
Net assets at beginning of year	3,091,361	2,987,960
Net assets at end of year	\$ 3,175,662	3,091,361

See accompanying notes to consolidated financial statements.

**UNIVERSITY OF DELAWARE**  
Consolidated Statements of Cash Flows  
Years ended June 30, 2024 and 2023  
(Dollars in thousands)

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Changes in net assets	\$ 84,301	103,401
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Change in postemployment benefit obligations and other nonoperating activities	81,402	(14,884)
Net realized and unrealized (gains) losses	(167,692)	(79,933)
Change in fair value of swap	(1,810)	(6,049)
Gifts of building and equipment	(875)	(2,106)
State capital appropriations	(38,353)	(12,341)
Contributions restricted for endowment and capital	(22,157)	(17,352)
Endowment income restricted for reinvestment	(300)	(382)
Depreciation, amortization and loss on disposals	106,065	92,739
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	18,594	(12,642)
Prepaid expenses and inventories	(882)	(286)
Contributions receivable, net	(1,867)	953
Accounts payable, accrued and other liabilities	7,510	14,997
Deferred revenue and student deposits	13,919	(16,110)
Postemployment benefit obligations	(13,774)	(8,820)
Operating leases, net	42	177
Net cash provided by operating activities	64,123	41,362
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,388,590	1,378,890
Purchases of investments	(1,357,246)	(1,306,502)
Acquisitions of property and buildings	(149,144)	(133,044)
Acquisitions of equipment and library materials	(52,199)	(45,911)
Disbursements of loans to students	(166)	(360)
Repayments of loans by students	1,121	2,128
Net cash used in investing activities	(169,044)	(104,799)
Cash flows from financing activities:		
Repayments of principal on long-term debt and finance leases	(12,894)	(12,245)
State capital appropriations	38,353	12,341
Endowment income restricted for reinvestment	300	382
Contributions restricted for endowment and capital	21,282	22,814
Repayments to federal government for student loans	(803)	(2,037)
Change in restricted deposits	52,479	8,666
Net cash provided by financing activities	98,717	29,921
Net change in cash and cash equivalents	(6,204)	(33,516)
Cash, cash equivalents and restricted cash, beginning of year	52,811	86,327
Cash, cash equivalents and restricted cash, end of year	\$ 46,607	52,811
Supplemental disclosure of cash flow information:		
Interest paid	\$ 28,347	28,964
Increase in construction – accounts payable	1,093	18,188
Right-of-use assets obtained in exchange for new operating lease liabilities	15,984	7,098

See accompanying notes to consolidated financial statements.

**UNIVERSITY OF DELAWARE**

Consolidated Statement of Functional Expenses

Year ended June 30, 2024

(Dollars in thousands)

	<b>Instruction and departmental research</b>	<b>Sponsored research</b>	<b>Extension and public service</b>	<b>Academic support</b>	<b>Student services</b>	<b>Student aid</b>	<b>Auxiliary enterprises</b>	<b>General institutional support</b>	<b>Total</b>
Operating expenses:									
Salaries and wages	\$ 291,637	97,203	32,758	55,148	25,253	3,999	10,392	72,395	588,785
Benefits	99,034	28,071	10,708	22,734	8,839	34	4,354	30,439	204,213
Postemployment benefits	9,226	1,617	653	1,262	450	—	194	1,669	15,071
Total compensation	399,897	126,891	44,119	79,144	34,542	4,033	14,940	104,503	808,069
Supplies, materials and purchased services	68,751	84,199	13,789	15,406	16,799	605	74,171	44,393	318,113
Student aid	—	—	—	—	—	3,224	—	—	3,224
Travel	20,320	5,015	1,382	1,352	1,341	83	101	1,095	30,689
Depreciation, amortization and loss on disposals	32,071	27,018	1,969	16,009	4,748	—	14,987	4,250	101,052
Interest	6,151	521	43	426	—	2	15,020	87	22,250
Total operating expenses	527,190	243,644	61,302	112,337	57,430	7,947	119,219	154,328	1,283,397
Other changes in net assets without donor restrictions:									
Postemployment costs other than service costs	17,359	2,493	1,006	1,945	694	—	299	2,573	26,369
Total functional expenses	\$ 544,549	246,137	62,308	114,282	58,124	7,947	119,518	156,901	1,309,766

See accompanying notes to consolidated financial statements.

**UNIVERSITY OF DELAWARE**

Consolidated Statement of Functional Expenses

Year ended June 30, 2023

(Dollars in thousands)

	<b>Instruction and departmental research</b>	<b>Sponsored research</b>	<b>Extension and public service</b>	<b>Academic support</b>	<b>Student services</b>	<b>Student aid</b>	<b>Auxiliary enterprises</b>	<b>General institutional support</b>	<b>Total</b>
Operating expenses:									
Salaries and wages	\$ 278,443	90,086	31,828	50,200	21,644	3,718	9,562	67,108	552,589
Benefits	91,357	26,480	10,631	20,447	7,456	30	3,770	27,485	187,656
Postemployment benefits	8,931	1,353	573	1,052	333	—	166	1,380	13,788
Total compensation	378,731	117,919	43,032	71,699	29,433	3,748	13,498	95,973	754,033
Supplies, materials and purchased services	58,445	75,283	15,604	15,139	15,743	524	71,554	32,265	284,557
Student aid	—	—	—	—	—	3,752	—	—	3,752
Travel	20,090	4,600	1,374	1,346	1,448	25	171	1,290	30,344
Depreciation, amortization and loss on disposals	29,186	22,860	1,782	15,803	4,575	—	15,201	3,937	93,344
Interest	9,637	312	42	479	—	2	13,308	115	23,895
Total operating expenses	496,089	220,974	61,834	104,466	51,199	8,051	113,732	133,580	1,189,925
Other changes in net assets without donor restrictions:									
Postemployment costs other than service costs	16,375	2,238	947	1,739	551	—	274	2,282	24,406
Total functional expenses	\$ <u>512,464</u>	<u>223,212</u>	<u>62,781</u>	<u>106,205</u>	<u>51,750</u>	<u>8,051</u>	<u>114,006</u>	<u>135,862</u>	<u>1,214,331</u>

See accompanying notes to consolidated financial statements.

# UNIVERSITY OF DELAWARE

## Notes to Consolidated Financial Statements

June 30, 2024 and 2023

### (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 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 (see note 12).

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

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

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

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

- Net assets without donor restrictions – Net assets that are not subject to donor imposed stipulations. Net assets without donor restrictions may be designated by the Board of Trustees for specific or general purposes.
- Net assets with donor restrictions – Net assets subject to donor imposed stipulations that may or will be met by actions of the University and/or the passage of time, and net assets subject to donor imposed stipulations that are maintained permanently by the University. Generally, the donors of these assets permit the University to use all of, or part of, the total investment return on related investments for general or specific purposes.

In addition to the three primary consolidated financial statements presented under U.S. GAAP for not-for-profit organizations, the consolidated 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

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

wages. Interest expense and amortization of bond premium are allocated to the functional classification that benefited from the use of the debt proceeds. Fundraising expenses consist of salaries, benefits, and other expenses directly attributable to development and alumni relations activities. Operation and maintenance of plant costs were approximately \$86,205,000 and \$78,058,000, and fund-raising costs were approximately \$19,848,000 and \$19,584,000 for the years ended June 30, 2024 and 2023, respectively.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions that reflect reclassifications from net assets with donor restrictions to net assets without donor restrictions. Releases from restrictions are presented as either operating or nonoperating. Nonoperating releases represent capital gifts for which the related assets were placed into service, and operating releases represent utilization of restricted gifts for program and operating purposes and related pledge payments.

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

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

The following table summarizes cash, cash equivalents, and restricted cash reported on the consolidated statements of cash flows as of June 30, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 43,850	50,431
Restricted deposits	<u>2,757</u>	<u>2,380</u>
	<u>\$ 46,607</u>	<u>52,811</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 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 for student financial assistance (see note 15).

**UNIVERSITY OF DELAWARE**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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 the U.S. government direct loan program under which the University is only responsible for certain administrative duties. These direct 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, 2024 and 2023 (in thousands):

	<b>2024</b>	<b>2023</b>
Undergraduate	\$ 360,723	342,597
Graduate	34,343	30,533
Other, primarily fees	68,150	65,032
Total	\$ 463,216	438,162

Auxiliary services revenue consisted of the following for the years ended June 30, 2024 and 2023 (in thousands):

	<b>2024</b>	<b>2023</b>
Student housing	\$ 65,490	64,391
Dining services	49,892	46,527
Student health services	14,838	14,659
Parking	8,598	7,644
Conference services	2,062	1,751
Other	1,386	1,072
Total	\$ 142,266	136,044

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 credit losses to reflect management’s best estimate of expected losses inherent in receivable balances. Management determines the allowances for credit losses based on known troubled accounts, historical experience, and other currently available evidence.

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

#### **(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 laws 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 recognized as expenditures are incurred for construction and 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.

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

In response to the COVID-19 pandemic, the federal government passed the Coronavirus Aid, Relief, and Economic Stimulus Act of 2020 (CARES Act) and the American Rescue Plan Act of 2021 (ARPA) which made funds available to the University through various provisions of the legislation. The University recognized COVID-19 related revenue of approximately \$34,931,000 as contribution revenue within other changes in net assets with donor restrictions in the consolidated statements of activities for the year ended June 30, 2023. The amount recognized relates to a capital grant received in a prior fiscal year through the Coronavirus State and Local Fiscal Recovery Fund. The University did not receive nor recognize any COVID-19 related funds as revenue in the consolidated statements of activities for the year ended June 30, 2024.

#### **(f) *Split-Interest Agreements and Interests in Trusts***

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

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 net asset value, which is a practical expedient for fair value, as described in notes 5 and 6. Investment income, including dividend and interest, is recognized when earned.

Investments measured at net asset value, include the University's interests in limited partnerships and limited liability companies (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, 2024 and 2023, the University had no plans or intentions to sell investments at amounts different from net asset value. The net asset values are reported by the general partners or fund managers and are reviewed and evaluated by the University. These net asset 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.

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

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

Property, plant, and equipment is stated at cost, if purchased, or at estimated fair value at the date of receipt, if donated. Costs of major renovations to buildings are capitalized. Costs of equipment and furnishings in excess of \$5,000 with a useful life expectancy of two years or more 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 and depreciated 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.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets or the lease term, if shorter, as follows:

<u>Class of property</u>	<u>Range of useful lives (years)</u>
Land improvements	15
Buildings	40
Equipment and furnishings	2-20
Library	10
Finance leasehold and leasehold improvements	29-40

Land used by the University is not depreciated. Art and collections held by the University are not depreciated.

#### **(i) Nonoperating Activities**

Nonoperating activities include investment return, net of endowment distributions for operations; contributions for endowment and plant purposes; State capital appropriations; the operations of subsidiaries ancillary to the University's mission; postemployment costs other than service costs; changes in postemployment benefit obligations and asset retirement obligations and interest rate swaps; 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."

#### **(j) Income Taxes**

The University is exempt from federal income tax under Section 501(a) as an organization described in Section 501(c)(3) and is further classified as a public charity as described in Sections 170(b)(1)(A)(ii) of the Internal Revenue Code (Code). 1743 Holdings, LLC, Blue Hen Hotel, LLC and UD Health LLC are Delaware single member LLCs with the University as a sole member and treated as disregarded entities for tax purposes. Blue Hen Wind, Inc. is a for-profit corporation wholly owned by the University, therefore it reports income and expenses separately from the University for tax purposes.

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The University is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The University follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The statute of limitations on the University’s federal and state tax returns remains open for the years ended June 30, 2021 through the present. The University has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements as of June 30, 2024 and 2023.

#### **(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 Nursing Student Loan program are loaned to qualified students, administered by the University, and are required to be reloaned after collections. These funds, which are ultimately refundable to the government and are included in other liabilities, aggregated approximately \$4,260,000 and \$5,063,000 as of June 30, 2024 and 2023, 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 other liabilities, with changes in fair value recognized within other, net of the other changes in net assets without donor restrictions in the consolidated statements of activities.

#### **(n) New Accounting Pronouncements**

In June 2016, the FASB issued Accounting Standards Update 2016-13 *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. Under ASU 2016-13, entities must estimate expected credit losses based on past events, current conditions,

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and future forecasts that affect the collectability of the financial asset. The University adopted the new standard on a modified retrospective basis in fiscal year 2024 and there was no material impact on the University's consolidated financial statements.

**(o) Reclassification of Prior Year Presentation**

Certain prior year figures have been reclassified to conform with the current year presentation. These reclassifications had no effect on the previously reported change in net position.

**(2) Liquidity**

The following table reflects the University's financial assets as of June 30, 2024 and 2023, available for general expenditures within one year (in thousands):

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 43,850	50,431
Operating investments	264,481	250,501
Accounts and notes receivable collectible within one year	56,590	75,184
Operating funds invested in pooled portfolio	234,507	223,848
Estimated endowment spending payout – 2025 and 2024	<u>70,606</u>	<u>65,930</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 670,034</u>	<u>665,894</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 until maturity in May 2027. Additionally, as of June 30, 2024 and 2023, the University had board designated endowments and other investments of approximately \$463,431,000 and \$440,629,000. 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.

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**(3) Contributions Receivable**

Contributions receivable as of June 30, 2024 and 2023 are summarized as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Less than one year	\$ 6,592	5,744
One to five years	14,530	12,158
Over five years	<u>2,110</u>	<u>2,555</u>
	23,232	20,457
Less:		
Allowance for uncollectible pledges	(554)	(784)
Unamortized discounts	<u>(2,049)</u>	<u>(1,786)</u>
	<u>\$ 20,629</u>	<u>17,887</u>

Contributions to be received after one year are discounted at rates ranging from 1.1% to 5.2%.

**(4) Restricted Deposits**

Restricted deposits as of June 30, 2024 and 2023 consisted of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Debt service reserve funds	\$ 6,410	10,092
Other deposits	2,917	2,533
Unexpended bond proceeds	<u>—</u>	<u>48,804</u>
	<u>\$ 9,327</u>	<u>61,429</u>

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 10. These funds are generally invested in cash equivalents, but not considered restricted cash equivalents for purposes of the statements of cash flows.

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.

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**(5) Investments**

The fair value by investment class as of June 30, 2024 and 2023 consist of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Money market and other liquid funds	\$ 41,147	35,263
U.S. government obligations	209,460	201,380
Corporate obligations	197,805	230,836
Stock and convertible securities	408,305	272,831
International equity investments	2,733	1,722
Limited partnerships and limited liability corporations (LLCs)	1,506,464	1,491,641
Other	7,030	8,835
Total	<u>\$ 2,372,944</u>	<u>2,242,508</u>
	<u>2024</u>	<u>2023</u>
Operating investments	\$ 264,481	250,501
Investments	2,108,463	1,992,007
	<u>\$ 2,372,944</u>	<u>2,242,508</u>

Included in the investments table above are approximately \$8,554,000 and \$5,510,000 of annuity and life-income funds at June 30, 2024 and 2023, respectively (see note 7).

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.

Investment return for fiscal years ended June 30, 2024 and 2023 was as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Dividend and interest income	\$ 46,579	35,368
Net realized and unrealized gains	167,692	79,933
External investment management fees and expenses	(4,939)	(4,687)
Investment return, net	<u>\$ 209,332</u>	<u>110,614</u>

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Investment return is presented for fiscal years ended June 30, 2024 and 2023 as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Investment income, net	\$ 30,464	26,216
Endowment distributions	66,497	61,936
Investment return net of endowment distributions	<u>38,431</u>	<u>2,330</u>
	<u>135,392</u>	<u>90,482</u>
With donor restrictions:		
Investment return net of endowment distributions	73,873	19,775
Other, net	<u>67</u>	<u>357</u>
	<u>73,940</u>	<u>20,132</u>
Investment return, net	<u>\$ 209,332</u>	<u>110,614</u>

**(6) Fair Value Measurements**

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

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

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

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

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

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

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

#### **(a) Investments and Restricted Deposits**

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

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

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

Investments in investee funds that are valued using the net asset value (NAV) of the underlying investee fund as a practical expedient have been excluded from the fair value hierarchy and are shown as a separate column in the fair value leveling table. Where the University has the ability to redeem its investments with the investee at net asset value per share (or its equivalent) using the practical expedient, such investments have been excluded from the fair value hierarchy.

#### **(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.

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**(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.

The following tables present 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, 2024 and 2023 consolidated balance sheets (in thousands):

	<b>June 30, 2024</b>				<b>Net asset value</b>
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets:					
Investments:					
Money market and other liquid funds	\$ 41,147	41,038	109	—	—
U.S. government obligations:					
Mortgage-backed securities	38,869	—	38,869	—	—
Treasury obligations	168,455	168,308	147	—	—
Other	2,136	658	1,478	—	—
	<u>209,460</u>	<u>168,966</u>	<u>40,494</u>	<u>—</u>	<u>—</u>
Corporate obligations	197,805	354	197,451	—	—
Stock and convertible securities	408,305	405,104	3,201	—	—
International investments	2,733	78	2,655	—	—
Other	7,030	2,860	—	4,170	—
Limited partnerships and LLCs	<u>1,506,464</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,506,464</u>
Total investments	2,372,944	618,400	243,910	4,170	1,506,464
Restricted deposits	9,327	9,327	—	—	—
Funds held in trust by others	<u>86,541</u>	<u>—</u>	<u>—</u>	<u>86,541</u>	<u>—</u>
Total	<u>\$ 2,468,812</u>	<u>627,727</u>	<u>243,910</u>	<u>90,711</u>	<u>1,506,464</u>
Financial liabilities, included in the other liabilities:					
Annuity and life income funds payable	\$ 4,860	—	—	4,860	—
Interest rate swaps	<u>4,030</u>	<u>—</u>	<u>4,030</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 8,890</u>	<u>—</u>	<u>4,030</u>	<u>4,860</u>	<u>—</u>

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	<b>June 30, 2023</b>				<b>Net asset value</b>
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets:					
Investments:					
Money market and other liquid funds	\$ 35,263	34,930	333	—	—
U.S. government obligations:					
Mortgage-backed securities	46,027	—	46,027	—	—
Treasury obligations	153,257	153,101	156	—	—
Other	2,096	543	1,553	—	—
	<u>201,380</u>	<u>153,644</u>	<u>47,736</u>	<u>—</u>	<u>—</u>
Corporate obligations	230,836	346	230,490	—	—
Stock and convertible securities	272,831	270,805	2,026	—	—
International investments	1,722	72	1,650	—	—
Other	8,835	2,793	—	6,042	—
Limited partnerships and LLCs	1,491,641	—	—	—	1,491,641
Total investments	<u>2,242,508</u>	<u>462,590</u>	<u>282,235</u>	<u>6,042</u>	<u>1,491,641</u>
Restricted deposits	61,429	61,429	—	—	—
Funds held in trust by others	80,629	—	—	80,629	—
Total	<u>\$ 2,384,566</u>	<u>524,019</u>	<u>282,235</u>	<u>86,671</u>	<u>1,491,641</u>
Financial liabilities, included in the other liabilities:					
Annuity and life income funds payable	\$ 3,302	—	—	3,302	—
Interest rate swaps	5,840	—	5,840	—	—
Total	<u>\$ 9,142</u>	<u>—</u>	<u>5,840</u>	<u>3,302</u>	<u>—</u>

During the year ended June 30, 2023, approximately \$688,000 was transferred out of Level 3 investments. University's interest in funds held in trust by others changed in 2023 primarily due to underlying investment losses. There were no amounts transferred out of Level 3 investments during the year ended June 30, 2024.

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The following table presents the attributes of the University's alternative investments in limited partnerships and LLCs as of June 30, 2024 and 2023, which are stated at net asset value as a practical expedient for fair value, as reported by the funds (in thousands):

	<u>2024</u>	<u>2023</u>	<u>Estimated remaining lives (years)</u>	<u>As of June 30, 2024 unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice frequency</u>
Limited partnerships and LLCs:						
Equity funds	\$ 228,410	312,443	—	\$ —	Monthly	10 Days
Fixed income	53,395	42,586	—	—	Monthly	10 Days
Hedge funds	323,951	294,532	—	—	Annually	90-100 days
Private equity	733,533	697,716	1-12	298,852	Not eligible	N/A
Real assets	160,403	144,364	1-12	102,097	Not eligible	N/A
Private debt	6,772	—	1-9	28,228	Not eligible	N/A
	<u>\$ 1,506,464</u>	<u>1,491,641</u>		<u>\$ 429,177</u>		

Subsequent to June 30, 2024, the University executed additional commitments of \$15,000,000.

#### **Equity Funds**

This category includes investments in commingled funds that invest primarily in domestic and international equity securities.

#### **Fixed Income**

This category includes investments in commingled funds that invest primarily in public securities.

#### **Hedge Funds**

This category includes investments in hedge funds that pursue multiple strategies and long-short strategies to diversify risks and reduce volatility. The hedge 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. This category also 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 private limited partnerships and LLCs 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.

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***Private Equity***

This category includes illiquid investments in buyout, mezzanine, venture capital, growth equity, and distressed debt held in commingled limited partnership funds.

***Real Assets***

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

***Private Debt***

This category includes investments in commingled funds that invest primarily in private debt securities.

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

The University held approximately \$8,554,000 and \$5,510,000 in investments related to annuity and life income funds as of June 30, 2024 and 2023, respectively. A related liability of approximately \$4,860,000 and \$3,302,000 as of June 30, 2024 and 2023, 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, 2024 and 2023 consisted of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Land	\$ 58,942	58,942
Land improvements	92,157	92,157
Buildings	2,390,718	2,324,878
Equipment, furnishings, art, and collections	414,834	412,592
Library	332,156	321,246
Finance leasehold and leasehold improvements	90,719	85,853
Construction in progress	205,843	135,755
	<u>3,585,369</u>	<u>3,431,423</u>
Less accumulated depreciation	<u>(1,553,187)</u>	<u>(1,493,882)</u>
	<u>\$ 2,032,182</u>	<u>1,937,541</u>

As of June 30, 2024, the University had outstanding contractual commitments of approximately \$83,102,000 for building and renovation projects. Interest costs associated with various construction projects of approximately \$5,979,000 and \$4,981,000 were capitalized at June 30, 2024 and 2023, respectively.

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Right-of-use assets from finance leases were approximately \$89,301,000 and \$85,853,000 and are included in finance leasehold and have corresponding accumulated depreciation of approximately \$21,698,000 and \$18,703,000 at June 30, 2024 and 2023, respectively. Lease liabilities from finance leases are included in long-term debt and finance leases on the consolidated balance sheets.

**(9) 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.

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 years ended June 30, 2024 and 2023 (in thousands):

	<b>2024</b>	<b>2023</b>
Lease expense:		
Amortization of right-of-use assets	\$ 2,995	2,880
Interest on lease liabilities	2,302	2,359
Operating lease expense	7,944	5,158
Total lease expense	\$ 13,241	10,397

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, 2024 (in thousands):

<b>Year</b>	<b>Operating</b>	<b>Finance</b>
2025	\$ 5,580	3,734
2026	4,556	3,734
2027	2,862	3,734
2028	1,769	3,734
2029	1,606	3,776
Thereafter	6,084	64,745
Total lease payments	22,457	83,457
Less imputed interest	188	29,290
Present value of lease liabilities	\$ 22,269	54,167

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The weighted-average remaining lease term and discount rate for operating and finance leases as of June 30, 2024 are as follows:

	<b>Operating</b>	<b>Finance</b>
Weighted average remaining lease term	6.2 Years	21.9 Years
Weighted average discount rate	3.60 %	4.19 %

The weighted-average remaining lease term and discount rate for operating and finance leases as of June 30, 2023 are as follows:

	<b>Operating</b>	<b>Finance</b>
Weighted average remaining lease term	3.5 Years	22.9 Years
Weighted average discount rate	5.16 %	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 sublease income of approximately \$853,000 and \$670,000 in other revenue during the years ended June 30, 2024 and 2023, respectively.

The following table contains the maturity analysis of the approximate future minimum rental revenue under operating leases that have initial or remaining noncancelable lease terms for the years ended June 30 (in thousands):

2025	\$	1,576
2026		1,507
2027		785
2028		784
2029		701
Thereafter		67,992
	\$	73,345

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**(10) Long-Term Debt and Finance Leases**

Indebtedness at June 30, 2024 and 2023 consisted of the following (in thousands):

	Fiscal year of maturity	Interest rate(s)%	Outstanding principal	
			2024	2023
Variable-rate debt:				
Series 2004B	2035	3.62 %	\$ 29,305	29,305
Series 2005	2036	4.19	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	2,420	3,185
	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	72,980	82,620
Series 2019A	2046	5.00	43,515	44,575
Fixed-rate debt			<u>458,820</u>	<u>470,285</u>
Finance leases (note 9)	2043–2049	4.11–4.25	54,167	55,596
			<u>624,317</u>	<u>637,211</u>
Premium on long-term debt, net of debt issue costs of \$2.5 million (2024) and \$2.6 million (2023)			32,450	33,961
Long-term debt and finance leases			<u>\$ 656,767</u>	<u>671,172</u>

With the exception of the Series 2018 taxable, 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 taxable, 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 Series 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.

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

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The Series 2010A Taxable Revenue Bonds are Build America Bonds and the University receives payments from the U.S. Treasury equal to 33.0% of the corresponding interest payable on the bonds (the Subsidy Payments). For the years ended June 30, 2024 and 2023, respectively, the University recognized subsidy payments of approximately \$2,584,000 and \$2,320,000, which are included as other revenue for the year the ended June 30, 2024. 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.

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, 2024.

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

2025	\$	11,644
2026		12,207
2027		12,818
2028		11,747
2029		6,207
Thereafter		569,694
	\$	624,317

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, 2027, May 31, 2029, and April 30, 2027, respectively.

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#### (11) Interest Rate Swap Agreements

The University holds interest rate swap agreements on its variable bonds, in which the University and counterparties agree to exchange the difference between fixed-rate and variable-rate calculated interest amounts during the agreement period. Notional principal amounts are used to express the volume of the transactions, but the cash requirements and amounts subject to credit risk are substantially less.

The following table summarizes the general terms of the University's interest rate swap agreements as of June 30, 2024 and 2023 (in thousands):

	Notional amount		Effective date	Termination	Fixed rate	Variable rate
	2024	2023		date		(as of June 30, 2024)
\$	3,085	3,755	Sept 2001	Sept 2027	5.50 %	5.45% (Daily Compound SOFR + 11.4bps)
	22,905	24,585	April 2004	Nov 2034	3.25	3.65% (67% Daily Compound SOFR + 11.4bps)
	20,385	21,670	July 2005	Nov 2035	3.87	3.65% (67% Daily Compound SOFR + 11.4bps)
	44,700	47,075	May 2007	Nov 2037	3.76	3.45% (SIFMA)
	19,435	21,435	Sept 2011	Aug 2031	3.74	3.70% (68% Daily Compound SOFR + 11.4bps)
\$	<u>110,510</u>	<u>118,520</u>				

The fair value of each swap is the estimated amount the University would pay or receive to terminate the swap agreement as of the reporting date while considering current interest rates and creditworthiness of the swap counterparties. The aggregate fair value of the University's interest rate swap agreements of approximately \$4,030,000 and \$5,840,000 is reported within other liabilities in the consolidated balance sheets as of June 30, 2024 and June 30, 2023, respectively. Changes in the fair value of interest rate swap agreements of approximately \$1,810,000 and \$6,049,000 are reported as gains within other revenue, without donor restrictions on the consolidated statement of activities for the years ended June 30, 2024 and June 2023, respectively.

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

#### (12) Employee Benefit Plans

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

The University's 403(b) Retirement Savings Plan is available to substantially all faculty and professional employees. The University's contribution for this program is fixed at 11% of annual base salary for eligible employees who contribute a minimum of 5% of their annual salary. The policy of the University is to pay its share of the cost accrued in connection with the University's Retirement Savings Plan. As a result, there are no unfunded benefits. Pension plan expense for the University's 403(b) Retirement Savings Plan was approximately \$41,504,000 in 2024 and \$38,659,000 in 2023.

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

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Notes to Consolidated Financial Statements

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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, 2026, 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 2024 and 2023 includes the following components (in thousands):

	<b>2024</b>	<b>2023</b>
Operating expenses:		
Service cost	\$ 3,114	3,560
Nonoperating costs:		
Interest cost	3,395	2,971
Amortization of prior service cost and losses	4,540	4,523
	7,935	7,494
Net periodic postemployment benefit cost	\$ 11,049	11,054

Benefits paid to participants were approximately \$17,269,000 and \$11,801,000 for the years ended June 30, 2024 and 2023, respectively. The University's estimated unfunded obligation related to this plan is approximately \$58,182,000 and \$69,598,000 and is included in postemployment benefit obligations on the consolidated balance sheets as of June 30, 2024 and 2023, respectively.

The accumulated benefit obligation was approximately \$40,621,000 and \$49,838,000 as of June 30, 2024 and 2023, respectively. The benefit obligation was determined using a discount rate of 5.46% as of June 30, 2024 and 5.21% as of June 30, 2023, and a rate of compensation increase of 2% for first two years and 3.00% thereafter. During 2024 and 2023, the net periodic benefit cost was determined using a service cost rate of 5.22% and 4.84%, respectively; and an interest cost rate of 5.48% and 4.16%, respectively.

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At of June 30, 2024, the University's expected future benefit payments are as follows (in thousands):

Year ending June 30:		
2025	\$	20,653
2026		2,558
2027		2,989
2028		3,038
2029		3,125
2030 through 2034		19,877

**(c) Postemployment**

The University also provides postemployment benefits primarily for medical insurance to retired employees who are not eligible under the State Pension 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 30<sup>th</sup> consolidated balance sheets. As of June 30, 2024, the University has not funded these benefits.

Net periodic postemployment benefit cost for 2024 and 2023 includes the following components (in thousands):

	<u>2024</u>	<u>2023</u>
Operating expenses:		
Service cost	\$ 11,957	10,228
Nonoperating costs:		
Interest cost	19,911	17,828
Amortization of prior service cost gains	<u>(1,478)</u>	<u>(916)</u>
	<u>18,433</u>	<u>16,912</u>
Net periodic postemployment benefit cost	<u>\$ 30,390</u>	<u>27,140</u>

The accumulated postemployment benefit obligation recognized in the consolidated balance sheets at June 30, 2024 and 2023 is as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Accrued postemployment liability	\$ 464,704	445,889
Unrecognized net gain	<u>(7,579)</u>	<u>(67,807)</u>
Accumulated postemployment benefit obligation	<u>\$ 457,125</u>	<u>378,082</u>

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Changes in the accumulated postemployment plan benefit obligation and funding status for 2024 and 2023 are as follows (in thousands):

	<b>2024</b>	<b>2023</b>
Benefit obligation at beginning of year	\$ 378,082	398,754
Service cost	11,957	10,228
Interest cost	19,911	17,828
Plan amendments	15,078	—
Actuarial loss (gain)	43,672	(37,920)
Disbursements	(11,575)	(10,808)
Benefit obligation at end of year	\$ 457,125	378,082

Prior to July 1, 2023, employees with a combined age of at least 55 and a minimum of 15 benefit years of service greater than or equal to 80 were eligible for retirement benefits under this plan. The eligibility requirements under the University's plan provision were amended effective July 1, 2023. Employees with a combined age of at least 55 and a minimum of 10 benefit years of service greater than or equal to 75 are now eligible for retirement benefits under the plan amendment. As a result, the University's accumulated postemployment plan benefit obligation and funding status increased by approximately \$15,078,000 as of June 30, 2024.

The assumptions used to calculate the accumulated postemployment benefit obligation at June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
Discount rate – Postemployment benefit obligation	5.57 %	5.23 %
Discount rate – Net periodic postemployment benefit costs	5.23	4.91
Healthcare cost trend rate – pre-65 claims:	7.00	7.25
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50	4.50
Year the rate reaches the ultimate trend rate	2034	2033
Healthcare cost trend rate – post-65 claims:	7.75	8.00
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50	4.50

The actuarial gains relate to changes in assumptions in discount rates, medical premium renewal, healthcare cost trends, and medical claims.

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At June 30, 2024, the University's expected future benefit payments are as follows (in thousands):

Year ending June 30:		
2025	\$	17,527
2026		18,881
2027		20,108
2028		21,409
2029		22,737
2030 through 2034		132,867

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

A portion of University employees participate in the Delaware State Employees' Pension Plan (the State Plan), a cost sharing defined benefit plan. This excludes designated faculty and staff as defined by the University. The State Plan (established in 1970) is one of nine plans encompassed within the Delaware Public Employees' Retirement System. 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, pension eligible employees also receive postemployment healthcare benefits through the State Plan, which are funded by the State Pension on a pay-as-you-go basis other postemployment benefits (OPEB).

The University is required to pay its share of the annual premium accrued in connection with the State Plan (inclusive of Pension and OPEB), which is based upon a percentage of covered payroll. The percentage of covered payroll was 23.04% and 22.62% in 2024 and 2023. Expense recognized for the State Plan was approximately \$15,131,000 and \$14,152,000 in 2024 and 2023, respectively.

The State Plan's financial statements and actuarial reports for June 30, 2023 (most recent available) indicate the following:

The University has 1,210 active participants in the State Plan. The State Plan, in total, has 76,368 participants, 39,412 of which are active participants.

The University's contribution to the State Plan in fiscal year June 30, 2023 of approximately \$6,515,000 was approximately 2.4% of the \$269,678,000 total annual required plan employer contributions to the State Plan.

As of June 30, 2023, the State Plan had an 87.0% funded ratio of the actuarial accrued liability.

The funding objective of the State Plan is to establish contribution rates that, over time, will remain level as a percent of payroll. The contribution rate was developed to provide for current cost (i.e., normal cost expressed as a level percent of payroll) plus level percent of payroll amortizations of each layer of the unfunded liability over a specified period. The participant organizations to the State Plan have consistently funded the full amounts required based on the actuarial valuations and specific statutory provisions.

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As disclosed in the State of Delaware's Other Postemployment Benefits (OPEB) Fund Trust Schedules of Employer Allocations and OPEB Amounts by the Employer Report for the year ended June 30, 2023 (most recent available), the State had a net liability of \$8.2 billion. The University's contribution to the OPEB Fund in fiscal year June 30, 2023, of approximately \$9,263,000 was approximately 2.5% of the \$374,528,000 total annual required employer contributions to the plan.

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

The University maintains health insurance benefits for its employee base through the State of Delaware. Premiums are established annually by the State based upon employee elections for coverages. The University remits premiums monthly to the State. For full-time employees, the University's health plan coverage contribution averages 91 percent of the total premium, depending on the plan and coverage tier. The University also pays the cost of "employee-only" vision, full cost of dental coverage, standard long-term disability, and life insurance equal to the elected level of coverage. Medical insurance expense for 2024 and 2023 was approximately \$77,960,000 and \$68,940,000, respectively.

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**(13) Net Assets**

The University's net assets as of June 30, 2024 and 2023 includes (in thousands):

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Undesignated	\$ 336,218	371,969
Board designated endowment	463,431	440,629
Commitments for postemployment obligations	(515,307)	(447,680)
Commitments for interest rate swap agreements	(4,030)	(5,840)
Net investment in plant	<u>1,279,041</u>	<u>1,232,015</u>
Total net assets without donor restrictions	<u>\$ 1,559,353</u>	<u>1,591,093</u>
With donor restrictions:		
Contributions receivable:		
For operations, primarily instruction	\$ 6,178	4,310
For buildings	9,632	8,173
For endowment	<u>4,819</u>	<u>5,404</u>
Total contributions receivable	<u>20,629</u>	<u>17,887</u>
Amounts received subject to expenditures for specified purposes:		
Student aid and instruction	32,106	20,898
Research and other	17,218	19,381
Capital additions	<u>75,843</u>	<u>60,299</u>
Total expendable subject to purpose restrictions	<u>125,167</u>	<u>100,578</u>
Endowment earnings subject to future appropriations:		
General institutional support	602,111	568,996
Student aid	125,556	112,428
Instruction	190,096	172,014
Research and other	<u>28,552</u>	<u>25,279</u>
	<u>946,315</u>	<u>878,717</u>
Perpetual endowment funds – original gift corpus:		
General institutional support	71,886	71,641
Student aid and instruction	323,511	310,832
Research and other	<u>38,110</u>	<u>37,335</u>
	433,507	419,808
Other funds	4,150	2,649
Funds held in trust by others, primarily for general institutional support	<u>86,541</u>	<u>80,629</u>
Total net assets with donor restrictions	<u>\$ 1,616,309</u>	<u>1,500,268</u>

**UNIVERSITY OF DELAWARE**  
Notes to Consolidated Financial Statements  
June 30, 2024 and 2023

*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, 2024 and 2023 as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Purpose restrictions accomplished – operating:		
Instruction and operations	\$ 6,127	7,385
Scholarships	736	3,481
Student services	1,759	1,289
Academic support	2,246	910
Other	<u>6,132</u>	<u>4,938</u>
Total purpose restrictions accomplished – operating	<u>\$ 17,000</u>	<u>18,003</u>
Purpose restrictions accomplished – non-operating:		
Capital asset additions	\$ 28,645	24,868

**(14) Endowment**

As of June 30, 2024, the University endowment consists of approximately 1,435 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 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.

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

#### **(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 University must hold in perpetuity or for a donor specified period as well as board-designated funds. Under this policy approved by the Board of Trustees, the endowment funds are invested in a manner that is intended to achieve an average annual real return of at least 5% over time while assuming an acceptable level of investment risk. Actual returns in any year may vary from that amount. To monitor the effectiveness of the investment strategy of endowment funds, performance goals are established and monitored related to benchmark indices and returns earned by comparable endowment funds.

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

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

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

In accordance with the State's enacted version of UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the University and the donor restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the University, and (7) the investment policies of the University.

The University endowment spending policy guidelines target an annual distribution in the range of 4.0% to 5.0% of the endowment pooled portfolio average market value over the 12 trailing quarters through December 31 of the year prior to the new fiscal year. The actual rate is set annually by the Board of Trustees and was 4.00% at June 30, 2024 and 2023.

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

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

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the original gift amount maintained as net assets with donor restrictions. Deficiencies of this nature were approximately \$23,000 and \$234,000 as of June 30, 2024 and June 30, 2023, respectively. These deficiencies resulted from unfavorable market fluctuations.

**UNIVERSITY OF DELAWARE**  
Notes to Consolidated Financial Statements  
June 30, 2024 and 2023

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

Endowment net assets by type of fund consist of the following as of June 30, 2024 and 2023 (in thousands):

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor restricted	\$ —	1,376,349	1,376,349
Board designated	463,431	3,473	466,904
	\$ 463,431	1,379,822	1,843,253
	<b>2023</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor restricted	\$ —	1,295,230	1,295,230
Board designated	440,629	3,295	443,924
	\$ 440,629	1,298,525	1,739,154

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, 2024, 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 approximately \$582,569,000. Additionally, \$360,272,000 as of June 30, 2024, is determined to be with purpose restrictions as set forth by the donors.

**UNIVERSITY OF DELAWARE**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Changes in endowment net assets for the years ended June 30, 2024 and 2023 (in thousands) are as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2022	\$ 435,126	1,267,069	1,702,195
Total investment return	21,419	62,976	84,395
Contributions	34	12,800	12,834
Endowment spending distribution	(16,001)	(46,597)	(62,598)
Other changes, including life income fund and other transfers	51	2,277	2,328
Endowment net assets, June 30, 2023	440,629	1,298,525	1,739,154
Total investment return	39,697	117,525	157,222
Contributions	35	12,583	12,618
Endowment spending distribution	(16,930)	(49,882)	(66,812)
Other changes, including life income fund and other transfers	—	1,071	1,071
Endowment net assets, June 30, 2024	\$ <u>463,431</u>	<u>1,379,822</u>	<u>1,843,253</u>

**(15) Scholarship Allowance**

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

The table below identifies this financial assistance by source and by student classification for the years ended June 30, 2024 and 2023 (in thousands):

	<b>2024</b>			<b>2023</b>		
	<b>Undergraduate</b>	<b>Graduate</b>	<b>Total</b>	<b>Undergraduate</b>	<b>Graduate</b>	<b>Total</b>
Tuition:						
Unrestricted	\$ 149,806	34,741	184,547	144,680	33,610	178,290
Federal grants	1,051	3,367	4,418	1,073	3,093	4,166
State grants	19,755	818	20,573	17,922	771	18,693
Private gifts	4,469	1,501	5,970	4,220	1,580	5,800
Endowment	10,382	600	10,982	5,018	347	5,365
Total	185,463	41,027	226,490	172,913	39,401	212,314
Student aid expenses	3,537	4,410	7,947	4,146	3,905	8,051
Total	\$ <u>189,000</u>	<u>45,437</u>	<u>234,437</u>	<u>177,059</u>	<u>43,306</u>	<u>220,365</u>

## UNIVERSITY OF DELAWARE

### Notes to Consolidated Financial Statements

June 30, 2024 and 2023

#### **(16) Related Party Transactions**

Per University policy, each member of the Board of Trustees and senior administration completes a conflict of interest policy disclosure statement on an annual basis and at such other times as a potential conflict of interest may arise. This policy requires, among other things, that senior administrators act in a manner consistent with their fiduciary duty and responsibilities to the University. Senior administrators and Trustees are to recuse themselves from participation in any University decision in which, by any reasonable standard, institutional or other connections could influence his or her independent judgement. Disclosure is required in writing of any association, relationship, business arrangement, or circumstance that might suggest to disinterested and objective observers that decisions were made contrary to the best interests of the University and for personal gain or the gain of family, affiliates, or non-University business associates at the expense of the University.

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 administrators. Although not material, the University believes that these transactions are executed on terms comparable to those available from unrelated parties and are in the best interest of the University.

#### **(17) Contingencies**

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

#### **(18) Subsequent Events**

In connection with the preparation of the consolidated financial statements, the University evaluated subsequent events after the consolidated balance sheet date of June 30, 2024 through November 15, 2024, 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  
June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Research & Development Cluster:				
United States Department of Agriculture Programs:				
Direct:				
US Department of Agriculture Programs	10.000		—	4,619
Agricultural Research Basic and Applied Research	10.001		—	525,810
Plant and Animal Disease, Pest Control, and Animal Care	10.025		13,146	555,434
Cooperative Forestry Research	10.202		—	196,963
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		—	1,644,780
Animal Health and Disease Research	10.207		—	18,523
Biotechnology Risk Assessment Research	10.219		—	153,141
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250		66,791	66,791
Integrated Programs	10.303		—	39,068
Agriculture and Food Research Initiative (AFRI)	10.310		703,446	2,789,495
Urban, Indoor, and Other Emerging Agricultural Production Research, Education, and Extension Initiative	10.333		125,889	134,277
Renewable Resources Extension Act	10.515		—	46,592
Urban and Community Forestry Program	10.675		24,000	144,590
International Forestry Programs	10.684		—	147,961
Research Joint Venture and Cost Reimbursable Agreements	10.707		11,327	156,932
Partnerships for Climate-Smart Commodities	10.937		—	30,260
Subtotal: United States Department of Agriculture Programs: -- Direct			<u>944,599</u>	<u>6,655,336</u>
Pass-through:				
Purdue University	10.001	F9002701002007	—	126,949
Subtotal for ALN 10.001			—	<u>126,949</u>
Delaware Department of Agriculture	10.170	SCBGP-FB-23-07	—	14,636
Delaware Department of Agriculture	10.170	SCBGP-FB-22-03	—	9,475
Delaware Department of Agriculture	10.170	SCBGP-FB-22-01	—	1,889
Delaware Department of Agriculture	10.170	SCBGP-FB-21-06	—	7,598
Delaware Department of Agriculture	10.170	23A01010	—	1,692
Delaware Department of Agriculture	10.170	21SCBGPDE1065	—	13,502
Delaware Department of Agriculture	10.170	SCBGP-FB-22-08	—	2,819
Delaware Department of Agriculture	10.170	SCBGP-FB-22-04	—	8,974
Subtotal for ALN 10.170			—	<u>60,585</u>
University of Maryland Eastern Shore	10.200	2021-34383-34848	—	5,859
University of Maryland Eastern Shore	10.200	2023IR4SZ432808owensDEL	—	5,176
University of Maryland Eastern Shore	10.200	IR4SZ4327370/SLR/owensDEL	—	2,222
Subtotal for ALN 10.200			—	<u>13,257</u>
University of Maryland	10.215	88804-Q3173202	—	15,570
University of Vermont	10.215	ONE22-417-AWD00000495	—	7,802
University of Vermont	10.215	GNE22-294-AWD00000495	—	15,000
Subtotal for ALN 10.215			—	<u>38,372</u>
University of Maine	10.304	UMS1423	—	26,853
Subtotal for ALN 10.304			—	<u>26,853</u>
Pennsylvania State University	10.309	S000322-USDA	—	149,031
University of Florida	10.309	SUB00002389	—	122,380
University of Georgia	10.309	SUB00003306	—	10,558
University of Maryland-College Park	10.309	129631-Z5426204	—	21,901
Virginia Tech	10.309	423776-19650	—	3,251
Pennsylvania State University	10.309	S004852-USDA	—	20,370
University of California-Davis	10.309	A23-1476-S003	—	135,850
Subtotal for ALN 10.309			—	<u>463,341</u>
Stroud Water Research Center	10.310	320106-55900	—	92,438
University of California-Davis	10.310	A21-0253-S002	—	20,657
Auburn University	10.310	23-BIOSYS-205267-UDE	—	38,455
California State University - Institute	10.310	A21-0011-S001	—	(2,038)
University of Connecticut	10.310	416949	—	9,861
North Carolina State University	10.310	2019-1507-27	—	137,788
Auburn University	10.310	23-BIOSYS-205301-UDE	—	8,447
University of Maryland	10.310	65255-Z5062203	—	8,680
Auburn University	10.310	23A01646	—	31,142
Subtotal for ALN 10.310			—	<u>345,430</u>
Florida State University	10.326	R000003285	—	11,403
Subtotal for ALN 10.326			—	<u>11,403</u>
Virginia Polytechnic Institute	10.329	423616-19650	—	25,941
Pennsylvania State University	10.329	S002668-USDA	—	62,119
Subtotal for ALN 10.329			—	<u>88,060</u>
University of Connecticut	10.912	179200711	—	678
Texas A & M University	10.912	M2101786	—	24,711
University of Maryland	10.912	95758-Z51188201	—	211,261
Subtotal for ALN 10.912			—	<u>236,650</u>
Subtotal: United States Department of Agriculture Programs: -- Pass-through			—	<u>1,410,900</u>
Total: United States Department of Agriculture Programs:			<u>944,599</u>	<u>8,066,236</u>

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Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Department of Commerce Programs:</b>				
Direct:				
Integrated Ocean Observing System (IOOS)	11.012		\$ 4,178,012	5,823,600
Sea Grant Support	11.417		154,849	1,884,513
Coastal Zone Management Estuarine Research Reserves	11.420		—	53,585
Climate and Atmospheric Research	11.431		—	59,891
Special Oceanic and Atmospheric Projects	11.460		56	56
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478		10,011	236,630
Measurement and Engineering Research and Standards	11.609		—	2,367,607
Arrangements for Interdisciplinary Research Infrastructure	11.619		2,444,285	12,616,429
COVID-19: Arrangements for Interdisciplinary Research Infrastructure	11.619		4,922,076	33,905,940
Marine Debris Program	11.999		—	145,651
Subtotal: Department of Commerce Programs: -- Direct			<u>11,709,289</u>	<u>57,093,902</u>
Pass-through:				
University of California-San Diego	11.011	703624	—	(22)
Subtotal for ALN 11.011			—	(22)
Rutgers, State University of New Jersey	11.012	2692	—	3,352
Woods Hole Oceanographic Institute	11.012	24021906	—	22,232
Virginia Institute of Marine Science	11.012	723846-712683	16,805	32,280
Southeast Coastal Ocean Observing	11.012	IOOS.22(178)UD.GK.HURGLD.	339,538	448,783
Subtotal for ALN 11.012			<u>356,343</u>	<u>506,627</u>
UMD Center for Environmental Science	11.017	SA075259150 PO130363	—	17,060
Subtotal for ALN 11.017			—	17,060
University of Rhode Island	11.417	00009737/752022	—	7,541
Subtotal for ALN 11.417			—	7,541
University of Michigan	11.419	21A00823	—	246,010
Subtotal for ALN 11.419			—	246,010
Northeast States Emergency Consortium	11.467	NA22NWS4670017-SUD	—	29,141
Northeast States Emergency Consortium	11.467	NA21NWS4670007-SUD	—	47,252
Northeast States Emergency Consortium	11.467	NA23NWS4670017-UD	—	54,687
Subtotal for ALN 11.467			—	131,080
Delaware State University	11.472	23-961HEH	—	6,310
Delaware Department of Natural Resources	11.472	22A00553	—	89,427
Subtotal for ALN 11.472			—	95,737
University of Alabama at Tuscaloosa	11.482	A23-0492-S001	—	5,830
Subtotal for ALN 11.482			—	5,830
STF Technologies, LLC	11.620	21A01799	—	73,025
Subtotal for ALN 11.620			—	73,025
Subtotal: Department of Commerce Programs: -- Pass-through			<u>356,343</u>	<u>1,082,888</u>
Total: Department of Commerce Programs:			<u>12,065,632</u>	<u>58,176,790</u>
<b>Department of Defense Programs:</b>				
Direct:				
Department of Defense Programs	12.000		396,281	2,490,487
Basic and Applied Scientific Research	12.300		1,120,470	7,771,662
Military Medical Research and Development	12.420		295,889	1,412,920
Basic Scientific Research	12.431		2,031,954	9,152,628
Basic, Applied, and Advanced Research in Science and Engineering	12.630		597,609	4,201,481
Air Force Defense Research Sciences Program	12.800		1,199,236	4,285,346
Research and Technology Development	12.910		(3,289)	89,602
Subtotal: Department of Defense Programs: -- Direct			<u>5,638,150</u>	<u>29,404,126</u>
Pass-through:				
Spectral Energies	12.000	SB2326-001-1	—	60,066
The Johns Hopkins University	12.000	184681	—	35,912
The Johns Hopkins University	12.000	181004	—	59,024
SRC, Inc.	12.000	SCRA01901	—	1,533,796
Spectral Energies	12.000	SB2323-001-1	—	116,612
Smart Material Solutions, Inc.	12.000	23A01236	—	63,194
Princeton Infrared Technologies, Inc.	12.000	21A01303	—	6,177
Phase Sensitive Innovations, Inc.	12.000	W911NF-24-P-0019 --23A105	—	50,692
Execet, Inc.	12.000	14289	—	78,874
Chip Design Systems	12.000	C02021-01	—	8,845
SRI International	12.000	PO79136	—	117,136
Subtotal for ALN 12.000			—	2,130,328
Washington University in St Louis	12.300	WU-22-0372/IPO # ST0000671	—	60,589
University of California-San Diego	12.300	KR 704612	—	76,510
Delaware State University	12.300	21-111-HEH	—	20,439
Phase Sensitive Innovations, Inc.	12.300	24A01170	—	47,101
Massachusetts Institute of Technology	12.300	s6095 PO #932917	—	70,976
Subtotal for ALN 12.300			—	275,615
NextFlex	12.330	50010.000.00-07	68,730	150,018
Subtotal for ALN 12.330			<u>68,730</u>	<u>150,018</u>
Henry M. Jackson Foundation	12.420	1075795-6303-65531	—	48,543
Subtotal for ALN 12.420			—	48,543

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Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
University of Kentucky	12.431	22A00387	\$ —	106,268
University of Maryland-College Park	12.431	109359-Z8468202	—	34,578
Clemson University	12.431	2309-203-2013716	—	134,443
University of Pittsburgh	12.431	AWD00006832 (419818-2)	—	590,537
Johns Hopkins University	12.431	21A01514	—	417,987
Carnegie-Mellon University	12.431	1130302-477355	—	103,304
Subtotal for ALN 12.431			—	1,387,117
University of North Carolina Wilmington	12.630	58751A-23-0347 Delaware	—	43,643
University of Massachusetts	12.630	S5131000046072A	—	36,609
University of South Alabama	12.630	A20-0011-S001	—	58,573
Subtotal for ALN 12.630			—	138,825
University of Wisconsin	12.740	0000001198	—	62,437
Henry M. Jackson Foundation	12.740	6061 (65544)	—	313,883
Henry M. Jackson Foundation	12.740	PO#1082159-FMP#6347-HJF	—	3,087
University of California-San Diego	12.740	704417	—	197,674
Henry M. Jackson Foundation	12.740	6064 (65544)	—	197,671
Subtotal for ALN 12.740			—	774,752
Arizona State University	12.800	ASUB00000463	—	(6,654)
BioMADE	12.800	T-OC-A-02-0079	—	270,511
University of California-San Diego	12.800	104170068	—	60,843
Massachusetts Institute of Technology	12.800	s6151, PO #968879	—	82,177
Rutgers, State University of New Jersey	12.800	SUB00002854	—	64,130
Subtotal for ALN 12.800			—	471,007
University of California-Riverside	12.910	S1723	—	164,385
Harvard University	12.910	23A01474	—	85,525
University of Florida, Gainesville	12.910	SUB00003620	—	175,543
Iowa State University	12.910	022714B	—	67,416
Subtotal for ALN 12.910			—	492,869
Subtotal: Department of Defense Programs: -- Pass-through			68,730	5,869,074
Total: Department of Defense Programs:			5,706,880	35,273,200
<b>Department of Interior Programs:</b>				
<b>Direct:</b>				
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423		32,183	95,984
Marine Minerals Activities	15.424		—	143,382
Coastal	15.630		—	40,490
Migratory Bird Monitoring, Assessment and Conservation	15.655		140,101	377,060
Assistance to State Water Resources Research Institutes	15.805		—	305,802
U.S. Geological Survey Research and Data Collection	15.808		—	130,970
National Center for Preservation Technology and Training	15.923		—	19,121
Cooperative Research and Training Programs - Resources of the National Park System	15.945		—	343,053
Subtotal: Department of Interior Programs: -- Direct			172,284	1,455,862
<b>Pass-through:</b>				
National Fish & Wildlife Foundation	15.670	0403.22.075156	—	72,295
Delaware State University	15.670	23-951HEH	—	69,483
Delaware State University	15.670	23-957HEH	—	14,855
Subtotal for ALN 15.670			—	156,633
University of Pennsylvania	15.945	587973	—	43,050
Subtotal for ALN 15.945			—	43,050
Subtotal: Department of Interior Programs: -- Pass-through			—	199,683
Total: Department of Interior Programs:			172,284	1,655,545
<b>Department of Justice Programs:</b>				
<b>Direct:</b>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		—	5,031
Subtotal: Department of Justice Programs: -- Direct			—	5,031
<b>Pass-through:</b>				
New Castle County Police	16.745	20A00910	—	7,440
Subtotal for ALN 16.745			—	7,440
Criminal Justice Council	16.812	21A00831	—	93
Subtotal for ALN 16.812			—	93
New Castle County Police	16.838	20A00908	—	14,104
Criminal Justice Council	16.838	2019-AR-Passthru-2663	—	50,978
Criminal Justice Council	16.838	2023-AR-Passthru-3208	—	74,973
Subtotal for ALN 16.838			—	140,055
Subtotal: Department of Justice Programs: -- Pass-through			—	147,588
Total: Department of Justice Programs:			—	152,619
<b>Department of State Programs:</b>				
<b>Pass-through:</b>				
American Councils for International Education	19.900	23A00838	—	23,201
Subtotal for ALN 19.900			—	23,201
Subtotal: Department of State Programs: -- Pass-through			—	23,201
Total: Department of State Programs:			—	23,201

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Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Department of Transportation Programs:</b>				
<b>Direct:</b>				
Railroad Research and Development	20.313		\$ —	97,589
Consolidated Rail Infrastructure and Safety Improvements	20.325		—	407,280
Subtotal: Department of Transportation Programs: -- Direct			—	504,869
<b>Pass-through:</b>				
Delaware Department of Transportation	20.000	Task 129-1929	—	104,102
Delaware Department of Transportation	20.000	2020P2	—	30,518
Delaware Department of Transportation	20.000	2020P3	—	87,719
Delaware Department of Transportation	20.000	2072P3	—	38,315
Delaware Department of Transportation	20.000	2073P5	—	93,003
Subtotal for ALN 20.000			—	353,657
Delaware Department of Transportation	20.200	Task 114-1929F	—	19,749
Delaware Department of Transportation	20.200	Task 123-1929	—	127,667
Delaware Department of Transportation	20.200	Task 124-1929	—	200,000
Delaware Department of Transportation	20.200	Task 135-1929F	—	38,792
Delaware Department of Transportation	20.200	Task 146-1929	—	108,127
Delaware Department of Transportation	20.200	Task 29-1891	—	2,814
Delaware Department of Transportation	20.200	Task 104-1929	—	(2,151)
Delaware Department of Transportation	20.200	Task 33-1929	—	48,229
Delaware Department of Transportation	20.200	2020P1	—	15,986
Delaware Department of Transportation	20.200	2074P7	—	10,785
Delaware Department of Transportation	20.200	2072P2	—	11,787
Delaware Department of Transportation	20.200	2020P8	—	18,707
Delaware Department of Transportation	20.200	2020P7	—	30,687
Delaware Department of Transportation	20.200	2020P6	—	8,225
Delaware Department of Transportation	20.200	2020P5	—	103,532
Delaware Department of Transportation	20.200	2020P4	—	77,900
Delaware Department of Transportation	20.200	Task 120-1929	—	88,544
Subtotal for ALN 20.200			—	909,280
Delaware Department of Transportation	20.205	Task 60-1929	—	106,163
Subtotal for ALN 20.205			—	106,163
Delaware Department of Transportation	20.530	TASK 91-1929	—	3,362
Subtotal for ALN 20.530			—	3,362
Morgan State University	20.701	MSUUD348303	—	110,668
University of Nevada-Las Vegas	20.701	17-22GL-01	—	103,730
Pennsylvania State University	20.701	5903-JD-DOT-7103	—	428,974
Subtotal for ALN 20.701			—	643,372
Delaware Department of Transportation	20.941	Task 149-1929F	—	148,160
Subtotal for ALN 20.941			—	148,160
Subtotal: Department of Transportation Programs: -- Pass-through			—	2,163,994
Total: Department of Transportation Programs:			—	2,668,863
<b>National Aeronautics and Space Administration Programs:</b>				
<b>Direct:</b>				
Science	43.001		338,855	2,278,540
Aeronautics	43.002		470,022	1,918,460
Office of Stem Engagement (OSTEM)	43.008		142,741	903,589
Space Technology	43.012		—	(66,585)
Subtotal: National Aeronautics and Space Administration Programs: -- Direct			951,618	5,034,004
<b>Pass-through:</b>				
Princeton University	43.000	SUB0000317	—	106,689
TalosTech LLC	43.000	22A00634	—	8,928
STF Technologies, LLC	43.000	22A01047	—	3,052
Space Telescope Science Institute	43.000	JWST-GO-02473.004-A	—	30,000
Space Telescope Science Institute	43.000	HST-GO-17186.001-A	—	2,942
Space Telescope Science Institute	43.000	HST-GO-17178.001-A	—	7,513
Intact Solutions	43.000	22A01119	—	13,645
Princeton University	43.000	SUB0000165	—	41,151
STF Technologies, LLC	43.000	23A01116	—	9,952
Composites Automation LLC	43.000	2022-0118 UD-CCM	—	144,045
University of New Hampshire	43.000	PZL0335	—	31,199
Phase Sensitive Innovations, Inc.	43.000	20220802	—	13
Subtotal for ALN 43.000			—	399,129
Princeton University	43.001	SUB0000517	—	57,186
Woods Hole Oceanographic Institute	43.001	22A00228	—	34,798
University of Maryland	43.001	98016-Z6338201	—	4,343
The University of Chicago	43.001	AWD101921 (SUB00000464)	—	323,726
Smithsonian Astrophysical Observatory	43.001	AR2-23015B	—	20,067
University of Montana	43.001	PG22-26988-01	—	44,845
Smithsonian Astrophysical Observatory	43.001	TM2-23003X	—	38,959
New Mexico Consortium	43.001	655-001	—	94,927
Oregon State University	43.001	NS309A-A	—	11,908
Southwest Research Institute	43.001	N99054DS	—	52,648
Smithsonian Astrophysical Observatory	43.001	TM3-24001X	—	23,162
University of South Florida	43.001	2500-1884-00-A	—	108,211
Subtotal for ALN 43.001			—	814,780
Rhodium Scientific	43.007	21A01738	—	22,502
Subtotal for ALN 43.007			—	22,502
Subtotal: National Aeronautics and Space Administration Programs: -- Pass-through			—	1,236,411
Total: National Aeronautics and Space Administration Programs:			951,618	6,270,415

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Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
National Endowment for the Humanities Programs:				
Direct:				
Promotion of the Humanities Fellowships and Stipends	45.160		\$ —	47,709
Subtotal: National Endowment for the Humanities Programs: -- Direct			—	47,709
Total: National Endowment for the Humanities Programs:			—	47,709
National Science Foundation Programs:				
Direct:				
National Science Foundation Programs	47.000		—	16,367
Engineering	47.041		317,104	6,881,414
Mathematical and Physical Sciences	47.049		546,507	10,611,015
Geosciences	47.050		1,411,556	9,001,109
Computer and Information Science and Engineering	47.070		202,583	2,016,743
Biological Sciences	47.074		125,588	2,957,952
Social, Behavioral, and Economic Sciences	47.075		34,263	291,215
STEM Education (formerly Education and Human Resources)	47.076		651,446	4,665,168
Polar Programs	47.078		57,040	203,349
Office of International Science and Engineering	47.079		108,599	469,738
Integrative Activities	47.083		1,098,585	3,361,059
NSF Technology, Innovation, and Partnerships	47.084		111,921	697,487
Subtotal: National Science Foundation Programs: -- Direct			4,665,192	41,172,616
Pass-through:				
Villanova University	47.041	23A01086	—	9,821
Johns Hopkins University	47.041	2006030093	—	14,248
Johns Hopkins University	47.041	2006048793	—	15,312
Johns Hopkins University	47.041	2005913780	—	43,651
University of Michigan	47.041	SUBK000153000	—	1,599
Johns Hopkins University	47.041	2005928267	—	98,896
University of California-Berkeley	47.041	2131111	—	49,328
University of Colorado	47.041	22A01578	—	50,846
West Chester University	47.041	WCU UD QISE 01	—	3,819
Johns Hopkins University	47.041	2005849010	—	45,702
Johns Hopkins University	47.041	2005848958	—	49,251
Johns Hopkins University	47.041	2005432336	—	31,987
University of Arizona	47.041	573543	—	38,438
Arizona State University	47.041	19A00100	—	(818)
Princeton University	47.041	SUB0000549	—	583,626
Subtotal for ALN 47.041			—	1,035,706
Delaware State University	47.049	23-134HEH	—	18,189
University of Wisconsin-Madison	47.049	2392	—	136,999
Las Cumbres Observatory	47.049	LCO-2206828-1	—	7,448
University of Colorado	47.049	1559525	—	159,444
University of Wisconsin	47.049	19A00687	—	(2,853)
Association of Universities for Research in Astronomy	47.049	22A01507	—	76,429
Subtotal for ALN 47.049			—	395,656
University of Wisconsin	47.050	000001308	—	180,824
University of Georgia	47.050	SUB00001905	—	29,205
Oregon State University	47.050	S1963A-A	—	5,695
Columbia University	47.050	107B(GG009393-04)	—	7,691
Columbia University	47.050	1(GG013157-01)	—	56,101
Auburn University	47.050	OIA-2316278	—	201,312
University of Georgia	47.050	SUB00003285	—	90,605
Columbia University	47.050	107C(GG009393-04)	—	4,608
Columbia University	47.050	107D(GG009393-04)	—	2,880
Consortium of Universities for the Advancement of Hydrologic Science, Inc	47.050	23A01314	—	2,173
Subtotal for ALN 47.050			—	581,094
University of the District of Columbia	47.070	NSF2131269-00	—	16,529
Computing Research Association	47.070	CS-PL-002	—	53,414
Computing Research Association	47.070	CSGrad4US2-Delaware	—	11,060
Drexel University	47.070	210063	—	19,961
Yale University	47.070	GR109687(CON-80002379)	—	(4,739)
The Ohio State University	47.070	SPC-1000005606(GR124840	—	117,045
Delaware State University	47.070	23-800HEH	—	59,592
University of North Texas	47.070	GF30181-1	—	35,130
Wayne State University	47.070	WSU23026	—	36,896
Subtotal for ALN 47.070			—	344,888
Purdue University	47.074	10001936-014	—	26,021
University of Idaho	47.074	AW5809-826663	—	53,481
Subtotal for ALN 47.074			—	79,502
Pennsylvania State University	47.075	S002841-NSF	—	41,529
University of Missouri-Columbia	47.075	C00080622-2	—	12,082
Harvard University	47.075	23A00103	—	2,878
Subtotal for ALN 47.075			—	56,489
Brown University	47.076	00002358	—	16,870
Boys Town	47.076	96443-B	—	2,950
Boston University	47.076	21A01425	—	30,614
University of California-Irvine	47.076	2022-1863	—	24,919
Old Dominion University	47.076	24-115-100987-010	—	34,897
Drexel University	47.076	920085	—	38,756
Drexel University	47.076	920179	—	(10,472)
Gooru	47.076	UD202325-002-2243797	—	47,360
Subtotal for ALN 47.076			—	185,894

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Rutgers, State University of New Jersey	47.078	20A01333	\$ —	21,418
Rutgers, State University of New Jersey	47.078	22A01156	—	101,243
Subtotal for ALN 47.078			—	122,661
University of Louisiana at Lafayette	47.083	330221-06	—	160,543
South Dakota School of Mines & Technology	47.083	SDSMT-UD 21-09	—	412,445
University of New Mexico	47.083	433754-87J5	—	539,114
Louisiana State University	47.083	PO-0000181868	—	371,889
University of Kansas	47.083	FY2022-038	—	571,255
Subtotal for ALN 47.083			—	2,055,246
SusMaX	47.084	2321815	—	15,251
University of Virginia	47.084	GR102689.SUB00000901	—	71,468
Wayne State University	47.084	WSU23057	—	137,126
Subtotal for ALN 47.084			—	223,845
Subtotal: National Science Foundation Programs: -- Pass-through			—	5,080,981
Total: National Science Foundation Programs:			4,665,192	46,253,597
Veterans Administration Programs:				
Direct:				
Veterans Administration Programs	64.000		—	36,396
Subtotal: Veterans Administration Programs: -- Direct			—	36,396
Total: Veterans Administration Programs:			—	36,396
Environmental Protection Agency Programs:				
Direct:				
Regional Wetland Program Development Grants	66.461		—	75,200
Science To Achieve Results (STAR) Research Program	66.509		—	9,160
Subtotal: Environmental Protection Agency Programs: -- Direct			—	84,360
Pass-through:				
Center for Watershed Protection	66.466	0606.22.074143	—	51,816
Biohabitats, Inc.	66.466	2022-2224-WPD-BIO	—	34,351
University of Maryland	66.466	105345-Q1247301	—	6,106
Subtotal for ALN 66.466			—	92,273
Texas Tech University	66.509	21J003-05	—	63,749
Subtotal for ALN 66.509			—	63,749
Delaware Department of Natural Resources	66.814	23A00741	—	90,554
Subtotal for ALN 66.814			—	90,554
Subtotal: Environmental Protection Agency Programs: -- Pass-through			—	246,576
Total: Environmental Protection Agency Programs:			—	330,936
Department of Energy Programs:				
Direct:				
Office of Science Financial Assistance Program	81.049		995,301	6,003,054
Conservation Research and Development	81.086		489,240	1,622,695
Renewable Energy Research and Development	81.087		566,407	1,106,434
Fossil Energy Research and Development	81.089		135,946	442,603
Advanced Research Projects Agency - Energy	81.135		379,902	1,963,380
Subtotal: Department of Energy Programs: -- Direct			2,566,796	11,138,166
Pass-through:				
Battelle Savannah River Alliance, LLC	81.000	0000662563	—	3,611
Argonne National Lab	81.000	4F-60102	—	45,413
Argonne National Lab	81.000	4F-60043	—	70,991
Sandia National Labs	81.000	2393252	—	20,000
Argonne National Lab	81.000	2F-60181	1,750	60,998
Argonne National Lab	81.000	1F-60336	—	20,380
Lawrence Berkeley National Laboratory	81.000	FP00012272	—	(91)
Brookhaven National Laboratories	81.000	404100	—	162,278
Lawrence Livermore National Laboratory	81.000	B661541	—	54,809
Oak Ridge National Laboratory	81.000	4000154744	—	28,017
Oak Ridge National Laboratory	81.000	4000211900	—	10,000
Oak Ridge National Laboratory	81.000	CW54220	—	52,207
Sandia National Labs	81.000	2329400	—	(661)
Lawrence Livermore National Laboratory	81.000	B657098	—	440,074
Subtotal for ALN 81.000			1,750	968,026
University of Virginia	81.049	AWD-004093.GR100823	—	92,122
University of Arkansas	81.049	UA2023-350	—	159,164
California State University - Institute	81.049	W1238_A22-0013-S003	—	36,877
Clemson University	81.049	2597-219-2025738	—	357,636
Virginia Polytechnic Institute	81.049	429443-19650	—	97,126
Colorado State University	81.049	G-70365-02	—	66,156
Energy 18H LLC	81.049	22A00258	—	224
University of Kentucky	81.049	3200005822-24-102	—	134,214
University of Maryland	81.049	135604-Z7160202	—	43,260
Michigan State University	81.049	RC114586	—	265,618
University of Nebraska	81.049	45-0516-1005-203	—	100,721
Northeastern University	81.049	21A01782	—	168,844
STF Technologies, LLC	81.049	23A00424	—	131,826
STF Technologies, LLC	81.049	20A00609	—	32,393
Subtotal for ALN 81.049			—	1,686,181

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Clemson University	81.086	2663-219-2024997	\$ —	107,088
Western Michigan University	81.086	10566-UD	—	142,659
Subtotal for ALN 81.086			—	249,747
Electric Power Research Institute	81.087	10013935	—	20,131
Electrical Distribution Design	81.087	8768-006	—	40,467
University of Central Florida	81.087	GR109060	—	29,490
Electrical Distribution Design	81.087	8768-005	—	17,387
Subtotal for ALN 81.087			—	107,475
University of Maryland, Baltimore	81.089	88901-Z7092201	—	151,603
Subtotal for ALN 81.089			—	151,603
University of Rochester	81.112	SUB00000056	—	22,163
University of Rochester	81.112	SUB00000800/GR534362	—	75,834
Subtotal for ALN 81.112			—	97,997
Subtotal: Department of Energy Programs: -- Pass-through			1,750	3,261,029
Total: Department of Energy Programs:			2,568,546	14,399,195
Department of Education Programs:				
Direct:				
Department of Education Programs	84.000		—	51,556
Education Research, Development and Dissemination	84.305		12,769	778,902
Research in Special Education	84.324		316,937	1,011,428
Subtotal: Department of Education Programs: -- Direct			329,706	1,841,886
Pass-through:				
Tulane University	84.305	TUL-SCC-561123-22/23	—	196,597
Vanderbilt University	84.305	OSA0000204	—	41,933
Educational Testing Service	84.305	19A00111	—	78,518
Duke University	84.305	343-0810	—	73,286
Duke University	84.305	343-000044	—	65,052
Delaware Department of Education	84.305	S24-30	—	153,454
University of California-Irvine	84.305	2021-1527	—	13,290
Subtotal for ALN 84.305			—	622,130
Subtotal: Department of Education Programs: -- Pass-through			—	622,130
Total: Department of Education Programs:			329,706	2,464,016
Department of Health & Human Services Programs:				
Direct:				
Department of Health and Human Services Programs	93.000		—	1,667
Innovations in Applied Public Health Research	93.061		—	150,924
Food and Drug Administration Research	93.103		(139)	618,028
Maternal and Child Health Federal Consolidated Programs	93.110		44,016	571,829
Oral Diseases and Disorders Research	93.121		—	1,040,518
Research Related to Deafness and Communication Disorders	93.173		858,981	2,844,106
Research and Training in Complementary and Integrative Health	93.213		—	2,063
Mental Health Research Grants	93.242		142,835	2,635,476
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		—	113,728
Drug Abuse and Addiction Research Programs	93.279		20,102	473,320
National Institutes of Health Extramural Loan Repayment Program	93.280		—	354,412
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		132,062	251,381
Trans-NIH Research Support	93.310		—	773,009
Research Infrastructure Programs	93.351		—	340,453
Nursing Research	93.361		168,981	561,974
Cancer Cause and Prevention Research	93.393		393,769	883,350
Cancer Treatment Research	93.395		—	291,829
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		119,607	384,610
ACL Assistive Technology	93.464		—	416,323
COVID-19: ACL Assistive Technology	93.464		—	19,204
Congressional Directives	93.493		—	3,097,810
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		—	578,073
COVID-19: University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		—	60,631
Cardiovascular Diseases Research	93.837		357,721	2,695,544
Lung Diseases Research	93.838		—	117,374
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		145,519	1,519,194
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		105,271	479,728
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		58,543	556,875
Allergy and Infectious Diseases Research	93.855		164,004	258,360
Biomedical Research and Research Training	93.859		6,022,250	26,983,807
Child Health and Human Development Extramural Research	93.865		10,610	1,854,951
Aging Research	93.866		111,139	1,383,024
Vision Research	93.867		43,948	2,422,730
Autism Collaboration, Accountability, Research, Education, and Support (CARES) Act of 2014	93.877		—	17,933
Medical Library Assistance	93.879		155,530	210,775
Subtotal: Department of Health & Human Services Programs: -- Direct			9,054,749	54,965,013

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Pass-through:				
Rutgers, State University of New Jersey	93.000	1718	\$ —	3,571
Johns Hopkins University	93.000	2006210312	—	8,748
Leidos Biomedical Research, Inc.	93.000	23X096	—	60,936
Subtotal for ALN 93.000			—	73,255
American Academy of Pediatrics	93.073	101610	—	27,531
Subtotal for ALN 93.073			—	27,531
Pennsylvania State University	93.084	S004601-CDCP	—	49,085
Subtotal for ALN 93.084			—	49,085
Delaware Department of Agriculture	93.103	22A01413	—	667
Subtotal for ALN 93.103			—	667
Texas A & M University	93.143	M2000977	—	28,879
Wayne State University	93.143	WSU23011	—	7,397
Subtotal for ALN 93.143			—	36,276
European Molecular Biology Laboratory	93.172	PIRDU-4468-01	—	429,923
Subtotal for ALN 93.172			—	429,923
Northeastern University	93.173	500914-78050	—	65,191
Carnegie-Mellon University	93.173	1090585-445492	—	(177)
Carnegie-Mellon University	93.173	1090672-472930	—	155,007
University of Washington	93.173	UWSC12818	—	14,149
University of Houston	93.173	R-23-0080	—	147,726
Subtotal for ALN 93.173			—	381,896
University of Alabama at Birmingham	93.213	000533020-SC002	—	14,202
Subtotal for ALN 93.213			—	14,202
Yale University	93.242	CON-80004102 (GR118130)	—	48,518
Case Western Reserve University	93.242	24A00924	—	151,359
Stony Brook University	93.242	84780/2/1154076	—	(2,119)
Subtotal for ALN 93.242			—	197,758
Pennsylvania State University	93.243	S003677-SAMHSA	—	80,302
Delaware Dept of Health & Social Service	93.243	Award 23-259	—	24,154
Subtotal for ALN 93.243			—	104,456
The Nemours Foundation	93.247	PO0101593	—	79,180
Subtotal for ALN 93.247			—	79,180
Childrens Hospital Los Angeles	93.279	000015653-D	—	56,184
University of Pittsburgh	93.279	AWD00006300 (138503-12)	—	39,213
University of Pittsburgh	93.279	AWD00008287 (139598-12)	—	81,501
University of South Carolina	93.279	22-4689 POW#2000061082	—	111,459
University of Arizona	93.279	582784	—	77,556
Hava Health Inc.	93.279	24A00243	—	53,401
Subtotal for ALN 93.279			—	419,314
University of California-Davis	93.285	18A01576	—	69,231
Subtotal for ALN 93.285			—	69,231
Temple University	93.307	261331-Delaware B	—	93,277
Washington University in St Louis	93.307	WU-23-0625	—	23,483
Subtotal for ALN 93.307			—	116,760
Northwestern University	93.310	60054546 UD	—	15,677
Marquette University	93.310	2220-00002-01-01	—	42,147
Seattle Children's Research Institute	93.310	13316SUB	—	14,542
Subtotal for ALN 93.310			—	72,366
The Rockefeller University	93.350	22A00829	—	9,294
Subtotal for ALN 93.350			—	9,294
University of Virginia	93.361	24A00275	—	79,839
Subtotal for ALN 93.361			—	79,839
University of Virginia	93.396	GB10749.PO#2235323	—	3,170
Nemours/A. I. duPont Hospital for Children	93.396	NEM0028413	—	335,238
Subtotal for ALN 93.396			—	338,408
Fox Chase Cancer Center	93.398	21A00951	—	5,918
Subtotal for ALN 93.398			—	5,918
TransCen, Inc.	93.433	24A00546	—	10,000
Subtotal for ALN 93.433			—	10,000
COVID-19: DE Developmental Disabilities Council	93.630	DD-2202	—	48,075
Subtotal for ALN 93.630			—	48,075

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Nemours/A. I. duPont Hospital for Children	93.837	22A00016	\$ —	58,542
University of Colorado	93.837	FY23.217.003	—	73,249
Subtotal for ALN 93.837			—	131,791
University of Texas at Dallas	93.838	1806479	—	60,405
Childrens Hospital of Philadelphia	93.838	22A00919	—	(28,835)
Subtotal for ALN 93.838			—	31,570
University of Pennsylvania	93.846	581539	—	142,191
Pennsylvania State University	93.846	S001800-DHHS	—	24,490
University of Pennsylvania	93.846	581971	—	151,038
University of Pennsylvania	93.846	586202	—	74,406
Indiana University	93.846	IN4679861UDb	—	39,314
Villanova University	93.846	530134Delaware	—	11,042
Boston University	93.846	4500003239	—	5,118
Subtotal for ALN 93.846			—	447,599
Cincinnati Children's Hospital Medical Center	93.847	315780	—	25,640
Subtotal for ALN 93.847			—	25,640
Washington University in St Louis	93.853	WU-24-0158/PO ST00017142	—	198,681
Washington University in St Louis	93.853	WU-23-0082	—	27,654
Columbia University	93.853	3(GG019089-01)	—	16,083
University of Michigan	93.853	SUBK00016521	—	314,370
Subtotal for ALN 93.853			—	556,788
University of Massachusetts	93.855	21-016332	—	19,871
University of Pittsburgh	93.855	AWD00005998 (138059-3)	—	154,266
University of Maryland Baltimore County	93.855	3002087-4442	—	427,241
The Scripps Research Institute	93.855	5-55100	—	165,955
University of Pennsylvania	93.855	585388	—	97,527
Vanderbilt University	93.855	VUMC93855	—	95,302
University of Pittsburgh	93.855	22A00293	—	697,167
Subtotal for ALN 93.855			—	1,657,329
University of Connecticut	93.859	369814	—	18,388
University of North Carolina at Chapel Hill	93.859	5130709	—	35,800
University of Wyoming	93.859	1004774-UD	—	50,137
Delaware State University	93.859	24A00480	—	84,548
The University of Georgia Research Found	93.859	SUB00003139	—	43,616
Oklahoma Medical Research Foundation	93.859	033703102-UDE-CL	—	287,817
Delaware State University	93.859	21A01622	—	192,559
University of Texas at San Antonio	93.859	164960/164956	—	41,651
Delaware State University	93.859	22-35HEH	—	51,065
Nemours/A. I. duPont Hospital for Children	93.859	1318142-0-RSUB	—	(2,056)
InsiteHub LLC	93.859	23A00715	—	69,719
Nemours/A. I. duPont Hospital for Children	93.859	PO0120718	—	78,509
Subtotal for ALN 93.859			—	951,753
Shepherd Center, Inc.	93.865	SHEP-23-0003	—	9,934
Johns Hopkins University	93.865	24A00596	—	39,776
Yale University	93.865	CON-80004960(GR123240)	—	40,747
Washington University in St Louis	93.865	21A01793	—	2,028
Purdue University	93.865	11001406-015	—	83,055
University of Pittsburgh	93.865	22A00216	—	77,888
University of Cincinnati	93.865	015301-00002	—	169,689
Benten Technologies	93.865	NICHU-DELE-092023	—	18,598
Florida State University	93.865	R000003147	—	21,318
Subtotal for ALN 93.865			—	463,033
Carnegie-Mellon University	93.866	1090777-476786	—	117,419
Banner Health	93.866	20A01676	—	15,091
Albert Einstein College of Medicine	93.866	31206J	—	43,804
Northwestern University	93.866	60066037 UD	—	52,499
Banner Health	93.866	20A00583	—	560,238
University of Colorado	93.866	1557625	—	40,158
New York University	93.866	23A00365	—	121,104
University of Pennsylvania	93.866	580755	—	8,780
Clemson University	93.866	2625-209-2016480	—	18,512
Subtotal for ALN 93.866			—	977,605
Kaiser Foundation Research Institute	93.867	RNG212001-01	—	187,365
Subtotal for ALN 93.867			—	187,365
University of California-Los Angeles	93.877	23A01508	—	17,415
Subtotal for ALN 93.877			—	17,415
Delaware Department of Health & Social Service	93.958	35-06-23-071	—	18,149
Subtotal for ALN 93.958			—	18,149
DE Department for Children, Youth, and Their Families	93.959	PBH(UD-SA-PREV)21-16284	—	101,974
Subtotal for ALN 93.959			—	101,974
Subtotal: Department of Health & Human Services Programs: -- Pass-through			—	8,131,445
Total: Department of Health & Human Services Programs:			9,054,749	63,096,458

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<b>Department of Homeland Security Programs:</b>				
Pass-through:				
Delaware Department of Natural Resources	97.041	24A00769	\$ —	81,082
Delaware Department of Natural Resources	97.041	23A00861	—	91,856
Subtotal for ALN 97.041			—	172,938
Subtotal: Department of Homeland Security Programs: -- Pass-through			—	172,938
Total: Department of Homeland Security Programs:			—	172,938
Research & Development Cluster Total			36,459,206	239,088,114
<b>Other Programs:</b>				
United States Department of Agriculture Programs:				
Direct:				
Agricultural Research Basic and Applied Research	10.001		—	252,435
Plant and Animal Disease, Pest Control, and Animal Care	10.025		—	184,661
Crop Protection and Pest Management Competitive Grants Program	10.329		2,041	184,056
Cooperative Extension Service	10.500		57,412	269,149
Smith-Lever Extension Funding	10.511		—	991,170
Expanded Food and Nutrition Education Program	10.514		—	294,379
Agriculture Risk Management Education Partnerships Competitive Grants Program	10.520		999,467	1,335,669
Research Joint Venture and Cost Reimbursable Agreements	10.707		—	14,258
Subtotal: United States Department of Agriculture Programs: -- Direct			1,058,920	3,525,777
Pass-through:				
Colorado State University	10.025	G-50346-20	—	515,409
Subtotal for ALN 10.025			—	515,409
University of Arkansas	10.146	GR017179	55,300	86,969
Subtotal for ALN 10.146			55,300	86,969
Delaware Department of Agriculture	10.170	21SCBGPDE1055	—	7,902
Subtotal for ALN 10.170			—	7,902
New Castle County	10.175	23A01411	—	4,930
Subtotal for ALN 10.175			—	4,930
Delaware State University	10.216	21-716-HEH	—	12,329
Subtotal for ALN 10.216			—	12,329
eXtension Foundation	10.229	2021-2101	—	50
eXtension Foundation	10.229	24A00766	—	15,455
eXtension Foundation	10.229	EXC3-2023-2407	—	36,730
eXtension Foundation	10.229	EXCB-2024-2535	—	9,647
Subtotal for ALN 10.229			—	61,882
Kansas State University	10.500	A24-0175-S004	—	4,284
Subtotal for ALN 10.500			—	4,284
National 4-H Council	10.522	24A00918	—	36,440
Subtotal for ALN 10.522			—	36,440
National Young Farmers Coalition	10.525	21A00553	—	17,607
National Young Farmers Coalition	10.525	24A01043	—	2,222
National Young Farmers Coalition	10.525	23A01700	—	54,417
Subtotal for ALN 10.525			—	74,246
Delaware Dept of Health & Social Service	10.557	DSS 23-038	481,547	615,265
Subtotal for ALN 10.557			481,547	615,265
Delaware Department of Education	10.558	24A00254	—	65,698
Delaware Department of Education	10.558	23A00415	—	46,800
Subtotal for ALN 10.558			—	112,498
Delaware Department of Education	10.645	S24-69	—	7,181
Subtotal for ALN 10.645			—	7,181
Subtotal: United States Department of Agriculture Programs: -- Pass-through			536,847	1,539,335
Total: United States Department of Agriculture Programs:			1,595,767	5,065,112
<b>Department of Commerce Programs:</b>				
Direct:				
Department of Commerce Programs	11.000		—	66,814
Economic Development Technical Assistance	11.303		—	103,682
Sea Grant Support	11.417		—	323,967
Chesapeake Bay Studies	11.457		34,120	83,755
Congressionally Identified Awards and Projects	11.469		—	337,891
Subtotal: Department of Commerce Programs: -- Direct			34,120	916,109
Total: Department of Commerce Programs:			34,120	916,109
<b>Department of Defense Programs:</b>				
Direct:				
Procurement Technical Assistance For Business Firms	12.002		—	349,768
Subtotal: Department of Defense Programs: -- Direct			—	349,768
Pass-through:				
Department of Defense	12.000	21A01752	—	29,811
Subtotal for ALN 12.000			—	29,811
SEARCH	12.740	23A00671	—	83,051
Subtotal for ALN 12.740			—	83,051
Subtotal: United States Department of Agriculture Programs: -- Pass-through			—	112,862
Total: Department of Defense Programs:			—	462,630

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June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Department of Interior Programs:</b>				
Direct:				
Marine Minerals Activities	15.424		\$ —	164,847
U.S. Geological Survey Research and Data Collection	15.808		—	24,292
National Cooperative Geologic Mapping	15.810		—	178,888
National Geological and Geophysical Data Preservation	15.814		—	106,195
Cultural Resources Management	15.946		—	1,079
National Ground-Water Monitoring Network	15.980		—	46,956
Subtotal: Department of Interior Programs: -- Direct			—	522,257
Pass-through:				
AmericaView	15.815	AV18-DE-01	—	9,440
AmericaView	15.815	AV23-DE-01	—	18,708
Subtotal for ALN 15.815			—	28,148
New Castle County	15.904	10-21-10011 (1)	—	940
Subtotal for ALN 15.904			—	940
Subtotal: Department of Interior Programs: -- Pass-through			—	29,088
Total: Department of Interior Programs:			—	551,345
<b>Department of Justice Programs:</b>				
Pass-through:				
Criminal Justice Council	16.745	2022-MO-PASSTHRU-2928	—	62,281
Subtotal for ALN 16.745			—	62,281
Criminal Justice Council	16.812	2018-RE-P/T-2229 YR2	—	69,635
Subtotal for ALN 16.812			—	69,635
Criminal Justice Council	16.812	2019-CZ-Passthru-2727	—	35,160
Subtotal for ALN 16.812			—	35,160
Subtotal: Department of Justice Programs: -- Pass-through			—	167,076
Total: Department of Justice Programs:			—	167,076
<b>Department of Labor Programs:</b>				
Direct:				
Community Project Funding/Congressionally Directed Spending	17.289		169,188	747,230
Subtotal: Department of Labor Programs: -- Direct			169,188	747,230
Total: Department of Labor Programs:			169,188	747,230
<b>Department of State Programs:</b>				
Pass-through:				
University of Kansas Center for Research, Inc.	19.009	24A00584	—	17,020
IREX	19.009	FY23-YALI	—	176,911
IREX	19.009	22A01478	—	180,019
Subtotal for ALN 19.009			—	373,950
University of Montana	19.401	PG22-26974-03	—	47,917
University of Montana	19.401	PG23-6B010-04	—	221,029
University of Montana	19.401	20A00845	—	(16,426)
University of Montana	19.401	PG24-6B028-04	—	111,133
Subtotal for ALN 19.401			—	363,653
American Councils for Intl Education	19.415	S-ECAGD-22-CA-0039	—	382,526
Subtotal for ALN 19.415			—	382,526
Georgetown University	19.600	24A01395	—	26,195
Georgetown University	19.600	23A00197	—	154,848
Subtotal for ALN 19.600			—	181,043
Subtotal: Department of State Programs: -- Pass-through			—	1,301,172
Total: Department of State Programs:			—	1,301,172
<b>Department of Transportation Programs:</b>				
Pass-through:				
Delaware Department of Transportation	20.000	Task 121-1929	—	23,747
Subtotal for ALN 20.000			—	23,747
Delaware Department of Transportation	20.200	Task 130-1929	—	494,768
Delaware Department of Transportation	20.200	Task 101-1929	—	1,188
Delaware Department of Transportation	20.200	Task 110-1929	—	22,038
Delaware Department of Transportation	20.200	Task 125-1929	—	134,289
Delaware Department of Transportation	20.200	Task 126-1929	—	148,856
Subtotal for ALN 20.200			—	801,139
Delaware Department of Transportation	20.515	Task 127-1929	—	80,119
Delaware Department of Transportation	20.515	Task 133-1929	—	73,386
Delaware Department of Transportation	20.515	Task 128-1929	—	170,068
Delaware Department of Transportation	20.515	Task 107-1929	—	4,438
Delaware Department of Transportation	20.515	Task 105-1929	—	53
Delaware Department of Transportation	20.515	Task 106-1929	—	(960)
Delaware Department of Transportation	20.515	Task 108-1929	—	1,293
Subtotal for ALN 20.515			—	328,397
Subtotal: Department of Transportation Programs: -- Pass-through			—	1,153,283
Total: Department of Transportation Programs:			—	1,153,283

**UNIVERSITY OF DELAWARE**  
Schedule of Expenditures of Federal Awards  
June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Department of the Treasury Programs:</b>				
Pass-through:				
COVID-19: DE Office of Management and Budget - Coronavirus State and Local Fiscal Recovery Funds	21.027	23A00738	\$ —	143,892
Subtotal for ALN 21.027			—	143,892
State of Delaware-General	21.031	24A00281	—	42,046
Subtotal for ALN 21.031			—	42,046
Subtotal: Department of the Treasury Programs: -- Pass-through			—	185,938
Total: Department of the Treasury Programs:			—	185,938
<b>Federal Communications Commission Programs:</b>				
Direct:				
Federal Communications Commission Programs	32.000		—	15,370
Subtotal: Federal Communications Commission Programs: -- Direct			—	15,370
Total: Federal Communications Commission Programs:			—	15,370
<b>Library of Congress Programs:</b>				
Direct:				
Teaching with Primary Sources	42.010		—	75,463
Subtotal: Library of Congress Programs: -- Direct			—	75,463
Total: Library of Congress Programs:			—	75,463
<b>National Aeronautics and Space Administration Programs:</b>				
Direct:				
Science	43.001		227,318	287,993
Office of Stem Engagement (OSTEM)	43.008		—	953,164
Mission Support	43.009		88,847	306,882
Subtotal: National Aeronautics and Space Administration Programs: -- Direct			316,165	1,548,039
Total: National Aeronautics and Space Administration Programs:			316,165	1,548,039
<b>National Endowment for the Humanities Programs:</b>				
Direct:				
Promotion of the Humanities Challenge Grants	45.130		—	(63)
Promotion of the Humanities Division of Preservation and Access	45.149		—	103,491
Promotion of the Humanities Research	45.161		—	84,501
Subtotal: National Endowment for the Humanities Programs: -- Direct			—	187,929
Pass-through:				
Delaware Division of The Arts	45.025	2023-10964	—	7,000
Delaware Division of The Arts	45.025	2024-11501	—	32,500
Subtotal for ALN 45.025			—	39,500
Delaware Humanities Forum	45.129	23A00974	—	2,310
Delaware Humanities Forum	45.129	22OPP3003	—	4,180
Delaware Humanities Forum	45.129	22OPP3010	—	620
Subtotal for ALN 45.129			—	7,110
Subtotal: National Endowment for the Humanities Programs: -- Pass-through			—	46,610
Total: National Endowment for the Humanities Programs:			—	234,539
<b>Small Business Administration Programs:</b>				
Direct:				
Small Business Development Centers	59.037		—	677,806
Federal and State Technology Partnership Program	59.058		—	112,689
Congressional Grants	59.059		43,574	362,866
Community Navigator Pilot Program	59.077		—	1,243,695
Subtotal: Small Business Administration Programs: -- Direct			43,574	2,397,056
Total: Small Business Administration Programs:			43,574	2,397,056
<b>Environmental Protection Agency Programs:</b>				
Direct:				
Pollution Prevention Grants Program	66.708		62,779	106,216
Subtotal: Environmental Protection Agency Programs: -- Direct			62,779	106,216
Pass-through:				
Delaware Department of Natural Resources	66.472	24A00704	—	92,029
Subtotal for ALN 66.472			—	92,029
West Virginia University	66.814	23-613-UDEL	—	30,938
Subtotal for ALN 66.814			—	30,938
Louisiana State University	66.951	PO-0000255019	—	13,671
Subtotal for ALN 66.951			—	13,671
Delaware Department of Natural Resources	66.964	22A01632	—	58,690
Delaware Department of Natural Resources	66.964	23A00561	—	91,131
Subtotal for ALN 66.964			—	149,821
Subtotal: Environmental Protection Agency Programs: -- Pass-through			—	286,459
Total: Environmental Protection Agency Programs:			62,779	392,675
<b>Department of Energy Programs:</b>				
Direct:				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		—	205,846
Subtotal: Department of Energy Programs: -- Direct			—	205,846
Total: Department of Energy Programs:			—	205,846

**UNIVERSITY OF DELAWARE**  
Schedule of Expenditures of Federal Awards  
June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
Department of Education Programs:				
Direct:				
Fund for the Improvement of Postsecondary Education	84.116		\$ —	326,471
School Safety National Activities	84.184		—	433,309
Graduate Assistance in Areas of National Need	84.200		—	243,390
Child Care Access Means Parents in School	84.335		—	33,738
English Language Acquisition State Grants	84.365		—	566,072
Subtotal: Department of Education Programs: -- Direct			—	1,602,980
Pass-through:				
Police Athletic League of Delaware	84.287	23A00923	—	79,244
Capital School District	84.287	23A00947	—	6,731
Capital School District	84.287	23A00948	—	11,728
Colonial School District	84.287	22A01040	—	17
Delaware Department of Education	84.287	S22-95	—	1,006
Delaware Department of Education	84.287	S24-35	—	163,904
Subtotal for ALN 84.287			—	262,630
East Carolina University	84.325	AWD-20-0512-S007	—	38,128
Subtotal for ALN 84.325			—	38,128
Delaware Department of Education	84.425	S24-64	—	186,101
Subtotal for ALN 84.425			—	186,101
Subtotal: Department of Education Programs: -- Pass-through			—	486,859
Total: Department of Education Programs:			—	2,089,839
National Archives and Records Administration Programs:				
Direct:				
National Historical Publications and Records Grants	89.003		—	110,369
Subtotal: National Archives and Records Administration Programs: -- Direct			—	110,369
Total: National Archives and Records Administration Programs:			—	110,369
Department of Health & Human Services Programs:				
Pass-through:				
Delaware Department of Health & Social Service	93.788	35-06-23-090	—	1,135,433
Subtotal for ALN 93.788			—	1,135,433
Subtotal: Delaware Department of Health & Social Service -- Pass-through			—	1,135,433
Total: Department of Health & Human Services Programs:			—	1,135,433
Corporation for National and Community Service Programs:				
Pass-through:				
Public Allies	94.006	22A00691	—	71,564
Public Allies	94.006	OP024-94.006-24-PADE	—	556,196
Subtotal for ALN 94.006			—	627,760
Subtotal: Corporation for National and Community Service Programs: -- Pass-through			—	627,760
Total: National Archives and Records Administration Programs:			—	627,760
Department of Homeland Security Programs:				
Pass-through:				
Delaware Emergency Management Agency	97.042	EMPG-23-005	—	74,797
COVID-19: Delaware Emergency Management Agency	97.042	EMPG-ARPA 21-005	—	82,471
Subtotal for ALN 97.042			—	157,268
Delaware Emergency Management Agency	97.067	CCP21-001	—	10,317
Delaware Emergency Management Agency	97.067	HSGP-22-0140-S	—	8,691
Subtotal for ALN 97.067			—	19,008
Subtotal: Department of Homeland Security Programs: -- Pass-through			—	176,276
Total: Department of Homeland Security Programs:			—	176,276
Other Programs: Total			2,221,593	19,558,560
CCDF Cluster:				
Department of Health & Human Services Programs:				
Direct:				
Child Care and Development Block Grant	93.575		24,518	138,232
Subtotal: Department of Health & Human Services Programs: -- Direct			24,518	138,232
Pass-through:				
University of Alabama at Tuscaloosa	93.575	A22-0556-S001	—	68,720
Child Trends	93.575	17273.UD.01	—	259,095
Subtotal for ALN 93.575			—	327,815
Subtotal: Department of Health & Human Services Programs: -- Pass-through			—	327,815
Total: Department of Health & Human Services Programs:			24,518	466,047
CCDF Cluster: Total			24,518	466,047

**UNIVERSITY OF DELAWARE**  
Schedule of Expenditures of Federal Awards  
June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number (ALN)	Pass-through entity identifying number	Pass-through to subrecipients	Federal expenditures
<b>Economic Development Cluster:</b>				
Department of Commerce Programs:				
Direct:				
COVID-19: Economic Adjustment Assistance	11.307		\$ —	240,190
Subtotal: Department of Commerce Programs: -- Direct			—	240,190
Pass-through:				
Delaware State University	11.307	23-950HEH	—	515,008
Subtotal for ALN 11.307			—	515,008
Subtotal: Department of Commerce Programs: -- Pass-through			—	515,008
Total: Department of Commerce Programs:			—	755,198
Economic Development Cluster: Total			—	755,198
<b>Fish and Wildlife Cluster:</b>				
Department of Interior Programs:				
Pass-through:				
Delaware Department of Natural Resources	15.605	23A00867	—	11,510
Subtotal for ALN 15.605			—	11,510
Subtotal: Department of Interior Programs: -- Pass-through			—	11,510
Total: Department of Interior Programs:			—	11,510
Fish and Wildlife Cluster: Total			—	11,510
<b>Head Start Cluster:</b>				
Department of Health & Human Services Programs:				
Direct:				
Head Start	93.600		1,037,344	2,964,255
COVID-19: Head Start	93.600		—	(369)
Subtotal: Department of Health & Human Services Programs: -- Direct			1,037,344	2,963,886
Total: Department of Health & Human Services Programs:			1,037,344	2,963,886
Head Start Cluster: Total			1,037,344	2,963,886
<b>Medicaid Cluster:</b>				
Department of Health & Human Services Programs:				
Pass-through:				
Delaware Dept of Health & Social Service	93.778	PO0000639023	—	14,405
Subtotal for ALN 93.778			—	14,405
Subtotal: Department of Health & Human Services Programs: -- Pass-through			—	14,405
Total: Department of Health & Human Services Programs:			—	14,405
Medicaid Cluster: Total			—	14,405
<b>Student Financial Assistance Cluster:</b>				
Department of Education Programs:				
Direct:				
Federal Supplemental Educational Opportunity Grants	84.007		—	1,019,534
Federal Work-Study Program	84.033		—	737,726
Federal Perkins Loan Program	84.038		—	2,542,136
Federal Pell Grant Program	84.063		—	18,086,956
Federal Direct Student Loans	84.268		—	118,037,509
Subtotal: Department of Education Programs: -- Direct			—	140,423,861
Total: Department of Education Programs:			—	140,423,861
Department of Health & Human Services Programs:				
Direct				
Nursing Student Loans	93.364		—	1,225,027
Subtotal: Department of Health & Human Services Programs: -- Direct			—	1,225,027
Total: Department of Health & Human Services Programs:			—	1,225,027
Student Financial Assistance Cluster: Total			—	141,648,888
<b>TRIO Cluster:</b>				
Department of Education Programs:				
Direct:				
TRIO Student Support Services	84.042		—	329,769
TRIO Upward Bound	84.047		—	364,974
TRIO McNair Post-Baccalaureate Achievement	84.217		—	260,855
Subtotal: Department of Education Programs: -- Direct			—	955,598
Total: Department of Education Programs:			—	955,598
TRIO Cluster: Total			—	955,598
Grand Total			\$ 39,742,661	405,462,206

See accompanying independent auditor's report.

## UNIVERSITY OF DELAWARE

### Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

#### (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 and its subsidiaries (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.

#### (3) Indirect Cost Allocation

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, 2024 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.

#### (4) 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, 2024, are summarized as follows:

Federal Perkins Loan Program Federal (Included within ALN 84.038)	\$	—
Federal Nursing Student Loans (Included within ALN 93.364)		<u>142,408</u>
	\$	<u>142,408</u>
Federal Direct Student Loans (ALN 84.268)	\$	118,037,509

## **UNIVERSITY OF DELAWARE**

### Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

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, 2023 of \$2,542,136 and \$1,082,619, respectively, and new loans issued during fiscal year 2024. As of June 30, 2024, loans receivable for Federal Perkins and Nursing Student Loan programs amount to \$1,606,731 and \$1,063,659, 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 2024.



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

The Board of Trustees  
University of Delaware:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the University of Delaware and its subsidiaries (the University), which comprise the University's consolidated balance sheet as of June 30, 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 15, 2024.

### **Report on 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 or significant deficiencies may exist that were not identified.

### **Report on 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPMG LLP*

Philadelphia, Pennsylvania  
November 15, 2024



KPMG LLP  
Suite 900  
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McLean, VA 22102

**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**

Board of Trustees  
University of Delaware:

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

*Opinion on Each Major Federal Program*

We have audited University of Delaware and its subsidiaries (the University) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the University's major federal program for the year ended June 30, 2024. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

*Basis for Opinion on Each Major Federal Program*

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

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

*Responsibilities of Management for Compliance*

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



### *Auditors' Responsibilities for the Audit of Compliance*

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### *Other Matters*

The results of our auditing procedures disclosed other 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 2024-001 and 2024-002. Our opinion on the major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's responses to the noncompliance findings identified in our compliance audit 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 other 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**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be a significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's responses to the internal control over compliance findings identified in our audit 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 other 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 the University as of and for the year ended June 30, 2024, and have issued our report thereon dated November 15, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2024, 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 GAAS. 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*

McLean, Virginia  
May 7, 2025

**UNIVERSITY OF DELAWARE**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

**(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: 2024-001 and 2024-002**
- (e) The type of report issued on compliance for its major program:
  - Student Financial Assistance Cluster: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes: 2024-001 and 2024-002**
- (g) Major program:
  - Student Financial Assistance Cluster: **Various Assistance Listing Numbers**
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as a low-risk auditee: **Yes**

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

None

**UNIVERSITY OF DELAWARE**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

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

**Finding 2024 001: Disbursements: Pell Grant**

*Federal Program*

Student Financial Assistance Cluster (SFA): Federal Pell Grant Program – ALN 84.063

*Federal Agency*

Department of Education

*Federal Award Number*

Award numbers: N/A

*Federal Award Year*

July 1, 2023, through June 30, 2024

*Finding Type*

Significant deficiency and other noncompliance

*Criteria or Requirement*

In the awarding of Pell grants, Institutions must first identify a defined academic period as defined by the Federal Student Aid Handbook (Volume 3, Chapter 1). The academic year is defined in weeks of instructional time and credit or clock hours. An institution must use the same academic year definition for all federal student aid awards for students enrolled.

Under the Federal Student Aid Handbook, there are certain cases where a short, nonstandard term may be combined with a preceding or following term to be considered a single standard term. These are called intersessions. To consider the intersession as being offered in standard terms, it must be combined with either the fall or spring semester and treated as a single term. If not combined, then the intersession must be treated as a non-term program for all federal student aid awards and be calculated under Formula 3 for Pell Grants.

Additionally, in accordance with federal requirements, the University shall maintain internal controls over federal programs designed to provide reasonable assurance that transactions are executed in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a direct and material effect on a federal program.

*Condition Found, including Perspective*

The University utilizes a standard term calendar and therefore should calculate federal student aid under Formula 1 (Volume 7, Chapter 1). Under Formula 1, institutions generally calculate a student's Scheduled Award and splits such award evenly between the fall and spring semesters. The University offers a winter intersession, but did not combine the winter intersession with the fall or spring semester as prescribed by the Federal Student Aid Handbook when calculating federal student aid awards under Formula 1. Instead, the University used Formula 3 to calculate Pell Grant awards and treated the winter intersession as a separate term and awarded Pell Grants to students for the Winter 2024 intersession.

In 2024, the University identified that such approach did not align with applicable Title IV regulations and Department guidance. By using Formula 3 to calculate Pell Grant awards, the University exceeded the

**UNIVERSITY OF DELAWARE**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

students' standard Scheduled Award. The total amount of over-awarded Pell Grants for the 2023-2024 academic period was \$698,000.

*Possible Cause and Effect*

The University misinterpreted Title IV regulations reintroduced with Year-Round Pell and Department guidance, using Formula 3 to calculate Pell Grant awards related to winter intersession while using Formula 1 for the standard terms when Formula 1 should have been used for all terms.

Failure to implement sufficient internal controls to verify the University's award of Pell Grants in accordance with federal regulations increases the risk of noncompliance.

*Questioned Costs*

\$698,000

*Statistical Validity*

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

*Repeat Finding in the Prior Year*

No

*Recommendation*

We recommend the University enhance its internal control over compliance with the federal regulations related to disbursement of Pell Grant awards. The University should enhance how it receives, and processes external information to ensure the University is properly awarding federal student aid in accordance with Title IV regulations and Department guidance. Additionally, a control should be designed and implemented for the review of such information.

*Views of Responsible Officials*

The University agrees with the finding. The University identified this issue as a result of an extensive review of processes, procedures and internal controls within Student Financial Services with the assistance of both external consultants and outside counsel. Through the University's research, it was determined that this issue began in 2018 with the reintroduction of Year-Round Pell. The over-awarded amount resulted from the misinterpretation of the regulations and associated guidance and use of the incorrect formula. The University self-identified the issue with the Department of Education and is working towards resolution. The questioned costs of \$698,000 related to fiscal year 2024 were refunded to the government through COD system as of September 30, 2024. The University is working with the Department of Education to open prior periods to finalize the repayment of an additional \$1.9 million which is expected to be completed by June 30, 2025.

The University has implemented internal controls which include the use of the Peoplesoft delivered tools to ensure that Pell is awarded using Formula 1 in accordance with Title IV regulations and Department guidance. The information related to winter intersession aid has been updated to specifically address winter Pell and ensure that it meets required regulations for attaching an intersession to a standard term when using Formula 1 for calculating Pell grant eligibility. Additionally, the University has implemented a weekly reconciliation and over-award reports to monitor for compliance.

**UNIVERSITY OF DELAWARE**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

**Finding 2024-002: Reporting: Pell Grant Disbursement Data**

*Federal Program*

Student Financial Assistance Cluster (SFA): Federal Pell Grant Program – ALN 84.063

*Federal Agency*

Department of Education

*Federal Award Number*

Award numbers: N/A

*Federal Award Year*

July 1, 2023, through June 30, 2024

*Finding Type*

Significant deficiency and other noncompliance

*Criteria or Requirement*

In the management and reporting of Pell Grants, institutions must submit Pell Grant origination records and disbursement records to the U.S. Department of Education Common Origination & Disbursement (COD) system. Institutions must report student disbursement data within 15 calendar days after the institution makes a disbursement or becomes aware of the need to make an adjustment to previously reported student disbursement data or expected student disbursement data. The disbursement record reports the actual disbursement date and the amount of the disbursement.

Additionally, in accordance with federal requirements, the University shall maintain internal controls over federal programs designed to provide reasonable assurance that transactions are executed in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a direct and material effect on a federal program.

*Condition Found, including Perspective*

In our testing over reporting of Pell Grant disbursement data for the year, we identified a total of twenty- three late submissions of the forty samples reviewed.

*Possible Cause and Effect*

The University's internal control over compliance with reporting Pell Grant disbursement data was not operating consistently through fiscal year 2024, including the timely submission of records.

The late submissions occurred when submission files were submitted to COD and received errors. The University Student Financial Services group typically performs disbursement reconciliations every seven days wherein these errors are corrected, however, this schedule was not followed during the fiscal year 2024 due to staff turnover and shortages. The University also historically relied upon a manual process to

## UNIVERSITY OF DELAWARE

### Schedule of Findings and Questioned Costs

Year ended June 30, 2024

submit winter Pell awards to the COD system. This led to incorrect sequencing of the Pell awards and resulted in the rejection of these awards when submitted to the COD system. In correcting the winter Pell award process and transitioning to a system-delivered process for summer Pell reporting, transmission was rejected because of a sequencing issue which delayed the summer Pell reporting.

Failure to implement sufficient internal controls to verify the University submits Pell Grant disbursement data in accordance with federal regulations increases the risk of noncompliance.

#### *Questioned Costs*

No questioned costs were 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*

We recommend the University enhance its internal control over compliance with the federal regulations related to reporting of Pell Grant disbursement data. The University should maintain an appropriate level of staffing to properly perform timely reporting of Pell Grant disbursement information to the COD system. The University should also align the internal control process of reporting Pell Grant disbursement data regardless of semester to eliminate manual errors.

#### *Views of Responsible Officials*

The University agrees with the finding. These late reporting stemmed from two issues. The fall and spring delays were related to errors in the reporting file, which caused the disbursements to fail in processing through the COD via the electronic batch process. The Student Financial Services team identified these errors during their reconciliation process, generally completed weekly. However, during part of the last academic year, this schedule was not consistently followed due to staffing issues. In addition to the fall and spring delays, there were delays in reporting summer Pell disbursements. This delay was directly related to correcting the University's self-identified issue with the awarding and disbursement of funds during the Winter term related to Finding 2024-001.

The University has corrected the processing of Pell during the winter term which will eliminate the sequencing issue. Additionally, the University has implemented electronic batch processing to COD for the summer term and addressed staffing issues to ensure that the reconciliation process continues on a weekly basis.