

**Drexel University and Subsidiaries**  
**Financial Statements and**  
**Schedule of Expenditures of Federal Awards and**  
**Reports in Accordance with Uniform Guidance**  
**For the Year Ended June 30, 2018**  
**EIN # 23-1352630**

**Drexel University and Subsidiaries**  
**Table of Contents**  
**June 30, 2018**

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|   | <b>Page(s)</b> |
|---|----------------|
| <b>I. Financial Statements</b>  |                |
| Report of Independent Auditors .....  | 1-2            |
| Consolidated Financial Statements .....   | 3-6            |
| Notes to Consolidated Financial Statements .....  | 7-44           |
| Schedule of Expenditures of Federal Awards .....  | 45-75          |
| Notes to Schedule of Expenditures of Federal Awards .....   | 76-77          |
| <b>II. Internal Control and Compliance</b>  |                |
| Report of Independent Auditors on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> ..... | 78-79          |
| Report of Independent Auditors on Compliance with Requirements That Could<br>Have a Direct and Material Effect on Each Major Program and on Internal Control over<br>Compliance in Accordance with the Uniform Guidance.....            | 80-81          |
| <b>III. Findings</b>  |                |
| Schedule of Audit Findings and Questioned Costs .....   | 82-83          |
| Summary Schedule of Prior Audit Findings.....   | 84             |
| Management's View and Corrective Action Plan .....  | 85             |

## **I. Financial Statements**



## Report of Independent Auditors

To the Board of Trustees  
Drexel University

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Drexel University and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

### ***Opinion***

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Drexel University and its subsidiaries as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



**Other Matters**

*Other Information*

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, 2018 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2018 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 for the year ended June 30, 2018. 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 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.

*PricewaterhouseCoopers LLP*

October 24, 2018  
Philadelphia, Pennsylvania

**Drexel University and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**June 30, 2018 and 2017**

| <i>(in thousands)</i>                       | <b>2018</b>         | <b>2017</b>         |
|---|---------------------|---------------------|
| <b>Assets</b>                               |                     |                     |
| Cash, cash equivalents, and restricted cash |                     |                     |
| Operating                                   | \$ 45,666           | \$ 51,459           |
| Restricted                                  | 12,611              | 12,263              |
| Accounts receivable, net                    |                     |                     |
| Tuition                                     | 75,709              | 67,540              |
| Grants, contracts and other                 | 88,103              | 68,769              |
| Patients                                    | 5,938               | 7,753               |
| American Academic Health Systems            | 3,669               | -                   |
| Tenet Healthcare Corporation                | -                   | 1,335               |
| Total accounts receivable, net              | <u>173,419</u>      | <u>145,397</u>      |
| Contributions receivable, net               | 100,653             | 100,003             |
| Other assets                                | 33,529              | 30,334              |
| Funds held by trustees                      | -                   | 313                 |
| Student loans receivable, net               | 28,714              | 30,484              |
| Malpractice insurance trust                 | 8,972               | 8,991               |
| Beneficial interests in trusts              | 45,473              | 48,727              |
| Investments                                 | 778,369             | 726,315             |
| Land, buildings and equipment, net          | <u>952,536</u>      | <u>951,318</u>      |
| Total assets                                | <u>\$ 2,179,942</u> | <u>\$ 2,105,604</u> |
| <b>Liabilities</b>                          |                     |                     |
| Accounts payable                            | \$ 60,660           | \$ 67,289           |
| Accrued expenses                            | 105,437             | 112,691             |
| Deposits and deferred revenue               | 170,958             | 156,973             |
| Capital lease                               | 2,613               | 2,677               |
| Government advances for student loans       | 29,096              | 29,625              |
| Post-retirement and pension benefits        | 48,568              | 53,464              |
| Bonds and notes payable                     | <u>424,521</u>      | <u>427,554</u>      |
| Total liabilities                           | 841,853             | 850,273             |
| <b>Net assets</b>                           |                     |                     |
| Unrestricted                                | 654,779             | 635,729             |
| Temporarily restricted                      | 288,169             | 244,750             |
| Permanently restricted                      | <u>395,141</u>      | <u>374,852</u>      |
| Total net assets                            | <u>1,338,089</u>    | <u>1,255,331</u>    |
| Total liabilities and net assets            | <u>\$ 2,179,942</u> | <u>\$ 2,105,604</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**Drexel University and Subsidiaries**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2018**

| <i>(in thousands)</i>  | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
|--|-------------------|---------------------------|---------------------------|---------------------|
| <b>Operating revenue</b>   |                   |                           |                           |                     |
| Tuition and fees   | \$ 919,982        | \$ -                      | \$ -                      | \$ 919,982          |
| Less: Institutional financial aid  | (316,167)         |                           |                           | (316,167)           |
| Net student revenue  | 603,815           | -                         | -                         | 603,815             |
| Patient care activities  | 91,902            |                           |                           | 91,902              |
| State appropriations   | 8,217             |                           |                           | 8,217               |
| Government grants and contracts  | 101,059           |                           |                           | 101,059             |
| Private grants and contracts   | 25,318            | 2,917                     |                           | 28,235              |
| Private gifts  | 4,265             | 38,632                    |                           | 42,897              |
| Endowment payout under spending formula  | 11,503            | 18,524                    |                           | 30,027              |
| Investment income  | 2,909             | 1,737                     |                           | 4,646               |
| Sales and services of auxiliary enterprises                                    | 80,563            |                           |                           | 80,563              |
| Other sources  | 32,079            | 718                       |                           | 32,797              |
| Net assets released from restrictions  | 52,420            | (52,844)                  | 424                       | -                   |
| Total operating revenue  | <u>1,014,050</u>  | <u>9,684</u>              | <u>424</u>                | <u>1,024,158</u>    |
| <b>Operating expense</b>   |                   |                           |                           |                     |
| College programs   | 356,725           |                           |                           | 356,725             |
| Research and public service  | 121,532           |                           |                           | 121,532             |
| Academic support   | 30,453            |                           |                           | 30,453              |
| Student services   | 64,409            |                           |                           | 64,409              |
| Institutional support  | 145,833           |                           |                           | 145,833             |
| Scholarships and fellowships   | 15,205            |                           |                           | 15,205              |
| Auxiliary enterprises  | 40,697            |                           |                           | 40,697              |
| Total education and general  | 774,854           | -                         | -                         | 774,854             |
| Patient care activities  | 110,449           |                           |                           | 110,449             |
| Other operating expense  | 55,366            |                           |                           | 55,366              |
| Interest   | 13,100            |                           |                           | 13,100              |
| Depreciation and amortization  | 52,107            |                           |                           | 52,107              |
| Total operating expense  | <u>1,005,876</u>  | <u>-</u>                  | <u>-</u>                  | <u>1,005,876</u>    |
| Change in net assets from operating activities                                 | <u>8,174</u>      | <u>9,684</u>              | <u>424</u>                | <u>18,282</u>       |
| <b>Non-operating activities</b>  |                   |                           |                           |                     |
| Endowment and other gifts  |                   |                           | 17,965                    | 17,965              |
| Realized/unrealized net gain/(loss) on investments,<br>net of endowment payout | 20,257            | 33,735                    | 1,900                     | 55,892              |
| Other non-operating activities   | (9,381)           |                           |                           | (9,381)             |
| Change in net assets from non-operating activities                             | <u>10,876</u>     | <u>33,735</u>             | <u>19,865</u>             | <u>64,476</u>       |
| Change in net assets   | 19,050            | 43,419                    | 20,289                    | 82,758              |
| <b>Net assets</b>  |                   |                           |                           |                     |
| Beginning of year  | 635,729           | 244,750                   | 374,852                   | 1,255,331           |
| End of year  | <u>\$ 654,779</u> | <u>\$ 288,169</u>         | <u>\$ 395,141</u>         | <u>\$ 1,338,089</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**Drexel University and Subsidiaries**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2017**

| <i>(in thousands)</i>   | <b>Unrestricted</b> | <b>Temporarily<br/>Restricted</b> | <b>Permanently<br/>Restricted</b> | <b>Total</b> |
|---|---------------------|-----------------------------------|-----------------------------------|--------------|
| <b>Operating revenue</b>  |                     |                                   |                                   |              |
| Tuition and fees  | \$ 878,879          | \$ -                              | \$ -                              | \$ 878,879   |
| Less: Institutional financial aid                                       | (278,962)           |                                   |                                   | (278,962)    |
| Net student revenue   | 599,917             | -                                 | -                                 | 599,917      |
| Patient care activities   | 99,102              |                                   |                                   | 99,102       |
| State appropriations  | 8,113               |                                   |                                   | 8,113        |
| Government grants and contracts   | 96,808              |                                   |                                   | 96,808       |
| Private grants and contracts  | 20,766              | 842                               |                                   | 21,608       |
| Private gifts   | 4,580               | 16,521                            |                                   | 21,101       |
| Endowment payout under spending formula                                 | 8,754               | 17,839                            |                                   | 26,593       |
| Investment income   | 2,697               | 598                               |                                   | 3,295        |
| Sales and services of auxiliary enterprises                             | 78,059              |                                   |                                   | 78,059       |
| Other sources   | 29,862              | 855                               |                                   | 30,717       |
| Net assets released from restrictions                                   | 46,984              | (53,083)                          | 6,099                             | -            |
| Total operating revenue   | 995,642             | (16,428)                          | 6,099                             | 985,313      |
| <b>Operating expense</b>  |                     |                                   |                                   |              |
| College programs  | 361,408             |                                   |                                   | 361,408      |
| Research and public service   | 121,494             |                                   |                                   | 121,494      |
| Academic support  | 31,875              |                                   |                                   | 31,875       |
| Student services  | 64,659              |                                   |                                   | 64,659       |
| Institutional support   | 142,334             |                                   |                                   | 142,334      |
| Scholarships and fellowships  | 13,185              |                                   |                                   | 13,185       |
| Auxiliary enterprises   | 39,405              |                                   |                                   | 39,405       |
| Total education and general   | 774,360             | -                                 | -                                 | 774,360      |
| Patient care activities   | 118,778             |                                   |                                   | 118,778      |
| Other operating expense   | 63,185              |                                   |                                   | 63,185       |
| Interest  | 14,737              |                                   |                                   | 14,737       |
| Depreciation and amortization   | 47,867              |                                   |                                   | 47,867       |
| Total operating expense   | 1,018,927           | -                                 | -                                 | 1,018,927    |
| Change in net assets from operating activities                          | (23,285)            | (16,428)                          | 6,099                             | (33,614)     |
| <b>Non-operating activities</b>   |                     |                                   |                                   |              |
| Endowment and other gifts   |                     |                                   | 2,696                             | 2,696        |
| Realized/unrealized net gain on investments,<br>net of endowment payout | 23,959              | 24,404                            | 6,001                             | 54,364       |
| Other non-operating activities  | 11,399              |                                   |                                   | 11,399       |
| Change in net assets from non-operating activities                      | 35,358              | 24,404                            | 8,697                             | 68,459       |
| Change in net assets  | 12,073              | 7,976                             | 14,796                            | 34,845       |
| <b>Net assets</b>   |                     |                                   |                                   |              |
| Beginning of year   | 623,656             | 236,774                           | 360,056                           | 1,220,486    |
| End of year   | \$ 635,729          | \$ 244,750                        | \$ 374,852                        | \$ 1,255,331 |

The accompanying notes are an integral part of these consolidated financial statements.



**Drexel University and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2018 and 2017**

| <i>(in thousands)</i>   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>   |                  |                  |
| Increase in net assets  | \$ 82,758        | \$ 34,845        |
| Adjustments to reconcile change in net assets to net cash (used in) / provided by operating activities: |                  |                  |
| Depreciation and amortization   | 50,899           | 46,853           |
| Loss on extinguishment of debt  | 10,663           | 4,484            |
| Provision for uncollectible accounts  | 12,945           | 5,497            |
| Loss on disposal of equipment   | 3,682            | 922              |
| Change in market value in beneficial interests in trusts  | 3,254            | (515)            |
| Contributions restricted for long-term investment   | (16,840)         | (6,675)          |
| Non-cash contributions received   | (3,718)          | (952)            |
| Proceeds from sale of donated securities  | 3,557            | 908              |
| Actuarial change on annuity liabilities   | (627)            | (73)             |
| Realized/unrealized (gain) on investments   | (87,160)         | (80,442)         |
| Changes in operating assets and liabilities   |                  |                  |
| Accounts receivable   | (20,131)         | (2,615)          |
| Contributions receivable  | (1,864)          | 17,340           |
| Other assets  | (3,195)          | (4,160)          |
| Accounts payable and accrued expenses   | (15,445)         | 5,085            |
| Post-retirement and pension benefits  | (4,896)          | (25,075)         |
| Deposits and deferred revenue   | 13,985           | (3,621)          |
| Net cash (used in) / provided by operating activities   | <u>27,867</u>    | <u>(8,194)</u>   |
| <b>Cash flows from investing activities</b>   |                  |                  |
| Purchase of investments   | (140,657)        | (155,481)        |
| Proceeds from sales and maturities of investments   | 155,204          | 173,506          |
| Change in malpractice insurance trust   | 19               | 407              |
| Proceeds from student loan collections  | 5,790            | 6,437            |
| Student loans issued  | (4,311)          | (6,353)          |
| Purchase of land, buildings and equipment   | (53,842)         | (64,349)         |
| Net cash used in investing activities   | <u>(37,797)</u>  | <u>(45,833)</u>  |
| <b>Cash flows from financing activities</b>   |                  |                  |
| Contributions restricted for endowments   | 16,840           | 6,675            |
| Proceeds from sales of donated securities   | 1,027            | 414              |
| Payments on annuity obligations   | (551)            | (526)            |
| Government advances for student loans   | (529)            | 265              |
| Repayment of long-term debt   | (12,615)         | (17,944)         |
| Net cash (used in) / provided by financing activities   | <u>4,172</u>     | <u>(11,116)</u>  |
| Net decrease in cash, cash equivalents,<br>and restricted cash  | (5,758)          | (65,143)         |
| <b>Cash, cash equivalents, and restricted cash</b>  |                  |                  |
| Beginning of year   | 64,035           | 129,178          |
| End of year   | <u>\$ 58,277</u> | <u>\$ 64,035</u> |
| <b>Supplemental information</b>   |                  |                  |
| Gifts-in-kind   | \$ 181           | \$ 33            |
| Cash paid for interest  | 16,147           | 16,128           |
| Amounts accrued for purchase of land, buildings and equipment   | 8,027            | 10,767           |
| Donated securities  | 4,570            | 1,338            |

The accompanying notes are an integral part of these consolidated financial statements.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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#### **1. Nature of Organization and Summary of Significant Accounting Policies**

##### **Basis of Consolidated Financial Statements**

Drexel University (the “University”) is a private comprehensive global research university located in Philadelphia, Pennsylvania. The University is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. The consolidated financial statements include the University, the Academy of Natural Sciences of Philadelphia, Drexel University Online, LLC, Academic Properties, Inc., and the University’s other subsidiaries which are described in detail in these notes. All University subsidiaries have a fiscal year ending June 30, unless otherwise indicated in this footnote. All subsidiary financial information included within the financial statements has been consolidated utilizing the University’s fiscal year.

##### **Basis of Accounting and Financial Statement Presentation**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All revenues received and expenditures paid prior to the end of the fiscal year which relate to the following fiscal year are recorded and reflected as deferred revenues and prepaid expenses, respectively.

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into the categories as shown below.

##### **Permanently Restricted**

Net assets explicitly required by the donor to be maintained permanently by the University. Generally, the donors of these assets permit the University to use all or part of the income earned on these assets. Such assets are included in the University’s permanent endowment funds.

##### **Temporarily Restricted**

Net assets subject to donor-imposed restrictions that can be fulfilled by actions of the University in accordance with those stipulations or by the passage of time. Endowment income and contributions with donor-imposed restrictions are reported as temporarily restricted and are reclassified to unrestricted net assets when the donor-imposed restrictions have been met.

##### **Unrestricted**

Net assets not subject to donor-imposed stipulations that may be designated for specific purposes by action of the Board of Trustees. Expenses are shown as decreases in unrestricted net assets. Expirations of donor-imposed stipulations are reported as net assets released from restrictions. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless explicit donor stipulation or law restricts their use.

##### **Academy of Natural Sciences of Philadelphia**

Pursuant to an affiliation agreement dated September 30, 2011, the University owns 100% of the Academy of Natural Sciences of Philadelphia, doing business as the Academy of Natural Sciences of Drexel University (“ANS”). ANS, founded in 1812, is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. ANS is dedicated to encouraging and cultivating the sciences and advancing learning. ANS operates a public museum in Philadelphia and conducts systematic research and research in aquatic ecosystems, including integrating such research with education regarding biodiversity and environmental science in collaboration with the University and its students.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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#### **Academic Properties, Inc.**

The University owns 100% of Academic Properties, Inc. (“API”), an exempt organization under Section 501 (c) (3) of the Internal Revenue Code. API manages properties used by the University, as well as other strategically located properties contiguous to its campus.

#### **Drexel University Online, LLC**

Drexel University Online, LLC (“DUO”) is a non-profit, Delaware, single-member, limited liability company, wholly owned subsidiary of Drexel University that specializes in marketing, recruiting, instructional design, and supporting innovative internet-based distance education programs for working professionals and corporations in the U.S. and abroad. DUO also provides training, performs industry comparison research, and support for grants. DUO was created on July 1, 2015 as the successor entity to the former for-profit operations of Drexel eLearning, Inc., which was merged with and into DUO on that date.

#### **Dragon Risk Limited, Co.**

Dragon Risk Limited, Co. (“DRLC”) is a single member, limited liability company, formed and domiciled in the State of Vermont, of which Drexel University is the sole member. DRLC received its Articles of Organization on May 23, 2014 from the Vermont Secretary of State, its Certificate of Authority from the Vermont Department of Financial Regulation on June 11, 2014 and commenced business on July 1, 2014. Dragon Risk Limited, Co. provides excess liability coverage to Drexel University.

#### **11th Street Family Health Services, Inc.**

11th Street Family Health Services, Inc. (“11th Street”), a Pennsylvania non-profit corporation, was formed on December 12, 2013. 11th Street is a non-profit real estate holding company, wholly owned by Drexel University, organized to operate in furtherance of the activities of Drexel University and to facilitate the use of new market tax credits in rehabilitating and expanding the structures located at 850 North 11th Street, Philadelphia (the “Property”) which was donated from Drexel University on December 23, 2013. The Property is in a qualified census tract that meets certain income, unemployment and poverty level requirements and qualifies under the New Market Tax Credit Program as a qualified active low-income community business (a “QALICB”) as defined by Section 45D of the Internal Revenue Code of 1986, as amended, and Section 1.45D-1(d)(4) of the Code of Federal Regulations. The project is funded by a qualified low-income community investment loan.

#### **1200 Chestnut Street General Partner, Inc.**

1200 Chestnut Street General Partner, Inc. (“1200 Chestnut GP”) is the sole general partner in 1200 Chestnut Street I, Limited Partnership. 1200 Chestnut GP is a wholly owned subsidiary of the University. The officers of 1200 Chestnut GP are also the officers and senior leadership of Drexel University. As part of the Historic Tax Credit transactions, a separate, for-profit, single purpose entity was established to own the 1200-1202 Chestnut Street property with 1200 Chestnut GP holding a 1% interest. 1200 Chestnut GP follows a calendar based fiscal year.

#### **1200 Chestnut Street I, Limited Partnership**

1200 Chestnut Street I, Limited Partnership (the “Partnership”) a Pennsylvania limited partnership, was formed on November 28, 2016 to acquire, own, rehabilitate and lease, manage and operate Partnership property in a manner that will qualify such rehabilitation for historic rehabilitation tax credits allowable pursuant to Section 47 of the Internal Revenue Code of 1986, as amended. The Partnership property is comprised of the land and historic building located at 1200-1202 Chestnut Street, Philadelphia, Pennsylvania 19107. The general partner is 1200 Chestnut Street General Partner Inc., a Pennsylvania corporation (“General Partner”), which holds a 1% interest in the Partnership. Drexel University is the 100% shareholder of the General Partner. Drexel University

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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meets the requirements for consolidation of the Partnership through its ownership of the General Partner and control of the Partnership. The Partnership follows a calendar based fiscal year.

#### **Drexel Global Initiatives, LLC**

Drexel Global Initiatives, LLC (the “Drexel Global”) is a Pennsylvania single member limited liability company established February 1, 2014, of which Drexel University is the sole member. The Company’s purpose is to operate exclusively for educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code, and it has been established to assist Drexel University in its international operations. The business and affairs of the Company are managed by a board of managers established by Drexel University.

#### **3509 Spring Garden, General Partner, Inc.**

3509 Spring Garden, General Partner, Inc., (“3509 GP”) a Pennsylvania corporation, is the sole general partner in 3509 Spring Garden, Limited Partnership. 3509 GP is a wholly owned subsidiary of the University. The officers of 3509 GP are also the officers and senior leadership of Drexel University. As part of the New Market Tax Credit and Historic Tax Credit transactions, a for-profit single purpose entity was needed to own the property and to own the 3509 Spring Garden, Limited Partnership Qualified Active Low-Income Community Business (“QALICB”). The 3509 Spring Garden, Limited Partnership QALICB was established, with 3509 GP acting as the general partner and holding a 90% interest. 3509 GP follows a calendar based fiscal year.

#### **3509 Spring Garden, Limited Partnership**

3509 Spring Garden, Limited Partnership (“3509 LP”), a Pennsylvania limited partnership, was formed on February 25, 2013 to acquire, own, rehabilitate, lease, manage and operate the 3509 Spring Garden property (the “Dornsife Center”) in a manner that will qualify such rehabilitation for historic rehabilitation tax credits allowable pursuant to Section 47 of the Internal Revenue Code of 1986, as amended. The Dornsife Center is also located in a qualified census tract that meets certain income, unemployment and poverty level requirements and qualifies under the New Market Tax Credit Program as a QALICB. Through its ownership of 3509 GP, Drexel University holds a 90% interest in 3509 LP. 3509 LP follows a calendar based fiscal year.

#### **3509 Spring Garden, Master Tenant Manager, Inc.**

3509 Spring Garden, Master Tenant Manager, Inc., (“3509 MTM”) a Pennsylvania corporation, is the sole general partner in 3509 MTLP. 3509 MTM is a wholly owned subsidiary of the University. The officers of 3509 MTM are also the officers and senior leadership of Drexel University. As part of the New Market Tax Credit and Historic Tax Credit transactions, a separate, for-profit, single purpose entity was established to operate the sublease of the Dornsife Center to meet the QALICB requirements. 3509 MTM is the non-member manager of the property and the general partner, holding a 0.01% interest in 3509 MTLP. 3509 MTM follows a calendar based fiscal year.

#### **3509 Spring Garden, Master Tenant, Limited Partnership**

3509 Spring Garden, Master Tenant, Limited Partnership (“3509 MTLP”) a Pennsylvania limited partnership, was formed on August 21, 2013 to lease, manage and operate property owned by 3509 LP. 3509 MTLP has made an equity investment in 3509 LP and is also a partner with a 10% interest. 3509 MTLP consists of a general partner with 0.01% interest and a limited partner with a 99.99% interest. 3509 MTLP and 3509 LP have executed a historic tax credit pass-through agreement pursuant to which 3509 LP will elect under Section 50 of the Internal Revenue Code to pass through to the Partnership the federal tax credits to which it is entitled because of the historic buildings rehabilitation project. Drexel University meets the requirements for consolidation of the 3509 MTLP through its ownership of the general partner (3509 MTM) and control of 3509 MTLP. 3509 MTLP follows a calendar based fiscal year.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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**Cash, Cash Equivalents, and Restricted Cash**

Cash and cash equivalents represent demand deposits and other investments with an initial maturity date not exceeding 90 days. At June 30, 2018 and 2017, the University had cash balances in financial institutions, which exceed federal depository insurance limits. Management believes the credit risks related to these deposits to be minimal. Cash and cash equivalents are carried at cost, which approximates fair value. Restricted cash includes funds related to the Perkins Loan program and uninvested restricted gifts.

Cash, cash equivalents, and restricted cash as reported in the consolidated statement of cash flows are presented on the consolidated statement of financial position as follows:

| <i>(in thousands)</i>                             | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
| Cash, cash equivalents, and restricted cash       |                  |                  |
| Operating   | \$ 45,666        | \$ 51,459        |
| Restricted  | 12,611           | 12,263           |
| Funds held by trustees                            | -                | 313              |
| Total cash, cash equivalents, and restricted cash | <u>\$ 58,277</u> | <u>\$ 64,035</u> |

**Contributions Receivable**

Contributions and unconditional pledges are recorded at the present value of their expected future cash flows. Unconditional pledges that are expected to be collected within one year are recorded at their estimated net realizable value. Conditional pledges are not included as revenue until the conditions are substantially met. Contributions are reported as an increase in the appropriate net asset category.

**Beneficial Interests in Trusts and Split-Interest Agreements**

The University is the beneficiary of the income of certain trusts, but has neither possession nor control of the investments. Beneficial interests in trusts are classified as Level 3. (See Note 6 for investment level definitions). The trusts are recorded at fair value based on the interest in the trust as determined by the trustee based on the value of underlying securities held by the trusts and are primarily composed of equity and fixed income securities that have readily determinable values. The primary unobservable inputs used in the fair value measurement of the trusts are the present value of expected future cash flows. Significant fluctuation in the securities held in the trusts could result in a material change in fair value. The University is also party to certain split-interest agreements. The related liabilities to these arrangements are revalued annually based on the current interest rate tables from the Society of Actuaries, and are categorized as Level 3.

**Fair Value of Financial Instruments**

The University applies fair value measurements to contributions receivable in the year of receipt, beneficial interests in trusts, investments, self-insurance escrow funds, internally held real estate of the endowment, funds held by trustees, interest rate swaps, and annuities. A reasonable estimate of the fair value of student loans receivable under government loan programs and refundable federal student loans cannot be made because the loans cannot be sold and can only be assigned to the U.S. Government or its designees. These loans are recorded at cost, less an allowance for doubtful accounts and the carrying value of the loans receivable from students under Drexel's loan programs approximate fair value. (Notes 5, 6, 7, and 11 for additional fair value disclosures).

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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#### Patient Care Activities

Faculty physicians participate in several physician practice plans that are managed by the University. Revenue and expenses related to these practice plans are recorded by the University as patient care activities. Patient care activities include patient service revenue and other physician service activities.

Patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payers, and others for services rendered. The University provides care to patients under various reimbursement arrangements, including Medicare and Medicaid. These arrangements provide payment for covered services at agreed-upon rates under certain fee schedules and various discounts. Provisions have been made in the consolidated financial statements to estimate contractual adjustments, representing the difference between the customary charges for services rendered and agreed upon rates.

#### Contributions

All contributions received are available for unrestricted use unless specifically restricted by the donor. Amounts to be received in the future or that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted. Contributions having restrictions that are general purpose in nature are released in the year of the donation.

Contributed property and equipment are recorded at fair value as of the date of the donation. If the donor restricts how long the asset must be used or how the asset is used, the contributions are recorded as restricted. In the absence of stipulations, these contributions are recorded as unrestricted.

#### Non-operating Activities

Non-operating activities include permanently restricted contributions, realized and unrealized gains and losses on investments, net of payouts under the endowment spending policies, post-retirement benefit plan and defined benefit pension plan adjustments, restructuring costs, losses on extinguishment of debt and distributions to special purpose tax credit entities.

Non-operating activities are detailed as follows:

| <i>(in thousands)</i>  | <b>2018</b>      | <b>2017</b>      |
|--|------------------|------------------|
| Endowment and other gifts  | \$ 17,965        | \$ 2,696         |
| Realized/unrealized net gain (loss) on investments,<br>net of endowment payout | 42,507           | 54,364           |
| Gain on Schuylkill Yards parcels   | 13,385           | -                |
| Post-retirement and pension plan adjustments                                   | 2,281            | 27,519           |
| Restructuring costs  | (923)            | (12,569)         |
| US Bank contribution to 1200 Chestnut I, LP                                    | -                | 1,321            |
| Loss on extinguishment of debt   | (10,663)         | (4,484)          |
| Other expenses   | (76)             | (388)            |
| Change in net assets from non-operating activities                             | <u>\$ 64,476</u> | <u>\$ 68,459</u> |

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Income Taxes**

The University has been granted tax-exempt status as a non-profit organization under Section 501(c) (3) of the Internal Revenue Code and, accordingly, files Federal Tax Form 990 (Return of Organization Exempt from Income Tax), annually. The University files U.S. federal, state and local informational returns. The statute of limitations on the University's U.S. federal information returns remains open for three years following the year they are filed.

The University and its affiliates engage in activities that are subject to unrelated business income taxes for which appropriate income tax returns are filed (Note 14).

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") No. 740-10, *Accounting for Uncertainty in Income Taxes*, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. The University does not believe there are any uncertain tax positions that require recognition in the financial statements.

#### **Accounting for Derivative Instruments and Hedging Activities**

The University entered into a variable-to-fixed swap agreement with Wells Fargo Bank, N.A. that converts the Series B of 2005 bonds to a fixed interest rate of 3.414% through the maturity of the bonds. The agreement resulted in a gain of \$1,380,000 and \$2,105,000 in 2018 and 2017, respectively. The fair value of the interest rate swap agreement was a liability of \$2,616,000 and \$3,996,000, respectively, at June 30, 2018 and 2017.

The swap agreement is used by the University to reduce exposure to the volatility in variable interest rates on long-term debt (Note 10). There were no other swap agreements in effect as of June 30, 2018 or 2017. The fair value of the swap agreements is reported within accrued expenses in the consolidated statements of financial position. The change in the estimated fair value of terminating the interest rate swap agreement is included in realized and unrealized net loss / gain on investments in the non-operating section (Note 1) of the consolidated statements of activities.

#### **Recently Adopted Accounting Pronouncements**

In January 1, 2018, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*, which requires an entity to show the changes in total cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The University has adopted ASU No. 2016-18 by applying a retrospective transition method, which was reflected in the Consolidated Statement of Cash Flows for both periods presented.

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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#### **Recently Issued Accounting Pronouncements**

In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*. The core principle of ASU No. 2015-14 is that revenue be recognized in manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be compensated in exchange for those goods or services. The guidance is effective for annual fiscal periods beginning after December 15, 2017. The standard permits the use of either retrospective or cumulative effect transition method. The University has assessed the standard and determined that the impact on its financial statements will be immaterial. The University is planning to apply this standard on a retrospective basis.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is meant to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The guidance is effective for annual fiscal periods beginning after December 15, 2018. The University is currently evaluating the standard to determine the impact it will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which revises the not-for-profit financial reporting model. ASU No. 2016-14 is meant to reduce the complexity of and add clarity to net asset reporting, add additional disclosure regarding nature of self-imposed limits on unrestricted net assets and donor restricted net assets, and add reporting requirements related to nature of expenses. ASU No. 2016-14 is effective for fiscal years beginning after December 15, 2017. The University is positioned to implement this standard for its fiscal year beginning July 1, 2018 and is developing the additional disclosures and formatting required to conform with the standard.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU No. 2016-15 aims to reduce the diversity in practice that has resulted from the lack of consistent principles on this topic. ASU No. 2016-15 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. Entities must apply the guidance retrospectively to all periods presented but may apply it prospectively from the earliest date practicable if the retrospective application would be impracticable. The University is currently evaluating the standard to determine the impact it will have on its financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation – Retirement Benefits (Topic 715)*: ASU No. 2017-07 requires the service cost component of net periodic pension cost and net periodic postretirement benefit cost to be presented as part of fringe benefit expense in the statement of activities. The other components of net periodic benefit cost will be reported as non-operating activity in the consolidated statement of activities. ASU No. 2017-07 is effective for annual periods beginning after December 15, 2018, with early adoption permitted. Entities must apply the guidance retrospectively to all periods presented. The University is currently evaluating the standard to determine the impact it will have on its financial statements.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The new guidance improves the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. ASU No. 2017-12 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The University is currently evaluating the standard to determine the impact it will have on its financial statements.



# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 is meant to provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. ASU no. 2018-08 is effective for annual periods beginning after June 15, 2018, with early adoption permitted. Entities can apply the guidance on a modified prospective basis or retrospective basis. The University is currently evaluating the standard to determine the impact it will have on its financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The ASU aligns the accounting for costs incurred to implement a cloud computing arrangement that is a service arrangement with the guidance on capitalizing costs associated with developing or obtaining internal-use software. ASU No. 2018-15 is effective for annual periods beginning after December 15, 2020, with early adoption permitted. Entities can apply the guidance prospectively or retrospectively. The University is currently evaluating the standard to determine the impact it will have on its financial statements.

## 2. Net Assets

Net assets included the following:

| <i>(in thousands)</i>                                     | <b>2018</b>         | <b>2017</b>         |
|---|---------------------|---------------------|
| <b>Unrestricted</b>                                       |                     |                     |
| Undesignated  | \$ (421,175)        | \$ (384,772)        |
| Designated for colleges, departments<br>and student loans | 142,066             | 138,092             |
| Physical plant  | 664,395             | 633,419             |
| Quasi-endowment funds                                     | 271,789             | 252,458             |
| Reclassification for endowments with deficiencies         | (2,296)             | (3,468)             |
| Total unrestricted  | <u>654,779</u>      | <u>635,729</u>      |
| <b>Temporarily restricted</b>                             |                     |                     |
| Funds for programs and capital expenditures               | 119,480             | 112,986             |
| Funds for endowments and trusts                           | 165,466             | 127,574             |
| Reclassification for endowments with deficiencies         | 1,691               | 2,601               |
| Life income annuities                                     | 1,532               | 1,589               |
| Total temporarily restricted                              | <u>288,169</u>      | <u>244,750</u>      |
| <b>Permanently restricted</b>                             |                     |                     |
| Endowment principal (including annuities)                 | 352,568             | 328,846             |
| Reclassification for endowments with deficiencies         | 605                 | 866                 |
| Beneficial interests in trusts                            | 34,551              | 37,622              |
| Student loans and others                                  | 7,417               | 7,518               |
| Total permanently restricted                              | <u>395,141</u>      | <u>374,852</u>      |
| Total net assets  | <u>\$ 1,338,089</u> | <u>\$ 1,255,331</u> |

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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**3. Accounts Receivable**

Accounts receivable are reported at their net realizable value. Accounts are credited in the allowance for doubtful accounts when they are determined to be uncollectible based upon management's assessment of the individual accounts. The allowance for doubtful accounts is estimated based on the University's historical losses and periodic review of the accounts.

Accounts receivable, net of allowances, as of June 30, were as follows:

| <i>(in thousands)</i>                 | <b>2018</b>       | <b>2017</b>       |
|---------------------------------------|-------------------|-------------------|
| Tuition                               | \$ 93,319         | \$ 83,404         |
| Grants, contracts, and other          | 91,767            | 72,651            |
| Patient, net of contractual allowance | 9,082             | 12,048            |
| American Academic Health Systems      | 3,669             | -                 |
| Tenet Healthcare Corporation          | -                 | 1,335             |
|                                       | <u>197,837</u>    | <u>169,438</u>    |
| Allowance for doubtful accounts:      |                   |                   |
| Tuition                               | (17,610)          | (15,864)          |
| Grants, contracts, and other          | (3,664)           | (3,882)           |
| Patient                               | <u>(3,144)</u>    | <u>(4,295)</u>    |
| Accounts receivable, net              | <u>\$ 173,419</u> | <u>\$ 145,397</u> |

Student loans are disbursed based on financial need and include loans granted by the University from institutional resources and under Federal government loan programs. Students have a grace period until repayment is required based upon the earlier of graduation or no longer maintaining full-time status. The grace period varies depending on the type of loan. Loans accrue interest after the grace period and are repaid directly to the University. Student loans are uncollateralized and carry default risk.

The availability of funds for loans under Federal government revolving loan programs is dependent on reimbursements to the pool from repayments of outstanding loans. Funds advanced by the federal government of \$29,096,000 and \$29,625,000 at June 30, 2018 and 2017, respectively, are ultimately refundable to the government and are classified as liabilities in the statements of financial position. Outstanding loans cancelled under the program result in a reduction of the funds available to loan and a decrease in the liability to the government. As of October 1, 2017, the Federal Perkins Loan Program expired and new loans are no longer awarded and disbursed.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

At June 30, 2018 and 2017, student loans consisted of the following:

| <i>(in thousands)</i>   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
| Federal government loan programs                                      |                  |                  |
| Perkins loan program  | \$ 21,247        | \$ 21,369        |
| Health professions student loans and loans for disadvantaged students | 2,522            | 2,982            |
| Nursing student loans   | <u>20</u>        | <u>24</u>        |
| Federal government loan programs                                      | 23,789           | 24,375           |
| Institutional loan programs   | <u>8,113</u>     | <u>9,027</u>     |
|   | 31,902           | 33,402           |
| Less: Allowance for doubtful accounts                                 | <u>(3,188)</u>   | <u>(2,918)</u>   |
| Student loans receivable, net   | <u>\$ 28,714</u> | <u>\$ 30,484</u> |

Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts according to the terms of the loan. Student loans are considered past due when payment is not received within 30 days of the due date, and interest continues to accrue until the loan is paid in full or written off. When a student loan receivable is deemed uncollectible, an allowance for doubtful accounts is established.

**4. Contributions Receivable**

Unconditional pledges are reported as contributions receivable and revenue in the appropriate net asset category. Contributions receivable with a payment more than a year from the pledge date are recorded net of a discount using rates as of June 30, 2018 and June 30, 2017 that range between 2.52% to 2.85% and 0.07% to 2.31%, respectively. The University considers these discount rates to be a Level 3 input in the context of ASC No. 820-10 (Note 6).

Net contributions receivable at June 30 were as follows:

| <i>(in thousands)</i>               | <b>2018</b>       | <b>2017</b>       |
|-------------------------------------|-------------------|-------------------|
| Amounts due in                      |                   |                   |
| Less than one year                  | \$ 13,599         | \$ 12,785         |
| One to five years                   | 56,865            | 47,511            |
| Greater than five years             | <u>51,012</u>     | <u>60,203</u>     |
| Gross contributions receivable      | 121,476           | 120,499           |
| Less:                               |                   |                   |
| Allowance for uncollectibles        | (336)             | (336)             |
| Discounts to present value          | <u>(20,487)</u>   | <u>(20,160)</u>   |
| Total contributions receivable, net | <u>\$ 100,653</u> | <u>\$ 100,003</u> |

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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The following table summarizes the change in net contributions receivable as of June 30:

| <i>(in thousands)</i>                              | <b>2018</b>              | <b>2017</b>              |
|--|--------------------------|--------------------------|
| Net contributions receivable at beginning of year  | \$ 100,003               | \$ 117,762               |
| New pledges  | 32,596                   | 9,796                    |
| Collections and adjustments                        | (31,619)                 | (28,115)                 |
| Decrease in allowance for uncollectibles           | -                        | -                        |
| Net (increase)/decrease in present value discounts | <u>(327)</u>             | <u>560</u>               |
| Net contributions receivable at end of year        | <u><u>\$ 100,653</u></u> | <u><u>\$ 100,003</u></u> |

**5. Investments and Investment Return**

At June 30, 2018 and 2017, the fair value of the malpractice insurance trust and investments included the following:

| <i>(in thousands)</i>                             | <b>Fair value</b>        |                          |
|---|--------------------------|--------------------------|
|   | <b>2018</b>              | <b>2017</b>              |
| Money market funds                                | \$ 36,072                | \$ 20,763                |
| U.S. equity                                       | 157,942                  | 148,327                  |
| Global equity                                     | 117,250                  | 159,189                  |
| Fixed income securities and bond funds            | 109,356                  | 54,670                   |
| Real estate and real assets funds                 | 99,578                   | 66,571                   |
| Hedge funds                                       | 24,102                   | 26,040                   |
| Private equity                                    | 96,453                   | 71,279                   |
| Directly-held real estate                         | <u>88,515</u>            | <u>130,555</u>           |
| Total endowment investments                       | 729,268                  | 677,394                  |
| Self-insurance escrow funds (Note 14)             | 48,422                   | 48,921                   |
| Other investments                                 | <u>679</u>               | <u>-</u>                 |
| Total investments                                 | 778,369                  | 726,315                  |
| Malpractice insurance trust                       | <u>8,972</u>             | <u>8,991</u>             |
| Total investments and malpractice insurance trust | <u><u>\$ 787,341</u></u> | <u><u>\$ 735,306</u></u> |

Self-insurance escrow funds are comprised of mutual funds that trade on active markets with readily observable prices. Malpractice insurance trust funds are comprised of fixed income securities with readily observable prices.

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

The following summarizes the University's total investment return and its classification in the financial statements for the years ended June 30, 2018 and 2017:

| <i>(in thousands)</i>  | <b>2018</b>         |                                   |                                   |                  |
|--|---------------------|-----------------------------------|-----------------------------------|------------------|
|  | <b>Unrestricted</b> | <b>Temporarily<br/>Restricted</b> | <b>Permanently<br/>Restricted</b> | <b>Total</b>     |
| Investment income, net of expenses   | \$ 2,056            | \$ 3,734                          | \$ 522                            | \$ 6,312         |
| Realized/unrealized gain   | 29,704              | 48,525                            | 1,378                             | 79,607           |
| Endowment payout under spending formula  | (11,503)            | (18,524)                          | -                                 | (30,027)         |
| Realized/unrealized net gain/(loss) on<br>investments, net of endowment payout | 20,257              | 33,735                            | 1,900                             | 55,892           |
| Operating investment income  | 2,909               | 1,737                             | -                                 | 4,646            |
| Total return on investments  | <u>\$ 23,166</u>    | <u>\$ 35,472</u>                  | <u>\$ 1,900</u>                   | <u>\$ 60,538</u> |

| <i>(in thousands)</i>   | <b>2017</b>         |                                   |                                   |                  |
|---|---------------------|-----------------------------------|-----------------------------------|------------------|
|   | <b>Unrestricted</b> | <b>Temporarily<br/>Restricted</b> | <b>Permanently<br/>Restricted</b> | <b>Total</b>     |
| Investment income, net of expenses                                      | \$ 2,050            | \$ 4,076                          | \$ 626                            | \$ 6,752         |
| Realized/unrealized gain  | 30,663              | 38,167                            | 5,375                             | 74,205           |
| Endowment payout under spending formula                                 | (8,754)             | (17,839)                          | -                                 | (26,593)         |
| Realized/unrealized net gain on investments,<br>net of endowment payout | 23,959              | 24,404                            | 6,001                             | 54,364           |
| Operating investment income   | 2,697               | 598                               | -                                 | 3,295            |
| Total return on investments   | <u>\$ 26,656</u>    | <u>\$ 25,002</u>                  | <u>\$ 6,001</u>                   | <u>\$ 57,659</u> |

## 6. Fair Value of Financial Instruments

The three-level hierarchy for fair value measurements is based on observable and unobservable inputs to the valuation of an asset or liability at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants ("exit price") at the measurement date.

The University maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. When available, fair value is based on actively-quoted market prices. In the absence of actively-quoted market prices, price information from external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, prices are estimated based on available historical financial data or comparable investment vehicles that reflect widely accepted market valuation practices.

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In those cases, the lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the asset. Fair value measurements are categorized as Level 3 when a

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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significant number of price or other inputs, considered to be unobservable, are used in their valuations. The fair value hierarchy and inputs to valuation techniques are as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities at the measurement date. Instruments categorized in Level 1 primarily consist of a broadly-traded range of equity and debt securities.
- Level 2 Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 primarily include nonexchange traded fixed income securities and interest rate swaps.
- Level 3 Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability. Instruments categorized in Level 3 consist of trusts and annuities, directly held real estate, and interest in real estate.

As a practical expedient, the University estimates the fair value of an investment in an investment company fund at the measurement date using the reported net asset value (NAV). The fair values of alternative investments represent the University's ownership interest in the net asset value (NAV) of the respective fund. Investments held by the funds consist of marketable securities, as well as, securities that do not have readily determinable fair values. The fair values of the securities held that do not have readily determinable fair values are based on historical cost, appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issue, and subsequent developments concerning the companies to which the securities relate.

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

As of June 30, 2018 and 2017, assets and liabilities at fair value were as follows:

| <i>(in thousands)</i>                  | <b>2018</b>       |                 |                   |                               |                   |
|--|-------------------|-----------------|-------------------|-------------------------------|-------------------|
|  | <b>Level 1</b>    | <b>Level 2</b>  | <b>Level 3</b>    | <b>Investments<br/>at NAV</b> | <b>Total</b>      |
| <b>Assets</b>                          |                   |                 |                   |                               |                   |
| Funds held by trustees                 | \$ -              | \$ -            | \$ -              | \$ -                          | \$ -              |
| Beneficial interest in trusts          | -                 | -               | 45,473            | -                             | 45,473            |
| Malpractice insurance trust            | 8,972             | -               | -                 | -                             | 8,972             |
| <b>Investments</b>                     |                   |                 |                   |                               |                   |
| Money market funds                     | 36,072            | -               | -                 | -                             | 36,072            |
| U.S. Equity                            | 157,942           | -               | -                 | -                             | 157,942           |
| Global Equity                          | 101,591           | -               | -                 | 15,659                        | 117,250           |
| Fixed Income securities and bond funds | 76,367            | 1,182           | -                 | 31,807                        | 109,356           |
| Real estate and real assets funds      | -                 | -               | 4,761             | 94,817                        | 99,578            |
| Hedge funds                            | -                 | -               | -                 | 24,102                        | 24,102            |
| Private Equity                         | -                 | -               | -                 | 96,453                        | 96,453            |
| Directly-held real estate              | -                 | -               | 88,515            | -                             | 88,515            |
| Investments held in endowment          | 371,972           | 1,182           | 93,276            | 262,838                       | 729,268           |
| Self-insurance escrow funds (Note 14)  | 48,422            | -               | -                 | -                             | 48,422            |
| Other investments                      | 554               | -               | -                 | 125                           | 679               |
| Total investments                      | <u>420,948</u>    | <u>1,182</u>    | <u>93,276</u>     | <u>262,963</u>                | <u>778,369</u>    |
| Total assets at fair value             | <u>\$ 429,920</u> | <u>\$ 1,182</u> | <u>\$ 138,749</u> | <u>\$ 262,963</u>             | <u>\$ 832,814</u> |
| <b>Liabilities</b>                     |                   |                 |                   |                               |                   |
| Interest rate swaps (Note 1)           | \$ -              | \$ 2,616        | \$ -              | \$ -                          | \$ 2,616          |
| Split-interest agreements              | -                 | -               | 2,087             | -                             | 2,087             |
| Annuities                              | -                 | -               | 5,508             | -                             | 5,508             |
| Total liabilities at fair value        | <u>\$ -</u>       | <u>\$ 2,616</u> | <u>\$ 7,595</u>   | <u>\$ -</u>                   | <u>\$ 10,211</u>  |
| <b>2017</b>                            |                   |                 |                   |                               |                   |
| <i>(in thousands)</i>                  | <b>Level 1</b>    | <b>Level 2</b>  | <b>Level 3</b>    | <b>Investments<br/>at NAV</b> | <b>Total</b>      |
| <b>Assets</b>                          |                   |                 |                   |                               |                   |
| Funds held by trustees                 | \$ 313            | \$ -            | \$ -              | \$ -                          | \$ 313            |
| Beneficial interest in trusts          | -                 | -               | 48,727            | -                             | 48,727            |
| Malpractice insurance trust            | 8,991             | -               | -                 | -                             | 8,991             |
| <b>Investments</b>                     |                   |                 |                   |                               |                   |
| Money market funds                     | 20,763            | -               | -                 | -                             | 20,763            |
| U.S. Equity                            | 148,327           | -               | -                 | -                             | 148,327           |
| Global Equity                          | 108,733           | -               | -                 | 49,440                        | 158,173           |
| Fixed Income securities and bond funds | 29,347            | 1,179           | -                 | 25,160                        | 55,686            |
| Real estate and real assets funds      | -                 | -               | 7,179             | 59,392                        | 66,571            |
| Hedge funds                            | -                 | -               | -                 | 26,040                        | 26,040            |
| Private Equity                         | -                 | -               | -                 | 71,279                        | 71,279            |
| Directly-held real estate              | -                 | -               | 130,555           | -                             | 130,555           |
| Investments held in endowment          | 307,170           | 1,179           | 137,734           | 231,311                       | 677,394           |
| Self-insurance escrow funds (Note 14)  | 48,921            | -               | -                 | -                             | 48,921            |
| Other investments                      | -                 | -               | -                 | -                             | -                 |
| Total investments                      | <u>356,091</u>    | <u>1,179</u>    | <u>137,734</u>    | <u>231,311</u>                | <u>726,315</u>    |
| Total assets at fair value             | <u>\$ 365,395</u> | <u>\$ 1,179</u> | <u>\$ 186,461</u> | <u>\$ 231,311</u>             | <u>\$ 784,346</u> |
| <b>Liabilities</b>                     |                   |                 |                   |                               |                   |
| Interest rate swaps (Note 1)           | \$ -              | \$ 3,996        | \$ -              | \$ -                          | \$ 3,996          |
| Split-interest agreements              | -                 | -               | 1,790             | -                             | 1,790             |
| Annuities                              | -                 | -               | 6,432             | -                             | 6,432             |
| Total liabilities at fair value        | <u>\$ -</u>       | <u>\$ 3,996</u> | <u>\$ 8,222</u>   | <u>\$ -</u>                   | <u>\$ 12,218</u>  |

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

Details related to the fair value of investments that have been estimated using a net asset value equivalent (e.g. ownership interest in partners' capital to which a proportionate share of net assets is attributable) were as follows:

| <i>(in thousands)</i>                       | <b>2018</b>       |                                 |   |   |
|---|-------------------|---------------------------------|---|---|
|   | <b>Fair Value</b> | <b>Unfunded<br/>Commitments</b> | <b>Redemption<br/>Frequency<br/>(If Currently Eligible)</b> | <b>Redemption<br/>Notice Period<br/>(If Applicable)</b> |
| Multi-Strategy Hedge Funds (a)              | \$ 125            | \$ -                            | Annual/Quarterly  | 45-60/65 days   |
| Distressed Debt Hedge Funds (b)             | 2,516             | -                               | Annual/Quarterly  | 90 days   |
| Fixed Income and Related Hedge Funds (c)    | 21,460            | -                               | Quarterly   | 45 days   |
| Private Capital Funds-Secondaries (d)       | 10,306            | 3,023                           |   |   |
| Private Capital Funds-Venture Capital (e)   | 1,941             | 258                             |   |   |
| Private Capital Funds-Buy-out (f)           | 36,763            | 44,747                          |   |   |
| Private Capital Funds - Real Asset (g)      | 26,142            | 31,305                          |   |   |
| Private Capital Funds - Real Estate (h)     | 9,527             | 16,558                          |   |   |
| Private Capital Funds-Hedge Fund Seeder (i) | 2,932             | 222                             |   |   |
| Private Capital Funds-Mezzanine Debt (j)    | 8,843             | 611                             |   |   |
| Global Equity (k)                           | 15,659            | -                               |   |   |
| Fixed Income Securities and Bond Funds (k)  | 31,807            | -                               |   |   |
| Real Estate and Real Assets Funds (k)       | 94,817            | -                               |   |   |
| Other investments (k)                       | 125               | -                               |   |   |
|   | <u>\$ 262,963</u> | <u>\$ 96,724</u>                |   |   |



# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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- a. This category invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. As of June 30, 2018, the composite portfolio includes 100% in private equity investments which can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets in the portfolio. If these investments were held, it is estimated that the underlying assets would be liquidated over the next 1 to 3 years. The fair values of the investments have been estimated using the reported net asset value per share of the hedge fund.
- b. This category includes investments in hedge funds that invest in debt of companies in or facing bankruptcy. As of June 30, 2018, the composite portfolio includes 100% in private equity investments which can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets in the portfolio. If these investments were held, it is estimated that the underlying assets would be liquidated over the next 1 to 3 years. The fair values of the investments have been estimated using the reported net asset value per share of the hedge fund.
- c. This category includes investment in hedge funds that invest in U.S. mortgage backed securities. The fair values of the investments have been estimated using the reported net asset value per share of the hedge fund.
- d. This category includes investments in private equity funds that invest in the secondary market. The private equity secondary market refers to the buying and selling of pre-existing investor commitments to private equity and other alternative investment funds. These investments can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the fund. As of June 30, 2018, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 39% in 1 to 4 years; and 61% in 5 to 7 years. At June 30, 2017, the liquidation periods were expected to be: 46% in 1 to 4 years; and 54% in 5 to 7 years. The fair value has been estimated using the reported net asset value per share of the private capital fund.
- e. This category includes investments in private equity funds that invest primarily in technology and healthcare companies in the U.S. These investments can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the fund. As of June 30, 2018, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 10% in 1 to 4 years; and 90% in 5 to 7 years. At June 30, 2017, the liquidation periods were expected to be: 9% in 1 to 4 years; 0% in 5 to 7 years; and 91% in 8 to 10 years. The fair value has been estimated using the reported net asset value per share of the private capital fund.
- f. This category includes investments in private equity funds that invest in buy-outs. A buy-out is a purchase of a company or a controlling interest of a corporation's shares or product line or some business. These investments are diversified across industries and primarily in the U.S. These investments can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the fund. As of June 30, 2018, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 2% over 1 to 4 years; 53% in 5 to 7 years; and 45% over 8 to 10 years. At June 30, 2017, the liquidation periods were expected to be: 8% in 1 to 4 years; 31% in 5 to 7 years; and 61% in 8 to 10 years. The fair value has been estimated using the reported net asset value per share of the private capital fund.

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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- g. This category includes investments in private equity funds that invest primarily in real assets (e.g. investments with intrinsic value, such as real estate or commodities). These investments can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the fund. As of June 30, 2018, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 73% in 1 to 4 years; 12% in 5 to 7 years; and 15% in 8 to 10 years. At June 30, 2017, the liquidation periods were expected to be: 55% in 1 to 4 years; and 45% in 5 to 7 years. The fair value has been estimated using the reported net asset value per share of the real asset fund.
- h. This category includes investments in private equity funds that invest in U.S. commercial real estate. These investments can never be redeemed. Instead, distributions are received through the liquidation of the underlying assets of the fund. At June 30, 2018, it is estimated that the fund's underlying assets would be liquidated over the following time frames: 54% in 1 to 4 years; 28% in 5 to 7 years; and 18% in 8 to 10 years. At June 30, 2017, the liquidation periods were expected to be: 75% in 1 to 4 years; 25% in 5 to 7 years; and 0% in 8 to 10 years. The fair value has been estimated using the reported net asset value per share of the real estate fund.
- i. This category includes investments in private equity funds that invest in newly-started hedge funds that pursue multiple strategies. The fund provides start-up funding to hedge funds of various strategies with the potential to share in the appreciation of the investment, as well as to share in the management fees gathered by the underlying start-up hedge funds. As of June 30, 2018, and 2017, respectively, the fund's underlying investments were: 77% and 56% global equity; 1% and 12% in commodities; and 22% and 32% in diversified credit. These investments can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the fund. It is estimated that the underlying assets would be liquidated in 1 to 4 years at June 30, 2018. The fair value has been estimated using the reported net asset value per share of the private capital fund.
- j. This category includes investments in private equity funds that provide mezzanine debt financing to middle market firms. Mezzanine debt differs from mortgage debt in that the mezzanine debt is backed by equity interests in the borrowing firm, versus mortgage financing which is backed by the asset. These investments can never be redeemed with the funds. Instead, distributions are received through the liquidation of the underlying assets of the fund. At June 30, 2018, it is estimated that the fund's underlying assets would be liquidated over the following time frames: 100% in 1 to 4 years. At June 30, 2017, the liquidation periods were expected to be: 63% in 1 to 4 years; and 37% in 5 to 7 years. The fair value has been estimated using the reported net asset value per share of the private capital fund.
- k. This category includes investments in global equity, fixed income securities and bond funds, real estate and real assets funds, and other investments. Investments in this category reflect the fair value of the specific assets or the underlying ventures' net assets. The valuations of these investments are the net asset values prepared by fund managers. Majority of these investments are commingled funds.

The University owns partnership interests in a real estate portfolio classified real estate and real estate funds as a Level 3 asset. The interests have a fair market value of \$4,761,000 net of \$3,049,000 in outstanding debt. The valuation of these investment properties is prepared annually by an independent appraiser.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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The significant unobservable inputs used in the fair value measurements of the University's investments in real estate are the selection of certain investment rates (discount rate, terminal capitalization rate, and overall capitalization rate). Significant increases or decreases in any of those inputs in isolation would result in a significantly lower or higher fair value measurement, respectively.

The change in the University's Level 3 assets and liabilities as of June 30 included the following:

| <i>(in thousands)</i>              | <b>2018</b>       | <b>2017</b>       |
|------------------------------------|-------------------|-------------------|
| <b>Assets at beginning of year</b> | \$ 186,461        | \$ 182,618        |
| Net realized/unrealized gain       | 40,070            | 7,429             |
| Purchases of investments           | -                 | 1,232             |
| Sales of investments               | (7,597)           | (4,818)           |
| Transfers out - Schuylkill Yards   | (80,185)          | -                 |
| <b>Assets at end of year</b>       | <u>\$ 138,749</u> | <u>\$ 186,461</u> |

| <i>(in thousands)</i>                              | <b>2018</b>     | <b>2017</b>     |
|--|-----------------|-----------------|
| <b>Liabilities at beginning of year</b>            | \$ 8,222        | \$ 8,224        |
| Change in annuities and split-interest liabilities | (627)           | (2)             |
| <b>Liabilities at end of year</b>                  | <u>\$ 7,595</u> | <u>\$ 8,222</u> |

**7. Endowment Funds**

The University has an investment policy for endowment assets designed to maximize the total return within an acceptable level of risk consistent with long-term preservation of the real value of the funds. The goal is to manage the portfolio for risk as well as total return, consistent with fiduciary standards of the prudent investor rule.

To satisfy its rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Endowment assets are invested in several asset classes and subclasses thereof to moderate the volatility of the returns for the entire portfolio.

For the years ended June 30, 2018 and 2017, the University had an endowment spending rule that limited the spending of endowment resources to 4.75% of the average fair value of the pooled endowment portfolio for the prior seven fiscal years, except for ANS. For the fiscal years ended June 30, 2018 and 2017, ANS had an endowment spending rule that limited the spending of endowment resources to 5.50% and 6.50%, respectively, of the fair market value of the pooled endowment assets for the prior seven fiscal years. This rule was applied except in cases where the spending rate had been stipulated by the donor agreement (typically 5.0%).

The University's endowment funds include both donor-restricted funds and funds designated by the Board of Trustees to function as endowments (quasi endowments). Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The earnings on these funds are utilized by the University in a manner consistent with specific donor restrictions on the original contributions.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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**Interpretation of Relevant Law**

The Board of Trustees has interpreted Pennsylvania Act 141 (“PA Act 141”) as requiring the preservation of the fair value of the original gift as specified in the individual trust instruments. Because of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) earnings of the endowment made in accordance with the direction of the applicable donor designation. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by PA Act 141.

Endowment composition by type of fund as of June 30, 2018 and 2017 was as follows:

| <i>(in thousands)</i>            | <b>2018</b>         |                               |                               |                   |
|----------------------------------|---------------------|-------------------------------|-------------------------------|-------------------|
|                                  | <b>Unrestricted</b> | <b>Temporarily Restricted</b> | <b>Permanently Restricted</b> | <b>Total</b>      |
| Donor-restricted endowment funds | \$ 22,423           | \$ 159,965                    | \$ 350,729                    | \$ 533,117        |
| Board-designated endowment funds | 247,077             | -                             | -                             | 247,077           |
| Total assets                     | <u>\$ 269,500</u>   | <u>\$ 159,965</u>             | <u>\$ 350,729</u>             | <u>\$ 780,194</u> |

| <i>(in thousands)</i>            | <b>2017</b>         |                               |                               |                   |
|----------------------------------|---------------------|-------------------------------|-------------------------------|-------------------|
|                                  | <b>Unrestricted</b> | <b>Temporarily Restricted</b> | <b>Permanently Restricted</b> | <b>Total</b>      |
| Donor-restricted endowment funds | \$ 22,875           | \$ 135,076                    | \$ 327,811                    | \$ 485,762        |
| Board-designated endowment funds | 213,804             | -                             | -                             | 213,804           |
| Total assets                     | <u>\$ 236,679</u>   | <u>\$ 135,076</u>             | <u>\$ 327,811</u>             | <u>\$ 699,566</u> |

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

Changes in the University's endowment assets (excluding annuities and trusts) and for the years ended June 30, 2018 and 2017 were as follows:

| <i>(in thousands)</i>                 | <b>2018</b>         |                               |                               | <b>Total</b>      |
|---------------------------------------|---------------------|-------------------------------|-------------------------------|-------------------|
|                                       | <b>Unrestricted</b> | <b>Temporarily Restricted</b> | <b>Permanently Restricted</b> |                   |
| <b>Endowment at beginning of year</b> | \$ 236,679          | \$ 135,076                    | \$ 327,811                    | \$ 699,566        |
| Endowment return:                     |                     |                               |                               |                   |
| Investment income, net of fees        | 2,056               | 3,734                         | 522                           | 6,312             |
| Net realized/unrealized gain          | 25,101              | 49,071                        | 3,682                         | 77,854            |
| Transfer for funds with deficiencies  | 1,142               | (881)                         | (261)                         | -                 |
| Total endowment return                | <u>28,299</u>       | <u>51,924</u>                 | <u>3,943</u>                  | <u>84,166</u>     |
| Contributions                         | 133                 | (1)                           | 17,598                        | 17,730            |
| Use of endowment assets:              |                     |                               |                               |                   |
| Endowment payout used in operations   | (9,171)             | (18,407)                      | (2,450)                       | (30,028)          |
| Other                                 | 13,560              | (8,627)                       | 3,827                         | 8,760             |
| Total uses of endowment assets        | <u>4,389</u>        | <u>(27,034)</u>               | <u>1,377</u>                  | <u>(21,268)</u>   |
| <b>Endowment at end of year</b>       | <u>\$ 269,500</u>   | <u>\$ 159,965</u>             | <u>\$ 350,729</u>             | <u>\$ 780,194</u> |

| <i>(in thousands)</i>                 | <b>2017</b>         |                               |                               | <b>Total</b>      |
|---------------------------------------|---------------------|-------------------------------|-------------------------------|-------------------|
|                                       | <b>Unrestricted</b> | <b>Temporarily Restricted</b> | <b>Permanently Restricted</b> |                   |
| <b>Endowment at beginning of year</b> | \$ 215,041          | \$ 111,900                    | \$ 317,198                    | \$ 644,139        |
| Endowment return:                     |                     |                               |                               |                   |
| Investment income, net of fees        | 2,050               | 4,076                         | 610                           | 6,736             |
| Net realized/unrealized gain          | 22,453              | 41,117                        | 5,799                         | 69,369            |
| Transfer for funds with deficiencies  | 5,386               | (4,381)                       | (1,005)                       | -                 |
| Total endowment return                | <u>29,889</u>       | <u>40,812</u>                 | <u>5,404</u>                  | <u>76,105</u>     |
| Contributions                         | -                   | -                             | 2,696                         | 2,696             |
| Use of endowment assets:              |                     |                               |                               |                   |
| Endowment payout used in operations   | (8,197)             | (15,709)                      | (2,687)                       | (26,593)          |
| Other                                 | (54)                | (1,927)                       | 5,200                         | 3,219             |
| Total uses of endowment assets        | <u>(8,251)</u>      | <u>(17,636)</u>               | <u>2,513</u>                  | <u>(23,374)</u>   |
| <b>Endowment at end of year</b>       | <u>\$ 236,679</u>   | <u>\$ 135,076</u>             | <u>\$ 327,811</u>             | <u>\$ 699,566</u> |

#### Endowment Funds with Deficiencies

From time to time, the fair value of some assets associated with individual donor-restricted endowment funds may fall below the level that donors require to be retained as a perpetual fund. The aggregate amount of funds with deficiencies is reported in unrestricted net assets in the consolidated statement of activities. Subsequent investment gains will be used to restore the balance to the fair market value of the original amount of the gift. Subsequent gains above that amount will be recorded as temporarily restricted net assets. Aggregate deficiencies were \$2,297,000 and \$3,439,000 as of June 30, 2018 and 2017, respectively.

#### 8. Land, Buildings and Equipment

Land, buildings and equipment are stated at cost or, if acquired by gift, at the appraised value on the date of acquisition. Amortization and depreciation are computed on a straight-line basis over the lesser of the estimated useful lives of the assets ranging from 3 to 30 years for equipment and software and 5 to 60 years for buildings and improvements or the shorter of the term of the lease.

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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The University determined that there were legal obligations to retire certain facilities and equipment. The total asset retirement cost and obligation was \$1,419,000 and \$3,772,000 at June 30, 2018 and \$1,427,000 and \$3,578,000 at June 30, 2017, respectively, and is included in buildings and improvements and accrued expenses, respectively, on the consolidated statements of financial position. The depreciation and accretion expense amounted to \$512,000 and \$197,000 at June 30, 2018 and (\$671,000) and \$402,000 at June 30, 2017, respectively. The demolition of the University City High School and removal of its hazardous substances significantly reduced the University's asset retirement obligation resulting in a significant credit to the depreciation expenses to recognize the elimination of this obligation.

The University maintains ownership of a parcel of property located at 1200 Chestnut Street, Philadelphia, PA. The use of the building is restricted for use by the Thomas R. Kline School of Law's Trial Advocacy Program.

Land, buildings and equipment at June 30 included the following:

| <i>(in thousands)</i>                 | <b>2018</b>       | <b>2017</b>       |
|---------------------------------------|-------------------|-------------------|
| Works of art                          | \$ 10,511         | \$ 10,441         |
| Land and improvements                 | 147,300           | 147,211           |
| Buildings and improvements            | 1,083,648         | 1,020,995         |
| Equipment, software and library books | 219,641           | 218,035           |
| Construction in progress              | 39,939            | 63,067            |
|                                       | <u>1,501,039</u>  | <u>1,459,749</u>  |
| Less: Accumulated depreciation        | <u>(548,503)</u>  | <u>(508,431)</u>  |
| Total land, buildings and equipment   | <u>\$ 952,536</u> | <u>\$ 951,318</u> |

## 9. Leases

Future minimum payments by year and in the aggregate under non-cancelable operating leases, with initial or remaining terms of one year or more, are as follows:

| <i>(in thousands)</i>        |                   |
|------------------------------|-------------------|
| June 30,                     |                   |
| 2019                         | \$ 19,213         |
| 2020                         | 18,076            |
| 2021                         | 17,722            |
| 2022                         | 17,685            |
| 2023                         | 7,479             |
| Thereafter                   | <u>43,355</u>     |
| Total minimum lease payments | <u>\$ 123,530</u> |

Total rent expense for operating leases amounted to \$19,826,000 and \$19,338,000 for the years ended June 30, 2018 and 2017, respectively.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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On September 1, 2017, Tenet Healthcare Corporation (“Tenet”) announced that they had signed a definitive agreement to sell its two Philadelphia medical centers — Hahnemann University Hospital, St. Christopher’s Hospital for Children — to American Academic Health System (“AAHS”), a newly formed affiliate of Paladin Healthcare. On January 11, 2018, all operating lease agreements under Tenet Healthcare Corporation (“Tenet”) were transferred to American Academic Health System (“AAHS”). The University continues to lease educational, research, and medical office space from the AAHS under an operating lease expiring June 30, 2022. The future minimum payments are included in the table above. Total rent expense for the AAHS/Tenet operating lease was \$7,991,000 for each of the years ended June 30, 2018 and 2017.

The University entered into an agreement with the Commonwealth of Pennsylvania (the “Commonwealth”) on August 1, 2002 to lease space in the Armory Building (the “Armory”) at no cost for an initial period of fifty years during which time the University agreed to complete certain improvements to the Armory at the University’s expense. Thereafter, the lease may be renewed for two, additional twenty-year periods at fair value. In the event the Commonwealth should desire to sell the property during the initial or additional lease periods, the University has the option to purchase the Armory for \$1,700,000, adjusted for inflation. There were \$8,600 and \$5,032,000, respectively, capitalized for improvements in fiscal years 2018 and 2017. Estimated costs for the required improvements amounted to \$2,613,000 and \$2,678,000 at June 30, 2018 and 2017, respectively. These costs have been capitalized and a comparable capital lease liability recorded.

On January 23, 2012, the University and ACC OP (Chestnut PA), LLC, an affiliate of American Campus Communities (“ACC”), entered a triple net ground lease structure governing the conveyance of the land area located on 3200 Chestnut Street with a base lease term of forty years and three, ten-year option periods. In consideration for the right to develop, own, and operate the proposed project referred to as “Chestnut Square” on the University’s campus, ACC pays the University annual ground rent of \$254,000. Chestnut Square includes 360,000 square feet of residential space, housing approximately 863 students. The facility also includes 36,000 square feet of retail and office space along the Chestnut Street frontage. The structures consist of two eight story low-rise buildings and a nineteen-story high-rise residential tower at the corner of 32<sup>nd</sup> and Chestnut Streets. A 101,500-square foot parking structure containing 267 spaces is also included for the south side of the existing Creese Student Center. The University bears no cost of the Chestnut Square project. At the end of the lease (40-70 years), the asset reverts to the University.

On August 30, 2013, the University entered into a land purchase agreement with 3175 JFK Associates, LP and L-A 31, LP, both affiliates of ACC, whereby ACC contributed land, air rights and a subsurface parcel it owned contiguous to Drexel’s campus (i.e. 3175 JFK Boulevard) to the University as a gift, without any purchase consideration, but retained the ownership of the “University Crossings” building and improvements erected on this land. The University Crossings property consists of 1.15 acres of land and a 17-story, 452,483 square foot building with 261 units and a total bed capacity of 1,016. As a condition of the land purchase agreement, Drexel and ACC also entered into a ground lease agreement whereby Drexel leased the land back to ACC for no consideration other than reimbursement of property tax that Drexel would be required to pay as the land owner. The term of the lease is forty years with an option to renew for three consecutive ten-year terms. Payments to the University from ACC are recorded as a cost recovery of property taxes. Within five years from the effective date, ACC is required to complete no less than \$22,327,000 in capital improvements. The University’s financial statements include a ground lease liability for the sub-parcel and air rights at June 30, 2018, and 2017 of \$10,550,000 and \$10,850,000 respectively. The University recognized \$300,000 of ground lease income related to this agreement during fiscal years 2018 and 2017.

## **Drexel University and Subsidiaries**

### **Notes to Consolidated Financial Statements**

#### **June 30, 2018 and 2017**

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The University entered into ground lease agreement with ACC OP (Lancaster PA), LLC (“ACC Lancaster”), an affiliate of ACC, on August 30, 2013 for property located at 3400 Lancaster Avenue to undertake “The Summit” project on the University’s campus. The Summit project features a tiered eight story and five story mid-and low-rise building along Lancaster Avenue which includes 19,120 square feet of ground floor retail that faces Lancaster Avenue and 34<sup>th</sup> Street, a 23-story residential tower that sits on a one-story student amenity plinth and a one-story dining venue. The initial term of the lease is forty years, with an option to renew for three consecutive ten-year terms. In consideration for the right to develop, own, and operate The Summit, ACC pays the University annual ground rent of \$725,000.

In tandem with the execution of the ground lease agreement, the University entered into a sublease agreement with ACC Lancaster, for the dining facility at The Summit property at 3400 Lancaster Avenue. The sublease calls for annual rent payments of \$741,395 for the first thirty years of the sublease. The sublease is, in all respects, subject to and subordinate to the ground lease between the University and ACC established on August 30, 2013, to develop the 3400 Lancaster Avenue property. The term of the sublease follows the term of the ground lease, commencing September 2015. The initial term is 40 years with three, ten-year renewal options. At the expiration or sooner termination of the ground lease, title shall vest with the University and belong exclusively to the University without any interest on the part of ACC. The sublease provides a rent prepayment option, which allows the full 30 years of rent for the dining facility to be satisfied with an upfront payment of \$9,200,000. The University executed the option in September 2015. The amount is capitalized and amortized over the term of the lease.

In June 2014, the University entered into ground lease agreements with Wexford 3750 Lancaster Avenue, LLC, Wexford 115 North 38<sup>th</sup> Street, LLC, Wexford 225 North 38<sup>th</sup> Street, LLC, and Wexford 3701 Filbert Street, LLC (all to be referred to as “Wexford”) for property located at 3601 Filbert Street. Wexford has prepaid the University \$17,616,000, the full amount of the lease. The prepayment has been recorded as deferred rental income and will be amortized over the 99-year term of the lease. In addition, Drexel is obligated to fund an amount not to exceed \$13,200,000 for the development of the property.

On December 17, 2014, the University entered into a ground lease agreement with Study Philadelphia Holding, LLC (“SPHLLC”) to build an upscale hotel, “The Study”, on University property located at 3301 Chestnut Street and 20-40 South 33<sup>rd</sup> Street. The hotel features a ground floor restaurant and retail space, a conference center, approximately 212 hotel rooms, and accessory hotel amenities, with a main entrance on 33<sup>rd</sup> Street. The hotel includes a ten-story building, totaling 145,000 square feet of space. The base term of the lease is fifty years with two, ten-year renewal options. The commencement date is twenty-four months from the date of the lease or the opening date whichever is earlier. Upon the expiration of the lease, the leased premises will become the property of the University. The University recognized \$154,000 of ground lease income related to this agreement during fiscal years 2018 and 2017.

On October 2, 2015, the University entered into a ground lease agreement with RPG 32 Race, LP (“RPG”) for University property located at 3201 Race Street. RPG intends to lease the property and develop a 178,00-square foot multi-storied, mixed-use facility, consisting of 164 “Class A” rental apartment units, 13,800 square foot childcare center, ancillary amenities and improvements including a café and rooftop sundeck, 27 on-site parking spaces, accommodation for customer curbside drop-off for use in connection with the childcare center. Nobel Learning Communities, Inc. is the approved childcare operator. The annual rent commencement date is defined as twelve months following the substantial completion of the project. The initial term of the lease is seventy-five years with the option to extend the lease for one additional term of twenty-four years. The



# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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University recognized ground lease income of \$215,000 related to this agreement during fiscal years 2018 and 2017.

#### **Schuylkill Yards**

On May 9, 2016, the University entered into a master development agreement (the “Development Agreement”) with Brandywine Realty Trust (“BRT”), the sole general partner of Brandywine Operating Partnership, LP. As the master developer, BRT is provided certain rights and obligations, for a multi-phase, multi-component development on approximately 10.11 acres of University owned land (the “Drexel Site”) adjacent to the University’s main campus in the University City section of Philadelphia. The project’s master planned area includes the Drexel Site and up to four additional adjacent acres owned separately by the University and BRT, to be branded as “Schuylkill Yards.”

Schuylkill Yards is contemplated to be developed in six phases over approximately 20 years, excluding extension options, and will consist of approximately 5.0 million square feet of floor area ratio (FAR) of commercial, office, educational, research, residential, and related facilities, as well as accessory green space uses. Approximately 50% of the total FAR value will consist of office, educational and research space, and the balance in residential, retail, hospitality and parking uses.

BRT intends to fund costs to develop each phase of Schuylkill Yards through a combination of cash on hand, capital raised through one or more joint venture formations, proceeds from the sale of other assets or debt financing, including project-specific leasehold mortgage financing. Terms of the Development Agreement were determined through arm’s-length negotiation between the University and BRT.

On October 13, 2017, the University completed the initial conveyance for the Schuylkill Yards project involving the transfer of 3001 and 3025 Market Street to Brandywine Realty Trust (“BRT”), the sole general partner of Brandywine Operating Partnership, LP. The total fair value of these properties included in the endowment was \$52,000,000. BRT commenced the construction of a large public realm area on the 3001 Market Street parking lot with completion on or about the second quarter of fiscal year 2019 to be followed immediately by the commencement of exterior remodeling of the 3025 Market Street building. The surface rights for 3001 Market Street were conveyed through a ground lease in consideration for \$100, as the University agreed to provide the land for a park to define and significantly enhance the value of the entire project. The 3025 Market Street parcel was conveyed through a 99-year prepaid ground lease combined with the conveyance of the vertical improvements and the subterranean rights of 3001 Market Street for \$35,000,000 resulting in a loss of \$17,000,000. The proceeds from both parcels were invested in the University’s endowment portfolio replacing the real estate values for the 3001 and 3025 Market Street parcels. In addition to the conveyance transactions BRT provided \$370,000 for access to the property management staff at Academic Proprieties Inc., a Drexel subsidiary, to assist with the repositioning and re-tenanting of the 3025 Market Street property.

On March 22, 2018, the University completed the conveyance of the second parcel for the Schuylkill Yards project, 3001-3003 John F. Kennedy Boulevard to Brandywine Realty Trust (“BRT”), the sole general partner of Brandywine Operating Partnership, LP. The 3001-3003 John F. Kennedy Boulevard parcel was conveyed through a 99-year prepaid ground lease for \$24,640,000 resulting in a gain of \$16,440,000. The proceeds were invested in the University’s endowment portfolio replacing the real estate values for the 3001-3003 John F. Kennedy Boulevard.

On June 29, 2018, the University completed the conveyance of the third parcel for the Schuylkill Yards project, 3025 John F. Kennedy Boulevard to Brandywine Realty Trust (“BRT”), the sole

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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general partner of Brandywine Operating Partnership, LP. The 3025 John F. Kennedy Boulevard parcel was conveyed through a 99-year prepaid ground lease for \$20,545,000 resulting in a gain of \$13,945,000. The proceeds were received on July 2, 2018 and invested in the University's endowment portfolio replacing the real estate values for the 3025 John F. Kennedy Boulevard. As of June 30, 2018, the receivable of \$20,545,000 was included in the Grants, contracts, and other accounts receivable category on the Statement of Financial Position.

At least one structure on the John F. Kennedy Boulevard parcels is expected to start construction by the 4<sup>th</sup> quarter of 2019.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**10. Bonds and Notes Payable**

| <i>(in thousands)</i>   | <b>Project</b>                     | <b>Final<br/>Maturity</b> | <b>Effective<br/>Interest Rate<br/>at June 30,<br/>2018</b> | <b>2018</b>       | <b>2017</b>       |
|---|------------------------------------|---------------------------|---|-------------------|-------------------|
| <b>Fixed rate debt obligations</b>                                      |                                    |                           |   |                   |                   |
| <b>Drexel University</b>  |                                    |                           |   |                   |                   |
| Dormitory Bonds of 1969   | Calhoun Hall                       | 2014-2019                 | 3.00%   | \$ -              | \$ 150            |
| Pennsylvania Higher Education Facilities Authority (PHEFA)              |                                    |                           |   |                   |                   |
| Series A of 2011  | Capital improvements and equipment | 2014-2041                 | 2.00-5.25%  | 7,710             | 136,455           |
| Series of 2012  | Refunding                          | 2014-2032                 | 1.00-5.00%  | 11,480            | 15,635            |
| Series of 2016  | Refunding                          | 2022-2037                 | 2.00-5.00%  | 117,130           | 117,130           |
| Series of 2017  | Refunding                          | 2018-2041                 | 2.00-5.00%  | 117,800           | -                 |
| <b>11th Street Family Health Services Inc.</b>                          |                                    |                           |   |                   |                   |
| The Reinvestment Fund, Inc.   | New Market Tax Credit Program      | 2043                      | 1.297%  | 2,717             | 2,717             |
| The Reinvestment Fund, Inc.   | New Market Tax Credit Program      | 2043                      | 1.297%  | 6,783             | 6,783             |
| <b>3509 Spring Garden, LP</b>   |                                    |                           |   |                   |                   |
| Philadelphia Industrial Development Corporation                         | New Market Tax Credit Program      | 2044                      | 1.517%  | 1,964             | 1,964             |
| Philadelphia Industrial Development Corporation                         | New Market Tax Credit Program      | 2044                      | 1.517%  | 4,826             | 4,826             |
| U.S. Bank Corp Community Development Entity                             | New Market Tax Credit Program      | 2044                      | 1.00%   | 1,045             | 1,045             |
| U.S. Bank Corp Community Development Entity                             | New Market Tax Credit Program      | 2044                      | 1.00%   | 2,205             | 2,205             |
| <b>Variable rate debt obligations</b>                                   |                                    |                           |   |                   |                   |
| <b>Drexel University</b>  |                                    |                           |   |                   |                   |
| Second Series of 2000   | Capital improvements and equipment | 2019-2026                 | Variable  | 22,010            | 22,500            |
| Series B of 2002  | Capital improvements and equipment | 2015-2032                 | Variable  | 40,680            | 41,180            |
| Series B of 2005  | Advance refunding                  | 2019-2030                 | Variable  | 29,625            | 29,625            |
| Series B of 2007  | Capital improvements and equipment | 2014-2037                 | Variable  | 24,110            | 24,890            |
| Total outstanding bonds and notes payable                               |                                    |                           |   | 390,085           | 407,105           |
| Unamortized original issue premiums/discounts and cost of issuance, net |                                    |                           |   | 34,436            | 20,449            |
| Total bonds and notes payable   |                                    |                           |   | <u>\$ 424,521</u> | <u>\$ 427,554</u> |

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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The PHEFA Revenue Bonds contain certain restrictive covenants which limit the issuance of additional indebtedness, and among other things, require the University to maintain expendable resources of at least 50% of outstanding long-term debt, generate net revenues equal to 110% of annual debt service requirements, and to certify that maximum annual debt service does not exceed 10% of the unrestricted gross revenues. The University was in compliance with these financial covenant requirements at June 30, 2018 and 2017.

The variable rates of interest on the Pennsylvania Higher Educational Facilities Authority Revenue Bonds are based on the weekly rate determined by the remarketing or auction agent, not to exceed 16% per annum.

In December 2017, the University issued Pennsylvania Higher Educational Facilities Authority, Drexel University Revenue Refunding Bonds, Series of 2017 in the amount of \$117,800,000. The primary purpose of this issue was the refunding of most of the outstanding Series of 2011A bonds. The 2017 bonds will be maturing between May 1, 2018 and May 1, 2041. The bonds were issued on a parity basis with the University's other outstanding Authority bonds and on a parity basis with the interest rate swap agreement in connection with the Series of 2005B bonds.

The Second Series of 2000, Series B of 2002, Series B of 2005, Series B of 2007, 2011, 2012, 2016 and 2017 bonds are secured by a security interest in unrestricted gross revenues.

Debt maturities for the fiscal years ending are as follows:

| <i>(in thousands)</i> | <b>Maturities</b> | <b>Remarketed<br/>Debt</b> | <b>Total Debt</b> |
|-----------------------|-------------------|----------------------------|-------------------|
| 2019                  | 4,058             | 5,130                      | 9,188             |
| 2020                  | 5,463             | 4,005                      | 9,468             |
| 2021                  | 8,253             | 5,730                      | 13,983            |
| 2022                  | 9,823             | 4,720                      | 14,543            |
| 2023                  | 8,658             | 7,190                      | 15,848            |
| Thereafter            | 274,798           | 89,650                     | 364,448           |
|                       |                   |                            | <u>\$ 427,478</u> |
| Cost of issuance      |                   |                            | <u>(2,957)</u>    |
|                       |                   |                            | <u>424,521</u>    |

The Second Series of 2000 and Series B of 2002, Series B of 2005 and Series B of 2007 bonds have remarketing terms and related standby letters of credit which could change the maturity dates. These issues have been included in the above table based on the current terms of the loans. If the remarketing efforts were to fail, the maturities would reflect the terms of the letters of credit as follows:

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

---

| <i>(in thousands)</i> | <b>Remarked<br/>Debt</b> |
|-----------------------|--------------------------|
| June 30,              |                          |
| 2019                  | 6,027                    |
| 2020                  | 34,488                   |
| 2021                  | 36,340                   |
| 2022                  | 30,312                   |
| 2023                  | 7,406                    |
| Thereafter            | 1,852                    |
|                       | <u>\$ 116,425</u>        |

**Lines of Credit**

The University holds a line of credit which is a term note for a total of \$3,500,000 for equipment purchases that accrues interest based on Libor plus 1.25%. Advances are available with equal payments of principal and interest due sixty months thereafter. The line of credit is secured by a lien and security interest in deposits or other sums held by the lender or its affiliates. There were no amounts outstanding at June 30, 2018 and 2017.

Total unsecured Revolving Credit Facilities (“Facilities”) of \$55,000,000 matures on December 31, 2019, and accrues interest based on Intercontinental Exchange Benchmark Administration “ICE” (subject to a floor of 0.75%) for the University. It can be extended annually based upon the agreement of the University and the bank maintaining the Facilities. At June 30, 2018, the interest rate was 0.75% and there were no amounts outstanding.

**11. Retirement Plans**

**Defined Benefit and Defined Contribution Plans**

The University established the Drexel University Defined Contribution Retirement Plan (“DU DC”) effective April 1, 1972. The DU DC was most recently amended and restated, effective March 1, 2016, to (i) reflect the merger of the Academy of Natural Sciences Defined Contribution Retirement Plan (“ANS DC”) with the DU DC and the transfer of its assets and liabilities to the DU DC. Drexel University is the DU DC administrator. The trustees of the DU DC are Teachers Insurance and Annuity Association - College Retirement Equities Fund, as agent for JP Morgan Chase Bank, N.A. (“TIAA-CREF”), Vanguard Fiduciary Trust Company (“Vanguard”) and Fidelity Management Trust Company (“Fidelity”).

The DU DC is subject to the provisions of the Employee Retirement Income Security Act of 1974. The Institution’s Investment Committee determines the appropriateness of the plan’s investment offerings, monitors investment performance, and reports to the Institution’s Board, who is responsible for the oversight of the Plan.

All eligible employees, defined as a full-time staff or faculty member, or a part-time employee who earns 1,000 hours of service or more during the 12-consecutive calendar month period beginning with his or her date of hire, can contribute their own deferrals on a pre-tax basis. Effective, January 1, 2015, all full-time faculty and professional staff who do not enroll in the DU DC within 31 days of their date of hire will be automatically enrolled at a rate of two percent (2%) to the default vendor, TIAA-CREF, with the next available payroll. Contribution changes, including stopping participation can be done at any time. Provided that an eligible employee contributes at least one percent (1%) of compensation, the University contributes a “Basic Contribution” to the DU DC equal to three percent (3%) for an eligible employee under the age of 50, and five percent (5%) for those 50 or older. The University contributes matching contributions to DU DC that are equal to one hundred

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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percent (100%) of an eligible employee's contributions up to six percent (6%). All basic and matching contributions are subject to certain Internal Revenue Code limitations.

The University also participates in a contributory retirement plan which provides benefits for certain union employees. The policy is to fund pension costs accrued for these plans. Total retirement plan expense for all plans was \$41,465,000 and \$43,211,000 in 2018 and 2017, respectively.

ANS also maintains a defined benefit pension plan. This plan was frozen by the ANS Board of Trustees effective December 31, 2009, prior to the affiliation agreement with Drexel University on September 30, 2011. The assumptions for the pension liabilities, the accumulated benefit obligation, change in projected benefit obligation, and change in plan assets are as follows:

| <i>(in thousands)</i>                             | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
| <b>Weighted average assumptions as of June 30</b> |                  |                  |
| Discount rate                                     | 4.30 %           | 3.90 %           |
| Expected return on plan assets                    | 6.25 %           | 6.25 %           |
| <b>Accumulated benefit obligation</b>             |                  |                  |
| Accumulated benefit obligation at June 30         | \$ 19,650        | \$ 20,037        |
| <b>Change projected in benefit obligation</b>     |                  |                  |
| Net benefit obligation at June 30                 | \$ 20,037        | \$ 19,908        |
| Service costs                                     | 230              | 160              |
| Interest costs                                    | 762              | 759              |
| Actuarial (gain)/loss                             | (321)            | 495              |
| Gross benefits paid                               | <u>(1,058)</u>   | <u>(1,285)</u>   |
| Net benefit obligation at June 30                 | <u>\$ 19,650</u> | <u>\$ 20,037</u> |

| <i>(in thousands)</i>                          | <b>2018</b>       | <b>2017</b>       |
|--|-------------------|-------------------|
| <b>Change in plan assets</b>                   |                   |                   |
| Fair value of plan assets at beginning of year | \$ 10,639         | \$ 10,582         |
| Actual return on plan assets                   | 330               | 510               |
| Employer contributions                         | 759               | 832               |
| Gross benefits paid                            | <u>(1,058)</u>    | <u>(1,285)</u>    |
| Fair value of plan assets at June 30           | <u>\$ 10,670</u>  | <u>\$ 10,639</u>  |
| Fair value of plan assets                      | \$ 10,670         | \$ 10,639         |
| Benefit obligation                             | <u>19,650</u>     | <u>20,037</u>     |
| Net amount recognized at June 30*              | <u>\$ (8,980)</u> | <u>\$ (9,398)</u> |

\* These amounts are recognized in the financial statements including the statement of financial position in the "Post-retirement and pension benefits" classification.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

The components of net periodic benefit cost are noted below:

| <i>(in thousands)</i>  | <b>2018</b>   | <b>2017</b>   |
|--|---------------|---------------|
| <b>Weighted average assumptions used to determine net periodic benefit costs</b> |               |               |
| Discount rate  | 4.30 %        | 3.90 %        |
| Expected return on plan assets   | 6.25 %        | 6.25 %        |
| <b>Components of net periodic benefit costs</b>                                  |               |               |
| Service costs  | \$ 230        | \$ 160        |
| Interest costs   | 762           | 759           |
| Expected return on assets  | (661)         | (664)         |
| Amortization of actuarial loss   | 10            | 649           |
| Net periodic benefit cost  | <u>\$ 341</u> | <u>\$ 904</u> |

As of June 30, 2018, and 2017, the pension plan had a projected benefit obligation and an accumulated benefit obligation in excess of plan assets. Both the projected and accumulated benefit obligations were \$19,650,000 and \$20,037,000 at June 30, 2018 and 2017, respectively. The fair value of the plan assets was \$10,670,000 and \$10,639,000 as of June 30, 2018 and 2017, respectively.

Information about the expected cash flows for the pension plan is as follows:

**Expected benefit payments**  
*(in thousands)*

|           |          |
|-----------|----------|
| June 30,  |          |
| 2019      | \$ 1,068 |
| 2020      | 1,162    |
| 2021      | 1,199    |
| 2022      | 1,225    |
| 2023      | 1,248    |
| 2024-2028 | 6,522    |

**Plan Assets**

The ANS pension plan weighted-average asset allocations at June 30, 2018 and 2017 by asset category are as follows:

|  | <b>2018</b>    | <b>2017</b>    |
|--|----------------|----------------|
| <b>Asset category</b>                  |                |                |
| Equity securities                      | 49.2 %         | 49.0 %         |
| Fixed income securities                | 31.4 %         | 30.8 %         |
| Hedge fund and alternative investments | 12.3 %         | 19.2 %         |
| Cash                                   | 7.1 %          | 1.0 %          |
|  | <u>100.0 %</u> | <u>100.0 %</u> |

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

The ANS investment policy and strategy is to shift investments to the target allocation to control the volatility of investment returns for the portfolio. As the investment horizon is expected to be long-term, the portfolio needs to provide long-term capital growth while also being protected from incurring major losses due to the poor performance of one sector of the market and must be invested to reduce the overall investment risk and volatility of investment returns.

The target composition of the plans assets is characterized as a 34%, 37%, 27%, and 2% allocation between equity, fixed income investments, alternative investments, and cash. The strategy currently utilizes indexed equity funds and fixed income funds, and a number of alternative investment vehicles. The alternative investments are allocated among various classes, including but not limited to: equities, hedge funds, fixed income, natural resources, and real estate. The strategy allows to invest in a diversified manner with a mix of assets that are set not to be highly correlated. The expected rate of return on assets was based on the current interest rate environment and historical market premiums of equity and other asset classes relative to fixed income rates.

The following tables present the plan assets at fair value as of June 30, 2018, and 2017 according to the valuation hierarchy:

|                             |                 | <b>2018</b>    |                |                               |                  |  |
|-----------------------------|-----------------|----------------|----------------|-------------------------------|------------------|--|
| <i>(in thousands)</i>       | <b>Level 1</b>  | <b>Level 2</b> | <b>Level 3</b> | <b>Investments<br/>at NAV</b> | <b>Total</b>     |  |
| <b>Assets at fair value</b> |                 |                |                |                               |                  |  |
| Cash equivalents            | \$ 763          | \$ -           | \$ -           | \$ -                          | \$ 763           |  |
| Mutual funds                | 9,093           | -              | -              | -                             | 9,093            |  |
| Alternative investments     | -               | -              | -              | 814                           | 814              |  |
|                             | <u>\$ 9,856</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 814</u>                 | <u>\$ 10,670</u> |  |
|                             |                 | <b>2017</b>    |                |                               |                  |  |
| <i>(in thousands)</i>       | <b>Level 1</b>  | <b>Level 2</b> | <b>Level 3</b> | <b>Investments<br/>at NAV</b> | <b>Total</b>     |  |
| <b>Assets at fair value</b> |                 |                |                |                               |                  |  |
| Cash equivalents            | \$ 112          | \$ -           | \$ -           | \$ -                          | \$ 112           |  |
| Mutual funds                | 9,784           | -              | -              | -                             | 9,784            |  |
| Alternative investments     | -               | -              | -              | 743                           | 743              |  |
|                             | <u>\$ 9,896</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 743</u>                 | <u>\$ 10,639</u> |  |



# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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#### 12. Other Post-Retirement Benefits

In addition to retirement plan benefits, the University also provides post-retirement benefits to retirees in the form of group life insurance, major medical insurance and tuition remission. All eligible faculty and professional staff members who have completed ten (10) years of full-time consecutive service with the University and are age 55 or older, if hired before September 1, 2013, or who have completed fifteen years of full-time consecutive service with the University and are age 60 or older if hired on or after September 1, 2013, excluding any professional staff member who is affiliated with a collective bargaining unit. Full-time consecutive service (10 or 15 years) is strictly services with Drexel University and does not include any subsidiaries.

Effective June 30, 2017, except for eligible tenured faculty who made a valid election under the University Retirement Incentive Plan for Tenured Faculty prior to January 1, 2017 to retire from service on August 31, 2017 under the University's One-time Early Retirement Incentive Window Plan, the plan was amended to provide the cost of coverage for eligible retirees who retire from employment prior to July 1, 2017. The University shares the cost of coverage for medical plan options under this Plan with eligible retirees. Retirees must pay the difference between the monthly cost for the health plan in which they are enrolled and the University's retiree allowance. For eligible retirees who retired from employment prior to September 1, 2014, the retiree allowance is \$400 per month for an eligible retiree and up to an additional \$400 per month for his or her spouse or same-sex domestic partner. For eligible retirees who retire from employment on or after September 1, 2014 but before July 1, 2017, the retiree allowance is \$300 per month for an eligible retiree and up to an additional \$300 per month for his or her spouse or same-sex domestic partner. The University reserves the right to change the level of the retiree allowance at any time. For eligible retirees who retire from employment after June 30, 2017, there is no retiree allowance and eligible retirees must pay the entire cost of medical coverage under this Plan. The retirees have a choice of various providers. The post-retirement health care plan is contributory, and the life insurance plan is noncontributory. On January 1, 2015, the plan was amended to include actively employed College of Medicine faculty and professional staff who had 15 years of consecutive full-time service (since 1998), and were at least 60 years of age.

The net periodic post-retirement benefit costs and related funded status as of June 30 are shown below. Adjustments to the unfunded status amounted to (\$2,636,000) and (\$28,423,000) respectively, for the years ended 2018 and 2017 and are reflected in the consolidated statements of activities and included in post-retirement benefits in the consolidated statements of financial position.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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The following tables provide information with respect to the other post-retirement plans for the years ended June 30:

**Plans Funded Status**

*(in thousands)*

|  | <b>2018</b>      | <b>2017</b>      |
|--|------------------|------------------|
| <b>Change in benefit obligation</b>          |                  |                  |
| Benefit obligation, beginning of year        | \$ 44,066        | \$ 69,198        |
| Service cost                                 | 303              | 2,443            |
| Interest cost                                | 1,559            | 2,469            |
| Plan amendments                              | -                | (25,414)         |
| Actuarial gain                               | (2,936)          | (1,950)          |
| Plan participant contributions               | 703              | 272              |
| Actual benefits paid                         | <u>(4,107)</u>   | <u>(2,952)</u>   |
| Benefit obligation, end of year              | <u>39,588</u>    | <u>44,066</u>    |
| <b>Change in plan assets</b>                 |                  |                  |
| Fair value of plan assets, beginning of year | -                | -                |
| Employer contributions                       | 3,404            | 2,680            |
| Plan participant contributions               | 703              | 272              |
| Actual benefits paid                         | <u>(4,107)</u>   | <u>(2,952)</u>   |
| Fair value of plan assets, end of year       | <u>-</u>         | <u>-</u>         |
| Unfunded status of the plan*                 | <u>\$ 39,588</u> | <u>\$ 44,066</u> |

\* These amounts are recognized in the financial statements including the statement of financial position in the "Post-retirement and pension benefits" classification.

**Weighted average assumptions to determine benefit obligations and net cost as of June 30**

|   |       |       |
|---|-------|-------|
| Discount rate                           | 3.80% | 4.03% |
| Ultimate retiree health care cost trend | 4.50% | 4.50% |
| Year ultimate trend rate is achieved    | 2027  | 2026  |

For measurement purposes, a 9.0% and an 8.0% annual rate of increase in the per capita cost of covered health care benefits for those over 65 and under 65, respectively, was assumed for 2018 grading down to ultimate rates of 4.5% in the year 2027 and thereafter.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

**Net Periodic Benefit Cost**  
*(in thousands)*

|   | <b>2018</b>       | <b>2017</b>        |
|---|-------------------|--------------------|
| <b>Components of net periodic benefit cost</b>  |                   |                    |
| Service cost  | \$ 303            | \$ 2,443           |
| Interest cost   | 1,559             | 2,469              |
| Amortization of:  |                   |                    |
| Prior service credit  | (1,536)           | (288)              |
| Net loss  | <u>1,236</u>      | <u>1,347</u>       |
| Net periodic benefit cost   | <u>\$ 1,562</u>   | <u>\$ 5,971</u>    |
| <b>Other changes recognized in unrestricted net assets</b>  |                   |                    |
| Net actuarial gain  | \$ (2,936)        | \$ (1,950)         |
| Prior service credit  | -                 | (25,414)           |
| Amortization of:  |                   |                    |
| Prior service cost  | 1,536             | 288                |
| Net gain  | <u>(1,236)</u>    | <u>(1,347)</u>     |
| Total recognized in unrestricted net assets   | <u>\$ (2,636)</u> | <u>\$ (28,423)</u> |
| <b>Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets</b> |                   |                    |
| Prior service credit  | \$ (19,783)       | \$ (21,318)        |
| Actuarial loss  | <u>17,820</u>     | <u>21,992</u>      |
| Amounts in unrestricted net assets, end of year   | <u>\$ (1,963)</u> | <u>\$ 674</u>      |
| <b>Amounts in unrestricted net assets expected to be recognized in net periodic benefit cost</b>      |                   |                    |
| Prior service credit  | \$ (1,536)        |                    |
| Actuarial loss  | \$ 1,041          |                    |

For the fiscal years ended June 30, 2018 and 2017, the effect of a 1% change in the health care cost trend rate is as follows:

| <i>(in thousands)</i>                       | <u>2018</u> |             | <u>2017</u> |             |
|---|-------------|-------------|-------------|-------------|
|   | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| Effect on net periodic benefit cost         | \$ 53       | (47)        | \$ 50       | \$ (45)     |
| Effect on postretirement benefit obligation | 288         | (268)       | 339         | (318)       |

**Contributions**

Expected contributions for the 2019 fiscal year are \$3,641,000.

# Drexel University and Subsidiaries

## Notes to Consolidated Financial Statements

### June 30, 2018 and 2017

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#### Estimated future benefit payments

The following benefit payments (net of retiree contributions), which reflect the effects of the Medicare Act and expected future service, as appropriate, are expected to be paid in:

*(in thousands)*

| <b>June 30,</b> |        |
|-----------------|--------|
| 2019            | 3,641  |
| 2020            | 3,595  |
| 2021            | 3,500  |
| 2022            | 3,386  |
| 2023            | 3,276  |
| Thereafter      | 14,640 |

#### 13. Professional Liability Insurance

Starting July 1, 2014, Drexel established a Self-Insurance Trust (“SIT”) to provide primary coverage for known claims medical professional liability coverage. The SIT provides primary coverage of \$500,000 for physicians and midwives and up to \$1,000,000 for other health professions and entity coverage. Physicians and midwives also participate in the Pennsylvania Medical Care Availability and Reduction of Error Fund (“Mcare”) that covers from \$500,000 to \$1,000,000. In addition, Drexel self-insures a layer of excess of up to \$2,000,000 above the Mcare Fund.

The Dragon Risk Limited, Co. provides excess coverage above the self-insured layer of an additional \$17,000,000.

For self-insured retention amounts for both reported claims and claims incurred but not reported at June 30, 2018 and 2017, the University and its subsidiaries recorded gross combined reserves of \$36,923,000 and \$39,284,000, respectively and related recoveries from third party insurers of \$7,105,000 and \$9,567,000 at June 30, 2018 and 2017, respectively. For fiscal years 2018 and 2017, the reserves were discounted at 2% for the layers retained by the University and excess carriers. Such reserves and reinsurance recoveries are included in accrued expenses and grants, contracts and other receivables, respectively, in the accompanying 2018 and 2017 consolidated statements of financial position. Under the self-insurance program, the University is required by the Commonwealth of Pennsylvania to maintain a malpractice trust fund. At June 30, 2018 and 2017, self-insurance escrow funds and malpractice insurance trust consisting of mutual funds and fixed income securities amounted to \$57,394,000 and \$57,912,000, respectively, were available to fund incurred but not reported liabilities.

#### 14. Commitments and Contingencies

##### Healthcare Legislation and Regulation

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements and reimbursement for patient services. Federal government activity has continued with respect to investigations and allegations concerning possible violation of billing regulations by healthcare providers. Violations of these regulations could result in the imposition of significant fines and penalties and have a significant effect on reported activities or cash flow.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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The University believes it is in compliance with applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

#### **Litigation**

There is pending litigation between SodexoMAGIC and the University in relation to the former food services agreement.

The nature of the educational and healthcare industries is such that, from time to time, claims will be presented on account of alleged negligence, acts of discrimination, medical malpractice, breach of contract or disagreements arising from the interpretation of laws or regulations. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational and healthcare services at a large institution. In the opinion of the University, after consultation with legal counsel, the ultimate disposition of these matters will not have a materially adverse effect on the financial condition or results of operations.

#### **Other Commitments and Contingencies**

The University maintains a letter of credit in the amount of \$225,000, as required by the Department of Environmental Protection, in connection with the disposal of nuclear medical waste and is renewed annually. There were no amounts outstanding as of June 30, 2018 and 2017.

The University maintains four letters of credit totaling \$3,709,000 associated with workers' compensation insurance. The agreements are renewable annually. There were no amounts outstanding as of June 30, 2018 and 2017.

The University has the following letters of credit for bonds having remarketing terms:

- The Second Series of 2000 bond has a letter of credit in an amount not to exceed \$22,500,000, plus required interest coverage, which will expire June 1, 2019.
- The Series B of 2002 bond has a letter of credit in an amount not to exceed \$42,140,000, plus required interest coverage, which will expire June 1, 2019.
- The Series B of 2005 bond has a letter of credit in an amount not to exceed \$30,047,055 which will expire September 30, 2019.
- The Series B of 2007 bond has a letter of credit in an amount not to exceed \$29,879,704, plus required accrued interest, which will expire October 30, 2018.

There were no amounts outstanding on these bond-related letters of credit as of June 30, 2018 and 2017.

The University also maintains a letter of credit in an amount not to exceed \$287,253 as required by the U.S. Department of Education in connection with Federal student loans. It will expire on May 1, 2019 and is automatically renewed annually unless notified by the University of an election not to renew. There was no amount outstanding as of June 30, 2018.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2018 and 2017**

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#### **Business Income Taxes**

As referenced in Note 1 - Income Taxes, the University is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. The University and its non-profit affiliates are not subject to taxation for activities and income related to its exempt purpose. Unrelated business income (UBI) is defined by the Internal Revenue Service (IRS) as income generated in a trade or business that is regularly carried on and is not substantially related to further the exempt purpose of the organization. The University is subject to federal UBI tax related to the net income generated from consulting, conference services and investment income held in the endowment fund for which the investment manager has reported unrelated business income on an IRS Schedule K-1 for which it files an IRS Form 990-T, Exempt Organization Business Tax Return, annually. The University makes quarterly estimated tax payments to the IRS and submits any additional tax payment with the final submission of its return in the subsequent fiscal year.

The University is also subject to the City of Philadelphia Business Income and Receipts Tax. The University files an annual Business Income and Receipts Tax return and submits estimated tax payments for the subsequent fiscal year at the time of filing its return to the City of Philadelphia.

For the fiscal years ended June 30, 2018 and 2017, the University recorded \$1,711,000 and \$949,000 as income tax expenses and assigned a functional expense category of institutional support for these expenditures.

The Tax Cuts and Jobs Act (the "Act") enacted on December 22, 2017, impacts the University in several ways, including new excise taxes on executive compensation and net investment income, increases to unrelated business taxable income (UBTI) by the amount of certain fringe benefits for which a deduction is not allowed, changes to the net operating loss rules, repeal of the alternative minimum tax (AMT), and the computation of UBTI separately for each unrelated trade or business. Further, the Act reduces the US federal corporate tax rate and federal corporate unrelated business income tax rate from 35% to 21%. The overall impact of the Act remains uncertain and the full impact of the Act will not be known until further regulatory guidance is provided to assist the University with calculating income and excise tax liabilities. The University continues to evaluate the impact of tax reform on the organization.

#### **15. Related Party Transactions**

On January 11, 2018, all operating agreements under Tenet Healthcare Corporation ("Tenet") were transferred to American Academic Health System ("AAHS"). Under these agreements, the University acts both as a purchaser and provider of services. Total services purchased from AAHS/Tenet for the years ended June 30, 2018 and 2017 were \$12,369,000 and \$12,259,000, respectively. These services include charges for various personnel, administrative and support services related to operating the College of Medicine and rent. Services provided to Tenet/AAHS include administrative, supervisory and teaching services connected with faculty physician and residency programs and services and support provided by physicians to support hospital operations. Total charges to AAHS/Tenet for these services amounted to \$24,063,000 and \$22,534,000 for the years ended June 30, 2018 and 2017, respectively, and are mainly included in patient care activities revenue in the accompanying consolidated statements of activities.

#### **Drexel University/Ben Franklin Technology Partners Seed Fund**

On November 15, 2015, the University and Ben Franklin Technology Partners of Southeastern Pennsylvania ("Ben Franklin") signed a ten year agreement ending November 15, 2025, to establish a jointly funded initiative "the Fund", managed by Ben Franklin in conjunction with the University that establishes four program areas: 1) seed investments from a jointly capitalized pool into

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2018 and 2017**

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University spin-outs and other agreed upon Drexel-based ventures, 2) post-investment portfolio management services, 3) appropriate counseling and support for all invested companies and access to all Ben Franklin services and programs, and 4) joint efforts to place Drexel talent with invested enterprises. The University has authorized an amount up to \$5,000,000 to be raised from donors and used for the program elements. Ben Franklin has also authorized up to \$5,000,000 to be allocated over the life of the initiative from available investment resources. All loans and/or investments made by the Fund will be made with equal participation between the University and Ben Franklin. All loans and/or investment administration will be handled by Ben Franklin. The University and Ben Franklin will share equally in the revenue, income and/or other forms of return from each loan/investment. Upon termination of the agreement, any uncommitted University funds, net of costs associated with any outstanding loan or investment will be returned to the University by Ben Franklin within 45 days of termination.

**16. Operating Expenses**

Expenses for the operation and maintenance of plant, depreciation and interest are not included in the University's patient care and education and general expense categories in the consolidated statements of activities. The allocation of those expenses, based on the space assigned to each, is as follows:

| <i>(in thousands)</i>       | <b>2018</b>       | <b>2017</b>       |
|-----------------------------|-------------------|-------------------|
| College programs            | \$ 37,560         | \$ 38,908         |
| Research and public service | 13,580            | 13,492            |
| Academic support            | 6,227             | 3,544             |
| Student services            | 15,499            | 15,305            |
| Institutional support       | 8,323             | 8,011             |
| Auxiliary enterprises       | 34,665            | 41,702            |
| Patient care activities     | 4,719             | 4,827             |
|                             | <u>\$ 120,573</u> | <u>\$ 125,789</u> |

The allocation of operating expenses at June 30, 2018 and 2017, reflects annual space inventory data using the University space management system. The space inventory includes all space at the Academy of Natural Sciences, Center City, and Queen Lane Campuses, and University City campuses. The allocation at June 30, 2018 and 2017 is based on a total 5,399,000 and 5,427,000 net usable square feet, respectively.

**17. Subsequent Events**

The University evaluated events subsequent from June 30, 2018 through October 24, 2018.

**Schedule of Expenditures of Federal Awards**



# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                                    | CFDA Number | Direct            | Pass-Through      | Pass-Through Entity                         | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|-------------------|-------------------|---|------------------------------------|--------------------|--------------------------|
| <b>RESEARCH AND DEVELOPMENT CLUSTER</b>                                       |             |                   |                   |   |                                    |                    |                          |
| <b>DEPARTMENT OF AGRICULTURE</b>  |             |                   |                   |   |                                    |                    |                          |
| <b>Agricultural Research Service</b>  |             |                   |                   |   |                                    |                    |                          |
| Agricultural Research Basic and Applied Research                              | 10.001      | \$ 15,187         | \$ -              |   |                                    | \$ 15,187          | \$ -                     |
| <b>Total CFDA 10.001</b>  |             | <b>\$ 15,187</b>  | <b>\$ -</b>       |   |                                    | <b>\$ 15,187</b>   | <b>\$ -</b>              |
| <b>Animal and Plant Health Inspection Service</b>                             |             |                   |                   |   |                                    |                    |                          |
| Wildlife Services   | 10.028      | \$ 12,615         | \$ -              |   |                                    | \$ 12,615          | \$ -                     |
| <b>Total CFDA 10.028</b>  |             | <b>\$ 12,615</b>  | <b>\$ -</b>       |   |                                    | <b>\$ 12,615</b>   | <b>\$ -</b>              |
| <b>National Institute of Food and Agriculture</b>                             |             |                   |                   |   |                                    |                    |                          |
| Agriculture and Food Research Initiative (AFRI)                               | 10.310      | \$ -              | \$ 45,443         | University of Maryland                      | 2016-67017-24599                   | \$ 45,443          | \$ -                     |
| Agriculture and Food Research Initiative (AFRI)                               | 10.310      | -                 | 4,887             | Rutgers University                          | 2018-67018-28146                   | 4,887              | -                        |
| Agriculture and Food Research Initiative (AFRI)                               | 10.310      | -                 | 25,370            | Penn State University                       | 2012-68005-19703                   | 25,370             | -                        |
| Agriculture and Food Research Initiative (AFRI)                               | 10.310      | -                 | 257,530           | The Regents of the University of California | 2015-68003-23411                   | 257,530            | -                        |
| <b>Total CFDA 10.310</b>  |             | <b>\$ -</b>       | <b>\$ 333,230</b> |   |                                    | <b>\$ 333,230</b>  | <b>\$ -</b>              |
| Biomass Research and Development Initiative Competitive Grants Program (BRDI) | 10.312      | \$ 38,160         | \$ -              |   |                                    | \$ 38,160          | \$ 24,995                |
| Biomass Research and Development Initiative Competitive Grants Program (BRDI) | 10.312      | -                 | 134,986           | Ceramatec                                   | 2012-10008-20263                   | 134,986            | 93,697                   |
| <b>Total CFDA 10.312</b>  |             | <b>\$ 38,160</b>  | <b>\$ 134,986</b> |   |                                    | <b>\$ 173,146</b>  | <b>\$ 118,692</b>        |
| <b>Total Department of Agriculture</b>  |             | <b>\$ 65,962</b>  | <b>\$ 468,216</b> |   |                                    | <b>\$ 534,178</b>  | <b>\$ 118,692</b>        |
| <b>DEPARTMENT OF COMMERCE</b>   |             |                   |                   |   |                                    |                    |                          |
| <b>National Oceanic and Atmospheric Administration (NOAA)</b>                 |             |                   |                   |   |                                    |                    |                          |
| Sea Grant Support   | 11.417      | -                 | 37,415            | New Jersey Sea Grant Consortium             | NA14OAR4170085                     | 37,415             | \$ -                     |
| <b>Total CFDA 11.417</b>  |             | <b>\$ -</b>       | <b>\$ 37,415</b>  |   |                                    | <b>\$ 37,415</b>   | <b>\$ -</b>              |
| Coastal Zone Management Administration Awards                                 | 11.419      | \$ -              | \$ 16,228         | PA Department of Environmental Protection   | 4100073159                         | 16,228             | \$ -                     |
| <b>Total CFDA 11.419</b>  |             | <b>\$ -</b>       | <b>\$ 16,228</b>  |   |                                    | <b>\$ 16,228</b>   | <b>\$ -</b>              |
| Climate and Atmospheric Research  | 11.431      | \$ 19,899         | \$ -              |   |                                    | \$ 19,899          | \$ -                     |
| Climate and Atmospheric Research  | 11.431      | -                 | 116,378           | Columbia University                         | NA15OAR4310147                     | 116,378            | \$ -                     |
| <b>Total CFDA 11.431</b>  |             | <b>\$ 19,899</b>  | <b>\$ 116,378</b> |   |                                    | <b>\$ 136,277</b>  | <b>\$ -</b>              |
| <b>National Institute of Standards and Technology (NIST)</b>                  |             |                   |                   |   |                                    |                    |                          |
| Measurement and Engineering Research and Standards                            | 11.609      | \$ 134,272        | \$ -              |   |                                    | \$ 134,272         | \$ -                     |
| <b>Total CFDA 11.609</b>  |             | <b>\$ 134,272</b> | <b>\$ -</b>       |   |                                    | <b>\$ 134,272</b>  | <b>\$ -</b>              |
| Science, Technology, Business and/or Education Outreach                       | 11.620      | \$ 8,189          | \$ -              |   |                                    | \$ 8,189           | \$ -                     |
| <b>Total CFDA 11.620</b>  |             | <b>\$ 8,189</b>   | <b>\$ -</b>       |   |                                    | <b>\$ 8,189</b>    | <b>\$ -</b>              |
| <b>Total Department of Commerce</b>   |             | <b>\$ 162,360</b> | <b>\$ 170,021</b> |   |                                    | <b>\$ 332,381</b>  | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                           | CFDA Number | Direct              | Pass-Through      | Pass-Through Entity                          | Pass-Through Entity Sponsor Number | Total Expenditures  | Passed to Sub-Recipients |
|--|-------------|---------------------|-------------------|--|------------------------------------|---------------------|--------------------------|
| <b>DEPARTMENT OF DEFENSE</b>   |             |                     |                   |  |                                    |                     |                          |
| <b>Department of the Navy, Office of the Chief of Naval Research</b> |             |                     |                   |  |                                    |                     |                          |
| Basic and Applied Scientific Research                                | 12.300      | \$ 1,500,750        | \$ -              |  |                                    | \$ 1,500,750        | \$ 377,927               |
| Basic and Applied Scientific Research                                | 12.300      | -                   | (1,232)           | Techno Sciences, Inc.                        | S334-10-DREXEL-02                  | (1,232)             | -                        |
| Basic and Applied Scientific Research                                | 12.300      | -                   | 94,240            | Brown University                             | N00014-17-1-2644                   | 94,240              | -                        |
| Basic and Applied Scientific Research                                | 12.300      | -                   | 76,375            | George Washington University                 | N00014-17-1-2312                   | 76,375              | -                        |
| Basic and Applied Scientific Research                                | 12.300      | -                   | (38,245)          | University of Pennsylvania                   | N00014-14-1-0761                   | (38,245)            | -                        |
| Basic and Applied Scientific Research                                | 12.300      | -                   | 31,671            | RDRtec                                       | N68335-15-C-0116                   | 31,671              | -                        |
| Basic and Applied Scientific Research                                | 12.300      | -                   | 5,676             | Florida State University                     | N00014-16-1-2956                   | 5,676               | -                        |
| <b>Total CFDA 12.300</b>   |             | <b>\$ 1,500,750</b> | <b>\$ 168,485</b> |  |                                    | <b>\$ 1,669,235</b> | <b>\$ 377,927</b>        |
| <b>U.S. Army Medical Command</b>                                     |             |                     |                   |  |                                    |                     |                          |
| Military Medical Research and Development                            | 12.420      | \$ 1,719,525        | \$ -              |  |                                    | \$ 1,719,525        | \$ 88,679                |
| Military Medical Research and Development                            | 12.420      | -                   | 276,612           | InfraScan, Inc.                              | W81XWH-17-C-0244                   | 276,612             | -                        |
| Military Medical Research and Development                            | 12.420      | -                   | 56,872            | Trustees of Boston University                | W81XWH-13-2-0072                   | 56,872              | -                        |
| <b>Total CFDA 12.420</b>   |             | <b>\$ 1,719,525</b> | <b>\$ 333,484</b> |  |                                    | <b>\$ 2,053,009</b> | <b>\$ 88,679</b>         |
| <b>U.S. Army Materiel Command</b>                                    |             |                     |                   |  |                                    |                     |                          |
| Basic Scientific Research  | 12.431      | \$ 3,036,993        | \$ -              |  |                                    | \$ 3,036,993        | \$ 1,209,911             |
| Basic Scientific Research  | 12.431      | -                   | 5,754             | University of Pennsylvania                   | W911NF-08-2-0004                   | 5,754               | -                        |
| Basic Scientific Research  | 12.431      | -                   | (1)               | S12 Technologies, Inc.                       | W15QKN-15-C-00007                  | (1)                 | -                        |
| Basic Scientific Research  | 12.431      | -                   | 29,392            | EOIR Technologies, Inc.                      | W56KGU-15-D-0007                   | 29,392              | -                        |
| <b>Total CFDA 12.431</b>   |             | <b>\$ 3,036,993</b> | <b>\$ 35,145</b>  |  |                                    | <b>\$ 3,072,138</b> | <b>\$ 1,209,911</b>      |
| <b>Office of the Secretary of Defense</b>                            |             |                     |                   |  |                                    |                     |                          |
| Basic, Applied, and Advanced Research in Science and Engineering     | 12.630      | \$ 16,026           | \$ -              |  |                                    | \$ 16,026           | \$ -                     |
| Basic, Applied, and Advanced Research in Science and Engineering     | 12.630      | -                   | 38,065            | Advanced Functional Fabrics of America, Inc. | W15QKN-16-3-0001 ; 079979851       | 38,065              | -                        |
| Basic, Applied, and Advanced Research in Science and Engineering     | 12.630      | -                   | 50,313            | University of Delaware                       | 2001518468 CLIN10                  | 50,313              | -                        |
| Basic, Applied, and Advanced Research in Science and Engineering     | 12.630      | -                   | 146,718           | University of Delaware                       | W911NF1220022                      | 146,718             | -                        |
| <b>Total CFDA 12.630</b>   |             | <b>\$ 16,026</b>    | <b>\$ 235,096</b> |  |                                    | <b>\$ 251,122</b>   | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title  | CFDA Number | Direct              | Pass-Through        | Pass-Through Entity                       | Pass-Through Entity Sponsor Number | Total Expenditures  | Passed to Sub-Recipients |
|---|-------------|---------------------|---------------------|---|------------------------------------|---------------------|--------------------------|
| <b>Department of the Air Force, Materiel Command</b>  |             |                     |                     |   |                                    |                     |                          |
| Air Force Defense Research Sciences Program   | 12.800      | \$ 26,917           | \$ -                |   |                                    | \$ 26,917           | \$ -                     |
| Air Force Defense Research Sciences Program   | 12.800      | -                   | 185,674             | PAR Government Systems Corporation        | F18750-16-C-0168                   | 185,674             | -                        |
| <b>Total CFDA 12.800</b>  |             | <b>\$ 26,917</b>    | <b>\$ 185,674</b>   |   |                                    | <b>\$ 212,591</b>   | <b>\$ -</b>              |
| <b>National Security Agency</b>   |             |                     |                     |   |                                    |                     |                          |
| Information Security Grants   | 12.902      | \$ 250,980          | \$ -                |   |                                    | \$ 250,980          | \$ -                     |
| <b>Total CFDA 12.902</b>  |             | <b>\$ 250,980</b>   | <b>\$ -</b>         |   |                                    | <b>\$ 250,980</b>   | <b>\$ -</b>              |
| <b>Advanced Research Projects Agency</b>  |             |                     |                     |   |                                    |                     |                          |
| Research and Technology Development   | 12.910      | -                   | 489,380             | University of Delaware                    | HR0011-16-2-0014                   | 489,380             | -                        |
| <b>Total CFDA 12.910</b>  |             | <b>\$ -</b>         | <b>\$ 489,380</b>   |   |                                    | <b>\$ 489,380</b>   | <b>\$ -</b>              |
| ACIN 10.9 Cognitive Network   | 12.RD       | \$ (1,220)          | \$ -                |   |                                    | \$ (1,220)          | \$ -                     |
| Non Destructive Approach For Damage Detection and Its Evolution in Hard Armor Protective Inserts                                      | 12.RD       | 9,812               | -                   |   |                                    | 9,812               | -                        |
| Senior Design Project   | 12.RD       | 4,399               | -                   |   |                                    | 4,399               | -                        |
| Attribution Of Malicious Binaries   | 12.RD       | 192,920             | -                   |   |                                    | 192,920             | 116,523                  |
| Application of Non-Thermal Plasma Technology for the Removal of Poly- and Perfluoroalkyl Substances from Investigation-Derived Wastes | 12.RD       | 25,003              | -                   |   |                                    | 25,003              | -                        |
| Health Conscious Structures for Zero-Maintenance Rotorcraft Platforms   | 12.RD       | -                   | 29,793              | epoXtal LLC                               | CONTRACT W911NF-17-P-0070          | 29,793              | -                        |
| Performance Estimation and Optimization of REDHAWK SDR Applications   | 12.RD       | -                   | 31,399              | Directed Vapor Technologies International | W911NF-17-P-0057                   | 31,399              | -                        |
| NAVAIR AIR-1.0: Aircrew Physiologic Status Monitoring   | 12.RD       | -                   | 50,631              | Athena GTX Inc.                           | N68335-16-C-0085                   | 50,631              | -                        |
| Portable Near Infrared Field Triage and Resuscitation Aid Technology 1  | 12.RD       | -                   | 239,051             | Lockheed Martin Corporation               | HR0011-17-C-0074                   | 239,051             | -                        |
| Portable Near Infrared Field Triage and Resuscitation Aid Technology 1  | 12.RD       | -                   | 230,908             | InfraScan, Inc.                           | W911QY-14-C-0082                   | 230,908             | -                        |
| Health Conscious Structures for Zero-Maintenance Rotorcraft Platforms   | 12.RD       | -                   | 107,123             | Alpha Star Corporation                    | W911QX-17-C-0015                   | 107,123             | -                        |
| <b>Total CFDA 12.RD</b>   |             | <b>\$ 230,914</b>   | <b>\$ 688,905</b>   |   |                                    | <b>\$ 919,819</b>   | <b>\$ 116,523</b>        |
| <b>Total Department of Defense</b>  |             | <b>\$ 6,782,105</b> | <b>\$ 2,136,169</b> |   |                                    | <b>\$ 8,918,274</b> | <b>\$ 1,793,040</b>      |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct            | Pass-Through     | Pass-Through Entity          | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|-------------------|------------------|------------------------------|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF THE INTERIOR</b>  |             |                   |                  |                              |                                    |                    |                          |
| <b>Fish and Wildlife Service</b>   |             |                   |                  |                              |                                    |                    |                          |
| Wildlife Without Borders-Africa  | 15.651      | \$ 174,213        | \$ -             |                              |                                    | \$ 174,213         | \$ -                     |
| <b>Total CFDA 15.651</b>   |             | <b>\$ 174,213</b> | <b>\$ -</b>      |                              |                                    | <b>\$ 174,213</b>  | <b>\$ -</b>              |
| <b>Total Department of the Interior</b>  |             | <b>\$ 174,213</b> | <b>\$ -</b>      |                              |                                    | <b>\$ 174,213</b>  | <b>\$ -</b>              |
| <b>DEPARTMENT OF JUSTICE</b>   |             |                   |                  |                              |                                    |                    |                          |
| <b>National Institute of Justice</b>   |             |                   |                  |                              |                                    |                    |                          |
| Juvenile Justice and Delinquency Prevention  | 16.540      | \$ 6,935          | \$ -             |                              |                                    | \$ 6,935           | \$ -                     |
| <b>Total CFDA 16.540</b>   |             | <b>\$ 6,935</b>   | <b>\$ -</b>      |                              |                                    | <b>\$ 6,935</b>    | <b>\$ -</b>              |
| National Institute of Justice Research, Evaluation, and Development Project Grants             | 16.560      | \$ -              | \$ 8,679         | University of Pennsylvania   | 2017-CK-BX-0016                    | \$ 8,679           | \$ -                     |
| National Institute of Justice Research, Evaluation, and Development Project Grants             | 16.56       | -                 | 11,975           | Temple University            | 2013-IJ-CX-0056                    | 11,975             | -                        |
| National Institute of Justice Research, Evaluation, and Development Project Grants             | 16.560      | -                 | 2,279            | Rutgers University           | 2016-MU-CX-K011                    | 2,279              | -                        |
| <b>Total CFDA 16.560</b>   |             | <b>\$ -</b>       | <b>\$ 22,933</b> |                              |                                    | <b>\$ 22,933</b>   | <b>\$ -</b>              |
| <b>Bureau of Justice Assistance</b>  |             |                   |                  |                              |                                    |                    |                          |
| Residential Substance Abuse Treatment for State Prisoners                                      | 16.593      | \$ -              | \$ (528)         | Commonwealth of Pennsylvania | 2011-DJ-BX-2218                    | \$ (528)           | \$ -                     |
| <b>Total CFDA 16.593</b>   |             | <b>\$ -</b>       | <b>\$ (528)</b>  |                              |                                    | <b>\$ (528)</b>    | <b>\$ -</b>              |
| Edward Byrne Memorial Justice Assistance Grant Program   | 16.738      | -                 | 10               | Commonwealth of Pennsylvania | 2011-DJ-BX-2218                    | 10                 | -                        |
| <b>Total CFDA 16.738</b>   |             | <b>\$ -</b>       | <b>\$ 10</b>     |                              |                                    | <b>\$ 10</b>       | <b>\$ -</b>              |
| <b>Office of Justice Programs (OJP), Office of Juvenile Justice and Delinquency Prevention</b> |             |                   |                  |                              |                                    |                    |                          |
| Juvenile Justice Education Collaboration Assistance  | 16.829      | \$ -              | \$ 68,549        | City of Philadelphia         | 2014-JZ-FX-K003                    | \$ 68,549          | \$ -                     |
| <b>Total CFDA 16.829</b>   |             | <b>\$ -</b>       | <b>\$ 68,549</b> |                              |                                    | <b>\$ 68,549</b>   | <b>\$ -</b>              |
| Risk Assessment White Paper  | 16.RD       | \$ (5)            | \$ -             |                              |                                    | \$ (5)             | \$ -                     |
| <b>Total CFDA 16.RD</b>  |             | <b>\$ (5)</b>     | <b>\$ -</b>      |                              |                                    | <b>\$ (5)</b>      | <b>\$ -</b>              |
| <b>Total Department of Justice</b>   |             | <b>\$ 6,930</b>   | <b>\$ 90,964</b> |                              |                                    | <b>\$ 97,894</b>   | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                     | CFDA Number | Direct    | Pass-Through | Pass-Through Entity                      | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|-----------|--------------|--|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF LABOR</b>                                     |             |           |              |  |                                    |                    |                          |
| <b>Employment and Training Administration</b>                  |             |           |              |  |                                    |                    |                          |
| Trade Adjustment Assistance                                    | 17.245      | \$ -      | \$ 5,250     | New England Institute of Technology      | AWARD DATED 04/11/2018             | \$ 5,250           | \$ -                     |
| <b>Total CFDA 17.245</b>                                       |             | \$ -      | \$ 5,250     |  |                                    | \$ 5,250           | \$ -                     |
| H-1B Job Training Grants                                       | 17.268      | \$ -      | \$ 38,864    | District 1199C Training & Upgrading Fund | Hg-26660-15-60-A-42                | \$ 38,864          | \$ -                     |
| <b>Total CFDA 17.268</b>                                       |             | \$ -      | \$ 38,864    |  |                                    | \$ 38,864          | \$ -                     |
| <b>Total Department of Labor</b>                               |             | \$ -      | \$ 44,114    |  |                                    | \$ 44,114          | \$ -                     |
| <b>DEPARTMENT OF STATE</b>                                     |             |           |              |  |                                    |                    |                          |
| <b>Office of U.S. Global Aids Coordinator</b>                  |             |           |              |  |                                    |                    |                          |
| The U.S. President's Emergency Plan for AIDS Relief Programs   | 19.029      | \$ -      | \$ 711,176   | JSI Research & Training Institute, Inc.  | S-LMAQM-16-CA-1103                 | \$ 711,176         | \$ 416,254               |
| <b>Total CFDA 19.029</b>                                       |             | \$ -      | \$ 711,176   |  |                                    | \$ 711,176         | \$ 416,254               |
| <b>Office of U.S. Global Aids Coordinator</b>                  |             |           |              |  |                                    |                    |                          |
| Academic Exchange Programs - Graduate Students                 | 19.400      | \$ 42,532 | \$ -         |  |                                    | \$ 42,532          | \$ -                     |
| <b>Total CFDA 19.400</b>                                       |             | \$ 42,532 | \$ -         |  |                                    | \$ 42,532          | \$ -                     |
| Ryan Margolis - Salary for Work at Thomas Jefferson University | 19.RD       | \$ -      | \$ 3,333     | Thomas Jefferson University              | AGREEMENT DATED 10/19/2016         | \$ 3,333           | \$ -                     |
| <b>Total CFDA 19.RD</b>  |             | \$ -      | \$ 3,333     |  |                                    | \$ 3,333           | \$ -                     |
| <b>Total Department of State</b>                               |             | \$ 42,532 | \$ 714,509   |  |                                    | \$ 757,041         | \$ 416,254               |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title  | CFDA Number | Direct            | Pass-Through    | Pass-Through Entity      | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|-------------------|-----------------|--------------------------|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF TRANSPORTATION</b>   |             |                   |                 |                          |                                    |                    |                          |
| <b>Federal Aviation Administration (FAA)</b>  |             |                   |                 |                          |                                    |                    |                          |
| Aviation Research Grants  | 20.108      | \$ 212,498        | \$ -            |                          |                                    | \$ 212,498         | \$ -                     |
| <b>Total CFDA 20.108</b>  |             | <b>\$ 212,498</b> | <b>\$ -</b>     |                          |                                    | <b>\$ 212,498</b>  | <b>\$ -</b>              |
| Air Transportation Centers of Excellence  | 20.109      | \$ 279,502        | \$ -            |                          |                                    | \$ 279,502         | \$ -                     |
| <b>Total CFDA 20.109</b>  |             | <b>\$ 279,502</b> | <b>\$ -</b>     |                          |                                    | <b>\$ 279,502</b>  | <b>\$ -</b>              |
| <b>Federal Highway Administration (FHWA)</b>  |             |                   |                 |                          |                                    |                    |                          |
| Highway Research and Development Program  | 20.200      | \$ 431,527        | \$ -            |                          |                                    | \$ 431,527         | \$ 159,196               |
| <b>Total CFDA 20.200</b>  |             | <b>\$ 431,527</b> | <b>\$ -</b>     |                          |                                    | <b>\$ 431,527</b>  | <b>\$ 159,196</b>        |
| Exploratory Advanced Research Program, Topic 1: Virtual Nondestructive Evaluation (NDE) Laboratory for Highway Structures | 20.RD       | \$ -              | \$ 4,604        | Pennoni Associates, Inc. | DTFH61-12-D-00030-T-13001          | \$ 4,604           | \$ -                     |
| <b>Total CFDA 20.RD</b>   |             | <b>\$ -</b>       | <b>\$ 4,604</b> |                          |                                    | <b>\$ 4,604</b>    | <b>\$ -</b>              |
| <b>Total Department of Transportation</b>   |             | <b>\$ 923,527</b> | <b>\$ 4,604</b> |                          |                                    | <b>\$ 928,131</b>  | <b>\$ 159,196</b>        |
| <b>US DEPARTMENT OF VETERANS AFFAIRS</b>  |             |                   |                 |                          |                                    |                    |                          |
| <b>Office of Personnel Management</b>   |             |                   |                 |                          |                                    |                    |                          |
| Intergovernmental Personnel Act (IPA) Mobility Program  | 27.011      | \$ 95,831         | \$ -            |                          |                                    | \$ 95,831          | \$ -                     |
| <b>Total CFDA 27.011</b>  |             | <b>\$ 95,831</b>  | <b>\$ -</b>     |                          |                                    | <b>\$ 95,831</b>   | <b>\$ -</b>              |
| <b>Total of US Department of Veterans Affairs</b>   |             | <b>\$ 95,831</b>  | <b>\$ -</b>     |                          |                                    | <b>\$ 95,831</b>   | <b>\$ -</b>              |



# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                    | CFDA Number | Direct            | Pass-Through      | Pass-Through Entity                   | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|-------------------|-------------------|---------------------------------------|------------------------------------|--------------------|--------------------------|
| <b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>          |             |                   |                   |                                       |                                    |                    |                          |
| Science   | 43.001      | \$ 366,924        | \$ -              |                                       |                                    | \$ 366,924         | \$ 17,455                |
| Science   | 43.001      | -                 | (2,347)           | Structured Materials Industries, Inc. | NNX15CG10C                         | (2,347)            | -                        |
| Science   | 43.001      | -                 | 84,335            | Trustees of Boston University         | NNX16AJ73G                         | 84,335             | 23,598                   |
| Science   | 43.001      | -                 | 62,749            | Smithsonian Astrophysical Observatory | NAS8-03060                         | 62,749             | -                        |
| Science   | 43.001      | -                 | (263)             | California Institute of Technology    | NNN12AA01C                         | (263)              | -                        |
| Science   | 43.001      | -                 | 85,006            | Jet Propulsion Laboratory (NASA)      | Unknown                            | 85,006             | -                        |
| <b>Total CFDA 43.001</b>                                      |             | <b>\$ 366,924</b> | <b>\$ 229,480</b> |                                       |                                    | <b>\$ 596,404</b>  | <b>\$ 41,053</b>         |
| Education   | 43.008      | \$ 47,668         | \$ -              |                                       |                                    | \$ 47,668          | \$ -                     |
| Education   | 43.008      | -                 | 8,041             | Penn State University                 | NNX15AKo6H                         | 8,041              | -                        |
| <b>Total CFDA 43.008</b>                                      |             | <b>\$ 47,668</b>  | <b>\$ 8,041</b>   |                                       |                                    | <b>\$ 55,709</b>   | <b>\$ -</b>              |
| Office of Inspector General                                   | 43.011      | -                 | 11,689            | Space Telescope Science Institute     | NAS5-26555                         | 11,689             | -                        |
| <b>Total CFDA 43.011</b>                                      |             | <b>\$ -</b>       | <b>\$ 11,689</b>  |                                       |                                    | <b>\$ 11,689</b>   | <b>\$ -</b>              |
| <b>Total National Aeronautics and Space Administration</b>    |             | <b>\$ 414,592</b> | <b>\$ 249,210</b> |                                       |                                    | <b>\$ 663,802</b>  | <b>\$ 41,053</b>         |
| <b>NATIONAL ENDOWMENT FOR THE ARTS</b>                        |             |                   |                   |                                       |                                    |                    |                          |
| Promotion of the Arts Grants to Organizations and Individuals | 45.024      | \$ 63,091         | \$ -              |                                       |                                    | \$ 63,091          | \$ -                     |
| <b>Total CFDA 45.024</b>                                      |             | <b>\$ 63,091</b>  | <b>\$ -</b>       |                                       |                                    | <b>\$ 63,091</b>   | <b>\$ -</b>              |
| <b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>                  |             |                   |                   |                                       |                                    |                    |                          |
| Promotion of the Humanities Professional Development          | 45.163      | \$ (79)           | \$ -              |                                       |                                    | \$ (79)            | \$ -                     |
| <b>Total CFDA 45.163</b>                                      |             | <b>\$ (79)</b>    | <b>\$ -</b>       |                                       |                                    | <b>\$ (79)</b>     | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title      | CFDA Number | Direct              | Pass-Through     | Pass-Through Entity                                   | Pass-Through Entity Sponsor Number | Total Expenditures  | Passed to Sub-Recipients |
|---|-------------|---------------------|------------------|---|------------------------------------|---------------------|--------------------------|
| <b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b> |             |                     |                  |   |                                    |                     |                          |
| Museums for America                             | 45-301      | \$ 13,391           | \$ -             |   |                                    | \$ 13,391           | \$ -                     |
| <b>Total CFDA 45-301</b>                        |             | <b>\$ 13,391</b>    | <b>\$ -</b>      |   |                                    | <b>\$ 13,391</b>    | <b>\$ -</b>              |
| National Leadership Grants                      | 45-312      | \$ 75,865           | \$ -             |   |                                    | \$ 75,865           | \$ -                     |
| National Leadership Grants                      | 45-312      | -                   | 44,671           | University of Wisconsin                               | LG-96-17-0220-17                   | 44,671              | -                        |
| <b>Total CFDA 45-312</b>                        |             | <b>\$ 75,865</b>    | <b>\$ 44,671</b> |   |                                    | <b>\$ 120,536</b>   | <b>\$ -</b>              |
| Laura Bush 21st Century Librarian Program       | 45-313      | \$ 244,816          | \$ -             |   |                                    | \$ 244,816          | \$ 32,199                |
| <b>Total CFDA 45-313</b>                        |             | <b>\$ 244,816</b>   | <b>\$ -</b>      |   |                                    | <b>\$ 244,816</b>   | <b>\$ 32,199</b>         |
| <b>Total National Endowment for the Arts</b>    |             | <b>\$ 397,084</b>   | <b>\$ 44,671</b> |   |                                    | <b>\$ 441,755</b>   | <b>\$ 32,199</b>         |
| <b>NATIONAL SCIENCE FOUNDATION</b>              |             |                     |                  |   |                                    |                     |                          |
| Engineering Grants                              | 47-041      | \$ 4,983,157        | \$ -             |   |                                    | \$ 4,983,157        | \$ 7,131                 |
| Engineering Grants                              | 47-041      | -                   | 205              | Colorado School of Mines                              | 1728041                            | 205                 | -                        |
| Engineering Grants                              | 47-041      | -                   | 17,300           | University of Wisconsin                               | CMMI-1344205                       | 17,300              | -                        |
| Engineering Grants                              | 47-041      | -                   | 7,055            | Syracuse University                                   | 1536542                            | 7,055               | -                        |
| <b>Total CFDA 47-041</b>                        |             | <b>\$ 4,983,157</b> | <b>\$ 24,560</b> |   |                                    | <b>\$ 5,007,717</b> | <b>\$ 7,131</b>          |
| Mathematical and Physical Sciences              | 47-049      | \$ 2,327,564        | \$ -             |   |                                    | \$ 2,327,564        | \$ -                     |
| Mathematical and Physical Sciences              | 47-049      | -                   | 11,584           | Northwestern University                               | DMR-1454688                        | 11,584              | -                        |
| Mathematical and Physical Sciences              | 47-049      | -                   | 19,962           | University of North Carolina                          | 1638521                            | 19,962              | -                        |
| <b>Total CFDA 47-049</b>                        |             | <b>\$ 2,327,564</b> | <b>\$ 31,546</b> |   |                                    | <b>\$ 2,359,110</b> | <b>\$ -</b>              |
| Geosciences                                     | 47-050      | \$ 235,391          | \$ -             |   |                                    | \$ 235,391          | \$ -                     |
| Geosciences                                     | 47-050      | -                   | 37,134           | Geological Society of America Board of Supervisors of | 1541028                            | 37,134              | -                        |
| Geosciences                                     | 47-050      | -                   | 5,863            | Louisiana State University and Agriculture            | 1504045                            | 5,863               | -                        |
| Geosciences                                     | 47-050      | -                   | 2,837            | Illinois State Museum Society                         | EAR-0948652                        | 2,837               | -                        |
| Geosciences                                     | 47-050      | -                   | 23,508           | University of Chicago                                 | PLR-1543367                        | 23,508              | -                        |
| <b>Total CFDA 47-050</b>                        |             | <b>\$ 235,391</b>   | <b>\$ 69,342</b> |   |                                    | <b>\$ 304,733</b>   | <b>\$ -</b>              |



# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                    | CFDA Number | Direct        | Pass-Through | Pass-Through Entity                         | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|---------------|--------------|---|------------------------------------|--------------------|--------------------------|
| Computer and Information Science and Engineering              | 47.070      | \$ 3,623,112  | \$ -         |   |                                    | \$ 3,623,112       | \$ 55,874                |
| Computer and Information Science and Engineering              | 47.070      | -             | 5,000        | Rensselaer Polytechnic Institute            | ACI-1349002                        | 5,000              | -                        |
| Computer and Information Science and Engineering              | 47.070      | -             | 41,094       | University of Arizona                       | 1443019                            | 41,094             | -                        |
| <b>Total CFDA 47.070</b>                                      |             | \$ 3,623,112  | \$ 46,094    |   |                                    | \$ 3,669,206       | \$ 55,874                |
| Biological Sciences   | 47.074      | \$ 688,390    | \$ -         |   |                                    | \$ 688,390         | \$ -                     |
| Biological Sciences   | 47.074      | -             | 25,153       | Cornell University                          | DBI-1502748                        | 25,153             | -                        |
| Biological Sciences   | 47.074      | -             | 16,438       | New York Botanical                          | EF-1304933                         | 16,438             | -                        |
| Biological Sciences   | 47.074      | -             | 54,086       | Northern Arizona University                 | 1602081                            | 54,086             | -                        |
| Biological Sciences   | 47.074      | -             | 266,576      | Neon, Inc.                                  | 4010-0356-AQU/1010-216-AQU         | 266,576            | -                        |
| <b>Total CFDA 47.074</b>                                      |             | \$ 688,390    | \$ 362,253   |   |                                    | \$ 1,050,643       | \$ -                     |
| Social, Behavioral, and Economic Sciences                     | 47.075      | 502,825       | -            |   |                                    | 502,825            | 5,835                    |
| <b>Total CFDA 47.075</b>                                      |             | \$ 502,825    | \$ -         |   |                                    | \$ 502,825         | \$ 5,835                 |
| Education and Human Resources                                 | 47.076      | \$ 3,743,722  | \$ -         |   |                                    | \$ 3,743,722       | \$ 1,075,592             |
| Education and Human Resources                                 | 47.076      | -             | 7,514        | University of Pennsylvania                  | 1660655                            | 7,514              | -                        |
| Education and Human Resources                                 | 47.076      | -             | 17,969       | University of Wisconsin                     | 1726625                            | 17,969             | -                        |
| Education and Human Resources                                 | 47.076      | -             | 24,496       | Lincoln University                          | 1533763                            | 24,496             | -                        |
| Education and Human Resources                                 | 47.076      | -             | 260          | Museum of Science, Inc.                     | DRL-1323516                        | 260                | -                        |
| Education and Human Resources                                 | 47.076      | -             | (50)         | Bryn Mawr College                           | DUE-1136323                        | (50)               | -                        |
| Education and Human Resources                                 | 47.076      | -             | 3,452        | The Franklin Institute                      | Award #1239782                     | 3,452              | -                        |
| Education and Human Resources                                 | 47.076      | -             | 15,585       | Temple University                           | DGE-1545309                        | 15,585             | -                        |
| <b>Total CFDA 47.076</b>                                      |             | \$ 3,743,722  | \$ 69,226    |   |                                    | \$ 3,812,948       | \$ 1,075,592             |
| Office of International Science and Engineering               | 47.079      | -             | 86,354       | The Regents of the University of California | IIA-1243524                        | 86,354             | -                        |
| <b>Total CFDA 47.079</b>                                      |             | \$ -          | \$ 86,354    |   |                                    | \$ 86,354          | \$ -                     |
| Office of Cyberinfrastructure                                 | 47.080      | \$ (4,994)    | \$ -         |   |                                    | \$ (4,994)         | \$ -                     |
| Office of Cyberinfrastructure                                 | 47.080      | -             | 8,268        | University of North Carolina                | OCI-0940841                        | 8,268              | -                        |
| <b>Total CFDA 47.080</b>                                      |             | \$ (4,994)    | \$ 8,268     |   |                                    | \$ 3,274           | \$ -                     |
| Trans-NSF Recovery Act Research Support                       | 47.082      | \$ -          | \$ -         |   |                                    | \$ -               | \$ 2,433                 |
| <b>Total CFDA 47.082</b>                                      |             | \$ -          | \$ -         |   |                                    | \$ -               | \$ 2,433                 |
| Power, Controls, and Adaptive Network (PCAN) Sabbatical Leave | 47.U02      | \$ (5,567)    | \$ -         |   |                                    | \$ (5,567)         | \$ -                     |
| <b>Total CFDA 47.RD</b>                                       |             | \$ (5,567)    | \$ -         |   |                                    | \$ (5,567)         | \$ -                     |
| Evaluation of NSF's SEES Portfolio Program                    | 47.RD       | \$ -          | \$ 46,835    | NORC at the University of Chicago           | MSG-1197.NSFDACS-14D1076           | \$ 46,835          | \$ -                     |
| <b>Total CFDA 47.RD</b>                                       |             | \$ -          | \$ 46,835    |   |                                    | \$ 46,835          | \$ -                     |
| <b>Total National Science Foundation</b>                      |             | \$ 16,093,600 | \$ 744,478   |   |                                    | \$ 16,838,078      | \$ 1,146,865             |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                                    | CFDA Number | Direct     | Pass-Through | Pass-Through Entity                   | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|------------|--------------|---------------------------------------|------------------------------------|--------------------|--------------------------|
| <b>ENVIRONMENTAL PROTECTION AGENCY</b>  |             |            |              |                                       |                                    |                    |                          |
| <b>Assistant Administrator for Water</b>                                      |             |            |              |                                       |                                    |                    |                          |
| National Estuary Program  | 66.456      | \$ -       | \$ 13,218    | Barnegat Bay National Estuary Program | Award No. CE98212312               | \$ 13,218          | \$ -                     |
| <b>Total CFDA 66.456</b>  |             | \$ -       | \$ 13,218    |                                       |                                    | \$ 13,218          | \$ -                     |
| Regional Wetland Program Development Grants                                   | 66.461      | \$ -       | \$ 84,847    | Barnegat Bay National Estuary Program | BBP FY10 EPA WPDG-02               | \$ 84,847          | \$ -                     |
| <b>Total CFDA 66.461</b>  |             | \$ -       | \$ 84,847    |                                       |                                    | \$ 84,847          | \$ -                     |
| <b>Assistant Administrator for Research and Development</b>                   |             |            |              |                                       |                                    |                    |                          |
| Science To Achieve Results (STAR) Research Program                            | 66.509      | \$ -       | \$ 3,800     | Michigan State University             | RD-83236201                        | \$ 3,800           | \$ -                     |
| <b>Total CFDA 66.509</b>  |             | \$ -       | \$ 3,800     |                                       |                                    | \$ 3,800           | \$ -                     |
| Office of Research and Development Consolidated Research/Training/Fellowships | 66.511      | \$ 669,008 | \$ -         |                                       |                                    | \$ 669,008         | \$ 308,311               |
| Office of Research and Development Consolidated Research/Training/Fellowships | 66.511      | -          | 132,675      | Health Effects Institute              | CR-83590201                        | 132,675            | 7,115                    |
| <b>Total CFDA 66.511</b>  |             | \$ 669,008 | \$ 132,675   |                                       |                                    | \$ 801,683         | \$ 315,426               |
| Regional Applied Research Efforts (RARE)                                      | 66.517      | \$ 1,636   | \$ -         |                                       |                                    | \$ 1,636           | \$ -                     |
| <b>Total CFDA 66.517</b>  |             | \$ 1,636   | \$ -         |                                       |                                    | \$ 1,636           | \$ -                     |
| Continuation of Wetland Monitoring in Barnegat Bay                            | 66.RD       | \$ -       | \$ 12,999    | Environmental Fuel Research           | EP-D-16-002                        | \$ 12,999          | \$ -                     |
| Biofuel Production from Grease Trap Waste                                     | 66.RD       | -          | 4,004        | Environmental Fuel Research           | EP-D-14-019                        | 4,004              | -                        |
| <b>Total CFDA 66.RD</b>   |             | \$ -       | \$ 17,003    |                                       |                                    | \$ 17,003          | \$ -                     |
| <b>Total Environmental Protection Agency</b>                                  |             | \$ 670,644 | \$ 251,543   |                                       |                                    | \$ 922,187         | \$ 315,426               |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title  | CFDA Number | Direct            | Pass-Through        | Pass-Through Entity                           | Pass-Through Entity Sponsor Number | Total Expenditures  | Passed to Sub-Recipients |
|---|-------------|-------------------|---------------------|---|------------------------------------|---------------------|--------------------------|
| <b>DEPARTMENT OF ENERGY</b>   |             |                   |                     |   |                                    |                     |                          |
| Office of Science Financial Assistance Program  | 81.049      | \$ 906,908        | \$ -                |   |                                    | \$ 906,908          | \$ 91,016                |
| Office of Science Financial Assistance Program  | 81.049      | -                 | 150,788             | Temple University                             | DE-SC0012575                       | 150,788             | -                        |
| Office of Science Financial Assistance Program  | 81.049      | -                 | 35,883              | University of Minnesota                       | DE-SC0012733                       | 35,883              | -                        |
| Office of Science Financial Assistance Program  | 81.049      | -                 | 42,800              | Argonne National Laboratory                   | DE-AC02-06CH11357                  | 42,800              | -                        |
| Office of Science Financial Assistance Program  | 81.049      | -                 | 572,298             | Oak Ridge National Laboratory/Dept. of Energy | DE-AC05-00OR22725                  | 572,298             | -                        |
| Office of Science Financial Assistance Program  | 81.049      | -                 | 10,000              | Yale University                               | DE-SC001637                        | 10,000              | -                        |
| <b>Total CFDA 81.049</b>  |             | <b>\$ 906,908</b> | <b>\$ 811,769</b>   |   |                                    | <b>\$ 1,718,677</b> | <b>\$ 91,016</b>         |
| Conservation Research and Development   | 81.086      | \$ 89,503         | \$ -                |   |                                    | \$ 89,503           | \$ -                     |
| <b>Total CFDA 81.086</b>  |             | <b>\$ 89,503</b>  | <b>\$ -</b>         |   |                                    | <b>\$ 89,503</b>    | <b>\$ -</b>              |
| Renewable Energy Research and Development   | 81.087      | -                 | 127,913             | Ceramatec                                     | DE-EE0006288                       | 127,913             | -                        |
| <b>Total CFDA 81.087</b>  |             | <b>\$ -</b>       | <b>\$ 127,913</b>   |   |                                    | <b>\$ 127,913</b>   | <b>\$ -</b>              |
| Energy Efficiency and Renewable Energy Technology Deployment, Demonstration and Commercialization | 81.129      | \$ 2,563          | \$ -                |   |                                    | \$ 2,563            | \$ -                     |
| <b>Total CFDA 81.129</b>  |             | <b>\$ 2,563</b>   | <b>\$ -</b>         |   |                                    | <b>\$ 2,563</b>     | <b>\$ -</b>              |
| Advanced Research Projects Agency - Energy  | 81.135      | \$ -              | \$ 362,781          | EPRI  | DE-AR0000572                       | \$ 362,781          | \$ -                     |
| Advanced Research Projects Agency - Energy  | 81.135      | -                 | 57,667              | State University of New York                  | DE-AR0000872                       | 57,667              | -                        |
| <b>Total CFDA 81.135</b>  |             | <b>\$ -</b>       | <b>\$ 420,448</b>   |   |                                    | <b>\$ 420,448</b>   | <b>\$ -</b>              |
| Computations of Band Alignment at Titania/Photoabsorber Interfaces                                | 81.RD       | \$ 364            | \$ -                |   |                                    | \$ 364              | \$ -                     |
| <b>Total CFDA 81.RD</b>   |             | <b>\$ 364</b>     | <b>\$ -</b>         |   |                                    | <b>\$ 364</b>       | <b>\$ -</b>              |
| <b>Total Department of Energy</b>   |             | <b>\$ 999,338</b> | <b>\$ 1,360,130</b> |   |                                    | <b>\$ 2,359,468</b> | <b>\$ 91,016</b>         |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title  | CFDA Number              | Direct      | Pass-Through      | Pass-Through Entity                       | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|--------------------------|-------------|-------------------|---|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF EDUCATION</b>  |                          |             |                   |   |                                    |                    |                          |
| <b>Office of Postsecondary Education</b>  |                          |             |                   |   |                                    |                    |                          |
| Higher Education Institutional Aid  | 84.031                   | \$ -        | \$ 110,928        | University of Texas at El Paso            | P031S120131                        | \$ 110,928         | \$ -                     |
|   | <b>Total CFDA 84.031</b> | <b>\$ -</b> | <b>\$ 110,928</b> |   |                                    | <b>\$ 110,928</b>  | <b>\$ -</b>              |
| <b>Institute of Education Sciences</b>  |                          |             |                   |   |                                    |                    |                          |
| Research in Special Education   | 84.324                   | -           | 31,142            | University of California, Davis           | R324A170063                        | 31,142             | -                        |
|   | <b>Total CFDA 84.324</b> | <b>\$ -</b> | <b>\$ 31,142</b>  |   |                                    | <b>\$ 31,142</b>   | <b>\$ -</b>              |
| <b>Office of Postsecondary Education</b>  |                          |             |                   |   |                                    |                    |                          |
| Gaining Early Awareness and Readiness for Undergraduate Programs                                | 84.334                   | \$ -        | \$ 3,121          | Philadelphia School District              | 38BX-G58-97A0-2260-3291            | 3,121              | -                        |
|   | <b>Total CFDA 84.334</b> | <b>\$ -</b> | <b>\$ 3,121</b>   |   |                                    | <b>\$ 3,121</b>    | <b>\$ -</b>              |
| <b>Office of Secondary and Elementary Education</b>   |                          |             |                   |   |                                    |                    |                          |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | 84.367                   | \$ -        | \$ 254,812        | Berks County Intermediate Unit (PA OCDEL) | Unknown                            | 254,812            | 66,769                   |
|   | <b>Total CFDA 84.367</b> | <b>\$ -</b> | <b>\$ 254,812</b> |   |                                    | <b>\$ 254,812</b>  | <b>\$ 66,769</b>         |
| Philadelphia Special Education Leaders of Tomorrow (PSELT)                                      | 84.RD                    | \$ -        | \$ 219,257        | Philadelphia School District              | Unknown                            | 219,257            | -                        |
|   | <b>Total CFDA 84.RD</b>  | <b>\$ -</b> | <b>\$ 219,257</b> |   |                                    | <b>\$ 219,257</b>  | <b>\$ -</b>              |
| <b>Total Department of Education</b>  |                          | <b>\$ -</b> | <b>\$ 619,260</b> |   |                                    | <b>\$ 619,260</b>  | <b>\$ 66,769</b>         |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                     | CFDA Number | Direct            | Pass-Through      | Pass-Through Entity                              | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|-------------------|-------------------|--|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                 |             |                   |                   |  |                                    |                    |                          |
| <b>Centers for Disease Control and Prevention</b>              |             |                   |                   |  |                                    |                    |                          |
| Chronic Diseases: Research, Control, and Prevention            | 93.068      | \$ 276,118        | \$ -              |  |                                    | \$ 276,118         | \$ -                     |
| <b>Total CFDA 93.068</b>                                       |             | <b>\$ 276,118</b> | <b>\$ -</b>       |  |                                    | <b>\$ 276,118</b>  | <b>\$ -</b>              |
| Environmental Public Health and Emergency Response             | 93.070      | \$ 295,094        | \$ -              |  |                                    | \$ 295,094         | \$ -                     |
| <b>Total CFDA 93.070</b>                                       |             | <b>\$ 295,094</b> | <b>\$ -</b>       |  |                                    | <b>\$ 295,094</b>  | <b>\$ -</b>              |
| Blood Disorder Program: Prevention, Surveillance, and Research | 93.080      | \$ -              | \$ 15,393         | Children's Hospital of Philadelphia              | 5NU27DD001155                      | \$ 15,393          | \$ -                     |
| <b>Total CFDA 93.080</b>                                       |             | <b>\$ -</b>       | <b>\$ 15,393</b>  |  |                                    | <b>\$ 15,393</b>   | <b>\$ -</b>              |
| Sodium Reduction in Communities                                | 93.082      | \$ -              | \$ 28,755         | City of Philadelphia                             | 1U58DP005536                       | \$ 28,755          | \$ -                     |
| Sodium Reduction in Communities                                | 93.082      | -                 | 88,307            | City of Philadelphia                             | U58DP005536 / U58DP004940          | 88,307             | -                        |
| <b>Total CFDA 93.082</b>                                       |             | <b>\$ -</b>       | <b>\$ 117,062</b> |  |                                    | <b>\$ 117,062</b>  | <b>\$ -</b>              |
| <b>Office of the Secretary</b>                                 |             |                   |                   |  |                                    |                    |                          |
| Advancing System Improvements for Key Issues in Women's Health | 93.088      | \$ -              | \$ 162,303        | Nationalities Services Center                    | 1-ASTWH160040-01-00                | \$ 162,303         | \$ -                     |
| <b>Total CFDA 93.088</b>                                       |             | <b>\$ -</b>       | <b>\$ 162,303</b> |  |                                    | <b>\$ 162,303</b>  | <b>\$ -</b>              |
| <b>Health Resources and Services Administration</b>            |             |                   |                   |  |                                    |                    |                          |
| Maternal and Child Health Federal Consolidated Programs        | 93.110      | \$ 422,641        | \$ -              |  |                                    | \$ 422,641         | \$ 17,523                |
| Maternal and Child Health Federal Consolidated Programs        | 93.110      | -                 | 4,983             | The Regents of the University of California      | UA3MC27364                         | 4,983              | -                        |
| Maternal and Child Health Federal Consolidated Programs        | 93.110      | -                 | 37,079            | The Regents of the University of California      | UA3MC11055                         | 37,079             | -                        |
| Maternal and Child Health Federal Consolidated Programs        | 93.110      | -                 | 2,476             | Epilepsy Foundation Western/Central Pennsylvania | AWARD DATED 08/22/2017             | 2,476              | -                        |
| <b>Total CFDA 93.110</b>                                       |             | <b>\$ 422,641</b> | <b>\$ 44,538</b>  |  |                                    | <b>\$ 467,179</b>  | <b>\$ 17,523</b>         |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                                  | CFDA Number | Direct            | Pass-Through      | Pass-Through Entity                         | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|-------------------|-------------------|---|------------------------------------|--------------------|--------------------------|
| <b>National Institutes of Health</b>  |             |                   |                   |   |                                    |                    |                          |
| Environmental Health  | 93-113      | \$ 395,170        | -                 |   |                                    | \$ 395,170         | \$ (345)                 |
| Environmental Health  | 93-113      | -                 | 63,875            | Johns Hopkins University                    | 7R01ES023780-03                    | 63,875             | -                        |
| Environmental Health  | 93-113      | -                 | 40,976            | Johns Hopkins University                    | R01ES025531                        | 40,976             | -                        |
| Environmental Health  | 93-113      | -                 | 7,501             | University of California, Davis             | 1R01ES025574-01                    | 7,501              | -                        |
| Environmental Health  | 93-113      | -                 | 19,379            | University of Washington                    | R01ES027696                        | 19,379             | -                        |
| <b>Total CFDA 93-113</b>  |             | <b>\$ 395,170</b> | <b>\$ 131,731</b> |   |                                    | <b>\$ 526,901</b>  | <b>\$ (345)</b>          |
| <b>Centers for Disease Control and Prevention</b>                           |             |                   |                   |   |                                    |                    |                          |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93-116      | -                 | 57,459            | Indiana University                          | 5R01ESS021735-04                   | 57,459             | -                        |
| <b>Total CFDA 93-116</b>  |             | <b>\$ -</b>       | <b>\$ 57,459</b>  |   |                                    | <b>\$ 57,459</b>   | <b>\$ -</b>              |
| <b>National Institutes of Health</b>  |             |                   |                   |   |                                    |                    |                          |
| Oral Diseases and Disorders Research  | 93-121      | (16)              | -                 |   |                                    | (16)               | -                        |
| <b>Total CFDA 93-121</b>  |             | <b>\$ (16)</b>    | <b>\$ -</b>       |   |                                    | <b>\$ (16)</b>     | <b>\$ -</b>              |
| <b>Office of Minority Health</b>  |             |                   |                   |   |                                    |                    |                          |
| Community Programs to Improve Minority Health Grant Program                 | 93-137      | -                 | 96,978            | District 1199C Training & Upgrading Fund    | CPIMP151091                        | 96,978             | -                        |
| <b>Total CFDA 93-137</b>  |             | <b>\$ -</b>       | <b>\$ 96,978</b>  |   |                                    | <b>\$ 96,978</b>   | <b>\$ -</b>              |
| <b>Health Resources and Services Administration</b>                         |             |                   |                   |   |                                    |                    |                          |
| HIV-Related Training and Technical Assistance                               | 93-145      | -                 | 10,000            | Health Federation of Philadelphia           | 5U1OHA-29295-03-00                 | 10,000             | -                        |
| <b>Total CFDA 93-145</b>  |             | <b>\$ -</b>       | <b>\$ 10,000</b>  |   |                                    | <b>\$ 10,000</b>   | <b>\$ -</b>              |
| <b>National Institutes of Health</b>  |             |                   |                   |   |                                    |                    |                          |
| Human Genome Research   | 93-172      | -                 | 119,815           | Children's Hospital of Philadelphia         | 1R01HG009708-01                    | 119,815            | -                        |
| Human Genome Research   | 93-172      | -                 | 108,737           | The Regents of the University of California | 2R01HG005946                       | 108,737            | -                        |
| Human Genome Research   | 93-172      | -                 | 40,752            | University of California, San Francisco     | 2R56HG005946-07                    | 40,752             | -                        |
| <b>Total CFDA 93-172</b>  |             | <b>\$ -</b>       | <b>\$ 269,304</b> |   |                                    | <b>\$ 269,304</b>  | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title               | CFDA Number | Direct              | Pass-Through        | Pass-Through Entity                             | Pass-Through Entity Sponsor Number                | Total Expenditures  | Passed to Sub-Recipients |
|--|-------------|---------------------|---------------------|---|---|---------------------|--------------------------|
| Research Related to Deafness and Communication Disorders | 93-173      | \$ 400,950          | \$ -                |   |   | \$ 400,950          | \$ 47,916                |
| Research Related to Deafness and Communication Disorders | 93-173      | -                   | 18,885              | Ohio State University                           | 7R01DC013626-02                                   | 18,885              | -                        |
| Research Related to Deafness and Communication Disorders | 93-173      | -                   | 56,320              | Georgetown University                           | 1R01DC014960-01A1;AWD-7772933                     | 56,320              | -                        |
| <b>Total CFDA 93.173</b>                                 |             | <b>\$ 400,950</b>   | <b>\$ 75,205</b>    |   |   | <b>\$ 476,155</b>   | <b>\$ 47,916</b>         |
| <b>Agency for Healthcare Research and Quality</b>        |             |                     |                     |   |   |                     |                          |
| Research on Healthcare Costs, Quality and Outcomes       | 93.226      | \$ 278,827          | -                   |   |   | \$ 278,827          | \$ 21,292                |
| Research on Healthcare Costs, Quality and Outcomes       | 93.226      | -                   | 909                 | Boston Children's Hospital                      | 1R18HS023291-01                                   | 909                 | -                        |
| Research on Healthcare Costs, Quality and Outcomes       | 93.226      | -                   | 43,654              | Kaiser Permanente                               | HHSA2902012000151                                 | 43,654              | -                        |
| <b>Total CFDA 93.226</b>                                 |             | <b>\$ 278,827</b>   | <b>\$ 44,563</b>    |   |   | <b>\$ 323,390</b>   | <b>\$ 21,292</b>         |
| <b>National Institutes of Health</b>                     |             |                     |                     |   |   |                     |                          |
| Mental Health Research Grants                            | 93.242      | \$ 4,853,782        | -                   |   |   | \$ 4,853,782        | \$ 1,538,325             |
| Mental Health Research Grants                            | 93.242      | -                   | 35,742              | American University                             | 5R01MH110192-04                                   | 35,742              | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 123,927             | Children's Hospital of Philadelphia             | 2R56MH058250-16                                   | 123,927             | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 89,894              | Children's Hospital of Philadelphia             | R01MH093981                                       | 89,894              | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 180,484             | Harvard T.H. Chan School of Public Health       | U01HD052102-13                                    | 180,484             | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 37,848              | Rowan University School of Osteopathic Medicine | R01MH101178                                       | 37,848              | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 931                 | University of Pennsylvania                      | 1-R34-MH-104407-01                                | 931                 | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 294,159             | Florida State University                        | R01MH104423                                       | 294,159             | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 202,613             | Temple University                               | Prime: T32MH079785 (239415-Drexel, 258152-Drexel) | 202,613             | -                        |
| Mental Health Research Grants                            | 93.242      | -                   | 356,113             | Temple University                               | Prime: P30MH092177 (254396-Drexel)                | 356,113             | -                        |
| <b>Total CFDA 93.242</b>                                 |             | <b>\$ 4,853,782</b> | <b>\$ 1,321,711</b> |   |   | <b>\$ 6,175,493</b> | <b>\$ 1,538,325</b>      |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title  | CFDA Number | Direct       | Pass-Through | Pass-Through Entity                         | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|--------------|--------------|---|------------------------------------|--------------------|--------------------------|
| <b>Substance Abuse and Mental Health Services Administration</b>                          |             |              |              |   |                                    |                    |                          |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243      | \$ -         | \$ 211,661   | Pennsylvania Department of Human Services   | 1-U79-SM061750-01                  | \$ 211,661         | \$ -                     |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243      | -            | 84,574       | PA Department of Drugs and Alcohol Programs | 1U79SP020158-04                    | 84,574             | -                        |
| <b>Total CFDA 93.243</b>  |             | \$ -         | \$ 296,235   |   |                                    | \$ 296,235         | \$ -                     |
| <b>Centers for Disease Control and Prevention</b>   |             |              |              |   |                                    |                    |                          |
| Occupational Safety and Health Program  | 93.262      | \$ 107,827   | \$ -         |   |                                    | \$ 107,827         | \$ -                     |
| <b>Total CFDA 93.262</b>  |             | \$ 107,827   | \$ -         |   |                                    | \$ 107,827         | \$ -                     |
| <b>National Institutes of Health</b>  |             |              |              |   |                                    |                    |                          |
| Alcohol Research Programs   | 93.273      | \$ 407,538   | \$ -         |   |                                    | \$ 407,538         | \$ -                     |
| Alcohol Research Programs   | 93.273      | -            | 60,464       | University of Massachusetts                 | 1 R01 AA024774-01                  | 60,464             | -                        |
| <b>Total CFDA 93.273</b>  |             | \$ 407,538   | \$ 60,464    |   |                                    | \$ 468,002         | \$ -                     |
| Drug Abuse and Addiction Research Programs  | 93.279      | \$ 2,770,430 | \$ -         |   |                                    | \$ 2,770,430       | \$ 622,559               |
| Drug Abuse and Addiction Research Programs  | 93.279      | 15,952       | -            |   |                                    | 15,952             | -                        |
| Drug Abuse and Addiction Research Programs  | 93.279      | -            | 33,576       | New York University                         | T32DA007233                        | 33,576             | -                        |
| Drug Abuse and Addiction Research Programs  | 93.279      | -            | 13,542       | University of Pennsylvania                  | 3UG1DA013720-16S1                  | 13,542             | -                        |
| <b>Total CFDA 93.279</b>  |             | \$ 2,786,382 | \$ 47,118    |   |                                    | \$ 2,833,500       | \$ 622,559               |
| <b>Centers for Disease Control and Prevention</b>   |             |              |              |   |                                    |                    |                          |
| Centers for Disease Control and Prevention Investigations and Technical Assistance        | 93.283      | \$ -         | \$ 11,710    | Johns Hopkins University                    | 1U01DD001214-01                    | \$ 11,710          | \$ -                     |
| <b>Total CFDA 93.283</b>  |             | \$ -         | \$ 11,710    |   |                                    | \$ 11,710          | \$ -                     |
| <b>National Institutes of Health</b>  |             |              |              |   |                                    |                    |                          |
| Discovery and Applied Research for Technological Innovations to Improve Human Health      | 93.286      | \$ 365,204   | \$ -         |   |                                    | \$ 365,204         | \$ -                     |
| Discovery and Applied Research for Technological Innovations to Improve Human Health      | 93.286      | -            | (75,106)     | Health Research Associates, Inc.            | HR# 003638-01                      | (75,106)           | -                        |
| Discovery and Applied Research for Technological Innovations to Improve Human Health      | 93.286      | -            | 210,217      | University of Southern California           | 5U01EB021921-02                    | 210,217            | -                        |
| <b>Total CFDA 93.286</b>  |             | \$ 365,204   | \$ 135,111   |   |                                    | \$ 500,315         | \$ -                     |



# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title           | CFDA Number | Direct              | Pass-Through      | Pass-Through Entity                                 | Pass-Through Entity Sponsor Number | Total Expenditures  | Passed to Sub-Recipients |
|--|-------------|---------------------|-------------------|---|------------------------------------|---------------------|--------------------------|
| Minority Health and Health Disparities Research      | 93-307      | \$ 101,829          | \$ -              |   |                                    | \$ 101,829          | \$ -                     |
| Minority Health and Health Disparities Research      | 93-307      | -                   | 3,453             | Fox Chase Cancer Center                             | 1R01MD012621-01                    | 3,453               | -                        |
| Minority Health and Health Disparities Research      | 93-307      | -                   | 6,548             | Oregon Law Center                                   | 5R24MD002798                       | 6,548               | -                        |
| Minority Health and Health Disparities Research      | 93-307      | -                   | 159,383           | University of Michigan                              | 5P60MD002249-09                    | 159,383             | -                        |
| <b>Total CFDA 93-307</b>                             |             | <b>\$ 101,829</b>   | <b>\$ 169,384</b> |   |                                    | <b>\$ 271,213</b>   | <b>\$ -</b>              |
| Trans-NIH Research Support                           | 93-310      | \$ 2,095,670        | \$ -              |   |                                    | \$ 2,095,670        | \$ 1,405,092             |
| Trans-NIH Research Support                           | 93-310      | -                   | 51,589            | The Regents of the University of California         | 1UG3OD023365-01                    | 51,589              | -                        |
| <b>Total CFDA 93-310</b>                             |             | <b>\$ 2,095,670</b> | <b>\$ 51,589</b>  |   |                                    | <b>\$ 2,147,259</b> | <b>\$ 1,405,092</b>      |
| National Center for Advancing Translational Sciences | 93-350      | \$ -                | \$ 13,647         | The Regents of the University of California         | 5UL1TR001872-02 REVISED            | \$ 13,647           | \$ -                     |
| <b>Total CFDA 93-350</b>                             |             | <b>\$ -</b>         | <b>\$ 13,647</b>  |   |                                    | <b>\$ 13,647</b>    | <b>\$ -</b>              |
| Nursing Research                                     | 93-361      | \$ 888,227          | \$ -              |   |                                    | \$ 888,227          | \$ 69,336                |
| Nursing Research                                     | 93-361      | -                   | 9,082             | ECOG-ACRIN Medical Research Foundation              | HHSN26820140002I                   | 9,082               | -                        |
| Nursing Research                                     | 93-361      | -                   | (552)             | University of Pennsylvania                          | 5R01NR013503                       | (552)               | -                        |
| Nursing Research                                     | 93-361      | -                   | 33                | Smart Activities of Daily Living LLC                | 1R41NR15191-01                     | 33                  | -                        |
| <b>Total CFDA 93-361</b>                             |             | <b>\$ 888,227</b>   | <b>\$ 8,563</b>   |   |                                    | <b>\$ 896,790</b>   | <b>\$ 69,336</b>         |
| Cancer Cause and Prevention Research                 | 93-393      | \$ 682,895          | \$ -              |   |                                    | \$ 682,895          | \$ -                     |
| <b>Total CFDA 93-393</b>                             |             | <b>\$ 682,895</b>   | <b>\$ -</b>       |   |                                    | <b>\$ 682,895</b>   | <b>\$ -</b>              |
| Cancer Detection and Diagnosis Research              | 93-394      | \$ -                | \$ 32,997         | ImCare Biotech, LLC                                 | 2R44CA165314-02A1                  | \$ 32,997           | \$ -                     |
| Cancer Detection and Diagnosis Research              | 93-394      | -                   | 7,849             | Children's Hospital of Philadelphia                 | UG1CA189955                        | 7,849               | -                        |
| Cancer Detection and Diagnosis Research              | 93-394      | -                   | 22,000            | Thomas Jefferson University                         | R01DK098526                        | 22,000              | -                        |
| Cancer Detection and Diagnosis Research              | 93-394      | -                   | 20,414            | HealthPartners Institute for Education and Research | R01CA188892                        | 20,414              | -                        |
| Cancer Detection and Diagnosis Research              | 93-394      | -                   | 32,165            | ECOG-ACRIN Medical Research Foundation              | U24CA196172                        | 32,165              | -                        |
| <b>Total CFDA 93-394</b>                             |             | <b>\$ -</b>         | <b>\$ 115,425</b> |   |                                    | <b>\$ 115,425</b>   | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title | CFDA Number | Direct             | Pass-Through      | Pass-Through Entity                    | Pass-Through Entity Sponsor Number                                 | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|--------------------|-------------------|--|--|--------------------|--------------------------|
| Cancer Treatment Research                  | 93-395      | \$ (16,351)        | \$ -              |  |  | \$ (16,351)        | \$ -                     |
| Cancer Treatment Research                  | 93-395      | -                  | 293               | Children's Hospital of Philadelphia    | U10CA180866/U10CA098543  | 293                | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 5,509             | Children's Hospital of Philadelphia    | Unknown  | 5,509              | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 270               | Children's Hospital of Philadelphia    | Unknown  | 270                | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 5,501             | Children's Hospital of Philadelphia    | No2CM62212   | 5,501              | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 12,724            | Children's Hospital of Philadelphia    | U10CA180866  | 12,724             | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 165,735           | ECOG-ACRIN Medical Research Foundation | UG1CA189828  | 165,735            | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 280,558           | ECOG-ACRIN Medical Research Foundation | U10CA180820-01   | 280,558            | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 29,077            | TDL Innovations, Inc.                  | 1R43CA210696-01A1  | 29,077             | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 3,223             | Thomas Jefferson University            | 1R21CA190926-01A1  | 3,223              | -                        |
| Cancer Treatment Research                  | 93-395      | -                  | 11,067            | Context Therapeutics                   | 1R43CA206691-01A   | 11,067             | -                        |
| <b>Total CFDA 93.395</b>                   |             | <b>\$ (16,351)</b> | <b>\$ 513,957</b> |  |  | <b>\$ 497,606</b>  | <b>\$ -</b>              |
| Cancer Biology Research                    | 93-396      | \$ 380,609         | \$ -              |  |  | \$ 380,609         | \$ -                     |
| Cancer Biology Research                    | 93-396      | -                  | 955               | University of Pennsylvania             | R01CA228339-01   | 955                | -                        |
| Cancer Biology Research                    | 93-396      | -                  | 50,428            | Old Dominion University                | R21CA177395  | 50,428             | -                        |
| <b>Total CFDA 93.396</b>                   |             | <b>\$ 380,609</b>  | <b>\$ 51,383</b>  |  |  | <b>\$ 431,992</b>  | <b>\$ -</b>              |
| Cancer Centers Support Grants              | 93-397      | \$ -               | \$ 59,853         | Thomas Jefferson University            | P30CA056036 (080-03500-PB4117, 080-03500-PB1517, 080-03500-PB0817) | \$ 59,853          | \$ -                     |
| <b>Total CFDA 93.397</b>                   |             | <b>\$ -</b>        | <b>\$ 59,853</b>  |  |  | <b>\$ 59,853</b>   | <b>\$ -</b>              |
| Cancer Research Manpower                   | 93-398      | \$ 138,824         | \$ -              |  |  | \$ 138,824         | \$ -                     |
| <b>Total CFDA 93.398</b>                   |             | <b>\$ 138,824</b>  | <b>\$ -</b>       |  |  | <b>\$ 138,824</b>  | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct       | Pass-Through | Pass-Through Entity                                  | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|--------------|--------------|--|------------------------------------|--------------------|--------------------------|
| <b>Health Resources and Services Administration</b>  |             |              |              |  |                                    |                    |                          |
| Public Health Training Centers Program   | 93-516      | \$ -         | \$ 79,179    | University of Pittsburgh                             | 5 UB6HP27882-04-00                 | \$ 79,179          | \$ -                     |
| <b>Total CFDA 93-516</b>   |             | \$ -         | \$ 79,179    |  |                                    | \$ 79,179          | \$ -                     |
| <b>Centers for Disease Control and Prevention</b>  |             |              |              |  |                                    |                    |                          |
| ARRA - Prevention and Wellness - Communities Putting Prevention to Work Funding Opportunities Announcement (FOA) | 93-724      | \$ -         | \$ (1,891)   | City of Philadelphia-<br>Department of Public Health | 1U58DP002626-1                     | \$ (1,891)         | \$ -                     |
| <b>Total CFDA 93-724</b>   |             | \$ -         | \$ (1,891)   |  |                                    | \$ (1,891)         | \$ -                     |
| State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)              | 93-757      | \$ -         | \$ 140,279   | City of Philadelphia-<br>Department of Public Health | 1U58DP005526-01                    | \$ 140,279         | \$ -                     |
| <b>Total CFDA 93-757</b>   |             | \$ -         | \$ 140,279   |  |                                    | \$ 140,279         | \$ -                     |
| <b>National Institutes of Health</b>   |             |              |              |  |                                    |                    |                          |
| Cardiovascular Diseases Research   | 93-837      | \$ 1,878,647 | \$ -         |  |                                    | \$ 1,878,647       | \$ -                     |
| Cardiovascular Diseases Research   | 93-837      | -            | 29,857       | Brigham and Women's<br>Hospital                      | 5U01HL101422-02 CIRT               | 29,857             | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | 38,546       | Columbia University                                  | 5U01HL120338-02                    | 38,546             | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | 18,016       | Massachusetts General<br>Hospital                    | 5U01HL123336-02                    | 18,016             | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | (76,452)     | University of Rochester                              | 5-U01-HL096607-05                  | (76,452)           | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | 31,657       | University of Michigan                               | 1R01HL137731-01                    | 31,657             | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | 258,644      | University of Michigan                               | 1R01HL131610-01A1                  | 258,644            | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | 22,298       | University of Michigan                               | 1-R01-HL-141292-01                 | 22,298             | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | 72,133       | University of Pittsburgh                             | 4R01HL114536-05                    | 72,133             | -                        |
| Cardiovascular Diseases Research   | 93-837      | -            | 115,909      | Fox Chase Chemical Diversity<br>Center, Inc.         | R41HL134435-D                      | 115,909            | -                        |
| <b>Total CFDA 93-837</b>   |             | \$ 1,878,647 | \$ 510,608   |  |                                    | \$ 2,389,255       | \$ -                     |
| Lung Diseases Research   | 93-838      | \$ -         | \$ 61,310    | Yale University                                      | 1R56HL136715-01                    | \$ 61,310          | \$ -                     |
| <b>Total CFDA 93-838</b>   |             | \$ -         | \$ 61,310    |  |                                    | \$ 61,310          | \$ -                     |
| Blood Diseases and Resources Research  | 93-839      | \$ (487)     | \$ -         |  |                                    | \$ (487)           | \$ -                     |
| <b>Total CFDA 93-839</b>   |             | \$ (487)     | \$ -         |  |                                    | \$ (487)           | \$ -                     |
| Arthritis, Musculoskeletal and Skin Diseases Research  | 93-846      | \$ (28,204)  | \$ -         |  |                                    | \$ (28,204)        | \$ 715                   |
| Arthritis, Musculoskeletal and Skin Diseases Research  | 93-846      | -            | 159,978      | Thomas Jefferson University                          | 1 R01 AR069119-01A1                | 159,978            | -                        |
| <b>Total CFDA 93-846</b>   |             | \$ (28,204)  | \$ 159,978   |  |                                    | \$ 131,774         | \$ 715                   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93-847      | \$ 973,422   | \$ -         |  |                                    | \$ 973,422         | \$ 7,205                 |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93-847      | -            | 78,790       | Queens University                                    | 1U01DK103271 SUBAWARD<br>NO. 1     | 78,790             | -                        |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93-847      | -            | 27,006       | University of Pennsylvania                           | 1-R01-DK-111558-01A1               | 27,006             | -                        |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93-847      | -            | 1            | Georgia Regents University                           | 3U24DK076169-08S4                  | 1                  | -                        |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93-847      | -            | 16,933       | Thomas Jefferson University                          | R01-DK098526                       | 16,933             | -                        |
| Diabetes, Digestive, and Kidney Diseases Extramural Research   | 93-847      | -            | 156,344      | Washington University in St.<br>Louis                | P30DK092950                        | 156,344            | -                        |
| <b>Total CFDA 93-847</b>   |             | \$ 973,422   | \$ 279,074   |  |                                    | \$ 1,252,496       | \$ 7,205                 |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                                   | CFDA Number | Direct              | Pass-Through      | Pass-Through Entity                                  | Pass-Through Entity Sponsor Number                  | Total Expenditures  | Passed to Sub-Recipients |
|--|-------------|---------------------|-------------------|--|---|---------------------|--------------------------|
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | \$ 9,102,487        | \$ -              |  |   | \$ 9,102,487        | \$ 692,328               |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | -                 | (1) Cornell University                               | 1R1NS081713-01                                      | (1)                 | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 31,939            | Fox Chase Cancer Center                              | 1R01NS100081-01A1                                   | 31,939              | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 71,238            | University of South Carolina                         | 5R01NS041596-11                                     | 71,238              | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 27,536            | University of Pennsylvania                           | 4-R01-NS-078283-05                                  | 27,536              | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 25,193            | Temple University                                    | U01NS088034-02                                      | 25,193              | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | (397)             | University of Pennsylvania                           | R01NS044266   | (397)               | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 131,010           | Georgia Tech Research Corporation                    | R01NS100928   | 131,010             | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 18,688            | Thomas Jefferson University                          | 1R56NS096028-01A1                                   | 18,688              | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 119,473           | University of Miami                                  | 2R56NS081040-06                                     | 119,473             | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 43,083            | University of Michigan                               | R01NS092706   | 43,083              | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 38,067            | University of Alabama at Birmingham                  | U01NS041588   | 38,067              | -                        |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853      | -                   | 264,218           | The Regents of the University of California          | 7R01NS096971-02                                     | 264,218             | -                        |
| <b>Total CFDA 93.853</b>   |             | <b>\$ 9,102,487</b> | <b>\$ 770,047</b> |  |   | <b>\$ 9,872,534</b> | <b>\$ 692,328</b>        |
| Allergy and Infectious Diseases Research                                     | 93.855      | \$ 3,730,991        | \$ -              |  |   | \$ 3,730,991        | \$ 417,752               |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 174,628           | Henry Jackson Foundation for Advancement of Military | 7R01AI108433-03                                     | 174,628             | -                        |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 55,815            | Johns Hopkins University                             | UM1AI068632   | 55,815              | -                        |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 98,851            | University of Washington                             | 1R01AI120712-01                                     | 98,851              | -                        |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 194,543           | Oregon Health and Science University                 | HHSN272201400055C                                   | 194,543             | -                        |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 49,374            | Columbia University                                  | 4P01AI106697-04                                     | 49,374              | -                        |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 138,249           | Oregon Health and Science University                 | Prime: R01AI100569, 1002997-DREXEL / 1011753_DREXEL | 138,249             | -                        |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 245,000           | Case Western Reserve University                      | 1R01AI25202-01                                      | 245,000             | -                        |
| Allergy and Infectious Diseases Research                                     | 93.855      | -                   | 38,028            | University of Pennsylvania                           | 1R56AI125415-01                                     | 38,028              | -                        |
| <b>Total CFDA 93.855</b>   |             | <b>\$ 3,730,991</b> | <b>\$ 994,488</b> |  |   | <b>\$ 4,725,479</b> | <b>\$ 417,752</b>        |
| Microbiology and Infectious Diseases Research                                | 93.856      | \$ 81,249           | \$ -              |  |   | \$ 81,249           | -                        |
| <b>Total CFDA 93.856</b>   |             | <b>\$ 81,249</b>    | <b>\$ -</b>       |  |   | <b>\$ 81,249</b>    | <b>\$ -</b>              |



# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct              | Pass-Through      | Pass-Through Entity                                | Pass-Through Entity Sponsor Number   | Total Expenditures  | Passed to Sub-Recipients |
|--|-------------|---------------------|-------------------|--|--|---------------------|--------------------------|
| Biomedical Research and Research Training  | 93.859      | \$ 3,475,857        | \$ -              |  |  | \$ 3,475,857        | \$ 1,644,651             |
| Biomedical Research and Research Training  | 93.859      | -                   | 73,155            | Georgia Institute of Technology                    | 1R01GM115927-01  | 73,155              | -                        |
| Biomedical Research and Research Training  | 93.859      | -                   | 152,972           | University of Pennsylvania                         | Prime: P01GM055876 (562336/569058)   | 152,972             | -                        |
| <b>Total CFDA 93.859</b>   |             | <b>\$ 3,475,857</b> | <b>\$ 226,127</b> |  |  | <b>\$ 3,701,984</b> | <b>\$ 1,644,651</b>      |
| Child Health and Human Development Extramural Research                               | 93.865      | \$ 1,490,105        | \$ -              |  |  | \$ 1,490,105        | \$ 472,126               |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 12,213            | Children's Hospital of Philadelphia                | 1R01HD087406-01A1  | 12,213              | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 23,515            | Widener University                                 | 1R15HD093024-01  | 23,515              | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 180,393           | Columbia University                                | U10HD036801 & U01HLO98354  | 180,393             | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | (1,086)           | Harvard School of Public Health                    | 5 U01 HD052102-10  | (1,086)             | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | (27,757)          | University of New Mexico                           | 1R01HD064655   | (27,757)            | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 87,424            | Harvard School of Public Health                    | Prime: U01HD052102 (114074.1038.5041141; 114205-1338-5097549; 114205-1238-5077549) | 87,424              | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 16,525            | Georgia State University                           | 2R01HD035612-15A1  | 16,525              | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 2,800             | University of Pennsylvania                         | 5-R01-HD-073221-02   | 2,800               | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 115,833           | University of Arizona                              | R01DH088409  | 115,833             | -                        |
| Child Health and Human Development Extramural Research                               | 93.865      | -                   | 25,745            | The Board of Trustees of the University of Alabama | 1R01HD088415-01  | 25,745              | -                        |
| <b>Total CFDA 93.865</b>   |             | <b>\$ 1,490,105</b> | <b>\$ 435,605</b> |  |  | <b>\$ 1,925,710</b> | <b>\$ 472,126</b>        |
| Aging Research   | 93.866      | \$ 1,116,269        | \$ -              |  |  | \$ 1,116,269        | \$ 509,843               |
| Aging Research   | 93.866      | -                   | 41,030            | Indiana University                                 | 1RF1AG056111-01  | 41,030              | -                        |
| Aging Research   | 93.866      | -                   | (2)               | Trustees of Boston University                      | 5R01AG016495-13  | (2)                 | -                        |
| Aging Research   | 93.866      | -                   | 77,628            | University of California, San Diego                | U19AG010483  | 77,628              | -                        |
| Aging Research   | 93.866      | -                   | 90,742            | Regenerative Research Foundation                   | R01AG041861  | 90,742              | -                        |
| Aging Research   | 93.866      | -                   | 8,093             | University of Connecticut                          | R01AG044504; UCHC7-10022160A1  | 8,093               | -                        |
| Aging Research   | 93.866      | -                   | 39,434            | University of Alabama at Birmingham                | R01AG039588  | 39,434              | -                        |
| <b>Total CFDA 93.866</b>   |             | <b>\$ 1,116,269</b> | <b>\$ 256,925</b> |  |  | <b>\$ 1,373,194</b> | <b>\$ 509,843</b>        |
| Medical Library Assistance   | 93.879      | \$ -                | \$ 1,150          | University of Pittsburgh                           | 5UG4LM012342-02  | \$ 1,150            | \$ -                     |
| Medical Library Assistance   | 93.879      | -                   | 59,058            | Children's Research Institute                      | R01LM011834  | 59,058              | -                        |
| <b>Total CFDA 93.879</b>   |             | <b>\$ -</b>         | <b>\$ 60,208</b>  |  |  | <b>\$ 60,208</b>    | <b>\$ -</b>              |
| <b>Health Resources and Services Administration</b>                                  |             |                     |                   |  |  |                     |                          |
| Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease | 93.918      | \$ 729,379          | \$ -              |  |  | \$ 729,379          | \$ 36,972                |
| <b>Total CFDA 93.918</b>   |             | <b>\$ 729,379</b>   | <b>\$ -</b>       |  |  | <b>\$ 729,379</b>   | <b>\$ 36,972</b>         |
| Special Projects of National Significance  | 93.928      | \$ -                | \$ 16,190         | Philadelphia Fight                                 | 5 H97HA288940200   | \$ 16,190           | \$ -                     |
| <b>Total CFDA 93.928</b>   |             | <b>\$ -</b>         | <b>\$ 16,190</b>  |  |  | <b>\$ 16,190</b>    | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct               | Pass-Through        | Pass-Through Entity                 | Pass-Through Entity Sponsor Number | Total Expenditures   | Passed to Sub-Recipients |
|--|-------------|----------------------|---------------------|-------------------------------------|------------------------------------|----------------------|--------------------------|
| <b>Substance Abuse and Mental Health Services Administration</b>                         |             |                      |                     |                                     |                                    |                      |                          |
| Block Grants for Prevention and Treatment of Substance Abuse                             | 93-959      | \$ -                 | \$ 25,627           | University of Louisiana             | 3Bo8T1010022-15S2                  | \$ 25,627            | \$ -                     |
| <b>Total CFDA 93.959</b>   |             | <b>\$ -</b>          | <b>\$ 25,627</b>    |                                     |                                    | <b>\$ 25,627</b>     | <b>\$ -</b>              |
| <b>National Institutes of Health</b>   |             |                      |                     |                                     |                                    |                      |                          |
| International Research and Research Training   | 93-989      | \$ -                 | \$ 112,668          | University of Utah                  | 7U19TW008163-07                    | \$ 112,668           | \$ -                     |
| International Research and Research Training   | 93-989      | -                    | 10,003              | University of Michigan              | D43TW009315                        | 10,003               | -                        |
| <b>Total CFDA 93.989</b>   |             | <b>\$ -</b>          | <b>\$ 122,671</b>   |                                     |                                    | <b>\$ 122,671</b>    | <b>\$ -</b>              |
| <b>Health Resources and Services Administration</b>                                      |             |                      |                     |                                     |                                    |                      |                          |
| Maternal and Child Health Services Block Grant to the States                             | 93-994      | \$ 201,491           | \$ -                |                                     |                                    | \$ 201,491           | \$ -                     |
| Maternal and Child Health Services Block Grant to the States                             | 93-994      | -                    | 50,577              | Children's Hospital of Philadelphia | 22001-06-17                        | 50,577               | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93-994      | -                    | 29,472              | City of Philadelphia                | Unknown                            | 29,472               | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93-994      | -                    | 19,609              | Pennsylvania Department of Health   | 4100072670                         | 19,609               | -                        |
| <b>Total CFDA 93.994</b>   |             | <b>\$ 201,491</b>    | <b>\$ 99,658</b>    |                                     |                                    | <b>\$ 301,149</b>    | <b>\$ -</b>              |
| HIV Research Network   | 93.RD       | \$ -                 | \$ (1,502)          | Johns Hopkins University            | HHSA290201100007C                  | \$ (1,502)           | \$ -                     |
| A Modulator of Innate Immunity for Preventing Hospital-Acquired Inf                      | 93.RD       | -                    | (4,698)             | Therimunex Pharmaceuticals          | unknown                            | (4,698)              | -                        |
| HIV Vaccine Design and Development   | 93.RD       | -                    | 5,278               | Yale University                     | 2Ro1DK093770-05                    | 5,278                | -                        |
| PA Mid Atlantic AIDS Education and Training Center                                       | 93.RD       | -                    | (5,429)             | Health Federation of Philadelphia   | HRSA 6H4AHA00060-16-01             | (5,429)              | -                        |
| <b>Total CFDA 93.RD</b>  |             | <b>\$ -</b>          | <b>\$ (6,351)</b>   |                                     |                                    | <b>\$ (6,351)</b>    | <b>\$ -</b>              |
| Research/Study of Mitigation of Incidence of Violence to Fire Fighter and EMS Responders | 93.U03      | \$ -                 | \$ 11,384           | Duke Clinical Research Institute    | Unknown                            | \$ 11,384            | \$ -                     |
| <b>Total CFDA 93.U03</b>   |             | <b>\$ -</b>          | <b>\$ 11,384</b>    |                                     |                                    | <b>\$ 11,384</b>     | <b>\$ -</b>              |
| <b>Total Department of Health and Human Services</b>                                     |             | <b>\$ 37,612,426</b> | <b>\$ 8,121,802</b> |                                     |                                    | <b>\$ 45,734,228</b> | <b>\$ 7,503,290</b>      |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct               | Pass-Through         | Pass-Through Entity                            | Pass-Through Entity Sponsor Number | Total Expenditures   | Passed to Sub-Recipients |
|--|-------------|----------------------|----------------------|--|------------------------------------|----------------------|--------------------------|
| <b>DEPARTMENT OF HOMELAND SECURITY</b>   |             |                      |                      |  |                                    |                      |                          |
| <b>Federal Emergency Management Agency (FEMA)</b>  |             |                      |                      |  |                                    |                      |                          |
| Assistance to Firefighters Grant   | 97.044      | \$ 148,200           | \$ -                 |  |                                    | \$ 148,200           | \$ 4,863                 |
| Assistance to Firefighters Grant   | 97.044      | -                    | 779,429              | Fire Department Safety Officers Association    | EMW-2015-FP-00051-SUB              | 779,429              | 8,396                    |
| <b>Total CFDA 97.044</b>   |             | <b>\$ 148,200</b>    | <b>\$ 779,429</b>    |  |                                    | <b>\$ 927,629</b>    | <b>\$ 13,259</b>         |
| Research/Study of Mitigation of Incidence of Violence to Fire Fighter and EMS Responders | 97.U05      | \$ -                 | \$ (542)             | International Association of Fire Chiefs, Inc. | HSFE20-15-Q-0053                   | \$ (542)             | \$ -                     |
| <b>Total CFDA 97.U05</b>   |             | <b>\$ -</b>          | <b>\$ (542)</b>      |  |                                    | <b>\$ (542)</b>      | <b>\$ -</b>              |
| <b>Total Department of Homeland Security</b>   |             | <b>\$ 148,200</b>    | <b>\$ 778,887</b>    |  |                                    | <b>\$ 927,087</b>    | <b>\$ 13,259</b>         |
| <b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER:</b>   |             | <b>\$ 64,589,344</b> | <b>\$ 15,798,578</b> |  |                                    | <b>\$ 80,387,922</b> | <b>\$ 11,697,059</b>     |
| <b>SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER</b>                                 |             |                      |                      |  |                                    |                      |                          |
| <b>DEPARTMENT OF AGRICULTURE</b>   |             |                      |                      |  |                                    |                      |                          |
| <b>Food and Nutrition Service</b>  |             |                      |                      |  |                                    |                      |                          |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program   | 10.561      | \$ -                 | \$ 447,133           | Penn State University                          | 4100069151                         | \$ 447,133           | \$ -                     |
| <b>Total CFDA 10.561</b>   |             | <b>\$ -</b>          | <b>\$ 447,133</b>    |  |                                    | <b>\$ 447,133</b>    | <b>\$ -</b>              |
| <b>Total Department of Agriculture</b>   |             | <b>\$ -</b>          | <b>\$ 447,133</b>    |  |                                    | <b>\$ 447,133</b>    | <b>\$ -</b>              |
| <b>TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER</b>                           |             | <b>\$ -</b>          | <b>\$ 447,133</b>    |  |                                    | <b>\$ 447,133</b>    | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                           | CFDA Number | Direct            | Pass-Through      | Pass-Through Entity | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|-------------------|-------------------|---------------------|------------------------------------|--------------------|--------------------------|
| <b>TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CLUSTER</b>               |             |                   |                   |                     |                                    |                    |                          |
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                       |             |                   |                   |                     |                                    |                    |                          |
| <b>Administration for Children and Families</b>                      |             |                   |                   |                     |                                    |                    |                          |
| Temporary Assistance for Needy Families (TANF) State Programs        | 93.558      | \$ -              | \$ 240,104        | Philadelphia Works  | 4100061345                         | \$ 240,104         | \$ -                     |
| <b>Total CFDA 93.588</b>   |             | <b>\$ -</b>       | <b>\$ 240,104</b> |                     |                                    | <b>\$ 240,104</b>  | <b>\$ -</b>              |
| <b>Total Department of Health and Human Services</b>                 |             | <b>\$ -</b>       | <b>\$ 240,104</b> |                     |                                    | <b>\$ 240,104</b>  | <b>\$ -</b>              |
| <b>TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CLUSTER</b>         |             | <b>\$ -</b>       | <b>\$ 240,104</b> |                     |                                    | <b>\$ 240,104</b>  | <b>\$ -</b>              |
| <b>OTHER SPONSORED PROJECTS</b>                                      |             |                   |                   |                     |                                    |                    |                          |
| <b>DEPARTMENT OF DEFENSE</b>   |             |                   |                   |                     |                                    |                    |                          |
| <b>Department of the Navy, Office of the Chief of Naval Research</b> |             |                   |                   |                     |                                    |                    |                          |
| Basic and Applied Scientific Research                                | 12.300      | \$ 1,646          | \$ -              |                     |                                    | \$ 1,646           | \$ -                     |
| <b>Total CFDA 12.300</b>   |             | <b>\$ 1,646</b>   | <b>\$ -</b>       |                     |                                    | <b>\$ 1,646</b>    | <b>\$ -</b>              |
| <b>Advanced Research Projects Agency</b>                             |             |                   |                   |                     |                                    |                    |                          |
| Research and Technology Development                                  | 12.910      | \$ 45,601         | \$ -              |                     |                                    | \$ 45,601          | \$ -                     |
| <b>Total CFDA 12.910</b>   |             | <b>\$ 45,601</b>  | <b>\$ -</b>       |                     |                                    | <b>\$ 45,601</b>   | <b>\$ -</b>              |
| <b>Total Department of Defense</b>                                   |             | <b>\$ 47,247</b>  | <b>\$ -</b>       |                     |                                    | <b>\$ 47,247</b>   | <b>\$ -</b>              |
| <b>DEPARTMENT OF JUSTICE</b>   |             |                   |                   |                     |                                    |                    |                          |
| <b>Office for Victims of Crime</b>                                   |             |                   |                   |                     |                                    |                    |                          |
| Crime Victim Assistance/Discretionary Grants                         | 16.582      | \$ 411,131        | \$ -              |                     |                                    | \$ 411,131         | \$ -                     |
| <b>Total CFDA 16.582</b>   |             | <b>\$ 411,131</b> | <b>\$ -</b>       |                     |                                    | <b>\$ 411,131</b>  | <b>\$ -</b>              |
| <b>Total Department of Justice</b>                                   |             | <b>\$ 411,131</b> | <b>\$ -</b>       |                     |                                    | <b>\$ 411,131</b>  | <b>\$ -</b>              |



# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                   | CFDA Number | Direct           | Pass-Through      | Pass-Through Entity                      | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|------------------|-------------------|--|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF LABOR</b>                                   |             |                  |                   |  |                                    |                    |                          |
| <b>Employment Training Administration</b>                    |             |                  |                   |  |                                    |                    |                          |
| WIOA Dislocated Worker National Reserve Demonstration Grants | 17.280      | \$ -             | \$ 39,988         | Philadelphia Works                       | MI-28993-16-60-A-42                | \$ 39,988          | \$ -                     |
| <b>Total CFDA 17.280</b>                                     |             | <b>\$ -</b>      | <b>\$ 39,988</b>  |  |                                    | <b>\$ 39,988</b>   | <b>\$ -</b>              |
| Workforce Innovation Fund                                    | 17.283      | \$ -             | \$ 10,107         | Community College of Philadelphia        | 90152100                           | \$ 10,107          | \$ -                     |
| <b>Total CFDA 17.283</b>                                     |             | <b>\$ -</b>      | <b>\$ 10,107</b>  |  |                                    | <b>\$ 10,107</b>   | <b>\$ -</b>              |
| <b>Total Department of Labor</b>                             |             | <b>\$ -</b>      | <b>\$ 50,095</b>  |  |                                    | <b>\$ 50,095</b>   | <b>\$ -</b>              |
| <b>DEPARTMENT OF STATE</b>                                   |             |                  |                   |  |                                    |                    |                          |
| <b>Bureau of Educational and Cultural Affairs</b>            |             |                  |                   |  |                                    |                    |                          |
| Academic Exchange Programs - Undergraduate Programs          | 19.009      | \$ (464)         | \$ -              |  |                                    | \$ (464)           | \$ -                     |
| Academic Exchange Programs - Undergraduate Programs          | 19.009      | -                | 100,910           | International Research & Exchanges Board | S-ECAGD-16-CA-1146                 | 100,910            | -                        |
| Academic Exchange Programs - Undergraduate Programs          | 19.009      | -                | 39,956            | International Research & Exchanges Board | S-ECAGD-17-CA-1086                 | 39,956             | -                        |
| <b>Total CFDA 19.009</b>                                     |             | <b>\$ (464)</b>  | <b>\$ 140,866</b> |  |                                    | <b>\$ 140,402</b>  | <b>\$ -</b>              |
| Academic Exchange Programs - Graduate Students               | 19.400      | -                | 154,051           | Institute of International Education     | S-ECAGD-17-CA-1015                 | 154,051            | -                        |
| <b>Total CFDA 19.400</b>                                     |             | <b>\$ -</b>      | <b>\$ 154,051</b> |  |                                    | <b>\$ 154,051</b>  | <b>\$ -</b>              |
| <b>Total Department of State</b>                             |             | <b>\$ (464)</b>  | <b>\$ 294,917</b> |  |                                    | <b>\$ 294,453</b>  | <b>\$ -</b>              |
| <b>DEPARTMENT OF TRANSPORTATION</b>                          |             |                  |                   |  |                                    |                    |                          |
| <b>Federal Aviation Administration (FAA)</b>                 |             |                  |                   |  |                                    |                    |                          |
| Air Transportation Centers of Excellence                     | 20.109      | \$ 33,944        | \$ -              |  |                                    | \$ 33,944          | \$ -                     |
| <b>Total CFDA 20.109</b>                                     |             | <b>\$ 33,944</b> | <b>\$ -</b>       |  |                                    | <b>\$ 33,944</b>   | <b>\$ -</b>              |
| <b>Total Department of Transportation</b>                    |             | <b>\$ 33,944</b> | <b>\$ -</b>       |  |                                    | <b>\$ 33,944</b>   | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title                        | CFDA Number | Direct            | Pass-Through     | Pass-Through Entity               | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|-------------------|------------------|-----------------------------------|------------------------------------|--------------------|--------------------------|
| <b>OFFICE OF PERSONNEL MANAGEMENT</b>                             |             |                   |                  |                                   |                                    |                    |                          |
| <b>Intergovernmental Personnel Act (IPA) Mobility Program</b>     |             |                   |                  |                                   |                                    |                    |                          |
| Intergovernmental Personnel Act (IPA) Mobility Program            | 27.011      | \$ 237,407        | \$ -             |                                   |                                    | \$ 237,407         | \$ -                     |
| <b>Total CFDA 27.011</b>  |             | <b>\$ 237,407</b> | <b>\$ -</b>      |                                   |                                    | <b>\$ 237,407</b>  | <b>\$ -</b>              |
| <b>Total Office of Personnel Management</b>                       |             | <b>\$ 237,407</b> | <b>\$ -</b>      |                                   |                                    | <b>\$ 237,407</b>  | <b>\$ -</b>              |
| <b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>              |             |                   |                  |                                   |                                    |                    |                          |
| Science   | 43.001      | \$ 128            | \$ -             |                                   |                                    | \$ 128             | \$ -                     |
| <b>Total CFDA 43.001</b>  |             | <b>\$ 128</b>     | <b>\$ -</b>      |                                   |                                    | <b>\$ 128</b>      | <b>\$ -</b>              |
| Are High-Redshift Spectroscopic Black Hole Mass Estimates Biased? | 43.U01      | \$ -              | \$ 29,515        | Space Telescope Science Institute | NAS5-26555                         | \$ 29,515          | \$ -                     |
| <b>Total CFDA 43.U01</b>  |             | <b>\$ -</b>       | <b>\$ 29,515</b> |                                   |                                    | <b>\$ 29,515</b>   | <b>\$ -</b>              |
| <b>Total National Aeronautics and Space Administration</b>        |             | <b>\$ 128</b>     | <b>\$ 29,515</b> |                                   |                                    | <b>\$ 29,643</b>   | <b>\$ -</b>              |
| <b>DEPARTMENT OF ENERGY</b>                                       |             |                   |                  |                                   |                                    |                    |                          |
| Renewable Energy Research and Development                         | 81.087      | \$ -              | \$ 99,058        | General Motors LLC                | DE-EE0007271                       | \$ 99,058          | \$ -                     |
| <b>Total CFDA 81.087</b>  |             | <b>\$ -</b>       | <b>\$ 99,058</b> |                                   |                                    | <b>\$ 99,058</b>   | <b>\$ -</b>              |
| <b>Total Department of Energy</b>                                 |             | <b>\$ -</b>       | <b>\$ 99,058</b> |                                   |                                    | <b>\$ 99,058</b>   | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct       | Pass-Through | Pass-Through Entity                                     | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|--|-------------|--------------|--------------|---|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF EDUCATION</b>   |             |              |              |   |                                    |                    |                          |
| <b>Office of Career, Technical, and Adult Education</b>  |             |              |              |   |                                    |                    |                          |
| Adult Education - Basic Grants to States   | 84.002      | \$ -         | \$ (4,655)   | PA Department of Education                              | S287C140038                        | \$ (4,655)         | \$ -                     |
| <b>Total CFDA 84.002</b>   |             | \$ -         | \$ (4,655)   |   |                                    | \$ (4,655)         | \$ -                     |
| <b>Office of Postsecondary Education</b>   |             |              |              |   |                                    |                    |                          |
| National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program | 84.015      | \$ -         | \$ 16,510    | University of Pennsylvania                              | P015A140137                        | \$ 16,510          | \$ -                     |
| <b>Total CFDA 84.015</b>   |             | \$ -         | \$ 16,510    |   |                                    | \$ 16,510          | \$ -                     |
| Fund for the Improvement of Postsecondary Education  | 84.116      | \$ (14,501)  | \$ -         |   |                                    | \$ (14,501)        | \$ -                     |
| <b>Total CFDA 84.200</b>   |             | \$ (14,501)  | \$ -         |   |                                    | \$ (14,501)        | \$ -                     |
| Graduate Assistance in Areas of National Need  | 84.200      | \$ 486,137   | \$ -         |   |                                    | \$ 486,137         | \$ -                     |
| <b>Total CFDA 84.200</b>   |             | \$ 486,137   | \$ -         |   |                                    | \$ 486,137         | \$ -                     |
| <b>Office of Innovation and Improvement</b>  |             |              |              |   |                                    |                    |                          |
| Fund for the Improvement of Education  | 84.215      | \$ 2,384,617 | \$ -         |   |                                    | \$ 2,384,617       | \$ 352,078               |
| <b>Total CFDA 84.215</b>   |             | \$ 2,384,617 | \$ -         |   |                                    | \$ 2,384,617       | \$ 352,078               |
| <b>Office of Special Education and Rehabilitative Services</b>   |             |              |              |   |                                    |                    |                          |
| Special Education - State Personnel Development  | 84.323      | \$ -         | \$ 6,691     | Montgomery County Intermediate Unit 23 (US Dept. of Ed) | 10-2271-215-00-17-608 329          | \$ 6,691           | \$ -                     |
| <b>Total CFDA 84.323</b>   |             | \$ -         | \$ 6,691     |   |                                    | \$ 6,691           | \$ -                     |
| Special Education - Personnel Development to Improve Services and Results for Children with Disabilities   | 84.325      | \$ 211,403   | \$ -         |   |                                    | \$ 211,403         | \$ -                     |
| <b>Total CFDA 84.325</b>   |             | \$ 211,403   | \$ -         |   |                                    | \$ 211,403         | \$ -                     |
| <b>Office of Postsecondary Education</b>   |             |              |              |   |                                    |                    |                          |
| Gaining Early Awareness and Readiness for Undergraduate Programs   | 84.334      | \$ -         | \$ 195,713   | The College Crusade of Rhode Island                     | P334S110008                        | \$ 195,713         | \$ -                     |
| <b>Total CFDA 84.334</b>   |             | \$ -         | \$ 195,713   |   |                                    | \$ 195,713         | \$ -                     |
| <b>Office of Early Learning (OEL)</b>  |             |              |              |   |                                    |                    |                          |
| Race to the Top - Early Learning Challenge   | 84.412      | \$ -         | \$ 30,269    | PA Department of Education                              | AWARD 8085800000;SAP117558         | \$ 30,269          | \$ -                     |
| <b>Total CFDA 84.412</b>   |             | \$ -         | \$ 30,269    |   |                                    | \$ 30,269          | \$ -                     |
| <b>Total Department of Education</b>   |             | \$ 3,067,656 | \$ 244,528   |   |                                    | \$ 3,312,184       | \$ 352,078               |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title  | CFDA Number | Direct             | Pass-Through      | Pass-Through Entity                                  | Pass-Through Entity Sponsor Number | Total Expenditures | Passed to Sub-Recipients |
|---|-------------|--------------------|-------------------|--|------------------------------------|--------------------|--------------------------|
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>  |             |                    |                   |  |                                    |                    |                          |
| <b>Health Resources and Services Administration</b>                                       |             |                    |                   |  |                                    |                    |                          |
| Maternal and Child Health Federal Consolidated Programs                                   | 93-110      | \$ -               | \$ 9,000          | Children's Hospital of Philadelphia                  | 6 H30MC240500601                   | \$ 9,000           | \$ -                     |
| Maternal and Child Health Federal Consolidated Programs                                   | 93-110      | -                  | 92,959            | University of California Los Angeles                 | UA3MC11055-09                      | 92,959             | -                        |
| <b>Total CFDA 93.110</b>  |             | <b>\$ -</b>        | <b>\$ 101,959</b> |  |                                    | <b>\$ 101,959</b>  | <b>\$ -</b>              |
| Coordinated Services and Access to Research for Women, Infants, Children, and Youth       | 93-153      | \$ 365,305         | \$ -              |  |                                    | \$ 365,305         | \$ -                     |
| <b>Total CFDA 93.153</b>  |             | <b>\$ 365,305</b>  | <b>\$ -</b>       |  |                                    | <b>\$ 365,305</b>  | <b>\$ -</b>              |
| <b>Office of Population Affairs</b>   |             |                    |                   |  |                                    |                    |                          |
| Family Planning Services  | 93-217      | \$ (26,185)        | \$ -              |  |                                    | \$ (26,185)        | \$ -                     |
| Family Planning Services  | 93-217      | -                  | 172,191           | Access Matters                                       | 6FPPHA036277                       | 172,191            | -                        |
| Family Planning Services  | 93-217      | -                  | (1,166)           | Access Matters                                       | Unknown                            | (1,166)            | -                        |
| <b>Total CFDA 93.217</b>  |             | <b>\$ (26,185)</b> | <b>\$ 171,025</b> |  |                                    | <b>\$ 144,840</b>  | <b>\$ -</b>              |
| <b>Substance Abuse and Mental Health Services Administration</b>                          |             |                    |                   |  |                                    |                    |                          |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93-243      | \$ 360,066         | \$ -              |  |                                    | \$ 360,066         | \$ 12,411                |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93-243      | -                  | 13,284            | Pennsylvania Department of Drug and Alcohol Programs | 5U79SP020158-05                    | 13,284             | -                        |
| <b>Total CFDA 93.243</b>  |             | <b>\$ 360,066</b>  | <b>\$ 13,284</b>  |  |                                    | <b>\$ 373,350</b>  | <b>\$ 12,411</b>         |
| <b>National Institutes of Health</b>  |             |                    |                   |  |                                    |                    |                          |
| <b>Office of the Secretary</b>  |             |                    |                   |  |                                    |                    |                          |
| National Community Centers of Excellence in Women's Health                                | 93-290      | \$ (1,289)         | \$ -              |  |                                    | \$ (1,289)         | \$ -                     |
| <b>Total CFDA 93.290</b>  |             | <b>\$ (1,289)</b>  | <b>\$ -</b>       |  |                                    | <b>\$ (1,289)</b>  | <b>\$ -</b>              |
| <b>Health Resources and Services Administration</b>                                       |             |                    |                   |  |                                    |                    |                          |
| Public Health Training Centers Program  | 93-516      | \$ -               | \$ 35,817         | University of Pittsburgh                             | 5UB6HP27882-03-00                  | \$ 35,817          | \$ -                     |
| <b>Total CFDA 93.516</b>  |             | <b>\$ -</b>        | <b>\$ 35,817</b>  |  |                                    | <b>\$ 35,817</b>   | <b>\$ -</b>              |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct            | Pass-Through        | Pass-Through Entity  | Pass-Through Entity Sponsor Number   | Total Expenditures  | Passed to Sub-Recipients |
|--|-------------|-------------------|---------------------|--|--------------------------------------|---------------------|--------------------------|
| <b>Health Resources and Services Administration</b>                                    |             |                   |                     |  |                                      |                     |                          |
| Social Services Block Grant  | 93.667      | \$ -              | \$ 8,407            | Access Matters   | 4100060393                           | \$ 8,407            | \$ -                     |
| Social Services Block Grant  | 93.667      | -                 | 38,436              | Access Matters   | 4100078153                           | 38,436              | -                        |
| <b>Total CFDA 93.667</b>   |             | <b>\$ -</b>       | <b>\$ 46,843</b>    |  |                                      | <b>\$ 46,843</b>    | <b>\$ -</b>              |
| <b>Centers for Disease Control and Prevention</b>                                      |             |                   |                     |  |                                      |                     |                          |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898      | \$ -              | \$ 6,675            | Access Matters   | 4100066441                           | \$ 6,675            | \$ -                     |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898      | -                 | 2,137               | Access Matters   | 410006644                            | 2,137               | -                        |
| <b>Total CFDA 93.898</b>   |             | <b>\$ -</b>       | <b>\$ 8,812</b>     |  |                                      | <b>\$ 8,812</b>     | <b>\$ -</b>              |
| <b>Health Resources and Services Administration</b>                                    |             |                   |                     |  |                                      |                     |                          |
| HIV Emergency Relief Project Grants  | 93.914      | \$ -              | \$ 1,177,573        | City of Philadelphia - Aids Activities Coordinating Office | H89HA00013                           | \$ 1,177,573        | \$ -                     |
| HIV Emergency Relief Project Grants  | 93.914      | -                 | (23,077)            | City of Philadelphia - Aids Activities Coordinating Office | FY16 Ryan White R5212, R5213, RS6875 | (23,077)            | -                        |
| HIV Emergency Relief Project Grants  | 93.914      | -                 | 710                 | City of Philadelphia - Aids Activities Coordinating Office | 6 H89HA00014-24                      | 710                 | -                        |
| <b>Total CFDA 93.914</b>   |             | <b>\$ -</b>       | <b>\$ 1,155,206</b> |  |                                      | <b>\$ 1,155,206</b> | <b>\$ -</b>              |
| HIV Care Formula Grants  | 93.917      | \$ -              | \$ 33,829           | Jewish Healthcare Foundation                               | 1617-5142                            | \$ 33,829           | \$ -                     |
| HIV Care Formula Grants  | 93.917      | -                 | 2                   | City of Philadelphia - Aids Activities Coordinating Office | Unknown                              | 2                   | -                        |
| HIV Care Formula Grants  | 93.917      | -                 | 3                   | City of Philadelphia - Aids Activities Coordinating Office | 4100062912                           | 3                   | -                        |
| HIV Care Formula Grants  | 93.917      | -                 | 45,286              | City of Philadelphia - Aids Activities Coordinating Office | Unknown                              | 45,286              | -                        |
| HIV Care Formula Grants  | 93.917      | -                 | 14,446              | City of Philadelphia - Aids Activities Coordinating Office | 2X7HA0021                            | 14,446              | -                        |
| HIV Care Formula Grants  | 93.917      | -                 | 52,301              | City of Philadelphia - Aids Activities Coordinating Office | unknown                              | 52,301              | -                        |
| <b>Total CFDA 93.917</b>   |             | <b>\$ -</b>       | <b>\$ 145,867</b>   |  |                                      | <b>\$ 145,867</b>   | <b>\$ -</b>              |
| Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease   | 93.918      | \$ 140,537        | \$ -                |  |                                      | \$ 140,537          | \$ 13,464                |
| <b>Total CFDA 93.918</b>   |             | <b>\$ 140,537</b> | <b>\$ -</b>         |  |                                      | <b>\$ 140,537</b>   | <b>\$ 13,464</b>         |

# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title   | CFDA Number | Direct              | Pass-Through        | Pass-Through Entity  | Pass-Through Entity Sponsor Number | Total Expenditures  | Passed to Sub-Recipients |
|--|-------------|---------------------|---------------------|--|------------------------------------|---------------------|--------------------------|
| <b>Centers for Disease Control and Prevention</b>  |             |                     |                     |  |                                    |                     |                          |
| HIV Prevention Activities Health Department Based  | 93.940      | \$ -                | \$ 20,456           | Access Matters   | 16020407/CPA7012                   | \$ 20,456           | \$ -                     |
| HIV Prevention Activities Health Department Based  | 93.940      | -                   | 6                   | Access Matters   | 1620407/CPA6012                    | 6                   | -                        |
| HIV Prevention Activities Health Department Based  | 93.940      | -                   | 27,495              | City of Philadelphia - Aids Activities Coordinating Office | U62PS003645                        | 27,495              | -                        |
| HIV Prevention Activities Health Department Based  | 93.940      | -                   | 30,711              | City of Philadelphia - Aids Activities Coordinating Office | PS18-1802                          | 30,711              | -                        |
| <b>Total CFDA 93.940</b>   |             | <b>\$ -</b>         | <b>\$ 78,668</b>    |  |                                    | <b>\$ 78,668</b>    | <b>\$ -</b>              |
| <b>Substance Abuse and Mental Health Services Administration</b>                         |             |                     |                     |  |                                    |                     |                          |
| Block Grants for Prevention and Treatment of Substance Abuse                             | 93.959      | \$ -                | \$ 71,086           | City of Philadelphia - Office of Addiction Services        | Unknown                            | \$ 71,086           | \$ -                     |
| Block Grants for Prevention and Treatment of Substance Abuse                             | 93.959      | -                   | 164,552             | University of Louisiana - Lafayette                        | 2000277558                         | 164,552             | -                        |
| <b>Total CFDA 93.959</b>   |             | <b>\$ -</b>         | <b>\$ 235,638</b>   |  |                                    | <b>\$ 235,638</b>   | <b>\$ -</b>              |
| <b>Health Resources and Services Administration</b>                                      |             |                     |                     |  |                                    |                     |                          |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | \$ -                | \$ 42,651           | American Academy of Pediatrics                             | LTR DATED 05/30/2018               | \$ 42,651           | \$ -                     |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 577,294             | City of Philadelphia- Department of Public Health          | CONTRACT 1620120-02                | 577,294             | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 145,785             | Children's Hospital of Philadelphia                        | 4100079945                         | 145,785             | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 40,841              | Access Matters   | 4100070182                         | 40,841              | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 40                  | Access Matters   | SAF2-Y53201005400                  | 40                  | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 19,677              | Access Matters   | 4100078315                         | 19,677              | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 15                  | Access Matters   | 4100065797                         | 15                  | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 68,718              | Pennsylvania Department of Health                          | 4100065983                         | 68,718              | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 25,835              | Pennsylvania Department of Health                          | 4100065966                         | 25,835              | -                        |
| Maternal and Child Health Services Block Grant to the States                             | 93.994      | -                   | 10,000              | Pennsylvania Department of Health                          | 4100072670                         | 10,000              | -                        |
| <b>Total CFDA 93.994</b>   |             | <b>\$ -</b>         | <b>\$ 930,856</b>   |  |                                    | <b>\$ 930,856</b>   | <b>\$ -</b>              |
| <b>Total Department of Health and Human Services</b>                                     |             | <b>\$ 838,434</b>   | <b>\$ 2,923,975</b> |  |                                    | <b>\$ 3,762,409</b> | <b>\$ 25,875</b>         |
| <b>DEPARTMENT OF HOMELAND SECURITY</b>   |             |                     |                     |  |                                    |                     |                          |
| Provide Community Outreach Service by Educating School Children and Families Fire Safety | 97.U04      | \$ -                | \$ 9,996            | Columbia University  | PO # COLUM-0000077987              | \$ 9,996            | \$ -                     |
| <b>Total CFDA 97.U04</b>   |             | <b>\$ -</b>         | <b>\$ 9,996</b>     |  |                                    | <b>\$ 9,996</b>     | <b>\$ -</b>              |
| <b>Total Department of Homeland Security</b>   |             | <b>\$ -</b>         | <b>\$ 9,996</b>     |  |                                    | <b>\$ 9,996</b>     | <b>\$ -</b>              |
| <b>TOTAL OTHER SPONSORED PROJECTS</b>  |             | <b>\$ 4,635,483</b> | <b>\$ 3,652,084</b> |  |                                    | <b>\$ 8,287,567</b> | <b>\$ 377,953</b>        |



# Drexel University and Subsidiaries

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2018

| Federal Grantor / Program or Cluster Title           | CFDA Number | Direct                | Pass-Through         | Pass-Through Entity | Pass-Through Entity Sponsor Number | Total Expenditures    | Passed to Sub-Recipients |
|--|-------------|-----------------------|----------------------|---------------------|------------------------------------|-----------------------|--------------------------|
| <b>STUDENT FINANCIAL AID CLUSTER</b>                 |             |                       |                      |                     |                                    |                       |                          |
| <b>DEPARTMENT OF EDUCATION</b>                       |             |                       |                      |                     |                                    |                       |                          |
| <b>Office of Federal Student Aid</b>                 |             |                       |                      |                     |                                    |                       |                          |
| Federal Supplemental Educational Opportunity Grants  | 84.007      | \$ 1,648,145          | \$ -                 |                     |                                    | \$ 1,648,145          | \$ -                     |
| <b>Total CFDA 84.007</b>                             |             | <b>\$ 1,648,145</b>   | <b>\$ -</b>          |                     |                                    | <b>\$ 1,648,145</b>   | <b>\$ -</b>              |
| Federal Work-Study Program                           | 84.033      | \$ 2,740,469          | \$ -                 |                     |                                    | \$ 2,740,469          | \$ -                     |
| <b>Total CFDA 84.033</b>                             |             | <b>\$ 2,740,469</b>   | <b>\$ -</b>          |                     |                                    | <b>\$ 2,740,469</b>   | <b>\$ -</b>              |
| Federal Perkins Loans                                |             |                       |                      |                     |                                    |                       |                          |
| Outstanding loans as of July 1, 2017                 | 84.038      | \$ 21,369,711         | \$ -                 |                     |                                    | \$ 21,369,711         | \$ -                     |
| New loans issued during 2018                         | 84.038      | 4,271,095             | -                    |                     |                                    | 4,271,095             | -                        |
| Administrative Cost Allowance                        | 84.038      | 299,692               | -                    |                     |                                    | 299,692               | -                        |
| <b>Total CFDA 84.038</b>                             |             | <b>\$ 25,940,498</b>  | <b>\$ -</b>          |                     |                                    | <b>\$ 25,940,498</b>  | <b>\$ -</b>              |
| Federal Pell Grant Program                           | 84.063      | \$ 16,442,788         | \$ -                 |                     |                                    | \$ 16,442,788         | \$ -                     |
| <b>Total CFDA 84.063</b>                             |             | <b>\$ 16,442,788</b>  | <b>\$ -</b>          |                     |                                    | <b>\$ 16,442,788</b>  | <b>\$ -</b>              |
| Federal Direct Student Loans                         | 84.268      | \$ 234,152,768        | \$ -                 |                     |                                    | \$ 234,152,768        | \$ -                     |
| <b>Total CFDA 84.268</b>                             |             | <b>\$ 234,152,768</b> | <b>\$ -</b>          |                     |                                    | <b>\$ 234,152,768</b> | <b>\$ -</b>              |
| <b>Total Department of Education</b>                 |             | <b>\$ 280,924,668</b> | <b>\$ -</b>          |                     |                                    | <b>\$ 280,924,668</b> | <b>\$ -</b>              |
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>       |             |                       |                      |                     |                                    |                       |                          |
| <b>Health Resources and Services Administration</b>  |             |                       |                      |                     |                                    |                       |                          |
| <b>Primary Care Loans</b>                            |             |                       |                      |                     |                                    |                       |                          |
| Outstanding loans as of July 1, 2017                 | 93.342      | \$ 2,833,523          | \$ -                 |                     |                                    | \$ 2,833,523          | \$ -                     |
| New loans issued during 2018                         | 93.342      | -                     | -                    |                     |                                    | -                     | -                        |
| Total Primary Care Loans                             |             | \$ 2,833,523          | \$ -                 |                     |                                    | \$ 2,833,523          | \$ -                     |
| <b>Loans for Disadvantaged Students</b>              |             |                       |                      |                     |                                    |                       |                          |
| Outstanding loans as of July 1, 2017                 | 93.342      | \$ 148,694            | \$ -                 |                     |                                    | \$ 148,694            | \$ -                     |
| New loans issued during 2018                         | 93.342      | -                     | -                    |                     |                                    | -                     | -                        |
| Total Loans for Disadvantaged Students               |             | \$ 148,694            | \$ -                 |                     |                                    | \$ 148,694            | \$ -                     |
| <b>Total CFDA 93.342</b>                             |             | <b>\$ 2,982,217</b>   | <b>\$ -</b>          |                     |                                    | <b>\$ 2,982,217</b>   | <b>\$ -</b>              |
| <b>Nursing Student Loans</b>                         |             |                       |                      |                     |                                    |                       |                          |
| Outstanding loans as of July 1, 2017                 | 93.364      | \$ 24,112             | \$ -                 |                     |                                    | \$ 24,112             | \$ -                     |
| New loans issued during 2018                         | 93.364      | -                     | -                    |                     |                                    | -                     | -                        |
|  |             | \$ 24,112             | \$ -                 |                     |                                    | \$ 24,112             | \$ -                     |
| <b>Total CFDA 93.364</b>                             |             | <b>\$ 24,112</b>      | <b>\$ -</b>          |                     |                                    | <b>\$ 24,112</b>      | <b>\$ -</b>              |
| <b>Total Department of Health and Human Services</b> |             | <b>\$ 3,006,329</b>   | <b>\$ -</b>          |                     |                                    | <b>\$ 3,006,329</b>   | <b>\$ -</b>              |
| <b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>           |             | <b>\$ 283,930,997</b> | <b>\$ -</b>          |                     |                                    | <b>\$ 283,930,997</b> | <b>\$ -</b>              |
| <b>TOTAL FEDERAL AWARD EXPENDITURES</b>              |             | <b>\$ 353,155,824</b> | <b>\$ 20,137,899</b> |                     |                                    | <b>\$ 373,293,723</b> | <b>\$ 12,075,012</b>     |

**Drexel University and Subsidiaries**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

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**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) summarizes the expenditures of Drexel University and Subsidiaries (the “University”) under programs of the federal government for the year ended June 30, 2018. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to, and does not, present the consolidated financial position, revenues, expenses, and changes in net assets of the University.

For the purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies or departments of the federal government and all sub-awards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

Federally guaranteed loans issued to students of the University by various financial institutions and campus-based loan programs, disclosed in Note 3, are also included in the Schedule.

The University applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance.

**2. Basis of Accounting**

The Schedule are presented using the accrual basis of accounting. Negative items on the Schedule represent adjustments or credits in cases where program expenditures exceed grant or contract budget limitations from the prior year.

**3. Federal Student Loan Programs**

Federally-guaranteed loans (including subsidized and non-subsidized loans):

|   | <b>CFDA<br/>Number</b> | <b>FY 2018<br/>Amount<br/>Authorized</b> |
|---|------------------------|--|
| Graduate PLUS Loans                     | 84.268                 | \$ 42,681,731                            |
| Parent Loans for Undergraduate Students | 84.268                 | 45,945,033                               |
| Subsidized Direct Loans                 | 84.268                 | 29,874,476                               |
| Unsubsidized Direct Loans               | 84.268                 | 116,179,045                              |
| Total Federally-guaranteed loans        |                        | <u>\$ 234,680,285</u>                    |

The University is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs; therefore, the net assets and transactions for those programs are not included in the University’s financial statements.



**Drexel University and Subsidiaries**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

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Drexel University also participates in and administers the following student loan programs:

|                                   | <b>CFDA<br/>Number</b> | <b>Loan Receivable<br/>as of June 30,<br/>2018</b> |
|-----------------------------------|------------------------|--|
| Other student loan programs:      |                        |  |
| Federal Perkins Loan Program      | 84.038                 | \$ 21,246,960                                      |
| Primary Care Loans                | 93.342                 | 2,422,069  |
| IA ans for Disadvantaged Students | 93.342                 | 100,138  |
| Nursing Student Inan              | 93.364                 | 20,067   |
|                                   |                        | <u>\$ 23,789,234</u>                               |

Drexel University accounts for such loan programs in separate revolving loan funds. As such, the balances and transactions of these loan programs are recorded in Drexel University's consolidated financial statements. The administrative cost allowance amount for the Federal Perkins Loan Program for the year ended June 30, 2018 is \$299,686. The amount of Perkins loan principal cancelled during the year was \$61,039 (CFDA #84.038).

## **II. Internal Control and Compliance**



**Report of Independent Auditors 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***

To the Board of Trustees  
Drexel University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Drexel University and its Subsidiaries (“the University”), which comprise the consolidated statement of financial position as of June 30, 2018, and the related statements of activities and of cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 24, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University’s 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

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

*PricewaterhouseCoopers LLP*

Philadelphia, Pennsylvania  
October 24, 2018



**Report of Independent Auditors on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on Internal  
Control over Compliance in Accordance with the Uniform Guidance**

To the Board of Trustees  
Drexel University

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

We have audited Drexel University and its Subsidiaries' (the "University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2018. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.



### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

The University's response to the noncompliance finding identified in our audit is described in the accompanying Management's View and Corrective Action Plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

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.

*PricewaterhouseCoopers LLP*

Philadelphia, Pennsylvania  
December 19, 2018

### **III. Schedule of Findings and Questioned Costs**

**Drexel University and Subsidiaries**  
**Schedule of Audit Findings and Questioned Cost**  
**For the Year Ended June 30, 2018**

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**Section I – Summary of Auditor’s Results**  
**Consolidated Financial Statements**

- (i) Type of auditor’s report issued: Unmodified
- (ii) Internal control over financial reporting:  
 Material weakness(es) identified?  yes  no  
 Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- (iii) Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

- (iv) Internal control over major programs:  
 Material weakness(es) identified?  yes  no  
 Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- (v) Type of auditor’s report issued on compliance for major programs: Unmodified
- (vi) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no
- (vii) Identification of major programs:

| <b>CFDA Number(s)</b> | <b>Name of Federal Program or Cluster</b> |
|-----------------------|---|
| Various               | Research and Development (R&D) Cluster    |
| 84.215                | Fund for the Improvement of Education     |

- (vii) Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000
- (ix) Auditee qualified as low-risk auditee?  yes  no

**Section II – Financial Statement Findings**

None noted.



# **Drexel University and Subsidiaries**

## **Schedule of Audit Findings and Questioned Cost**

### **For the Year Ended June 30, 2018**

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#### **Section III – Federal Awards Findings and Questioned Costs**

##### **Finding 2018-001: Direct Costs - Compensation**

**Grantor:** Institute of Museum and Library Services, Department of Health and Human Services – Aids Activity and Coordinating Office (AACO)  
**Program:** Research and Development Cluster, Other  
**CFDA#:** 45.301, 93.914  
**Title:** Museums for America, Ambulatory/Out-Patient Medical Care, Care Services Case Management  
**Award Year:** 07/1/2017 – 06/30/2018  
**Award Number:** 850039, 860124, 470024

##### **Criteria**

2 CFR part 200.430 addresses compensation charges. The regulations note that compensation charges should be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated and comply with the established accounting policies and practices of the non-Federal entity.

Drexel has implemented an employee time reporting system in which effort is reviewed to ensure the effort charged to the grant is accurate, and is based on the actual effort devoted to the various functional and programmatic activities to which the salary and wage costs are charged. Additionally, the University has a policy in place for attesting to effort applied to a grant to account for the accuracy of the personnel costs charged. Per University policy, the effort reports are required to be completed within 90 days of the reporting period end date, which occurs every quarter.

##### **Condition**

For 4 of the 83 effort reports selected for compensation testing, the effort reports were not certified within 90 days of the effort reporting period in accordance with Drexel policy. On average, the effort reports were reviewed 138 days after the end of the effort reporting period. Although the effort reports were not certified timely, there were no questioned costs related to the costs charged.

##### **Cause**

The employees responsible for timely certification of the effort reports failed to act after reminders were generated from both the effort reporting system and from the Research Accounting Department.

##### **Questioned Costs**

There were no questioned costs related to this finding as payroll charges were allowable.

##### **Effect**

The effort report could be incorrect and if not reviewed and corrected in a timely manner, costs charged to a grant could be incorrect.

##### **Recommendation**

We recommend the University continue to enhance the execution of the effort reporting policy to ensure all effort reports are certified in a timely manner.

##### **Views of responsible officials and planned corrective actions**

Following this finding is Management's View and Corrective Action Plan.

# **Drexel University and Subsidiaries**

## **Schedule of Prior Audit Findings**

### **For the Year Ended June 30, 2018**

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#### **Summary Schedule of Prior Audit Findings**

#### **2017-001: Procurement Suspension and Debarment**

**Grantor:** Various  
**Program:** All programs except Student Financial Aid  
**CFDA#:** Various  
**Title:** Various  
**Award Year:** 7/1/2016 – 06/30/2017  
**Award Number:** Various

#### **Summary**

During PwC's testing of compliance over procurement, suspension and debarment, they noted Management was not able to evidence timely review procedures for evaluating new vendors in accordance with 2 CFR part 200.3.1.I. There were a total of 14 new vendors during the fiscal year. PwC tested all 14 new vendors and were able to conclude that there were no new vendors that were suspended and/or debarred for which the University was procuring goods or services in excess of the established threshold of \$25,000.

#### **Status**

Management formed a procurement committee whose objective is to enhance procurement control processes to ensure all new vendors are subject to the suspension and debarment guidance. Management's policy requires an upfront vendor check for all new vendors with spending in excess of \$25,000. As an additional oversight control, management performed an analysis over all vendors for both SmartSource (procuring system) and purchasing cards (PCards) with aggregate annual spend in excess of \$25,000 for the year to ensure all vendors were not identified as suspended or debarred on the SAM.gov database. All key management personnel involved in procurement were provided with updated training and education relating to the Uniform Guidance standards. Management considers this prior year findings to be sufficiently remediated in the current year.



Office of the Comptroller  
Research Accounting Services

## Management's View and Corrective Action Plan

### 2018-001 Direct Costs - Compensation

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Management agrees with the finding that 4 of the 83 effort reports selected for testing were not certified within 90 days of the effort reporting period by the Department of Medicine-HIV (2 effort reports) and by the Academy of Natural Sciences (ANS) (2 effort reports).

In the Department of Medicine – HIV effort reports were not certified on time due to an employee resignation and an administrative delay with labor reallocations. Delays for certification in ANS were due to ANS not having the appropriate pre-reviewer assigned and trained to pre-review for timely certification in this department.

The Department of Medicine – HIV, will request advance fund numbers when appropriate to avoid delays in effort certifications. Resignations will be communicated by supervisors to the Department of Medicine - HIV Business Manager who will ensure that effort reports are completed by certifiers prior to leaving the institution.

ANS has ensured that the appropriate staff member responsible for the pre-review has completed training and effort reports will be routed to this individual for pre-review to ensure timely certification in this department.

Research Accounting Services will increase direct follow up for those effort reports that have not been certified 60 days prior to deadline to ensure timely certifications within 90 days:

All changes in processes and training referenced above have been implemented and completed as of the date of this report.

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