

**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, 2019**  
**EIN # 23-1352630**

**Drexel University and Subsidiaries**  
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**June 30, 2019**

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## **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, 2019 and 2018, 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, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Drexel University and its subsidiaries as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended 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, 2019 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. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken 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, 2019 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, 2019. 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, 2019  
Philadelphia, Pennsylvania

**Drexel University and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**June 30, 2019 and 2018 (\$'s in thousands)**

	<b>2019</b>	<b>2018</b>
<b>Assets:</b>		
Cash, cash equivalents, and restricted cash		
Operating	\$ 45,087	\$ 45,666
Restricted	12,668	12,611
Accounts receivable	118,332	173,419
Contributions receivable, net	87,393	100,653
Loans receivable	23,402	28,714
Prepaid expenses and other assets	32,000	33,529
Malpractice insurance trust	13,208	8,972
Beneficial interests in trusts	43,595	45,473
Investments	812,120	778,369
Land, buildings and equipment, net	972,039	952,536
<b>Total assets</b>	<b>\$ 2,159,844</b>	<b>\$ 2,179,942</b>
<b>Liabilities:</b>		
Accounts payable	\$ 69,253	\$ 60,660
Accrued liabilities	124,082	105,437
Deposits and deferred revenue	153,897	170,958
Capital lease obligations	6,846	2,613
Government advances for student loans	29,199	29,096
Accrued retirement obligations	45,948	48,568
Bonds and notes payable	445,527	424,521
<b>Total liabilities</b>	<b>874,752</b>	<b>841,853</b>
<b>Net Assets:</b>		
Without donor restrictions	590,213	655,993
With donor restrictions	694,879	682,096
<b>Total net assets</b>	<b>1,285,092</b>	<b>1,338,089</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,159,844</b>	<b>\$ 2,179,942</b>

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, 2019 (\$'s in thousands)**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating</b>			
<b>Revenues and releases:</b>			
Tuition and fees, room and board	\$ 665,764	\$ -	\$ 665,764
Grants and contracts	111,794	14,009	125,803
Physician services	90,682		90,682
Auxilliary enterprises	20,792		20,792
Commonwealth appropriations	9,165		9,165
Contributions	4,566	7,072	11,638
Allocation of endowment spending from financial capital	9,893	19,676	29,569
Investment income, net	2,594	414	3,008
Other income	28,019	393	28,412
<b>Total revenues</b>	<b>943,269</b>	<b>41,564</b>	<b>984,833</b>
Net assets released from restrictions	52,734	(52,734)	-
<b>Total revenues and releases</b>	<b>996,003</b>	<b>(11,170)</b>	<b>984,833</b>
<b>Expenses:</b>			
Salaries and wages	497,645		497,645
Employee benefits	129,076		129,076
Depreciation and amortization	50,396		50,396
Interest	15,402		15,402
Other operating expenses	373,814		373,814
<b>Total expenses</b>	<b>1,066,333</b>	<b>-</b>	<b>1,066,333</b>
<b>(Decrease) in net assets from operating activities</b>	<b>(70,330)</b>	<b>(11,170)</b>	<b>(81,500)</b>
<b>Non-operating</b>			
Contributions - Endowment and other gifts	1,362	14,922	16,284
Realized / unrealized net gain on investments, net of endowment payout and expenses	3,819	9,031	12,850
Change in funding status of post-retirement and defined benefit plans	(1,697)		(1,697)
Other increases	1,066		1,066
<b>Increase in net assets from non-operating activities</b>	<b>4,550</b>	<b>23,953</b>	<b>28,503</b>
<b>Total (decrease) / increase in net assets</b>	<b>(65,780)</b>	<b>12,783</b>	<b>(52,997)</b>
<b>Net assets, beginning of year</b>	<b>655,993</b>	<b>682,096</b>	<b>1,338,089</b>
<b>Net assets, end of year</b>	<b>\$ 590,213</b>	<b>\$ 694,879</b>	<b>\$ 1,285,092</b>

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 (\$'s in thousands)**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating</b>			
<b>Revenues and releases:</b>			
Tuition and fees, room and board	\$ 664,324	\$ -	\$ 664,324
Grants and contracts	126,377	2,917	129,294
Physician services	92,034		92,034
Auxilliary enterprises	20,054		20,054
Commonwealth appropriations	8,217		8,217
Contributions	4,265	38,632	42,897
Allocation of endowment spending from financial capital	11,503	18,524	30,027
Investment income, net	2,909	1,737	4,646
Other income	32,079	718	32,797
<b>Total revenues</b>	<b>961,762</b>	<b>62,528</b>	<b>1,024,290</b>
Net assets released from restrictions	52,420	(52,420)	-
<b>Total revenues and releases</b>	<b>1,014,182</b>	<b>10,108</b>	<b>1,024,290</b>
<b>Expenses:</b>			
Salaries and wages	475,034		475,034
Employee benefits	124,723		124,723
Depreciation and amortization	52,108		52,108
Interest	14,859		14,859
Other operating expenses	338,195		338,195
<b>Total expenses</b>	<b>1,004,919</b>	<b>-</b>	<b>1,004,919</b>
<b>Increase in net assets from operating activities</b>	<b>9,263</b>	<b>10,108</b>	<b>19,371</b>
<b>Non-operating</b>			
Contributions - Endowment and other gifts		17,965	17,965
Realized/unrealized net gain on investments, net of endowment payout and expenses	16,963	25,544	42,507
Gain on conveyance of Schuylkill Yards parcels	4,508	8,877	13,385
Loss on extinguishment of debt	(10,663)		(10,663)
Change in funding status of post-retirement and defined benefit plans	1,207		1,207
Other (decreases)	(1,014)		(1,014)
<b>Increase in net assets from non-operating activities</b>	<b>11,001</b>	<b>52,386</b>	<b>63,387</b>
<b>Total increase in net assets</b>	<b>20,264</b>	<b>62,494</b>	<b>82,758</b>
<b>Net assets, beginning of year</b>	<b>635,729</b>	<b>619,602</b>	<b>1,255,331</b>
<b>Net assets, end of year</b>	<b>\$ 655,993</b>	<b>\$ 682,096</b>	<b>\$ 1,338,089</b>

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, 2019 and 2018 (\$'s in thousands)**

	<b>2019</b>	<b>2018</b>
<b>Operating activities:</b>		
(Decrease) / increase in net assets	\$ (52,997)	\$ 82,758
Adjustments to reconcile change in net assets to net cash (used in) / provided by operating activities:		
Depreciation and amortization	48,469	50,899
Loss on extinguishment of debt	-	10,663
Loss on disposal of equipment	1,904	3,682
Change in market value in beneficial interests in trusts	1,878	3,254
Contributions restricted for long-term investment	(15,793)	(16,840)
Non-cash contributions received	(1,076)	(3,718)
Proceeds from the sale of donated securities	906	3,557
Actuarial change on annuity liabilities	(543)	(627)
Realized/unrealized (gain) on investments	(50,229)	(87,160)
Changes in assets and liabilities that provide / (use) cash:		
Accounts receivable	34,542	(7,186)
Contributions receivable	10,913	(1,864)
Other assets	1,529	(3,195)
Accounts payable and accrued liabilities	32,193	(15,445)
Accrued retirement obligations	(2,620)	(4,896)
Deposits and deferred revenue	(17,061)	13,985
<b>Net cash (used in) / provided by operating activities</b>	<b>(7,985)</b>	<b>27,867</b>
<b>Investing activities:</b>		
Purchase of investments	(69,090)	(140,657)
Proceeds from sales and maturities of investments	106,202	155,204
Change in malpractice insurance trust	(4,236)	19
Student loans repaid	5,608	5,790
Student loans issued	(296)	(4,311)
Purchases of land, buildings and equipment	(70,953)	(53,842)
<b>Net cash (used in) investment activities</b>	<b>(32,765)</b>	<b>(37,797)</b>
<b>Financing activities:</b>		
Proceeds from restricted contributions	15,793	16,840
Proceeds from sale of contributed securities restricted for endowment	2,266	1,027
Payments on annuity obligations	(619)	(551)
Proceeds/(repayment) of federal student loan funds	103	(529)
Proceeds from short-term debt	30,000	-
Repayments of long-term debt	(7,315)	(12,615)
<b>Net cash provided by financing activities</b>	<b>40,228</b>	<b>4,172</b>
Net (decrease) in cash and cash equivalents, and restricted cash	(522)	(5,758)
Cash and cash equivalents, and restricted cash, beginning of year	58,277	64,035
<b>Cash and cash equivalents, and restricted cash, end of year</b>	<b>\$ 57,755</b>	<b>\$ 58,277</b>
<b>Supplemental information</b>		
Gifts-in-kind	\$ 81	\$ 181
Cash paid for interest	16,600	16,147
Amounts accrued for purchase of land, buildings and equipment	11,820	8,027
Donated securities	3,261	4,570

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

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2019 and 2018**

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#### **1. Nature of Organization and Operations**

Drexel University (the “University”) is one of the largest private universities in the United States of America. The University has the distinction of having one of the nation’s oldest, largest and best-known cooperative education programs. Founded in 1891 by founder and philanthropist Anthony Joseph Drexel, the University is a private comprehensive global research university with three campuses located in Philadelphia, Pennsylvania, as well as other regional sites. With over 24,000 enrolled undergraduate, graduate and professional students, the University is dedicated to advancing knowledge and society and to providing every student with a valuable, rigorous, experiential, technology-infused education. The University offers over 200-degree programs in its 15 colleges and schools in arts and sciences, biomedical engineering and sciences, business, computing and informatics, economics, education, engineering, entrepreneurship, food and hospitality management, law, media arts and design, medicine, nursing and health professions, and public health.

#### **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.

#### **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 the 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 the 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. DRLC provides excess liability coverage to the University.

## **Drexel University and Subsidiaries**

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

#### **June 30, 2019 and 2018**

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

Drexel Global Initiatives, LLC (“Drexel Global”) is a Pennsylvania, single member limited liability company established February 1, 2014, of which the University is the sole member. Drexel Global’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 the University in its international operations. The business and affairs of Drexel Global are managed by a board of managers established by the University.

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

11th Street Family Health Services, Inc. (“11<sup>th</sup> 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 the University, organized to operate in furtherance of the activities of the 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 the 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”), Pennsylvania corporation, is the sole general partner in 1200 Chestnut Street I, Limited Partnership (“1200 Chestnut LP”). 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 the 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 LP, 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. 1200 Chestnut LP 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 GP, which holds a 1% interest in 1200 Chestnut LP. The University meets the requirements for consolidation of 1200 Chestnut LP through its ownership of 1200 Chestnut GP and control of 1200 Chestnut LP. 1200 Chestnut LP follows a calendar based fiscal year.

## **Drexel University and Subsidiaries**

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

#### **June 30, 2019 and 2018**

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#### **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 LP”). 3509 GP is a wholly owned subsidiary of the University. The officers of 3509 GP are also the officers and senior leadership of the 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 LP 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 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 Spring Garden, Master Tenant, Limited Partnership (“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 the 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 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 building’s rehabilitation project. The 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, 2019 and 2018**

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## **2. Summary of Significant Accounting Policies**

### **General**

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 Note 1. All subsidiary financial information included within the financial statements has been consolidated utilizing the University's fiscal year.

### **Basis of Presentation**

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and with the provision of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*, which requires the university to classify its net assets into two categories according to donor-imposed restrictions; net assets without donor imposed restrictions and net assets with donor imposed restrictions. All material transactions between the University and its subsidiaries have been eliminated.

*Net Assets without Donor Restrictions* – Net assets derived from tuition and other University resources that are not subject to explicit donor-imposed restrictions. Net assets without donor restrictions include board designated funds functioning as endowment funds.

*Net Assets with Donor Restrictions* - Net assets which are subject to explicit donor-imposed restrictions on the expenditure of contributions or income and gains on contributed assets, net assets from endowments not yet appropriated for spending by the University and student loan funds. In some cases, donor restrictions can be fulfilled by actions of the University in accordance with those stipulations or by the passage of time. In other cases, some restrictions, such as endowed funds, are permanent, and typically, the donors of these assets permit the University to use all or part of the income earned on these assets for operations. Restrictions include support of specific schools, colleges and departments of the University, professorships, research, faculty support, scholarships and fellowships, building construction and other purposes. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

### **Measure of Operations**

The University's measure of operations as presented in the Consolidated Statements of Activities includes revenue from tuition and fees, room and board, grants and contracts, physician services, contributions for operating programs, the allocation of endowment spending for operations and other revenues. Operating expenses are reported on the Consolidated Statements of Activities by natural classification.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2019 and 2018**

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**Liquidity and Availability**

The University's financial assets available within one year of the balance sheet date for general expenditure as of June 30, 2019 and 2018 are as follows:

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
<b>Total assets at year-end</b>	\$ 2,159,844	\$ 2,179,942
Less: non-financial and financial assets not available within one year		
Restricted cash	(12,668)	(12,611)
Tuition receivable due in more than one year	(7,776)	(11,642)
Contributions receivable with donor restrictions	(87,393)	(100,653)
Loans receivable due in more than one year	(21,241)	(26,270)
Prepaid expenses and other assets	(32,000)	(33,529)
Malpractice insurance trust	(13,208)	(8,972)
Beneficial Interests in trusts	(43,595)	(45,473)
Investments	(812,120)	(778,369)
Land, buildings and equipment, net	(972,039)	(952,536)
<b>Financial assets available at year-end for current use</b>	<b>\$ 157,804</b>	<b>\$ 209,887</b>

As of June 30, 2019, the University has \$157,804,000 of financial assets that are available within one year of the balance sheet date to meet cash needs for general expenditure. In addition to these available financial assets, a significant portion of the University's annual expenditures will be funded by current year operating revenues including tuition and fees, room and board, grant and contract income and auxiliary enterprise income. The University structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

The University's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 7, for fiscal year 2019 and 2018 the Board of Trustees approved a current distribution to the range of 4.75% to 6.00% of the average fair value of the pooled endowment portfolio for the prior seven fiscal years, except for ANS in which the Board of Trustees approved a distribution to 5.50% of the fair market value of the pooled endowment assets for the prior seven years. Under the approved spending rules, the University received an allocation of \$29,569,000 and \$30,027,000 in fiscal years 2019 and 2018, respectively. The endowment portfolio structures cash to be available for the endowment spend and to fulfill capital calls for alternative investments.

To help manage unanticipated liquidity needs, the University has committed lines of credit in the amount of \$70 million, which it could draw upon. Additionally, the University has a board-designated endowment of \$252,558,000 as of June 30, 2019. Although the University does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. However, the board-designated endowment funds contain investments with lock-up provisions that reduce the total investments that could be made available.

## **Drexel University and Subsidiaries**

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

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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, 2019 and 2018, 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. All money market funds that are held in endowment are considered investments by the University.

#### **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, which represent barriers that must be overcome before the University is entitled to the assets transferred, are fulfilled. 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 in the year of receipt to contributions receivable, 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 on an annual basis. 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 loan receivable from students under Drexel's loan programs approximate fair value. (Notes 5, 6, 7, and 10 for additional fair value disclosures).

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

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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. Price concessions to estimate the difference between gross rates and contracted rates with payers have been included in the determination of net revenue.

#### **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 classified as such. 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 without restrictions.

#### **Non-operating Activities**

Non-operating activities include contributions to the University's endowment, investment returns and other activities related to endowment, post-retirement benefit plan and defined benefit pension plan adjustments, restructuring costs, and losses on extinguishment of debt.

#### **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.

## **Drexel University and Subsidiaries**

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#### **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 17).

The FASB issued 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 changes in fair value of the agreement resulted in a loss of \$807,000 and a gain of \$1,380,000 in 2019 and 2018, respectively. The fair value of the interest rate swap agreement was a liability of \$3,423,000 and \$2,616,000, respectively, at June 30, 2019 and 2018.

The swap agreement is used by the University to reduce exposure to the volatility in variable interest rates on long-term debt (Note 12). There were no other swap agreements in effect as of June 30, 2019 or 2018. 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 of the Consolidated Statements of Activities.

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

Beginning in May 2014, the FASB issued several Accounting Standard Updates which established a new framework for *Revenue from Contracts with Customers (Topic 606)*. The core principle is that revenue is 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 University has adopted the standard by applying the retrospective transition method, and the impact is reflected in the Consolidated Statements of Activities and Note 14 for both periods presented.

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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 net assets without donor restrictions and net assets with donor restrictions, 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 has adopted this new guidance retrospectively, and grouped the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the University has included expanded disclosures relating to: (1) the liquidity of financial assets, (2) expenses by both their natural and functional classification in the financial statements, and (3) disclosing a single net measure of investment return. As a result of adopting this standard, the underwater endowment deficiencies of \$2,355,000 were adjusted in the beginning net asset fund balances for the period ending June 30, 2018. Also, certain prior year amounts were reclassified to conform to the presentation requirements (Notes 2, 7, 13 and 15).

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 has adopted ASU No. 2016-15 by applying the retrospective transition method which is reflected in the Consolidated Statements of Cash Flow for both periods presented. The adoption of this guidance did not have a material impact on the consolidated 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 Consolidated Statements of Activities. The other components of net periodic benefit cost will be reported as non-operating activity in the Consolidated Statements of Activities. ASU No. 2017-07 is effective for annual periods beginning after December 15, 2017, with early adoption permitted. Entities must apply the guidance retrospectively to all periods presented. The University has adopted ASU No. 2017-07 and the impacts of these changes are reflected in the Consolidated Statements of Activities for both periods presented.

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,

## **Drexel University and Subsidiaries**

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with early adoption permitted. Entities can apply the guidance on a modified prospective basis or retrospective basis. The University has adopted ASU No. 2018-08 by applying the modified prospective transition method in its consolidated financial statements and the relevant footnotes (Note 14). The adoption did not have a material impact on the consolidated financial statements.

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

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. In July 2018, FASB issued ASU No. 2018-11 which amends the transition methods contained in ASU No. 2016-02. The University is currently evaluating the standard to determine the impact it will have on its consolidated financial statements.

In June 2016, FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. This ASU represents a significant change in the allowance for credit losses accounting model by requiring immediate recognition of management's estimates of current expected credit losses. Under the current model, losses are recognized only as they are incurred, which FASB has noted delayed recognition of expected losses that might not yet have met the threshold of being probable. ASU No. 2016-13 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The University is currently evaluating the standard to determine the impact it will have on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which aims to improve the usefulness of the disclosures to financial statement users and reduce unnecessary costs to companies when preparing the disclosures. ASU No. 2018-013 is effective for annual periods beginning after December 15, 2019, with early adoption permitted. Changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively. All other amendments should be applied retrospectively to all periods presented. The University is currently evaluating the standard to determine the impact it will have on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20) – Disclosure Framework – Changes to Disclosure Requirements for Defined Benefit Plans* which aims to improve the overall usefulness of disclosures to financial statement users and reduce unnecessary costs to companies when preparing the disclosures. ASU No. 2018-014 is effective for public business entities for annual periods beginning after December 15, 2021, with early adoption permitted on a retrospective basis to all periods presented. The University is currently evaluating the standard to determine the impact it will have on its consolidated financial statements.

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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 consolidated financial statements.

In November 2018, the FASB issued ASU No. 2018-18, *Collaborative Arrangements (Topic 808) – Clarifying the Interaction between Topic 808 and Topic 606*, which seeks to clarify that certain transaction between collaborative arrangement participants should be accounted for as revenue and apply all relevant guidance under Topic 606 to these revenues. In addition this ASU provides more comparability in the presentation of revenue for certain transaction between collaborative arrangement participants. ASU No. 2018-18 is effective for annual periods beginning after December 15, 2020 The University is currently evaluating the standard to determine the impact it will have on its consolidated financial statements.

In March 2019, the FASB issued ASU No. 2019-03, *Not-for-Profit Entities (Topic 958): Updating the Definition of Collections*, which seeks to align the definition of collections as defined in the American Alliance of Museums' (AAM) Code of Ethics for Museums with its definition of collections in the Master Glossary. The FASB is also making a technical correction in *Topic 360 – Property, Plant and Equipment*, to clarify the accounting and disclosure guidance for collections in *Subtopic 958-360, Not-for Profit Entities – Property, Plant and Equipment*. ASU No. 2019-03 is effective for fiscal years beginning after December 15, 2019. The University is currently evaluating the standard to determine the impact it will have on its consolidated financial statements.

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**3. Accounts Receivable**

Accounts receivable are reported less estimates for uncollectable amounts and contractually based discounts. American Academic Health Systems' receivables have been fully reserved due to their filing for bankruptcy on June 30, 2019.

Accounts receivable as of June 30, 2019 and 2018 were as follows:

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
Tuition	\$ 56,329	\$ 93,319
Grants, contracts, and other	67,356	91,767
Patient, net of contractual allowance	8,923	9,082
American Academic Health Systems	10,174	3,669
Accounts receivable, gross	142,782	197,837
Allowance for doubtful accounts:		
Tuition	(6,662)	(17,610)
Grants, contracts, and other	(4,919)	(3,664)
Patient	(2,695)	(3,144)
American Academic Health Systems	(10,174)	-
Accounts receivable	\$ 118,332	\$ 173,419

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 \$29,199,000 and \$29,096,000 at June 30, 2019 and 2018, 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.

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At June 30, 2019 and 2018, student loans consisted of the following:

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
Federal government loan programs		
Perkins loan program	\$ 17,458	\$ 21,247
Health professions student loans and loans for disadvantaged students	2,058	2,522
Nursing student loans	-	20
Federal government loan programs	19,516	23,789
Institutional loan programs	7,206	8,113
Student loans receivable, gross	26,722	31,902
Less: Allowance for doubtful accounts	(3,320)	(3,188)
Student loans receivable	\$ 23,402	\$ 28,714

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 due more than a year from the pledge date are recorded net of a discount using rates as of June 30, 2019 and June 30, 2018 that range between 1.75% to 2.00% and 2.52% to 2.85%, 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>2019</b>	<b>2018</b>
Amounts due in		
Less than one year	\$ 22,571	\$ 13,599
One to five years	29,918	56,865
Greater than five years	51,235	51,012
Contributions receivable, gross	103,724	121,476
Less:		
Allowance for uncollectibles	(506)	(336)
Discounts to present value	(15,825)	(20,487)
Contributions receivable, net	\$ 87,393	\$ 100,653

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As of June 30, 2019, the University has outstanding unrecorded conditional promises to give, including non-legally binding bequests, of \$110,300,000. When the conditional barriers are overcome and the donor's right of return has expired, the revenue is recorded and is generally restricted for operations, endowment and capital projects as stipulated by the donors.

As of June 30, 2019, the University, acting as an agent for U.S. Squash Racquets Association, has outstanding conditional pass-through pledges of \$11,233,000. As of June 30, 2019, the University has accrued a liability of \$270,000 payable to U.S. Squash Racquets Association.

**5. Investments and Investment Return**

At June 30, 2019 and 2018, the fair value of the malpractice insurance trust and investments included the following:

<i>(in thousands)</i>	<b>Fair value</b>	
	<b>2019</b>	<b>2018</b>
Money market funds	\$ 25,973	\$ 36,072
U.S. equity	167,506	157,942
Global equity	131,027	117,250
Fixed income securities and bond funds	112,632	109,356
Real estate and real assets funds	98,258	99,578
Hedge funds	27,421	24,102
Private equity	104,907	96,453
Directly-held real estate	99,469	88,515
Total endowment investments	767,193	729,268
Self-insurance escrow funds	44,204	48,422
Other investments	723	679
Total investments	812,120	778,369
Malpractice insurance trust	13,208	8,972
Total investments and malpractice insurance trust	\$ 825,328	\$ 787,341

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.

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The following summarizes the University's total investment return and its classification in the financial statements for the years ended June 30, 2019 and 2018:

<i>(in thousands)</i>	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Investment income, net of expenses	\$ 2,907	\$ 6,784	\$ 9,691
Realized/unrealized gains	10,805	21,923	32,728
Endowment payout under spending formula	(9,893)	(19,676)	(29,569)
Realized/unrealized gain on investments, net of endowment payout and expenses	3,819	9,031	12,850
Operating investment income, net	2,594	414	3,008
Total return on investments	\$ 6,413	\$ 9,445	\$ 15,858

<i>(in thousands)</i>	<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Investment income, net of expenses	\$ 2,056	\$ 4,256	\$ 6,312
Realized/unrealized gains	30,918	48,689	79,607
Endowment payout under spending formula	(11,503)	(18,524)	(30,027)
Realized/unrealized gain on investments, net of endowment payout and expenses	21,471	34,421	55,892
Operating investment income, net	2,909	1,737	4,646
Total return on investments	\$ 24,380	\$ 36,158	\$ 60,538

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**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 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.

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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 by these funds 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.

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.

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As of June 30, 2019, and 2018, assets and liabilities at fair value were as follows:

<i>(in thousands)</i>	2019				
	Level 1	Level 2	Level 3	Investments at NAV	Total
<b>Assets</b>					
Beneficial interest in trusts	\$ -	\$ -	\$ 43,595	\$ -	\$ 43,595
Malpractice insurance trust	13,208	-	-	-	13,208
<b>Investments</b>					
Money market funds	25,973	-	-	-	25,973
U.S. Equity	155,617	-	-	11,889	167,506
Global Equity	92,196	-	-	38,831	131,027
Fixed Income securities and bond funds	76,828	1,242	-	34,562	112,632
Real estate and real assets funds	-	-	4,790	93,468	98,258
Hedge funds	-	-	-	27,421	27,421
Private Equity	-	-	-	104,907	104,907
Directly-held real estate	-	-	99,469	-	99,469
Investments held in endowment	350,614	1,242	104,259	311,078	767,193
Self-insurance escrow funds	44,204	-	-	-	44,204
Other investments	521	-	-	202	723
Total investments	395,339	1,242	104,259	311,280	812,120
Total assets measured at fair value	\$ 408,547	\$ 1,242	\$ 147,854	\$ 311,280	\$ 868,923
<b>Liabilities</b>					
Interest rate swaps (Note 1)	\$ -	\$ 3,423	\$ -	\$ -	\$ 3,423
Split-interest agreements	-	-	1,647	-	1,647
Annuities	-	-	5,404	-	5,404
Total liabilities measured at fair value	\$ -	\$ 3,423	\$ 7,051	\$ -	\$ 10,474

<i>(in thousands)</i>	2018				
	Level 1	Level 2	Level 3	Investments at NAV	Total
<b>Assets</b>					
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	48,422	-	-	-	48,422
Other investments	554	-	-	125	679
Total investments	420,948	1,182	93,276	262,963	778,369
Total assets measured at fair value	\$ 429,920	\$ 1,182	\$ 138,749	\$ 262,963	\$ 832,814
<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 measured at fair value	\$ -	\$ 2,616	\$ 7,595	\$ -	\$ 10,211

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

<i>(in thousands)</i>	Fair Value	Unfunded Commitments	2019 Redemption Terms (If Currently Eligible)	Redemption Notice Period (If Applicable)
Hedge funds:				
Multi-Strategy Hedge Funds (a)	\$ 112	\$ -		
Distressed Debt Hedge Funds (b)	2,460	-		
Fixed Income and Related Hedge Funds (c)	17,698	-	Quarterly	45 days
Real Estate Hedge Funds (d)	7,151	-	Quarterly	60 days
Subtotal Hedge funds	<u>27,421</u>	<u>-</u>		
Private Equity:				
Private Capital Funds-Secondaries (e)	8,516	3,024		
Private Capital Funds-Venture Capital (f)	1,504	198		
Private Capital Funds-Buy-out (g)	45,489	38,505		
Private Capital Funds-Debt (h)	8,860	11,212		
Private Capital Funds-Real Asset Funds (i)	27,859	41,338		
Private Capital Funds-Real Estate Funds (j)	9,775	20,049		
Private Capital Funds-Hedge Fund Seeder (k)	2,904	222		
Subtotal Private Equity	<u>104,907</u>	<u>114,548</u>	Close-ended funds not available for redemption	
US Equity (l)	11,889	-		
Global Equity (l)	38,831	-		
Fixed Income Securities and Bond Funds (l)	34,562	-		
Real Estate and Real Assets Funds (l)	93,468	-		
Other investments (l)	202	-		
	<u>\$ 311,280</u>	<u>\$ 114,548</u>		

**Drexel University and Subsidiaries**  
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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, 2019, 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, 2019, 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 investment in hedge funds that invest in diversified U.S. real estate properties. The fair values of the investments have been estimated using the reported net asset value per share of the hedge fund.
- e. 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, 2019, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 100% in 1 to 4 years. At June 30, 2018, the liquidation periods were expected to be: 39% in 1 to 4 years; and 61% in 5 to 7 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 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, 2019, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 100% in 1 to 4 years. At June 30, 2018, the liquidation periods were expected to be: 10% in 1 to 4 years; and 90% in 5 to 7 years. The fair value has been estimated using the reported net asset value per share of the private capital fund.

**Drexel University and Subsidiaries**  
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- g. 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, 2019, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 0% over 1 to 4 years; 65% in 5 to 7 years; and 35% over 8 to 10 years. At June 30, 2018, the liquidation periods were expected to be: 2% in 1 to 4 years; 53% in 5 to 7 years; and 45% in 8 to 10 years. The fair value has been estimated using the reported net asset value per share of the private capital fund.
- h. This category includes investments in private equity funds that provide debt financing to middle market firms. 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, 2019, it is estimated that the fund's underlying assets would be liquidated over the following time frames: 60% in 1 to 4 years; and 40% in 8 to 10 years. At June 30, 2018, the liquidation periods were expected to be: 100% in 1 to 4 years. The fair value has been estimated using the reported net asset value per share of the private capital fund.
- i. 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, 2019, it is estimated that the underlying assets of the fund would be liquidated over the following periods: 45% in 1 to 4 years; 21% in 5 to 7 years; and 34% in 8 to 10 years. At June 30, 2018, the liquidation periods were expected to be: 73% in 1 to 4 years; and 12% in 5 to 7 years; and 15% in 8 to 10 years. The fair value has been estimated using the reported net asset value per share of the real asset fund.
- j. 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, 2019, it is estimated that the fund's underlying assets would be liquidated over the following time frames: 21% in 1 to 4 years; 47% in 5 to 7 years; and 32% in 8 to 10 years. At June 30, 2018, the liquidation periods were expected to be: 54% in 1 to 4 years; 28% in 5 to 7 years; and 18% in 8 to 10 years. The fair value has been estimated using the reported net asset value per share of the real estate fund.

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- k. 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, 2019, and 2018, respectively, the fund's underlying investments were: 37% and 77% global equity; 0% and 1% in commodities; and 63% and 22% 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, 2019. The fair value has been estimated using the reported net asset value per share of the private capital fund.
- l. This category includes investments in US equity, 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 \$4,790,000 net of \$2,620,000 in outstanding debt. The valuation of these investment properties is prepared annually by an independent appraiser.

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

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
Assets, at beginning of year	\$ 138,749	\$ 186,461
Net realized/unrealized gain	13,671	40,070
Sales and distributions of investments	(4,566)	(7,597)
Transfers out - Schuylkill Yards	-	(80,185)
Assets, at end of year	<u>\$ 147,854</u>	<u>\$ 138,749</u>

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
Liabilities, at beginning of year	\$ 7,595	\$ 8,222
Changes in annuities and split-interest agreements	(544)	(627)
Liabilities, at end of year	<u>\$ 7,051</u>	<u>\$ 7,595</u>

# **Drexel University and Subsidiaries**

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#### **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, 2019 and 2018, the University had an endowment spending rule that limited the spending of endowment resources to a range of 4.75% to 6.00% of the average fair value of the pooled endowment portfolio for the prior seven fiscal years, except for ANS. The actual endowment spend rate for the University was 4.75% for fiscal years ended June 30, 2019 and 2018. For the fiscal years ended June 30, 2019 and 2018, ANS had an endowment spending rule that limited the spending of endowment resources to 5.50% 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.

#### **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 internally 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. Both permanently restricted and temporarily restricted net assets are considered net assets with donor restrictions as per the applicable accounting standards. The University's policy is to not allocate spend from underwater endowment funds.

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**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 net assets with donor restrictions in the Consolidated Statements of Activities. Subsequent investment gains are used to restore the balance to the fair market value of the original amount of the gift. Aggregate deficiencies were \$2,245,000 and \$2,297,000 as of June 30, 2019 and 2018, respectively. The original gift amount and the fair value of underwater endowment funds in the aggregate were \$30,793,000 and \$28,549,000 and as of June 30, 2019 and \$31,302,000 and \$29,005,000 as of June 30, 2018, respectively.

The net asset balances for the endowment composition by fund as of June 30, 2019 and 2018 were as follows:

<i>(in thousands)</i>	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 537,242	\$ 537,242
Board-designated endowment funds	277,042	-	277,042
Total assets	\$ 277,042	\$ 537,242	\$ 814,284

<i>(in thousands)</i>	<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 509,481	\$ 509,481
Board-designated endowment funds	270,713	-	270,713
Total assets	\$ 270,713	\$ 509,481	\$ 780,194

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Changes in the University's endowment assets (excluding annuities and trusts) and for the years ended June 30, 2019 and 2018 were as follows:

<i>(in thousands)</i>	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment, at beginning of year</b>	\$ 270,713	\$ 509,481	\$ 780,194
Endowment return:			
Investment income, net of fees	2,907	6,784	9,691
Net realized/unrealized gain	10,614	24,180	34,794
<b>Total endowment return</b>	<b>13,521</b>	<b>30,964</b>	<b>44,485</b>
Contributions	1,363	15,246	16,609
Use of endowment assets:			
Endowment pay out used in operations	(8,525)	(21,044)	(29,569)
Other	(30)	2,595	2,565
<b>Total uses of endowment assets</b>	<b>(8,555)</b>	<b>(18,449)</b>	<b>(27,004)</b>
<b>Endowment, at end of year</b>	<b>\$ 277,042</b>	<b>\$ 537,242</b>	<b>\$ 814,284</b>

<i>(in thousands)</i>	<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment, at beginning of year</b>	\$ 239,034	\$ 460,532	\$ 699,566
Endowment return:			
Investment income, net of fees	2,056	4,256	6,312
Net realized/unrealized gain	25,101	52,753	77,854
<b>Total endowment return</b>	<b>27,157</b>	<b>57,009</b>	<b>84,166</b>
Contributions	133	17,597	17,730
Use of endowment assets:			
Endowment pay out used in operations	(9,171)	(20,857)	(30,028)
Other	13,560	(4,800)	8,760
<b>Total uses of endowment assets</b>	<b>4,389</b>	<b>(25,657)</b>	<b>(21,268)</b>
<b>Endowment, at end of year</b>	<b>\$ 270,713</b>	<b>\$ 509,481</b>	<b>\$ 780,194</b>

## **Drexel University and Subsidiaries**

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#### **Endowment Loan**

On December 5, 2018, the University's Board of Trustees authorized management to fund the capital expenditures associated with the renovation and expansion of Bentley Hall (formerly Calhoun Hall) with a loan investment from the University's endowment portfolio, not to exceed \$35,000,000 million. On February 19, 2019, the University received a \$5,000,000 gift from Greg S. and Caroline Bentley for which the dormitory has been renamed. The dormitory will house a living/learning community for the Pennoni Honors College students and include a new, two-story glass stone addition of 10,800 square feet that will house the Pennoni Honors College offices and seminar rooms.

The loan investment (Note 5) is consistent with the asset allocation provisions of the University's endowment Investment Policy Statement. Furthermore, the interest rate associated with this loan investment is comparable to investments of similar risk that are available to the endowment for investment.

The loan investment will be interest-only over the five-year term, with a balloon payment of principal due no later the last day of the 60th month following the initial/first Anniversary Date. The interest rate will be fixed for the first four years at 5% per annum ("Base Rate"). Effective as of the fifth anniversary date (the first day of the 49th month following the initial/first Anniversary Date), the Base Rate will increase to the greater of (a) 5% plus 100 basis points (bps) or (b) the 10-year U.S. Treasury note plus 200 bps (based on the 30-day average prior to the fifth anniversary date), not to exceed a rate of 8%. If the University is unable to obtain financing for the outstanding amount of the loan investment by the end of year 5, the University will consult with the Investment Committee and the Board of Trustees and receive approval of an extension for one year and thereafter secure approval for each year that the loan investment is unable to be financed. If the loan investment is not repaid by the sixth Anniversary Date, the Base Rate on the loan investment will continue to increase as of each Anniversary Date to the greater of (a) the then current Base Rate plus 100 bps, or (b) the 10-year U.S. Treasury note plus 200 bps (based on the 30-day average prior to the anniversary date) not to exceed a rate of 8%.

Interest is payable quarterly, with the first interest payment due three months after the first Anniversary Date. The University will fund the loan investment interest payments from current capital funds dedicated within the University's sources and uses and upon completion and occupancy of Bentley Hall, interest payments will then be funded from Bentley Hall's operating revenues, less the facility's associated expenses. Remaining Bentley Hall net revenue, if applicable, could be applied to the principal balance, as well as other University capital resources, until third-party financing is secured to replace the loan investment from the endowment portfolio. While the loan investment is outstanding, any donor funds received in support of this project, in supporting or naming the building, or associated activities concerning the property, will be directly applied to the outstanding principal balance of the loan investment. The University will incur zero fees, and the entire loan investment can be prepaid, at any time, without penalty at the discretion of the University.

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In accordance with Treasury Regulation § 1.150-2, the University may temporarily finance from its own funds, all or a portion of the costs of the renovation and expansion of Bentley Hall up to an amount equal to the total costs of the renovation and expansion of Bentley Hall, which shall not exceed \$35,000,000, and may then use all or a portion of the proceeds of tax-exempt obligations to reimburse itself for expenditures originally paid prior to the date of issuance of the tax-exempt obligations, and all original expenditures which may be reimbursed will be capital expenditures (as defined in Treasury Regulation § 1.150-1(b)) and other permissible amounts under Treasury Regulation § 1.150-2(d)(3).

**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, 3 to 5 years for software, and 5 to 60 years for buildings and improvements or the shorter of the term of the lease.

The University determined that there were legal obligations to retire certain facilities and equipment. The total asset retirement cost and obligation was \$1,278,000 and \$3,628,000 at June 30, 2019 and \$1,419,000 and \$3,772,000 at June 30, 2018, respectively, and is included in buildings and improvements and accrued expenses, respectively, on the Consolidated Statements of Financial Position. 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>2019</b>	<b>2018</b>
Works of art	\$ 10,583	\$ 10,511
Land and improvements	148,234	147,300
Buildings and improvements	1,118,603	1,083,648
Equipment, software and library books	226,104	219,641
Construction in progress	61,698	39,939
Land, buildings, and equipment, gross	1,565,222	1,501,039
Less: Accumulated depreciation	(593,183)	(548,503)
Land, buildings and equipment, net	\$ 972,039	\$ 952,536

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**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:

*(in thousands)*

June 30,		
2020	\$	25,077
2021		23,148
2022		21,599
2023		10,969
2024		4,659
Thereafter		50,170
<b>Total minimum lease payments</b>		<b>\$ 135,622</b>

Total rent expense for operating leases amounted to \$24,628,000 and \$19,826,000 for the years ended June 30, 2019 and 2018, respectively.

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. In June 2018, the University and the Commonwealth of Pennsylvania entered into an amendment to the original lease agreement to extend the initial term for the “Drill Hall” portion of the lease to sixty-five years. The University remeasured the capital lease asset and liability based on the fair market value of the rent under the arrangement for the revised lease term of 65 years. The capital lease liability amounted to \$6,846,000 and \$2,613,000 at June 30, 2019 and 2018, respectively. These costs have been capitalized and a comparable capital lease liability recorded. In June 2018, the University entered into a sublease agreement for the Drill Hall portion of the Armory, the term of which is coterminous with the Armory lease. The sublease is for the benefit of the U.S. Squash Racquet Association. Rent under the sublease agreement is nominal for the entire lease term.

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

## **Drexel University and Subsidiaries**

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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 landowner. 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, 2019, and 2018 of \$10,250,000 and \$10,550,000 respectively. The University recognized \$300,000 of ground lease income related to this agreement during fiscal years 2019 and 2018.

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.

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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 annual rent commencement date is December 17, 2016 i.e. twenty-four months from the date of the lease. 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 2019 and 2018.

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 178,000-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 September 13, 2018 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 University recognized ground lease income of \$215,000 related to this agreement during fiscal years 2019 and 2018.

#### **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.”

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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 BRT. 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 in the second quarter of fiscal year 2019. The exterior remodeling of the 3025 Market Street building has commenced. 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 BRT. 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 BRT. 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

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\$20,545,000 was included in the Grants, contracts, and other accounts receivable category on the Consolidated Statements of Financial Position.

At least one structure on the John F. Kennedy Boulevard parcels is expected to begin construction in 2020.

#### **10. Retirement Plans**

##### **Defined Benefit and Defined Contribution Plans**

The University established the Drexel University Defined Contribution Retirement Plan (“DU DC”) effective April 1, 1972. 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 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 \$42,680,000 and \$41,465,000 in 2019 and 2018, 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.

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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>2019</b>	<b>2018</b>
<b>Weighted average assumptions as of June 30</b>		
Discount rate	3.60 %	4.30 %
Expected return on plan assets	6.25 %	6.25 %
<b>Accumulated benefit obligation</b>		
Accumulated benefit obligation at June 30	\$ 21,096	\$ 19,650
<b>Change projected in benefit obligation</b>		
Net benefit obligation at June 30	\$ 19,650	\$ 20,037
Service costs	230	230
Interest costs	822	762
Actuarial (gain)/loss	1,589	(321)
Gross benefits paid	(1,195)	(1,058)
Net benefit obligation at June 30	\$ 21,096	\$ 19,650
<b>Change in plan assets</b>		
Fair value of plan assets, at beginning of year	\$ 10,670	\$ 10,639
Actual return on plan assets	621	330
Employer contributions	1,283	759
Gross benefits paid	(1,195)	(1,058)
Fair value of plan assets, at June 30	\$ 11,379	\$ 10,670
Fair value of plan assets, at June 30	\$ 11,379	\$ 10,670
Benefit obligation	21,096	19,650
Net amount recognized, at June 30*	\$ (9,717)	\$ (8,980)

\* These amounts are recognized in the financial statements including the Consolidated Statements of Financial Position in the "Accrued retirement obligations" financial statement line item.

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The components of net periodic benefit cost are noted below:

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
<b>Weighted average assumptions used to determine net periodic benefit costs</b>		
Discount rate	4.30 %	4.30 %
Expected return on plan assets	6.25 %	6.25 %
<b>Components of net periodic benefit costs</b>		
Service costs	\$ 230	\$ 230
Interest costs	822	762
Expected return on assets	(666)	(661)
Amortization of actuarial loss	1,633	10
Net periodic benefit cost	\$ 2,019	\$ 341

As of June 30, 2019, and 2018, 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 \$21,096,000 and \$19,650,000 at June 30, 2019 and 2018, respectively. The fair value of the plan assets was \$11,379,000 and \$10,670,000 as of June 30, 2019 and 2018, respectively.

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

**Expected benefit payments**

*(in thousands)*

June 30,	
2020	1,125
2021	1,230
2022	1,256
2023	1,275
2024	1,291
2025-2029	6,568

**Drexel University and Subsidiaries**  
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**Plan Assets**

The ANS pension plan weighted-average asset allocations at June 30, 2019 and 2018 by asset category are as follows:

	<b>2019</b>	<b>2018</b>
<b>Asset category</b>		
Equity securities	46.2 %	49.2 %
Fixed income securities	28.6 %	31.4 %
Hedge fund and alternative investments	22.0 %	12.3 %
Cash	3.2 %	7.1 %
	<b>100.0 %</b>	<b>100.0 %</b>

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 several 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.

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The following tables present the plan assets at fair value as of June 30, 2019, and 2018 according to the valuation hierarchy (Note 6):

<i>(in thousands)</i>	2019				
	Level 1	Level 2	Level 3	Investments at NAV	Total
<b>Assets, at fair value</b>					
Cash equivalents	\$ 364	\$ -	\$ -	\$ -	\$ 364
Mutual funds	8,847	-	-	-	8,847
Alternative investments	-	-	-	2,168	2,168
	\$ 9,211	\$ -	\$ -	\$ 2,168	\$ 11,379

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

**11. 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.

The University shares the cost of coverage for medical plan options under this Plan with eligible retirees who retired prior to July 1, 2017. 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 July 1, 2017, there is no retiree allowance and eligible

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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.

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 (\$800,000) and (\$2,636,000) respectively, for the years ended 2019 and 2018 and are reflected in the Consolidated Statements of Activities and included in Accrued retirement obligations in the Consolidated Statements of Financial Position.

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

**Plans Funded Status**

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
<b>Change in benefit obligation</b>		
Benefit obligation, beginning of year	\$ 39,588	\$ 44,066
Service cost	300	303
Interest cost	1,442	1,559
Actuarial (gain)	(1,535)	(2,936)
Plan participant contributions	582	703
Actual benefits paid	(4,147)	(4,107)
Benefit obligation, end of year	36,230	39,588
<b>Change in plan assets</b>		
Fair value of plan assets, beginning of year	-	-
Employer contributions	3,565	3,404
Plan participant contributions	582	703
Actual benefits paid	(4,147)	(4,107)
Fair value of plan assets, end of year	-	-
Unfunded status of the plan*	\$ 36,230	\$ 39,588

\* These amounts are recognized in the financial statements including the Consolidated Statements of Financial Position in the Accrued retirement obligations financial statement line item.

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

Discount rate - benefit obligations	3.39%	4.22%
Discount rate - benefit cost	4.22%	3.80%
Ultimate retiree health care cost trend	4.50%	4.50%
Year ultimate trend rate is achieved	2027	2027

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For measurement purposes, an 8.5% and an 7.5% 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 2019 grading down to ultimate rates of 4.5% in the year 2027 and thereafter.

**Net Periodic Benefit Cost**

<i>(in thousands)</i>	<b>2019</b>	<b>2018</b>
<b>Components of net periodic benefit cost</b>		
Service cost	\$ 300	\$ 303
Interest cost	1,442	1,559
Amortization of:		
Prior service credit	(1,536)	(1,536)
Net loss	801	1,236
Net periodic benefit cost	\$ 1,007	\$ 1,562
<b>Other changes recognized in net assets without restrictions</b>		
Net actuarial gain	\$ (1,535)	\$ (2,936)
Prior service credit	-	-
Amortization of:		
Prior service cost	1,536	1,536
Net (gain)	(801)	(1,236)
Total recognized in net assets without restrictions	\$ (800)	\$ (2,636)
<b>Amounts not yet reflected in net periodic benefit cost and included in net assets without restrictions</b>		
Prior service credit	\$ (18,247)	\$ (19,783)
Actuarial loss	15,484	17,820
Amounts in unrestricted net assets, end of year	\$ (2,763)	\$ (1,963)
<b>Amounts in net assets without restrictions expected to be recognized in net periodic benefit cost</b>		
Prior service credit	\$ (1,536)	
Actuarial loss	\$ 905	

For the fiscal years ended June 30, 2019 and 2018, the effect of a 1% change in the health care cost trend rate is as follows:

<i>(in thousands)</i>	<b>2019</b>		<b>2018</b>	
	<b>1% Increase</b>	<b>1% Decrease</b>	<b>1% Increase</b>	<b>1% Decrease</b>
Effect on net periodic benefit cost	\$ 53	\$ (47)	\$ 53	\$ (47)
Effect on postretirement benefit obligation	297	(272)	288	(268)

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**Contributions**

Expected contributions for the 2019 fiscal year are \$3,320,000.

**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)*

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<b>June 30,</b>	
2020	3,322
2021	3,231
2022	3,110
2023	2,994
2024	2,900
Thereafter	12,772

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**12. Bonds and Notes Payable**

Bonds and notes payable at June 30, 2019 and 2018 are as follows:

<i>(in thousands)</i>	<b>Project</b>	<b>Final Maturity</b>	<b>Effective Interest Rate at June 30, 2019</b>	<b>2019</b>	<b>2018</b>
<b>Fixed rate debt obligations</b>					
<b>Drexel University</b>					
Series A of 2011	Capital improvements and equipment	2014-2041	2.00-5.25%	7,375	7,710
Series of 2012	Refunding	2014-2032	1.00-5.00%	11,280	11,480
Series of 2016	Refunding	2022-2037	2.00-5.00%	117,130	117,130
Series of 2017	Refunding	2018-2041	2.00-5.00%	116,150	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	19,510	22,010
Series B of 2002	Capital improvements and equipment	2015-2032	Variable	40,340	40,680
Series B of 2005	Advance refunding	2019-2030	Variable	28,150	29,625
Series B of 2007	Capital improvements and equipment	2014-2037	Variable	23,295	24,110
Total outstanding bonds and notes payable				382,770	390,085
Line of Credit				30,000	-
Unamortized original issue premiums/discounts and cost of issuance, net				32,757	34,436
Total bonds and notes payable				\$ 445,527	\$ 424,521

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The documents pursuant to which the Pennsylvania Higher Educational Facilities Authority (“PHEFA”) Revenue Bonds are issued contain restrictive financial covenants which, among other things, require the University to maintain a minimum debt service ratio of not less than 1:1 for the fiscal year. At June 30, 2019, the University failed to meet the requirement. The failure to meet the requirement is not an event of default under the PHEFA loan documents.

The University has Reimbursement, Credit and Security Agreements with several banks in regards to letters of credit supporting the variable rate debt. Those agreements contain certain restrictive financial covenants which, among other things, require the University to maintain expendable resources of at least 50% of outstanding long-term debt and to maintain a minimum debt service ratio of not less than 1.1:1 for the fiscal year. The University was in compliance with these financial covenant requirements at June 30, 2018. As of June 30, 2019, the University was in a violation of debt service coverage ratio covenants, but such violation was waived by the applicable banks.

The variable rates of interest on the PHEFA 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 PHEFA, 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 Debt</b>	<b>Total Debt</b>
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
2024	9,618	8,660	18,278
Thereafter	265,180	80,990	346,170
	306,995	111,295	\$ 418,290
Cost of issuance			(2,763)
			415,527

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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:

<i>(in thousands)</i>	<b>Remarketed Debt</b>
June 30,	
2020	43,815
2021	25,798
2022	25,847
2023	7,038
2024	7,038
Thereafter	1,759
	\$ 111,295

**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, 2019 and 2018.

Total unsecured Revolving Credit Facilities (“Facilities”) of \$70,000,000 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, 2019, the interest rate was 2.44% and there was \$30,000,000 outstanding.

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**13. Net Assets**

Net assets included the following:  
*(in thousands)*

	<b>2019</b>	<b>2018</b>
<b>Without donor restrictions:</b>		
Operating	\$ (364,065)	\$ (279,116)
Physical plant	677,236	664,395
Quasi-endowment funds	277,042	270,713
<b>Total net assets without donor restrictions</b>	<b>590,213</b>	<b>655,992</b>
<b>With donor restrictions:</b>		
<i>Temporarily Restricted</i>		
Funds for programs and capital expenditures	106,210	119,480
Funds for endowments	169,611	159,357
Life income annuities	1,587	1,532
Beneficial interests in trusts	4,858	7,192
<i>Permanently Restricted</i>		
Funds for endowments	367,631	350,124
Life income annuities	2,397	2,450
Beneficial interests in trusts	34,978	34,545
Student loans and others	7,607	7,417
<b>Total net assets with donor restrictions</b>	<b>694,879</b>	<b>682,097</b>
<b>Total net assets</b>	<b>\$ 1,285,092</b>	<b>\$ 1,338,089</b>

**14. Revenue Recognition**

The University adopted *Revenue from Contracts with Customers (Topic 606)* effective July 1, 2018 using the retrospective transition method. The University assessed the various contractual arrangements for material revenue streams, the impact to internal processes, the control environment, and disclosures, and determined that the adoption would not result in a material change to the timing of revenue recognition. For all revenue streams, the impact of the adoption was immaterial and the impact of applying the standard retrospectively had no impact on total revenues or total changes in net assets in the prior year presented. The impact of the retroactive adjustment to the presentation of financial statements for the period ended June 30, 2018 was as follows:

<i>(in thousands)</i>	<b>As reported under ASC 605</b>	<b>As reported under ASC 606</b>	<b>Change</b>
Tuition and fees	\$ 919,982		
Less: Institutional financial aid	(316,167)		
Net tuition revenue	603,815	664,324	60,509
Sales and services of auxiliary enterprises	80,563	20,054	(60,509)
Physician services revenue	91,902	92,034	132
Other operating expenses	338,063	338,195	132

In assessing collectability, the University has elected the portfolio approach as a practical expedient to combine customers with similar characteristics. The University determined that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately.

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For the University's revenue streams, the performance obligations are within contracts with durations of one year or less. Therefore, the optional exemption to not disclose remaining performance obligations was applied.

**Tuition and fees, room and board**

Tuition and related fees are recognized as revenue over time during the academic period in which the related academic services are rendered. The University records tuition revenue at the standalone selling price, which most often reflects the published rates, less price concessions related to institutional financial discounts provided by the University. Payment is due in full by the student before the commencement of the semester or term.

As the performance obligations are met (i.e. classes are instructed), revenue is recognized ratably based upon the allocated transaction price. Ratable recognition depicts the transfer of services as the student obtains the benefit of services throughout the semester or term.

The following table disaggregates tuition and fees, room and board revenue by major portfolios for the years ended June 30, 2019, and 2018:

*(in thousands)*

	<b>2019</b>			
	<b>Tuition and Fees</b>	<b>Room and Board</b>	<b>Institutional Financial Aid</b>	<b>Total</b>
Undergraduate	\$ 685,548	\$ 57,155	\$ (308,947)	\$ 433,756
Graduate	265,358	2,183	(35,533)	232,008
Tuition and fees, room and board	\$ 950,906	\$ 59,338	\$ (344,480)	\$ 665,764

*(in thousands)*

	<b>2018</b>			
	<b>Tuition and Fees</b>	<b>Room and Board</b>	<b>Institutional Financial Aid</b>	<b>Total</b>
Undergraduate	\$ 659,988	\$ 58,190	\$ (283,633)	\$ 434,545
Graduate	259,994	2,319	(32,534)	229,779
Tuition and fees, room and board	\$ 919,982	\$ 60,509	\$ (316,167)	\$ 664,324

**Physician Services**

Net patient care activity revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors. Performance obligations are met as Physician Services are administered to patients. The transaction price is allocated to separate performance obligations based upon the relative standalone selling price.

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In assessing collectability, we have elected the portfolio approach and grouped into portfolios based on services provided (practice plans). The portfolios elected consist of patients with similar characteristics in payment behavior. The following table disaggregates the Physician Services' revenue by major portfolios with similar characteristics for the years ended June 30, 2019 and 2018 respectively:

<i>(in thousands)</i>	<b>2019</b>		<b>2018</b>	
Medicine	\$	57,592	\$	57,047
OB/GYN		9,266		9,604
Pathology		4,417		6,574
Psychiatry		4,015		3,764
Surgery		4,095		3,428
Neurology		2,858		2,406
Dermatology		16		1,959
Ophthalmology		2,099		1,834
Other services		6,324		5,418
<b>Total physician services</b>	<b>\$</b>	<b>90,682</b>	<b>\$</b>	<b>92,034</b>

**Grants and Contracts**

The University receives grant and contract revenue from governmental and private sources, which are considered non-exchange revenue transactions. The University generally recognizes revenue associated with the direct and the applicable indirect costs of sponsored programs as the related costs are incurred in accordance with the related cost principles outlines in the grant agreement. The University negotiates its federal indirect rate with its cognizant federal agency.

The following table disaggregates grants and contracts revenue for the years ended June 30, 2019, and 2018:

<i>(in thousands)</i>	<b>2019</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>Government grants and contracts:</b>			
Federal	\$ 96,738	\$ 1,408	\$ 98,146
State	4,260	199	4,459
Local	433	186	619
<b>Private grants and contracts</b>	<b>10,363</b>	<b>12,216</b>	<b>22,579</b>
<b>Total grants and contracts</b>	<b>\$ 111,794</b>	<b>\$ 14,009</b>	<b>\$ 125,803</b>

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2019 and 2018**

(in thousands)

	<b>2018</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Government grants and contracts:			
Federal	\$ 94,499	\$ -	\$ 94,499
State	4,119	-	4,119
Local	2,441	-	2,441
Private grants and contracts	25,318	2,917	28,235
<b>Total grants and contracts</b>	<b>\$ 126,377</b>	<b>\$ 2,917</b>	<b>\$ 129,294</b>

As of June 30, 2019, the University has outstanding unrecorded conditional grants receivable of \$115,547,000. Revenue for these conditional grants will be recognized in future periods when the related barriers are overcome when the conditions have been substantially met.

**15. Functional and Natural Classification of Expenses**

Expenses are presented by functional classification in accordance with the overall service mission of the University. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation and interest expenses are allocated based on the square footage occupancy. Plant operations and maintenance represent space related costs which are allocated to the functional categories directly and/or based on the square footage occupancy. Expenses reported as auxiliary enterprises, library, and student services are incurred in support of program services.

Expenses by functional classification for the year ended June 30, 2019 consist of the following:

(in thousands)

	<b>2019</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 433,563	\$ 54,400	\$ 9,682	\$ 497,645
Employee benefits	112,454	14,115	2,507	129,076
Depreciation and amortization	45,427	4,956	13	50,396
Interest	13,888	1,514	-	15,402
Other operating expenses	320,622	48,401	4,791	373,814
<b>Total expenses</b>	<b>\$ 925,954</b>	<b>\$ 123,386</b>	<b>\$ 16,993</b>	<b>\$ 1,066,333</b>

**Drexel University and Subsidiaries**  
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Expenses by functional classification for the year ended June 30, 2018 consist of the following:

<i>(in thousands)</i>	<b>2018</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 415,297	\$ 50,306	\$ 9,431	\$ 475,034
Employee benefits	109,053	13,208	2,462	124,723
Depreciation and amortization	48,874	3,221	13	52,108
Interest	13,919	940	-	14,859
Other operating expenses	295,783	38,052	4,360	338,195
<b>Total expenses</b>	<b>\$ 882,926</b>	<b>\$ 105,727</b>	<b>\$ 16,266</b>	<b>\$ 1,004,919</b>

**16. 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, 2019 and 2018, the University and its subsidiaries recorded gross combined reserves of \$46,719,000 and \$36,923,000, respectively and related recoveries from third party insurers of \$12,213,000 and \$7,105,000 at June 30, 2019 and 2018, respectively. For fiscal years 2019 and 2018, 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 2019 and 2018 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, 2019 and 2018, self-insurance escrow funds and malpractice insurance trust consisting of mutual funds and fixed income securities amounted to \$57,412,000 and \$57,394,000, respectively, were available to fund incurred but not reported liabilities.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2019 and 2018**

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#### **17. 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.

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 a pending litigation between SodexoMAGIC and the University in relation to the former food services agreement. There is also pending litigation between United Educators' Insurance and the University for breach of contract in relation to the general liability coverage for medical professionals.

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, 2019 and 2018.

The University maintains three letters of credit totaling \$4,144,000 associated with workers' compensation insurance. The agreements are renewable annually. There were no amounts outstanding as of June 30, 2019 and 2018.

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, 2021.
- 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, 2021.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2019 and 2018**

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- 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, 2024.
- 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 April 30, 2020.

There were no amounts outstanding on these bond-related letters of credit as of June 30, 2019 and 2018.

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, 2020 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, 2019.

#### **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, 2019 and 2018, the University recorded \$1,125,000 and \$1,711,000 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, impacted 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 reduced the US federal corporate tax rate and federal corporate unrelated business income tax rate from 35% to 21%.

**Drexel University and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**June 30, 2019 and 2018**

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**18. Related Party Transactions**

**Tenet Healthcare Corporation and American Academic Health System**

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 agreements under Tenet Healthcare Corporation (“Tenet”) were transferred to American Academic Health System (“AAHS”) with the exception of the real estate assets related to the medical office buildings and parking garages, which were sold to Harrison Street and master leased to St. Christopher’s Hospital, LLC. The University in turn subleases from St. Christopher’s Hospital LLC. 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, 2019 and 2018 were \$12,309,000 and \$12,369,000, 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 \$24,386,000 and \$24,063,000 for the years ended June 30, 2019 and 2018, respectively, and are mainly included in patient care activities revenue in the accompanying Consolidated Statements of Activities.

**Bankruptcy Filing of Philadelphia Academic Health System**

On June 30 of 2019, the owners of Hahnemann University Hospital (“HUH”) and St. Christopher’s Hospital for Children (“St. Christopher’s”), Philadelphia Academic Health System (“PAHS”), a subsidiary of the California based American Academic Health System (“AAHS”), filed for chapter 11 bankruptcy. HUH was experiencing unsustainable financial losses and could not continue to operate under these financial conditions. As a result of the announcement, HUH’s facilities and departments released a timeline of planned closure dates with an estimated final shut down date of September 6, 2019. St. Christopher’s will remain open and operated by a joint venture between the University and Tower Health (“Tower”), which acquired certain assets and liabilities of the hospital in a bankruptcy sale. (See Note 18B)

Drexel’s main business relationship with the HUH is an academic affiliation agreement that designates HUH as the medical school’s primary academic partner for its medical student training and provides for Drexel’s faculty to manage the hospital’s residency program through 2022.

University leadership in anticipation of the 2022 conclusion of the Drexel Academic affiliation agreement with HUH had previously begun evaluating potential successor hospitals to replace HUH. As a result, on December 31, 2018, the University announced a 20-year academic affiliation with Tower, a six-hospital system with locations in the Philadelphia area, to open a new branch campus for Drexel medical students at Tower’s flagship hospital, Reading Memorial Health in Reading Pennsylvania. The University and Tower, signed a Letter of Intent on May 10, 2019, to transfer substantially all of the assets of the Drexel University Practice Plan to the Tower Health Medical Group on or before January 1, 2020. Tower, working with the University’s management, are in the process of

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2019 and 2018**

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structuring agreements to finalize the transfer, define research management services, and academic affiliation services.

The University took further steps to minimize potential disruptions within the College of Medicine and the University's financial operations as a result of the HUH bankruptcy and closure. In late June 2019, when PAHS notified the University of its intent to file for bankruptcy, the management team developed a timeline in which various departments would close and which ones would be transitioned to Tower. On July 19, 2019, Drexel announced its plan to eliminate certain healthcare service lines and discontinue positions of affected physicians and clinical staff employed by the practice plan. Tower Health has worked with Drexel to transition some of the affected physicians and clinical staff to the Tower Health Medical Group on an accelerated basis. The initial closures began on August 23, 2019 and are scheduled to end December 31, 2019. The transition departments are scheduled to transfer on January 1, 2020 and at which time the University will have ceased operations of its practice plan.

The University, in the period ending June 30, 2019, has accrued as an operating expenditure for loss related to closure of physician practice plan an accrual for faculty severance of \$5,891,000 and staff severance of \$3,492,000. For faculty, the University is contractually required to provide 6-months' notice of termination and this notice was provided on July 15, 2019. Professional staff severance is determined by length of service and ranges from 2 weeks salary for less than 1 year of service to 5 month's salary for 5 or more years of service. All benefits are discontinued at the end of the month of the effective date of the position elimination. Accrued vacation and sick time, as applicable, will be paid out in accordance with the University's policies.

As part of the practice plan closure, the University has assessed its equipment, furnishings, and software related to the physician practices. Most of these assets will likely be sold or transitioned to Tower. As such, the estimated loss on the disposal of these assets is estimated to be \$896,000 and was recorded for the period ending June 30, 2019. The assets will remain on the University's books until they are disposed of or sold but it is anticipated that the University's equipment and software would be reduced by a net amount of \$896,000 if all assets and corresponding accumulated depreciation are disposed.

#### **Tower Health**

On December 31, 2018, Tower Health ("Tower") and Drexel University signed a 20-year academic affiliation agreement that allows the University to use Tower Health's Reading Hospital campus in Berks County, Pennsylvania as another location for the College of Medicine's four-year undergraduate medical education program. The academic affiliation agreement will allow the Drexel University's College of Medicine to create and maintain high quality medical education and academic programs in an appropriate learning environment and serve the community through the delivery of high quality and cost-effective health care services at Tower Health facilities.

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2019 and 2018**

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#### **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 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.

#### **19. Subsequent Events**

The University evaluated events subsequent from June 30, 2019 through October 24, 2019, the date at which financial statements were issued.

##### **A. St. Christopher’s Hospital for Children Acquisition**

On September 18, 2019, a joint bid for St. Christopher’s Hospital was submitted by the University and Tower. On Friday, September 20, 2019, the University and Tower were awarded the bid and have agreed to pay \$50 million for St. Christopher’s and will be equal partners in the ownership of St. Christopher’s. Tower Health will manage the day-to-day operations of the hospital and physician practices. The St. Christopher’s real estate is owned by separate companies and is not included as part of the transaction. A court hearing held on September 23, 2019 provided final approval of the acquisition and set a closing date of December 15, 2019.

The partnership’s mission is to ensure that access to pediatric services continues uninterrupted for the vulnerable, underserved community that depends on St. Christopher’s for its care. The partnership will provide outstanding health care and operating expertise, as well as financial security and stability that will complement and augment St. Christopher’s nationally recognized programs for children and exceptional care.

##### **B. Powel Elementary and Science Leadership Academy Middle School Project**

On May 8, 2019, the Board of Trustees approved a Resolution authorizing the University to undertake the design and construction of a combined K-8 Powel Elementary School and Science Leadership Academy Middle School (“Powel/SLA-MS”) on the northern portion of 60 N. 36th Street in Philadelphia, Pennsylvania, which is a portion of the tract of land that formerly housed University City High School. To fund a portion of the Project costs, the University will be utilizing New Market Tax Credits (“NMTCs”). The Project qualifies for

# **Drexel University and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **June 30, 2019 and 2018**

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the NMTC program because the Property is in a "highly distressed" low income community. The University has been allocated \$29,000,000 of NMTCs from four separate Community Development Entities, which will result in an equity investment in the Project estimated at \$9,726,600. Upon completion, the University will lease the building to the School District of Philadelphia ("SDP") for nominal annual rent. SDP will be responsible for all operating and maintenance costs. The University has introduced a dormant entity Drexel University City, Inc. ("DUC"), to act as the leveraged loan lender in this transaction.

The University secured a \$15,000,000 gift from the Lenfest Foundation to construct Powel/SLA-MS. The gift is conditional and requires a one-to-one match but has no conditions on where the matching funds must be derived. As such, the University sold Lot 2 (the "Wedge" parcel) to Wexford Science and Technology, LLC on September 26, 2019, for \$9,200,000 and directed the proceeds from this sale to the Lenfest Foundation match. Wexford Science and Technology, LLC will contribute a minimum of \$4,850,000 towards the match.

#### **C. Drexel Academic Tower**

On May 8, 2019, the Board of Trustees approved a resolution authorizing the University to develop a new Academic Tower to house the College of Nursing and Health Professions, relocating the college from Center City to University City. The Academic Tower will be developed by Wexford Development, LLC on the southern portion of 60 N. 36<sup>th</sup> Street, Philadelphia, Pennsylvania which is a portion of the tract of land that formerly housed University City High School. The building size is expected to be between 258,000 and 450,000 square feet. The building development will be aided by a number of financial mechanisms that include a \$9,546,000 prepaid ground lease between the University and Wexford Science and Technology, LLC. and a sale by the University to Wexford Science and Technology, LLC of 142,857 square feet of air rights above the premises of Lot 6 (the PSLAMS premises) for a price of \$5,300,000. The University is entered into a 29 year and 11-month lease with Wexford Science and Technology, LLC and sold the air rights on September 26, 2019.

#### **D. 3675 Market Sublease - DXC Technologies**

In October 2018, Drexel University entered into a 20-year lease with Wexford-SCEC 3675 Market Street, LLC for space on the 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> floors of 3675 Market Street, Philadelphia, PA for the College of Computing and Informatics ("CCI"). The 14-story building, opened in November, is located to the west of University City Campus. The Building offers offices, classrooms, laboratories, co-working and convening spaces. On August 29, 2019, Drexel University entered into a sublease with a strategic partner, DXC Technology Services LLC (DXC), to utilize a portion of the 9<sup>th</sup> floor space to create a "DXC Digital Transformation Center" and to help offset early term lease expenses as CCI continues to grow.

DXC is one of the largest technology companies globally, with over 175,000 employees and clients across 70 countries. DXC's Chairman and CEO, Mike Lawrie, is a Drexel alumnus and Trustee. CCI is building an overarching strategic partnership with DXC to support DXC's technology talent needs, from talent development to recruitment and professional training. This strategic partnership has the potential to substantially increase CCI's total graduate enrollment numbers.

**Schedule of Expenditures of Federal Awards**

**Drexel University and Subsidiaries  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019**

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>ANIMAL AND PLANT HEALTH INSPECTION SERVICE</b>							
Wildlife Services	10.028	\$ 34,620	\$ -			\$ 34,620	\$ -
<b>Total CFDA 10.028</b>		<b>\$ 34,620</b>	<b>\$ -</b>			<b>\$ 34,620</b>	<b>\$ -</b>
<b>NATIONAL INSTITUTE OF FOOD AND AGRICULTURE</b>							
Small Business Innovation Research	10.212	\$ -	\$ 8,387	Environmental Fuel Research	2018-33610-28504 ; 1016066	\$ 8,387	\$ -
<b>Total CFDA 10.212</b>		<b>\$ -</b>	<b>\$ 8,387</b>			<b>\$ 8,387</b>	<b>\$ -</b>
Agriculture and Food Research Initiative (AFRI)	10.310	\$ -	\$ 48,382	University of Maryland	32423-Z5768001	\$ 48,382	\$ -
Agriculture and Food Research Initiative (AFRI)	10.310	-	207,611	The Regents of the University of California	201403031-01; MOD 3	207,611	-
Agriculture and Food Research Initiative (AFRI)	10.310	-	47,148	Rutgers University	PO# 848794;SUB # 0451 ;MOD 1	47,148	-
<b>Total CFDA 10.310</b>		<b>\$ -</b>	<b>\$ 303,141</b>			<b>\$ 303,141</b>	<b>\$ -</b>
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312	\$ -	\$ 15,686	Ceramatec	LETTER DATED 3/21/13	\$ 15,686	\$ 12,236
<b>Total CFDA 10.312</b>		<b>\$ -</b>	<b>\$ 15,686</b>			<b>\$ 15,686</b>	<b>\$ 12,236</b>
<b>Total Department of Agriculture</b>		<b>\$ 34,620</b>	<b>\$ 327,214</b>			<b>\$ 361,834</b>	<b>\$ 12,236</b>
<b>DEPARTMENT OF COMMERCE</b>							
<b>National Oceanic and Atmospheric Administration (NOAA)</b>							
Sea Grant Support	11.417	\$ -	\$ 33,700	New Jersey Sea Grant Consortium	NJSCG 6610-0005 / 6710-0005	\$ 33,700	\$ -
<b>Total CFDA 11.417</b>		<b>\$ -</b>	<b>\$ 33,700</b>			<b>\$ 33,700</b>	<b>\$ -</b>
Coastal Zone Management Administration Awards	11.419	\$ -	\$ (350)	PA Department of Environmental Protection	4100073159 7C-FA-28.0	\$ (350)	\$ -
<b>Total CFDA 11.419</b>		<b>\$ -</b>	<b>\$ (350)</b>			<b>\$ (350)</b>	<b>\$ -</b>
Climate and Atmospheric Research	11.431	\$ 48,667	\$ -			\$ 48,667	\$ -
Climate and Atmospheric Research	11.431	-	176,072	Columbia University	3(GG012355)/ PO GG10011; MOD3	176,072	-
Climate and Atmospheric Research	11.431	-	(783)	Columbia University	GG001959, SUB# 4(ACCT#5-23220)	(783)	-
<b>Total CFDA 11.431</b>		<b>\$ 48,667</b>	<b>\$ 175,289</b>			<b>\$ 223,956</b>	<b>\$ -</b>
<b>National Institute of Standards and Technology (NIST)</b>							
Measurement and Engineering Research and Standards	11.609	\$ 86,843	\$ -			\$ 86,843	\$ -
<b>Total CFDA 11.609</b>		<b>\$ 86,843</b>	<b>\$ -</b>			<b>\$ 86,843</b>	<b>\$ -</b>
<b>Total Department of Commerce</b>		<b>\$ 135,510</b>	<b>\$ 208,639</b>			<b>\$ 344,149</b>	<b>\$ -</b>

**Drexel University and Subsidiaries  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019**

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	\$ 1,443,706	\$ -			\$ 1,443,706	\$ 555,626
Basic and Applied Scientific Research	12.300	-	27,525	Florida State University	R01872; MOD 2	27,525	-
Basic and Applied Scientific Research	12.300	-	240,197	George Washington University	17-21 ; 17-S21; MOD 2	240,197	-
Basic and Applied Scientific Research	12.300	-	36,195	Brown University	00001124 ; N00014-17-1-2644	36,195	-
Basic and Applied Scientific Research	12.300	-	122,842	University of Wisconsin-Madison	817K563	122,842	-
<b>Total CFDA 12.300</b>		<b>\$ 1,443,706</b>	<b>\$ 426,759</b>			<b>\$ 1,870,465</b>	<b>\$ 555,626</b>
<b>U.S. Army Medical Command</b>							
Military Medical Research and Development	12.420	\$ 1,372,465	\$ -			\$ 1,372,465	\$ 171,657
Military Medical Research and Development	12.420	-	323,357	InfraScan, Inc.	ARMY # W81XWH-17-C-0244	323,357	-
Military Medical Research and Development	12.420	-	9,496	Trustees of Boston University	4500002892	9,496	-
Military Medical Research and Development	12.420	-	11,309	University of Michigan	PO#3005013438; SUBK00009614	11,309	-
<b>Total CFDA 12.420</b>		<b>\$ 1,372,465</b>	<b>\$ 344,162</b>			<b>\$ 1,716,627</b>	<b>\$ 171,657</b>
<b>U.S. Army Materiel Command</b>							
Basic Scientific Research	12.431	\$ 2,536,585	\$ -			\$ 2,536,585	\$ 1,276,569
Basic Scientific Research	12.431	-	51,724	EOIR Technologies, Inc.	FFP CONTRACT S17-10029; MOD 5	51,724	-
Basic Scientific Research	12.431	-	772,428	PPG Industries, Inc	Subcontract# W911NF-17-2-0227	772,428	-
<b>Total CFDA 12.431</b>		<b>\$ 2,536,585</b>	<b>\$ 824,152</b>			<b>\$ 3,360,737</b>	<b>\$ 1,276,569</b>
<b>Office of the Secretary of Defense</b>							
Basic, Applied, and Advanced Research in Science and Engineering	12.630	\$ 19,529	\$ -			\$ 19,529	\$ -
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	9,714	Advanced Functional Fabrics of America, Inc.	TASK ORDER; 17M-001 ;079979851	9,714	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	180,753	University of Delaware	SUB AWD 49245 ; MOD 2	180,753	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	164,477	Advanced Functional Fabrics of America, Inc.	17M-001	164,477	40,629
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	67,500	Advanced Functional Fabrics of America, Inc.	Sub# 17M-001; W15QKN-16-3-0001	67,500	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	31,130	Advanced Functional Fabrics of America, Inc.	TASK ORDER 004 ; PO# 486 ;MOD1	31,130	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	32,308	Advanced Functional Fabrics of America, Inc.	PO# 542 / TASK ORDER 1-F-005	32,308	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	47,020	University of Delaware	52978 ; MOD 1	47,020	-
<b>Total CFDA 12.630</b>		<b>\$ 19,529</b>	<b>\$ 532,902</b>			<b>\$ 552,431</b>	<b>\$ 40,629</b>
<b>Department of the Air Force, Materiel Command</b>							
Air Force Defense Research Sciences Program	12.800	\$ 97,922	\$ -			\$ 97,922	\$ -
Air Force Defense Research Sciences Program	12.800	-	(1,709)	Lockheed Martin Energy	PO TTo706980/FA8750-08-C-0064	(1,709)	-
Air Force Defense Research Sciences Program	12.800	-	161,485	PAR Government Systems Corporation	PGSC-SC-111346-03;MOD 5	161,485	-
Air Force Defense Research Sciences Program	12.800	-	24,100	George Mason University	E2046603	24,100	-
<b>Total CFDA 12.800</b>		<b>\$ 97,922</b>	<b>\$ 183,876</b>			<b>\$ 281,798</b>	<b>\$ -</b>

**Drexel University and Subsidiaries  
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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 Security Agency</b>							
Information Security Grants	12.902	\$ 16,693	\$ -			\$ 16,693	\$ -
<b>Total CFDA 12.902</b>		<b>\$ 16,693</b>	<b>\$ -</b>			<b>\$ 16,693</b>	<b>\$ -</b>
<b>Advanced Research Projects Agency</b>							
Research and Technology Development	12.910	\$ -	\$ (701)	Versar	PO#009275	\$ (701)	\$ -
Research and Technology Development	12.910	-	153,169	University of Delaware	42527; MOD 7	153,169	-
<b>Total CFDA 12.910</b>		<b>\$ -</b>	<b>\$ 152,468</b>			<b>\$ 152,468</b>	<b>\$ -</b>
Electron Microscopy Engineering Services - Taheri NAVSEA Contract	12.RD	\$ 20,597	\$ -			\$ 20,597	\$ -
Senior Design, NavAir Systems Command, Automated Networked Transport Swarm (ANTS) – Hardware	12.RD	11,500	-			11,500	-
Senior Design, NavAir Systems Command, Automated Networked Transport Swarm (ANTS) – Hardware	12.RD	416	-			416	-
Senior Design, NavAir Systems Command, Automated Networked Transport Swarm (ANTS) – Hardware	12.RD	2,114	-			2,114	-
Senior Design Project	12.RD	999	-			999	-
Attribution Of Malicious Binaries	12.RD	157,721	-			157,721	60,084
Application of Non-Thermal Plasma Technology for the Removal of Poly- and Perfluoroalkyl Substances from Investigation-Derived Wastes	12.RD	118,723	-			118,723	1,579
Non-Thermalized Carrier Photo-Galvanic Device Science (Prop ID: 2001)	12.RD	152,484	-			152,484	-
Advanced Manufacturing for Weapon Systems Standardization and Effectiveness (AMWSSE)	12.RD	-	29,910	S12 Technologies, Inc.	COST SUBCNT.-S12-2018-3045-001	29,910	-
Support of Aerial Drognet engineering effort	12.RD	-	167,182	Lockheed Martin Corporation	PO 4103033839; MOD 06	167,182	-
Ithildin - Selective Sorption Enhancement/Clutter Rejection/Temporal Fidelity /Indicator	12.RD	-	107,396	Alpha Star Corporation	PO # 060917-01LS	107,396	-
SBIR Phase II Health Conscious Structures for Zero-Maintenance Rotorcraft Platforms	12.RD	-	142,224	Akita Innovations	SUBCONTRACT AGREEMENT 9.26.18	142,224	-
Swarm-by-logic: Swarm autonomy with a receding horizon-based temporal logic framework	12.RD	-	27,175	DeLUX Engineering, LLC	AF18B-To17 ;STTR A17A-004-0153	27,175	-
Extending Shelf Life of Strawberries and Leafy Greens via Non-Equilibrium Short-Pulsed Plasma Activated Water Fog	12.RD	-	12,240	AA Plasma LLC	SP4701-19-P-0010-01 ; MOD1	12,240	-
Swarm-by-logic: Swarm autonomy with a receding horizon-based temporal logic framework	12.RD	-	58,142	Siemens Corporation, Corporate Technology	151-2	58,142	-
NAVAIR AIR-1.0: Aircrew Physiologic Status Monitoring	12.RD	-	230,375	Athena GTX Inc.	SUBAWD5226-32;N68335-16-C-0085	230,375	83,429
<b>Total CFDA 12.RD</b>		<b>\$ 464,554</b>	<b>\$ 774,644</b>			<b>\$ 1,239,198</b>	<b>\$ 145,093</b>
<b>Total Department of Defense</b>		<b>\$ 5,951,454</b>	<b>\$ 3,238,963</b>			<b>\$ 9,190,417</b>	<b>\$ 2,189,574</b>
<b>DEPARTMENT OF THE INTERIOR</b>							
<b>U.S. FISH AND WILDLIFE SERVICE</b>							
Fish and Wildlife Management Assistance	15.608	\$ (35)	\$ -			\$ (35)	\$ -
<b>Total CFDA 15.608</b>		<b>\$ (35)</b>	<b>\$ -</b>			<b>\$ (35)</b>	<b>\$ -</b>
Great Apes Conservation Fund	15.629	\$ 71,392	\$ -			\$ 71,392	\$ -
<b>Total CFDA 15.629</b>		<b>\$ 71,392</b>	<b>\$ -</b>			<b>\$ 71,392</b>	<b>\$ -</b>
Wildlife Without Borders-Africa	15.651	\$ 123,467	\$ -			\$ 123,467	\$ -
<b>Total CFDA 15.651</b>		<b>\$ 123,467</b>	<b>\$ -</b>			<b>\$ 123,467</b>	<b>\$ -</b>

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Hurricane Sandy Disaster Relief Activities-FWS	15.677	\$ -	\$ (7)	Barnegat Bay National Estuary Program	PDE-NJDEP-NFWF001 PDE254-01	\$ (7)	\$ -
<b>Total CFDA 15.677</b>		<b>\$ -</b>	<b>\$ (7)</b>			<b>\$ (7)</b>	<b>\$ -</b>
<b>NATIONAL PARK SERVICE</b>							
National Center for Preservation Technology and Training	15.923	\$ 39,569	\$ -			\$ 39,569	\$ -
<b>Total CFDA 15.923</b>		<b>\$ 39,569</b>	<b>\$ -</b>			<b>\$ 39,569</b>	<b>\$ -</b>
Cooperative Research and Training Programs – Resources of the National Park System	15.945	\$ 547	\$ -			\$ 547	\$ -
<b>Total CFDA 15.945</b>		<b>\$ 547</b>	<b>\$ -</b>			<b>\$ 547</b>	<b>\$ -</b>
	15.RD	\$ (2,255)	\$ -			\$ (2,255)	\$ -
<b>Total CFDA 15.RD</b>		<b>\$ (2,255)</b>	<b>\$ -</b>			<b>\$ (2,255)</b>	<b>\$ -</b>
<b>Total Department of the Interior</b>		<b>\$ 232,685</b>	<b>\$ (7)</b>			<b>\$ 232,678</b>	<b>\$ -</b>
<b>DEPARTMENT OF JUSTICE</b>							
<b>OFFICE OF JUSTICE PROGRAMS</b>							
Juvenile Justice and Delinquency Prevention	16.540	\$ 156,528	\$ -			\$ 156,528	\$ -
<b>Total CFDA 16.540</b>		<b>\$ 156,528</b>	<b>\$ -</b>			<b>\$ 156,528</b>	<b>\$ -</b>
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	\$ 216,367	\$ -			\$ 216,367	\$ -
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	15,286	Rutgers University	60	15,286	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	138,047	Trustees of the University of Pennsylvania	SUB AWD# 573344 ; MOD 3	138,047	-
<b>Total CFDA 16.560</b>		<b>\$ 216,367</b>	<b>\$ 153,333</b>			<b>\$ 369,700</b>	<b>\$ -</b>
Juvenile Justice Education Collaboration Assistance	16.829	\$ -	(21,000)	City of Philadelphia	2014-JZ-FX-K003	(21,000)	-
<b>Total CFDA 16.829</b>		<b>\$ -</b>	<b>(21,000)</b>			<b>(21,000)</b>	<b>\$ -</b>
<b>Total Department of Justice</b>		<b>\$ 372,895</b>	<b>\$ 132,333</b>			<b>\$ 505,228</b>	<b>\$ -</b>
<b>DEPARTMENT OF LABOR</b>							
<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b>							
Trade Adjustment Assistance	17.245	\$ -	48,614	New England Institute of Technology	Award Dated 04/11/2018	\$ 48,614	\$ -
<b>Total CFDA 17.245</b>		<b>\$ -</b>	<b>\$ 48,614</b>			<b>\$ 48,614</b>	<b>\$ -</b>
H-1B Job Training Grants	17.268	\$ -	9,683	District 1199C Training & Upgrading Fund	Hg-26660-15-60-A-42	\$ 9,683	\$ -
<b>Total CFDA 17.268</b>		<b>\$ -</b>	<b>\$ 9,683</b>			<b>\$ 9,683</b>	<b>\$ -</b>
<b>Total Department of Labor</b>		<b>\$ -</b>	<b>\$ 58,297</b>			<b>\$ 58,297</b>	<b>\$ -</b>

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<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	\$ -	\$ 425,848	JSI Research & Training Institute, Inc.	37188-1063 ; MOD 8	\$ 425,848	\$ 273,890
<b>Total CFDA 19.029</b>		\$ -	\$ 425,848			\$ 425,848	\$ 273,890
<b>Total Department of State</b>		\$ -	\$ 425,848			\$ 425,848	\$ 273,890
<b>DEPARTMENT OF TRANSPORTATION</b>							
<b>FEDERAL AVIATION ADMINISTRATION</b>							
Aviation Research Grants	20.108	\$ 238,936	\$ -			\$ 238,936	\$ -
<b>Total CFDA 20.108</b>		\$ 238,936	\$ -			\$ 238,936	\$ -
Air Transportation Centers of Excellence	20.109	\$ 14,296	\$ -			\$ 14,296	\$ -
<b>Total CFDA 20.109</b>		\$ 14,296	\$ -			\$ 14,296	\$ -
<b>FEDERAL HIGHWAY ADMINISTRATION</b>							
Highway Research and Development Program	20.200	\$ 283,464	\$ -			\$ 283,464	\$ 60,698
<b>Total CFDA 20.200</b>		\$ 283,464	\$ -			\$ 283,464	\$ 60,698
Bridge Superstructure Tolerance to Total and Differential Foundation Movements	20.RD	\$ -	\$ 102	National Academy of Science	HR 12-103	\$ 102	\$ -
<b>Total CFDA 20.RD</b>		\$ -	\$ 102			\$ 102	\$ -
<b>Total Department of Transportation</b>		\$ 536,696	\$ 102			\$ 536,798	\$ 60,698
<b>Department of Personnel Management</b>							
<b>Office of Personnel Management</b>							
Intergovernmental Personnel Act (IPA) Mobility Program	27.011	\$ 125,455	\$ -			\$ 125,455	\$ -
<b>Total CFDA 27.011</b>		\$ 125,455	\$ -			\$ 125,455	\$ -
<b>Total of US Department of Personnel Management</b>		\$ 125,455	\$ -			\$ 125,455	\$ -
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>							
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>							
Science	43.001	\$ 289,255	\$ -			\$ 289,255	\$ 18,456
Science	43.001	-	62,519	Trustees of Boston University	4500002264;MOD 2	62,519	10,880
Science	43.001	-	16,227	Smithsonian Astrophysical Observatory	GO7-18110X ; MOD 1	16,227	-
Science	43.001	-	26,606	Jet Propulsion Laboratory (NASA)	SUBCONTRACT NO. 1592811;MOD2	26,606	-
<b>Total CFDA 43.001</b>		\$ 289,255	\$ 105,352			\$ 394,607	\$ 29,336
Education	43.008	\$ 51,236	\$ -			\$ 51,236	\$ -
Education	43.008	-	1,957	Penn State University	5502-DU-NASA-Ko6H ; MOD4	1,957	-
<b>Total CFDA 43.008</b>		\$ 51,236	\$ 1,957			\$ 53,193	\$ -

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Office of Inspector General	43.011	\$ -	\$ 53,220	Space Telescope Science Institute	HST-AR-15048.001-A ; MOD 4	\$ 53,220	\$ -
<b>Total CFDA 43.011</b>		<b>\$ -</b>	<b>\$ 53,220</b>			<b>\$ 53,220</b>	<b>\$ -</b>
High Energy Density Lithium-Sulfur Battery with Improved Cycle Life	43.RD	\$ -	\$ 35,000	Giner, Inc	SUBAWARD AGREEMENT 9-6-18	\$ 35,000	\$ -
<b>Total CFDA 43.RD</b>		<b>\$ -</b>	<b>\$ 35,000</b>			<b>\$ 35,000</b>	<b>\$ -</b>
<b>Total National Aeronautics and Space Administration</b>		<b>\$ 340,491</b>	<b>\$ 195,529</b>			<b>\$ 536,020</b>	<b>\$ 29,336</b>
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>							
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>							
Promotion of the Arts Grants to Organizations and Individuals	45.024	\$ 79,546	\$ -			\$ 79,546	\$ -
<b>Total CFDA 45.024</b>		<b>\$ 79,546</b>	<b>\$ -</b>			<b>\$ 79,546</b>	<b>\$ -</b>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>							
Promotion of the Humanities Public Programs	45.164	\$ -	\$ 26,924	Science History Institute	MT-258876-18; Awd Dtd 06/27/18	\$ 26,924	\$ -
<b>Total CFDA 45.164</b>		<b>\$ -</b>	<b>\$ 26,924</b>			<b>\$ 26,924</b>	<b>\$ -</b>
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>							
Museums for America	45.301	\$ 25,920	\$ -			\$ 25,920	\$ -
<b>Total CFDA 45.301</b>		<b>\$ 25,920</b>	<b>\$ -</b>			<b>\$ 25,920</b>	<b>\$ -</b>
National Leadership Grants	45.312	\$ 42,589	\$ -			\$ 42,589	\$ -
National Leadership Grants	45.312	-	\$ 32,138	University of Wisconsin	787K102; LG-96-17-0220-17 ; M2	\$ 32,138	\$ -
<b>Total CFDA 45.312</b>		<b>\$ 42,589</b>	<b>\$ 32,138</b>			<b>\$ 74,727</b>	<b>\$ -</b>
Laura Bush 21st Century Librarian Program	45.313	\$ 91,268	\$ -			\$ 91,268	\$ -
<b>Total CFDA 45.313</b>		<b>\$ 91,268</b>	<b>\$ -</b>			<b>\$ 91,268</b>	<b>\$ -</b>
<b>Total National Endowment for the Arts</b>		<b>\$ 239,323</b>	<b>\$ 59,062</b>			<b>\$ 298,385</b>	<b>\$ -</b>
<b>NATIONAL SCIENCE FOUNDATION</b>							
<b>NATIONAL SCIENCE FOUNDATION</b>							
Engineering Grants	47.041	\$ 3,820,764	\$ -			\$ 3,820,764	\$ 15,565
Engineering Grants	47.041	-	\$ 58,703	Colorado School of Mines	SUB 401283-5801 ; MOD 1	\$ 58,703	\$ -
Engineering Grants	47.041	-	\$ 11,874	Instadiagnostics, Inc.	FAIN 1738443	\$ 11,874	\$ -
Engineering Grants	47.041	-	\$ 721	Syracuse University	28250-04301-S20 ; MOD 1	\$ 721	\$ -
Engineering Grants	47.041	-	\$ 7,097	University of Pennsylvania	572449	\$ 7,097	\$ -
Engineering Grants	47.041	-	\$ 34,792	University of Alabama	A18-0467-S002-A01 ; MOD1	\$ 34,792	\$ -
<b>Total CFDA 47.041</b>		<b>\$ 3,820,764</b>	<b>\$ 113,187</b>			<b>\$ 3,933,951</b>	<b>\$ 15,565</b>
Mathematical and Physical Sciences	47.049	\$ 1,917,765	\$ -			\$ 1,917,765	\$ -
<b>Total CFDA 47.049</b>		<b>\$ 1,917,765</b>	<b>\$ -</b>			<b>\$ 1,917,765</b>	<b>\$ -</b>

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Geosciences	47.050	\$ 65,704	\$ -			\$ 65,704	\$ -
Geosciences	47.050	-	7,609	Board of Supervisors of Louisiana State University and Agric	SUBAWARD#98335; MOD3	7,609	-
Geosciences	47.050	-	(16,782)	Illinois State Museum Society	EAR-0948652	(16,782)	-
Geosciences	47.050	-	60,566	University of Chicago	FPo60695; MOD 2	60,566	-
Geosciences	47.050	-	47	Geological Society of America	GSA02 / PTE FED AWARD 1541028	47	-
<b>Total CFDA 47.050</b>		\$ 65,704	\$ 51,440			\$ 117,144	\$ -
Computer and Information Science and Engineering	47.070	\$ 2,664,834	\$ -			\$ 2,664,834	\$ 44,698
Computer and Information Science and Engineering	47.070	-	15,064	University of Arizona	ACI-1443019 SUB 229749	15,064	-
Computer and Information Science and Engineering	47.070	-	(36)	Trustees of Boston University	GC 189821NGA	(36)	-
<b>Total CFDA 47.070</b>		\$ 2,664,834	\$ 15,028			\$ 2,679,862	\$ 44,698
Biological Sciences	47.074	\$ 1,040,919	\$ -			\$ 1,040,919	\$ -
Biological Sciences	47.074	-	45,724	University of Pennsylvania	564812 / 10042268 / 16103	45,724	-
Biological Sciences	47.074	-	1,699	Cornell University	AGREEMENT 74983-10504;MOD 2	1,699	-
Biological Sciences	47.074	-	(28,973)	Neon, Inc	1010-216-AQU	(28,973)	-
Biological Sciences	47.074	-	34,564	Northern Arizona University	1003017-01 ; MOD 01	34,564	-
Biological Sciences	47.074	-	422,964	Battelle Memorial Institute	4010-0356-AQU;MOD 3	422,964	-
Biological Sciences	47.074	-	16,470	New York Botanical	1802034-03-PHAS	16,470	-
Biological Sciences	47.074	-	13,299	University of Vermont	32741SUB52561; PO# 172398	13,299	-
Biological Sciences	47.074	-	3,000	Carnegie Mellon University	SUBAWD# 441290-1	3,000	-
<b>Total CFDA 47.074</b>		\$ 1,040,919	\$ 508,747			\$ 1,549,666	\$ -
Social, Behavioral, and Economic Sciences	47.075	\$ 453,330	\$ -			\$ 453,330	\$ -
<b>Total CFDA 47.075</b>		\$ 453,330	\$ -			\$ 453,330	\$ -
Education and Human Resources	47.076	\$ 3,689,033	\$ -			\$ 3,689,033	\$ 1,117,704
Education and Human Resources	47.076	-	2,405	Lincoln University	SIGNED AGREEMENT 9/25/2015	2,405	-
Education and Human Resources	47.076	-	2,462	Museum of Science, Inc.	AGR DATE 12/5/2013	2,462	-
Education and Human Resources	47.076	-	(31)	Bryn Mawr College	2-46785 DUE-1439790	(31)	-
Education and Human Resources	47.076	-	3,356	The Franklin Institute	1239782	3,356	-
Education and Human Resources	47.076	-	42,519	University of Wisconsin	782K530 ,1726625 ; MOD 1	42,519	-
Education and Human Resources	47.076	-	9,356	University of Wyoming	1003846-DU; PO# P315812	9,356	-
Education and Human Resources	47.076	-	10,347	Villanova University	525885DREXELWEISBERG; P2001053	10,347	-
Education and Human Resources	47.076	-	13,309	Wayne State University	WSU19062 ; INDEX 301232	13,309	-
<b>Total CFDA 47.076</b>		\$ 3,689,033	\$ 83,723			\$ 3,772,756	\$ 1,117,704
Office of International Science and Engineering	47.079	\$ -	\$ 12,931	U.S. Civilian Research & Development Foundation	OISE-16-62115-0	\$ 12,931	\$ -
<b>Total CFDA 47.079</b>		\$ -	\$ 12,931			\$ 12,931	\$ -
<b>Total National Science Foundation</b>		<b>\$ 13,652,349</b>	<b>\$ 785,056</b>			<b>\$ 14,437,405</b>	<b>\$ 1,177,967</b>

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<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	\$ -	\$ 134	Water Assessment Association	I-97972813	\$ 134	\$ -
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	-	48,033	Montana Department of Environmental Quality	CONTRACT#211135	48,033	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	-	(19,208)	Montana Department of Environmental Quality	CONTRACT NO. 211135 TO#2	(19,208)	-
<b>Total CFDA 66.419</b>		\$ -	\$ 28,959			\$ 28,959	\$ -
National Wetland Program Development Grants and Five-Star Restoration Training Grant	66.462	\$ -	\$ 7,787	Partnership for the Delaware Estuary	PDE - 302-01	\$ 7,787	\$ -
<b>Total CFDA 66.462</b>		\$ -	\$ 7,787			\$ 7,787	\$ -
Chesapeake Bay Program	66.466	\$ -	\$ 84,929	PA Department of Environmental Protection	PO#4300598005; 4400015617	\$ 84,929	\$ -
Chesapeake Bay Program	66.466	-	5,710	Chesapeake Conservancy Inc.	CB-963930-01-0	5,710	-
<b>Total CFDA 66.466</b>		\$ -	\$ 90,639			\$ 90,639	\$ -
Office of Research and Development Consolidated Research/Training/Fellowships	66.511	\$ 634,138	\$ -			\$ 634,138	\$ 278,989
Office of Research and Development Consolidated Research/Training/Fellowships	66.511	-	222,843	Health Effects Institute	4956-RFPA15-2/17-2	222,843	27,270
<b>Total CFDA 66.511</b>		\$ 634,138	\$ 222,843			\$ 856,981	\$ 306,259
P3 Award: National Student Design Competition for Sustainability	66.516	\$ 7,485	\$ -			\$ 7,485	\$ -
<b>Total CFDA 66.516</b>		\$ 7,485	\$ -			\$ 7,485	\$ -
Regional Applied Research Efforts (RARE)	66.517	\$ 27,607	\$ -			\$ 27,607	\$ -
<b>Total CFDA 66.517</b>		\$ 27,607	\$ -			\$ 27,607	\$ -
Performance Partnership Grants	66.605	\$ -	\$ 730	State of Maine, Department of Environmental Protection	06A20151130*1934/VC1000098106	\$ 730	\$ -
Performance Partnership Grants	66.605	-	7,881	State of Maine, Department of Environmental Protection	06A 20170214*2385	7,881	-
Performance Partnership Grants	66.605	-	39,579	New Jersey Sea Grant Consortium	SR18-004 ; 4904-0038	39,579	-
<b>Total CFDA 66.605</b>		\$ -	\$ 48,190			\$ 48,190	\$ -
Biofuel Production from Grease Trap Waste	66.RD	\$ -	\$ 33,016	AA Plasma LLC	CONTRACT AGREEMENT	\$ 33,016	\$ -
<b>Total CFDA 66.RD</b>		\$ -	\$ 33,016			\$ 33,016	\$ -
<b>Total Environmental Protection Agency</b>		\$ 669,230	\$ 431,434			\$ 1,100,664	\$ 306,259

**Drexel University and Subsidiaries  
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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>							
<b>DEPARTMENT OF ENERGY</b>							
Office of Science Financial Assistance Program	81.049	\$ 1,039,542	\$ -			\$ 1,039,542	\$ 113,536
Office of Science Financial Assistance Program	81.049	-	39,113	Temple University	254998; MOD 3	39,113	-
Office of Science Financial Assistance Program	81.049	-	33,485	University of Minnesota	A004163701 MOD 4	33,485	-
Office of Science Financial Assistance Program	81.049	-	274,264	Oak Ridge National Laboratory/Dept of Energy	4000150343; MOD 3	274,264	-
Office of Science Financial Assistance Program	81.049	-	63,905	Argonne National Laboratory	SUB 7F-30116; MOD 0002	63,905	-
Office of Science Financial Assistance Program	81.049	-	34,458	Environmental Fuel Research	Grant DE-SC0018591	34,458	-
Office of Science Financial Assistance Program	81.049	-	46,111	State University of New York	68856/1149710/2	46,111	-
Office of Science Financial Assistance Program	81.049	-	50,385	Temple University	262850-01	50,385	-
<b>Total CFDA 81.049</b>		<b>\$ 1,039,542</b>	<b>\$ 541,721</b>			<b>\$ 1,581,263</b>	<b>\$ 113,536</b>
Conservation Research and Development	81.086	\$ 19,596	\$ -			\$ 19,596	\$ -
<b>Total CFDA 81.086</b>		<b>\$ 19,596</b>	<b>\$ -</b>			<b>\$ 19,596</b>	<b>\$ -</b>
Renewable Energy Research and Development	81.087	\$ 13,675	\$ -			\$ 13,675	\$ -
Renewable Energy Research and Development	81.087	-	134,869	PPL Electric Utilities Corp	Contract 9018537-C	134,869	-
<b>Total CFDA 81.087</b>		<b>\$ 13,675</b>	<b>\$ 134,869</b>			<b>\$ 148,544</b>	<b>\$ -</b>
Advanced Research Projects Agency - Energy	81.135	\$ -	\$ 565,426	EPRI	10004916; MOD 02	\$ 565,426	\$ -
Advanced Research Projects Agency - Energy	81.135	-	67,389	State University of New York	SUB AWD 18-04 ; MOD 01	67,389	-
<b>Total CFDA 81.135</b>		<b>\$ -</b>	<b>\$ 632,815</b>			<b>\$ 632,815</b>	<b>\$ -</b>
<b>Total Department of Energy</b>		<b>\$ 1,072,813</b>	<b>\$ 1,309,405</b>			<b>\$ 2,382,218</b>	<b>\$ 113,536</b>
<b>DEPARTMENT OF EDUCATION</b>							
<b>OFFICE OF POSTSECONDARY EDUCATION</b>							
Higher Education Institutional Aid	84.031	\$ -	\$ 9,053	University of Texas at El Paso	22615080061	\$ 9,053	\$ -
<b>Total CFDA 84.031</b>		<b>\$ -</b>	<b>\$ 9,053</b>			<b>\$ 9,053</b>	<b>\$ -</b>
Minority Science and Engineering Improvement	84.120	\$ -	\$ 34,991	University of Texas at El Paso	226150855A	\$ 34,991	\$ -
<b>Total CFDA 84.120</b>		<b>\$ -</b>	<b>\$ 34,991</b>			<b>\$ 34,991</b>	<b>\$ -</b>
<b>INSTITUTE OF EDUCATION SCIENCES</b>							
Research in Special Education	84.324	\$ -	\$ (96)	Hugo W. Moser Research Institute at Kennedy Krieger, Inc.	R324A160228	\$ (96)	\$ -
Research in Special Education	84.324	-	45,600	University of California, Davis	201700390-02; 4040-0001	45,600	-
<b>Total CFDA 84.324</b>		<b>\$ -</b>	<b>\$ 45,504</b>			<b>\$ 45,504</b>	<b>\$ -</b>
<b>OFFICE OF POSTSECONDARY EDUCATION</b>							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	\$ -	\$ 20	Philadelphia School District	SC 572922	\$ 20	\$ -
<b>Total CFDA 84.334</b>		<b>\$ -</b>	<b>\$ 20</b>			<b>\$ 20</b>	<b>\$ -</b>
<b>OII - OFFICE OF INNOVATION AND IMPROVEMENT</b>							
Arts in Education	84.351	\$ -	\$ 650	Infexion	FAIN U351D180047	\$ 650	\$ -
<b>Total CFDA 84.351</b>		<b>\$ -</b>	<b>\$ 650</b>			<b>\$ 650</b>	<b>\$ -</b>

**Drexel University and Subsidiaries**  
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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 ELEMENTARY AND SECONDARY EDUCATION</b>							
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	\$ -	\$ 223,478	Berks County Intermediate Unit (PA OCDEL)	AWARD DTD 06/19/2017; MOD2	\$ 223,478	\$ 22,451
<b>Total CFDA 84.367</b>		\$ -	\$ 223,478			\$ 223,478	\$ 22,451
<b>Total Department of Education</b>		\$ -	\$ 313,696			\$ 313,696	\$ 22,451
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
Chronic Diseases: Research, Control, and Prevention	93.068	\$ 506,184	\$ -			\$ 506,184	\$ -
<b>Total CFDA 93.068</b>		\$ 506,184	\$ -			\$ 506,184	\$ -
Environmental Public Health and Emergency Response	93.070	\$ 330,368	\$ -			\$ 330,368	\$ -
<b>Total CFDA 93.070</b>		\$ 330,368	\$ -			\$ 330,368	\$ -
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	\$ -	\$ 3,579	Children's Hospital of Philadelphia	SUB AWD 8901210918; MOD 1	\$ 3,579	\$ -
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	-	11,880	Children's Hospital of Philadelphia	8901210919; 20042423-RSUB	11,880	-
<b>Total CFDA 93.080</b>		\$ -	\$ 15,459			\$ 15,459	\$ -
Sodium Reduction in Communities	93.082	\$ -	\$ 56,088	City of Philadelphia	CONTRACT 1720467-02	\$ 56,088	\$ -
Sodium Reduction in Communities	93.082	-	57,041	City of Philadelphia	1720467 -03	57,041	-
<b>Total CFDA 93.082</b>		\$ -	\$ 113,129			\$ 113,129	\$ -
<b>IMMEDIATE OFFICE OF THE SECRETARY OF HEALTH AND HUMAN SERVICES</b>							
Advancing System Improvements for Key Issues in Women's Health	93.088	\$ -	\$ 137,838	Nationalities Services Center	1-ASTWH160040-01-00	\$ 137,838	\$ -
<b>Total CFDA 93.088</b>		\$ -	\$ 137,838			\$ 137,838	\$ -
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
Maternal and Child Health Federal Consolidated Programs	93.110	\$ 509,995	\$ -			\$ 509,995	\$ 22,758
Maternal and Child Health Federal Consolidated Programs	93.110	-	3,903	Epilepsy Foundation Western/Central Pennsylvania		3,903	-
<b>Total CFDA 93.110</b>		\$ 509,995	\$ 3,903			\$ 513,898	\$ 22,758
<b>NATIONAL INSTITUTES OF HEALTH</b>							
Environmental Health	93.113	\$ 2,177,449	\$ -			\$ 2,177,449	\$ 83,719
Environmental Health	93.113	-	29,353	Johns Hopkins University	2003188471; MOD 2	29,353	-
Environmental Health	93.113	-	10,028	University of Washington	UWSC10028 ; MOD 03	10,028	-
Environmental Health	93.113	-	8,277	University of California, Davis	2015000641-02	8,277	-
Environmental Health	93.113	-	85,478	University of Pittsburgh	0059250 (131639-1) ;MOD1	85,478	-
<b>Total CFDA 93.113</b>		\$ 2,177,449	\$ 133,136			\$ 2,310,585	\$ 83,719

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<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	\$ -	\$ 12,393	Medstar Health Research Institute	HHSP2332015000221-HHSP23337005	\$ 12,393	\$ -
<b>Total CFDA 93.135</b>		\$ -	\$ 12,393			\$ 12,393	\$ -
<b>OFFICE OF MINORITY HEALTH</b>							
Community Programs to Improve Minority Health Grant Program	93.137	\$ -	\$ 13,990	District 1199C Training & Upgrading Fund	AGREEMENT 1-15-2016	\$ 13,990	\$ -
Community Programs to Improve Minority Health Grant Program	93.137	-	74,887	District 1199C Training & Upgrading Fund	AGREEMENT DATED 072717	74,887	-
Community Programs to Improve Minority Health Grant Program	93.137	-	14,586	District 1199C Training & Upgrading Fund	1 CPIMP151091-01-00	14,586	-
<b>Total CFDA 93.137</b>		\$ -	\$ 103,463			\$ 103,463	\$ -
<b>NATIONAL INSTITUTES OF HEALTH</b>							
Human Genome Research	93.172	\$ -	\$ 29	University of California, San Francisco	8037SC (NOT ADVANCE)	\$ 29	\$ -
Human Genome Research	93.172	-	(900)	Old Dominion University	17-140-100582-010	(900)	-
Human Genome Research	93.172	-	194,185	Children's Hospital of Philadelphia	962638 -RSUB ; 3200860721 ; 1	194,185	-
Human Genome Research	93.172	-	113,246	University of California, San Francisco	2R56HG005946-07; 10646SC ; M 1	113,246	-
Human Genome Research	93.172	-	86,571	University of California, San Francisco	10993SC ; MOD 02	86,571	-
<b>Total CFDA 93.172</b>		\$ -	\$ 393,131			\$ 393,131	\$ -
Research Related to Deafness and Communication Disorders	93.173	\$ 390,177	\$ -			\$ 390,177	\$ 47,006
Research Related to Deafness and Communication Disorders	93.173	-	6,050	Ohio State University	60051959; MOD 3	6,050	-
Research Related to Deafness and Communication Disorders	93.173	-	84,781	Georgetown University	412748_GR412673-DU ; 7772933	84,781	-
<b>Total CFDA 93.173</b>		\$ 390,177	\$ 90,831			\$ 481,008	\$ 47,006
Research and Training in Complementary and Integrative Health	93.213	\$ 59,676	\$ -			\$ 59,676	\$ -
<b>Total CFDA 93.213</b>		\$ 59,676	\$ -			\$ 59,676	\$ -
<b>AGENCY FOR HEALTHCARE RESEARCH AND QUALITY</b>							
Research on Healthcare Costs, Quality and Outcomes	93.226	\$ 286,910	\$ -			\$ 286,910	\$ 15,758
<b>Total CFDA 93.226</b>		\$ 286,910	\$ -			\$ 286,910	\$ 15,758

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<b>NATIONAL INSTITUTES OF HEALTH</b>							
Mental Health Research Grants	93.242	\$ 5,894,915	\$ -			\$ 5,894,915	\$ 2,317,181
Mental Health Research Grants	93.242	-	2,639	Florida State University	R01787-YEAR 2	2,639	-
Mental Health Research Grants	93.242	-	(91)	University of Pennsylvania	565091	(91)	-
Mental Health Research Grants	93.242	-	(3,451)	Florida State University	R01845	(3,451)	-
Mental Health Research Grants	93.242	-	249,793	Children's Hospital of Philadelphia	962263RSUB;27007/A#3209400419	249,793	-
Mental Health Research Grants	93.242	-	32,566	Rowan Univesity School of Osteopathic Medicine	G60051-1	32,566	-
Mental Health Research Grants	93.242	-	940	Temple University	258152-DREXEL; 2P30MH092177-07	940	-
Mental Health Research Grants	93.242	-	12,447	Florida State University	R01912	12,447	2,529
Mental Health Research Grants	93.242	-	16,992	Harvard T.H. Chan School of Public Health	114205-1338-5097549	16,992	-
Mental Health Research Grants	93.242	-	35,743	Temple University	254396-DREXEL; MOD3	35,743	-
Mental Health Research Grants	93.242	-	93,763	American University	31464-02; MOD 2	93,763	-
Mental Health Research Grants	93.242	-	269,385	Temple University	258152-DREXEL	269,385	-
Mental Health Research Grants	93.242	-	252,615	Florida State University	R02061 ; MOD 1	252,615	3,577
Mental Health Research Grants	93.242	-	174,570	Temple University	254396-04-DREXEL; PO#459998	174,570	-
Mental Health Research Grants	93.242	-	61,794	Vulintus Inc.	R43MH119734-P1SUB1 ; MOD1	61,794	-
Mental Health Research Grants	93.242	-	10,000	Temple University	258152-DREXEL; MOD 05	10,000	-
Mental Health Research Grants	93.242	-	10,000	Temple University	258152-DREXEL/ P30MH092177	10,000	-
<b>Total CFDA 93.242</b>		<b>\$ 5,894,915</b>	<b>\$ 1,219,705</b>			<b>\$ 7,114,620</b>	<b>\$ 2,323,286</b>
<b>SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION</b>							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ -	\$ 198,443	Pennsylvania Department of Human Services	5-U79-SM061750-05 ; YEAR5	\$ 198,443	\$ -
<b>Total CFDA 93.243</b>		<b>\$ -</b>	<b>\$ 198,443</b>			<b>\$ 198,443</b>	<b>\$ -</b>
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
Occupational Safety and Health Program	93.262	\$ 93,679	\$ -			\$ 93,679	\$ -
<b>Total CFDA 93.262</b>		<b>\$ 93,679</b>	<b>\$ -</b>			<b>\$ 93,679</b>	<b>\$ -</b>
<b>NATIONAL INSTITUTES OF HEALTH</b>							
Alcohol Research Programs	93.273	\$ 334,176	\$ -			\$ 334,176	\$ -
Alcohol Research Programs	93.273	-	80,269	University of Massachusetts	16-009293-A04 ; MOD 04	80,269	-
<b>Total CFDA 93.273</b>		<b>\$ 334,176</b>	<b>\$ 80,269</b>			<b>\$ 414,445</b>	<b>\$ -</b>
Drug Abuse and Addiction Research Programs	93.279	\$ 2,526,736	\$ -			\$ 2,526,736	\$ 485,244
Drug Abuse and Addiction Research Programs	93.279	-	35,180	New York University	5T32DA007233-35;FO221-2(F8784-	35,180	-
Drug Abuse and Addiction Research Programs	93.279	-	18,212	National Development and Research Institutes	NDRI PROJECT #660	18,212	-
Drug Abuse and Addiction Research Programs	93.279	-	183,549	University of Southern California	76831027; MOD3 ; 108914768	183,549	-
<b>Total CFDA 93.279</b>		<b>\$ 2,526,736</b>	<b>\$ 236,941</b>			<b>\$ 2,763,677</b>	<b>\$ 485,244</b>

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<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	\$ -	\$ 1,351	Association of Schools of Public Health	LETTER DATED 8/5/15	\$ 1,351	\$ -
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	-	5,788	Johns Hopkins University	2003102702; MOD 2	5,788	-
<b>Total CFDA 93.283</b>		\$ -	\$ 7,139			\$ 7,139	\$ -
<b>NATIONAL INSTITUTES OF HEALTH</b>							
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	\$ 362,489	\$ -			\$ 362,489	\$ -
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	63	University of Southern California	SUBAWARD#76831027	63	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	4,060	University of Southern California	76831027 5U01EB021921-02REVISE	4,060	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	303,349	Thomas Jefferson University	080-30000-S30901 ; MOD 01	303,349	-
<b>Total CFDA 93.286</b>		\$ 362,489	\$ 307,472			\$ 669,961	\$ -
Minority Health and Health Disparities Research	93.307	\$ 450,515	\$ -			\$ 450,515	\$ 158,502
Minority Health and Health Disparities Research	93.307	-	34,557	University of Michigan	3002467248; MOD 12	34,557	-
Minority Health and Health Disparities Research	93.307	-	20,516	Fox Chase Cancer Center	FCCC15126-02; MOD 02	20,516	-
<b>Total CFDA 93.307</b>		\$ 450,515	\$ 55,073			\$ 505,588	\$ 158,502
Trans-NIH Research Support	93.310	\$ 2,784,810	\$ -			\$ 2,784,810	\$ 1,955,157
Trans-NIH Research Support	93.310	-	16,053	Duke University	SUB AWD: 203-7772;5U2COD023375	16,053	-
Trans-NIH Research Support	93.310	-	64,283	Duke University	203-7952 ; 5U2COD023375-03	64,283	-
<b>Total CFDA 93.310</b>		\$ 2,784,810	\$ 80,336			\$ 2,865,146	\$ 1,955,157
Research Infrastructure Programs	93.351	\$ 364,883	\$ -			\$ 364,883	\$ -
<b>Total CFDA 93.351</b>		\$ 364,883	\$ -			\$ 364,883	\$ -
Nursing Research	93.361	\$ 1,030,500	\$ -			\$ 1,030,500	\$ 134,657
Nursing Research	93.361	-	11,206	ECOG-ACRIN Medical Research Foundation	SUBCON. DATD APRIL 2016;MOD6	11,206	-
<b>Total CFDA 93.361</b>		\$ 1,030,500	\$ 11,206			\$ 1,041,706	\$ 134,657
Cancer Cause and Prevention Research	93.393	\$ 537,911	\$ -			\$ 537,911	\$ -
<b>Total CFDA 93.393</b>		\$ 537,911	\$ -			\$ 537,911	\$ -

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Cancer Detection and Diagnosis Research	93-394	\$ -	\$ 54,051	ImCare Biotech, LLC	AGREEMENT EFF. 6/10/15	\$ 54,051	\$ -
Cancer Detection and Diagnosis Research	93-394	-	32,423	ECOG-ACRIN Medical Research Foundation	U24CA196172-01-DREX1	32,423	-
Cancer Detection and Diagnosis Research	93-394	-	41,139	ECOG-ACRIN Medical Research Foundation	U24CA196172-01-DREX1;MOD5	41,139	-
Cancer Detection and Diagnosis Research	93-394	-	29,395	HealthPartners Institute for Education and Research	X130120DREX; MOD 4	29,395	-
<b>Total CFDA 93-394</b>		<b>\$ -</b>	<b>\$ 157,008</b>			<b>\$ 157,008</b>	<b>\$ -</b>
Cancer Treatment Research	93-395	\$ 188,792	\$ -	Children's Hospital of Philadelphia	AALL1131	\$ 188,792	\$ -
Cancer Treatment Research	93-395	-	4,927	ECOG-ACRIN Medical Research Foundation	1UG1CA189828-01-DREX1	4,927	-
Cancer Treatment Research	93-395	-	145,845	ECOG-ACRIN Medical Research Foundation	U10CA180820-01-DREX1	145,845	-
Cancer Treatment Research	93-395	-	277,981	Children's Hospital of Philadelphia	N02-CM-62212	277,981	-
Cancer Treatment Research	93-395	-	4,933	Children's Hospital of Philadelphia	U10CA180866	4,933	-
Cancer Treatment Research	93-395	-	3,544	ECOG-ACRIN Medical Research Foundation	U10CA180820-01-DREX1;MOD4	3,544	-
Cancer Treatment Research	93-395	-	20,024	Children's Hospital of Philadelphia	PO#9500080216-13C PA092	20,024	-
Cancer Treatment Research	93-395	-	3,541	Children's Hospital of Philadelphia	6/8/2016/9400660000	3,541	-
Cancer Treatment Research	93-395	-	3,269	Children's Hospital of Philadelphia	ACTIVITY 9400690000 PO-RSUB	3,269	-
Cancer Treatment Research	93-395	-	3,269	ECOG-ACRIN Medical Research Foundation	1UG1CA189828-01-DREX1 MOD-5	3,269	-
Cancer Treatment Research	93-395	-	6,868	TDL Innovations, Inc.	AWARD DATED 11/01/2017	6,868	-
Cancer Treatment Research	93-395	-	22,568	ECOG-ACRIN Medical Research Foundation	5UG1CA189828-04-DREX2	22,568	-
Cancer Treatment Research	93-395	-	2,321	ECOG-ACRIN Medical Research Foundation	U10CA180820-01-DREX1;MOD 7	2,321	-
Cancer Treatment Research	93-395	-	198,804	Albert Einstein College of Medicine	311392 PO #0709468	198,804	-
Cancer Treatment Research	93-395	-	31,731	ECOG-ACRIN Medical Research Foundation	1UG1CA189828-04-DREX2	31,731	-
Cancer Treatment Research	93-395	-	11,140	Children's Hospital of Philadelphia	NHR01 SUPPORT- ALTE11C2 STUDY	11,140	-
Cancer Treatment Research	93-395	-	748			748	-
<b>Total CFDA 93-395</b>		<b>\$ 188,792</b>	<b>\$ 741,785</b>			<b>\$ 930,577</b>	<b>\$ -</b>
Cancer Biology Research	93-396	\$ 349,152	\$ -	Old Dominion University	16-193-100578-01;MOD 3	\$ 349,152	\$ -
Cancer Biology Research	93-396	-	72,746	University of Pennsylvania	574290;1-R01-CA-228339 ;MOD1	72,746	-
Cancer Biology Research	93-396	-	15,348	AQD Life Sciences LLC	Sub Awd# R41CA221595-DRXL	15,348	-
Cancer Biology Research	93-396	-	57,894			57,894	-
<b>Total CFDA 93-396</b>		<b>\$ 349,152</b>	<b>\$ 145,988</b>			<b>\$ 495,140</b>	<b>\$ -</b>

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Cancer Centers Support Grants	93.397	\$ -	\$ 24,219	Thomas Jefferson University	SUB AWD 080-03500-PB4117	\$ 24,219	\$ -
Cancer Centers Support Grants	93.397	-	51,669	Thomas Jefferson University	080-03500-PB1518	51,669	-
<b>Total CFDA 93.397</b>		<b>\$ -</b>	<b>\$ 75,888</b>			<b>\$ 75,888</b>	<b>\$ -</b>
Cancer Research Manpower	93.398	\$ 100,779	\$ -			\$ 100,779	\$ -
<b>Total CFDA 93.398</b>		<b>\$ 100,779</b>	<b>\$ -</b>			<b>\$ 100,779</b>	<b>\$ -</b>
Cancer Control	93.399	\$ -	\$ 3,544	Children's Hospital of Philadelphia	FP00017458_SUB120_01	\$ 3,544	\$ -
<b>Total CFDA 93.399</b>		<b>\$ -</b>	<b>\$ 3,544</b>			<b>\$ 3,544</b>	<b>\$ -</b>
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
Public Health Training Centers Program	93.516	\$ -	\$ 20,796	University of Pittsburgh	0044318 (129923-1)	\$ 20,796	\$ -
<b>Total CFDA 93.516</b>		<b>\$ -</b>	<b>\$ 20,796</b>			<b>\$ 20,796</b>	<b>\$ -</b>
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	\$ -	\$ 74,484	City of Philadelphia-Department of Public Health	1520522-03 ; MPXX19000274	\$ 74,484	\$ -
<b>Total CFDA 93.757</b>		<b>\$ -</b>	<b>\$ 74,484</b>			<b>\$ 74,484</b>	<b>\$ -</b>
<b>NATIONAL INSTITUTES OF HEALTH</b>							
Cardiovascular Diseases Research	93.837	\$ 1,764,317	\$ -			\$ 1,764,317	\$ 194,685
Cardiovascular Diseases Research	93.837	-	42,889	Columbia University	GG010203; MOD 4	42,889	-
Cardiovascular Diseases Research	93.837	-	92,849	Duke University	GUIDE-IT 122; DUKE SPS# 179452	92,849	-
Cardiovascular Diseases Research	93.837	-	(40,611)	New England Research Institute	PITCH-HF/ UO1HL105463	(40,611)	-
Cardiovascular Diseases Research	93.837	-	6,759	Massachusetts General Hospital	PS225713	6,759	-
Cardiovascular Diseases Research	93.837	-	5,750	University of Pittsburgh	0028217(127996-2)	5,750	-
Cardiovascular Diseases Research	93.837	-	177,188	University of Michigan	3004404234;MOD 1	177,188	-
Cardiovascular Diseases Research	93.837	-	20,763	Fox Chase Chemical Diversity Center Inc	R41HL134435-D;MOD 1	20,763	-
Cardiovascular Diseases Research	93.837	-	2,289	Wayne State University	WSU17138-A1; MOD 2	2,289	-
Cardiovascular Diseases Research	93.837	-	146,118	University of Michigan	3004924795 ; MOD 1	146,118	-
Cardiovascular Diseases Research	93.837	-	65,402	University of Michigan	3004658562; 3005134898 ; MOD3	65,402	-
Cardiovascular Diseases Research	93.837	-	5,933	Yale University	GR104903(CON-80001551)	5,933	-
Cardiovascular Diseases Research	93.837	-	36,461	San Francisco State University	S19-0003	36,461	-
<b>Total CFDA 93.837</b>		<b>\$ 1,764,317</b>	<b>\$ 561,790</b>			<b>\$ 2,326,107</b>	<b>\$ 194,685</b>
Lung Diseases Research	93.838	\$ -	\$ 18,993	Yale University	GR101327 (CON-80001065)	\$ 18,993	\$ -
<b>Total CFDA 93.838</b>		<b>\$ -</b>	<b>\$ 18,993</b>			<b>\$ 18,993</b>	<b>\$ -</b>
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	\$ 7,915	\$ -			\$ 7,915	\$ -
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	100,362	Thomas Jefferson University	PO#2000052675/080-23000-S22501	100,362	-
<b>Total CFDA 93.846</b>		<b>\$ 7,915</b>	<b>\$ 100,362</b>			<b>\$ 108,277</b>	<b>\$ -</b>

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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
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	\$ 1,103,457	\$ -			\$ 1,103,457	\$ 17,333
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	117,173	Queens University	1U01DK103271 SUBAWARD NO. 5	117,173	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	19,400	Thomas Jefferson University	S22201 ; 15SDG25740015;MOD 3	19,400	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	110,797	Washington University in St. Louis	WU-17-367-MOD-3 ; 2928731C	110,797	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	8,115	Washington University in St. Louis	2P30 DK092950	8,115	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	38,470	University of Pennsylvania	572700 ; MOD1; PENN10059985	38,470	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	2,283	University of Pennsylvania	576045	2,283	-
<b>Total CFDA 93.847</b>		<b>\$ 1,103,457</b>	<b>\$ 296,238</b>			<b>\$ 1,399,695</b>	<b>\$ 17,333</b>
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	\$ 8,669,357	\$ -			\$ 8,669,357	\$ 888,119
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	41,345	University of South Carolina	15-2732/ 5R01NS041596-14	41,345	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	70,663	University of Michigan	3003918633 ; MOD 03	70,663	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	(5,243)	University of Alabama at Birmingham	000426787-007	(5,243)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	4,807	Temple University	SUBK00004100-ESETT	4,807	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	200,467	University of California, Davis	A17-0078-S001-A02	200,467	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	20,290	Fox Chase Cancer Center	FCCE # 15099-03; MD 02 ; 1572	20,290	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	146,806	Georgia Tech Research Corporation	SUBAWARD RJ096-G1;MOD 2	146,806	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	82,768	University of Miami	SPC-000429 ; SPC-000881; MOD1	82,768	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	5,927	Thomas Jefferson University	080-19250-S27601	5,927	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	67,051	University of Alabama at Birmingham	000513792-004 ; MOD A01	67,051	-
<b>Total CFDA 93.853</b>		<b>\$ 8,669,357</b>	<b>\$ 634,881</b>			<b>\$ 9,304,238</b>	<b>\$ 888,119</b>

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Allergy and Infectious Diseases Research	93.855	\$ 4,338,926	\$ -			\$ 4,338,926	\$ 739,458
Allergy and Infectious Diseases Research	93.855	-	115,374	Henry Jackson Foundation for Advancement of Military	PO# 848443, AGM3053 ; 64693	115,374	-
Allergy and Infectious Diseases Research	93.855	-	(6,919)	University of Washington	UWSC8493/5R01AI120712-04	(6,919)	-
Allergy and Infectious Diseases Research	93.855	-	17	Columbia University	2(GG011019-03)	17	-
Allergy and Infectious Diseases Research	93.855	-	(32,315)	Johns Hopkins University	LDR01 2002655630	(32,315)	-
Allergy and Infectious Diseases Research	93.855	-	146,723	Case Western Reserve University	RES511177; MOD 2	146,723	-
Allergy and Infectious Diseases Research	93.855	-	48,438	Oregon Health and Science University	1004354_DREXEL AMENDMENT 4	48,438	-
Allergy and Infectious Diseases Research	93.855	-	157,743	Oregon Health and Science University	1011753_DREXEL;MOD 1	157,743	-
Allergy and Infectious Diseases Research	93.855	-	111,187	Columbia University Medical Center	2(GG013567-03); SAPO G12952	111,187	-
Allergy and Infectious Diseases Research	93.855	-	4,612	Johns Hopkins University	PO# 2003649373	4,612	-
Allergy and Infectious Diseases Research	93.855	-	111,672	Oregon Health and Science University	1004354_DREXEL MOD 6	111,672	-
Allergy and Infectious Diseases Research	93.855	-	40,954	University of Miami	SPC-000842 MOD 1	40,954	-
<b>Total CFDA 93.855</b>		\$ 4,338,926	\$ 697,486			\$ 5,036,412	\$ 739,458
Microbiology and Infectious Diseases Research	93.856	\$ 56,184	\$ -			\$ 56,184	\$ -
<b>Total CFDA 93.856</b>		\$ 56,184	\$ -			\$ 56,184	\$ -
Biomedical Research and Research Training	93.859	\$ 3,769,153	\$ -			\$ 3,769,153	\$ 1,616,815
Biomedical Research and Research Training	93.859	-	63,600	Georgia Institute of Technology	RG009-G1;1R01GM115927-01; MOD3	63,600	-
Biomedical Research and Research Training	93.859	-	(4,196)	University of Pennsylvania	562336 / 569058; MOD 7	(4,196)	-
Biomedical Research and Research Training	93.859	-	89,036	Children's Hospital of Philadelphia	3201230419	89,036	-
Biomedical Research and Research Training	93.859	-	6,845	University of Pennsylvania	575434	6,845	-
<b>Total CFDA 93.859</b>		\$ 3,769,153	\$ 155,285			\$ 3,924,438	\$ 1,616,815
Child Health and Human Development Extramural Research	93.865	\$ 1,177,758	\$ -			\$ 1,177,758	\$ 264,074
Child Health and Human Development Extramural Research	93.865	-	(44)	Harvard School of Public Health	114205-1138-5097549	(44)	-
Child Health and Human Development Extramural Research	93.865	-	16,265	Georgia State University	SP00011626-01, MOD 4	16,265	-
Child Health and Human Development Extramural Research	93.865	-	12,566	Columbia University	U01HL098354;4 GG010103	12,566	-
Child Health and Human Development Extramural Research	93.865	-	84	Harvard T.H. Chan School of Public Health	114205-1238-5077549	84	-
Child Health and Human Development Extramural Research	93.865	-	75	Harvard T.H. Chan School of Public Health	114205-1238-5097549	75	-
Child Health and Human Development Extramural Research	93.865	-	148,422	University of Arizona	364645.5R01HDO88409-02;MOD 2	148,422	-
Child Health and Human Development Extramural Research	93.865	-	5,378	Harvard School of Public Health	114205-1338-5097549;	5,378	-
Child Health and Human Development Extramural Research	93.865	-	14,641	Children's Hospital of Philadelphia	3200710000; 962661-RSUB ; MOD2	14,641	-
Child Health and Human Development Extramural Research	93.865	-	65,872	Widener University	SUBCONTRACT# 1/#33445	65,872	-
Child Health and Human Development Extramural Research	93.865	-	22,870	Harvard School of Public Health	114205-1438-5097549 ; MOD 02	22,870	-
Child Health and Human Development Extramural Research	93.865	-	20,640	The Board of Trusttes of the University of Alabama	000511041-001 ; MOD4	20,640	-
Child Health and Human Development Extramural Research	93.865	-	124,490	Oregon Research Institute	SUBAWARD 091818	124,490	-
<b>Total CFDA 93.865</b>		\$ 1,177,758	\$ 431,259			\$ 1,609,017	\$ 264,074

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Aging Research	93.866	\$ 1,470,095	\$ -			\$ 1,470,095	\$ 521,110
Aging Research	93.866	-	69,433	University of Southern California	75696941	69,433	-
Aging Research	93.866	-	90,661	Indiana University	BL-4645308-UA ; MOD 1	90,661	-
Aging Research	93.866	-	77,084	University of Connecticut	UCHC7-100222160A2	77,084	-
Aging Research	93.866	-	48,779	University of California Los Angeles	1558 G WA117 ; MOD 1	48,779	-
Aging Research	93.866	-	18,170	Trustees of the University of Pennsylvania	574030; MOD 2	18,170	-
Aging Research	93.866	-	58,948	University of Pennsylvania	575447 ; 10067210 ; 35633/00	58,948	-
<b>Total CFDA 93.866</b>		<b>\$ 1,470,095</b>	<b>\$ 363,075</b>			<b>\$ 1,833,170</b>	<b>\$ 521,110</b>
Medical Library Assistance	93.879	\$ -	\$ (193)	Children's Research Institute	30002441-01	(193)	-
Medical Library Assistance	93.879	-	1,092	University of Pittsburgh	0050256 (130904-26)	1,092	-
Medical Library Assistance	93.879	-	15,351	Children's Reseach Institute	30002441-01 / Ro1LM011834;MOD6	15,351	-
Medical Library Assistance	93.879	-	135,040	Medstar Health Research Institute	5001371840 ; MOD 2	135,040	-
<b>Total CFDA 93.879</b>		<b>\$ -</b>	<b>\$ 151,290</b>			<b>\$ 151,290</b>	<b>\$ -</b>
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	\$ -	\$ 187,441	Harvard School of Public Health	114205-1438-5097549	\$ 187,441	\$ -
<b>Total CFDA 93.912</b>		<b>\$ -</b>	<b>\$ 187,441</b>			<b>\$ 187,441</b>	<b>\$ -</b>
Special Projects of National Significance	93.928	\$ -	\$ 17,874	Philadelphia Fight	5 H97HA288940200;YEAR4	\$ 17,874	\$ -
<b>Total CFDA 93.928</b>		<b>\$ -</b>	<b>\$ 17,874</b>			<b>\$ 17,874</b>	<b>\$ -</b>
<b>NATIONAL INSTITUTES OF HEALTH</b>							
International Research and Research Training	93.989	\$ -	\$ 29,328	University of Utah	10039172-01 ; U000160917 ;MOD6	\$ 29,328	\$ -
<b>Total CFDA 93.989</b>		<b>\$ -</b>	<b>\$ 29,328</b>			<b>\$ 29,328</b>	<b>\$ -</b>

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<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
Home Assessments for Patients and Families with Special Health Care Needs: Developing Tools, Communication Strategies, and Standards	93.RD	\$ 160,093	\$ -			\$ 160,093	\$ -
Jackson Heart Study Field Center	93.RD	-	14,038	Yale University	2R01DK093770-05	14,038	-
Novel Kidney Injury Tools in Decreased Organ Donation to Predict Graft Outcome	93.RD	-	24,522	University of Mississippi Medical Center	Contract No. HHSN268201800011	24,522	-
<b>Total CFDA 93.RD</b>		<b>\$ 160,093</b>	<b>\$ 38,560</b>			<b>\$ 198,653</b>	<b>\$ -</b>
<b>Total Department of Health and Human Services</b>		<b>\$ 41,797,351</b>	<b>\$ 8,103,222</b>			<b>\$ 49,900,573</b>	<b>\$ 9,467,681</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>							
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>							
Assistance to Firefighters Grant	97.044	\$ 550,257	\$ -			\$ 550,257	\$ 42,098
Assistance to Firefighters Grant	97.044	-	187,924	Fire Department Safety Officers Association	EMW-2015-FP-00051-SUB	187,924	28,276
Assistance to Firefighters Grant	97.044	-	305,906	Fire Department Safety Officers Association	EMW-2017-FP-00274	305,906	32,490
<b>Total CFDA 97.044</b>		<b>\$ 550,257</b>	<b>\$ 493,830</b>			<b>\$ 1,044,087</b>	<b>\$ 102,864</b>
<b>Total Department of Homeland Security</b>		<b>\$ 550,257</b>	<b>\$ 493,830</b>			<b>\$ 1,044,087</b>	<b>\$ 102,864</b>
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER:</b>		<b>\$ 65,711,129</b>	<b>\$ 16,082,623</b>			<b>\$ 81,793,752</b>	<b>\$ 13,756,493</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	\$ -	\$ 5	Penn State University	5543-DU-COP-9151	\$ 5	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	354,310	Penn State University	5739-DU-COP-9151 ; 4100069151	354,310	-
<b>Total CFDA 10.561</b>		<b>\$ -</b>	<b>\$ 354,315</b>			<b>\$ 354,315</b>	<b>\$ -</b>
<b>Total Department of Agriculture</b>		<b>\$ -</b>	<b>\$ 354,315</b>			<b>\$ 354,315</b>	<b>\$ -</b>
<b>TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER</b>		<b>\$ -</b>	<b>\$ 354,315</b>			<b>\$ 354,315</b>	<b>\$ -</b>

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<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	93.558	\$ -	\$ 359,892	Philadelphia Works	TF18-036; TF19-043	\$ 359,892	\$ -
<b>Total CFDA 93.558</b>		\$ -	\$ 359,892			\$ 359,892	\$ -
<b>Total Department of Health and Human Services</b>		\$ -	\$ 359,892			\$ 359,892	\$ -
<b>TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CLUSTER</b>		\$ -	\$ 359,892			\$ 359,892	\$ -
<b>OTHER SPONSORED PROJECTS</b>							
<b>DEPARTMENT OF DEFENSE</b>							
<b>DEPT OF THE AIR FORCE</b>							
Air Force Defense Research Sciences Program	12.800	\$ 10,000	\$ -			\$ 10,000	\$ -
<b>Total CFDA 12.800</b>		\$ 10,000	\$ -			\$ 10,000	\$ -
<b>National Security Agency</b>							
Information Security Grants	12.902	\$ 149,992	\$ -			\$ 149,992	\$ -
<b>Total CFDA 12.902</b>		\$ 149,992	\$ -			\$ 149,992	\$ -
<b>Total Department of Defense</b>		\$ 159,992	\$ -			\$ 159,992	\$ -
<b>DEPARTMENT OF JUSTICE</b>							
<b>OFFICE OF JUSTICE PROGRAMS</b>							
Crime Victim Assistance	16.575	\$ -	\$ 141,011	Pennsylvania Commission on Crime and Delinquency	2016/2017-VF-05-28235	\$ 141,011	\$ -
<b>Total CFDA 16.575</b>		\$ -	\$ 141,011			\$ 141,011	\$ -
<b>OFFICE OF JUSTICE PROGRAMS</b>							
Crime Victim Assistance/Discretionary Grants	16.582	\$ 395,377	\$ -			\$ 395,377	\$ 70,394
<b>Total CFDA 16.582</b>		\$ 395,377	\$ -			\$ 395,377	\$ 70,394
<b>Total Department of Justice</b>		\$ 395,377	\$ 141,011			\$ 536,388	\$ 70,394
<b>DEPARTMENT OF LABOR</b>							
<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b>							
Workforce Innovation Fund	17.283	\$ -	\$ (824)	Community College of Philadelphia	AGREEMENT DTD 3/13/2017	\$ (824)	\$ -
<b>Total CFDA 17.283</b>		\$ -	\$ (824)			\$ (824)	\$ -
<b>Total Department of Labor</b>		\$ -	\$ (824)			\$ (824)	\$ -

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<b>DEPARTMENT OF STATE</b>							
<b>BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS</b>							
Academic Exchange Programs - Undergraduate Programs	19.009	\$ -	\$ 88,143	International Research & Exchanges Board	Subgrant FY18-YALI-CL-Drexel-0	\$ 88,143	\$ -
Academic Exchange Programs - Undergraduate Programs	19.009	-	42,598	International Research & Exchanges Board	FY19-YALI-CL-DRX-03	42,598	-
<b>Total CFDA 19.009</b>		\$ -	\$ 130,741			\$ 130,741	\$ -
Academic Exchange Programs - Graduate Students	19.400	\$ -	\$ (303)	Institute of International Education	S-ECAGD-16-CA-017	\$ (303)	\$ -
Academic Exchange Programs - Graduate Students	19.400	-	19,032	Institute of International Education	S-ECAGD-17-CA-1015	19,032	-
Academic Exchange Programs - Graduate Students	19.400	-	226,708	Institute of International Education	FST1801_DREXEL_5.15.18	226,708	-
Academic Exchange Programs - Graduate Students	19.400	-	3,440	Institute of International Education	FST1901_Drexel_EGSP_2019	3,440	-
<b>Total CFDA 19.400</b>		\$ -	\$ 248,877			\$ 248,877	\$ -
Ryan Margolis - Salary for Work at Thomas Jefferson University	19.U01	\$ (10,000)	\$ -			\$ (10,000)	\$ -
<b>Total CFDA 19.U01</b>		\$ (10,000)	\$ -			\$ (10,000)	\$ -
<b>Total Department of State</b>		\$ (10,000)	\$ 379,618			\$ 369,618	\$ -
<b>Department of Personnel Management</b>							
<b>Office of Personnel Management</b>							
Intergovernmental Personnel Act (IPA) Mobility Program	27.011	\$ 63,088	\$ -			\$ 63,088	\$ -
<b>Total CFDA 27.011</b>		\$ 63,088	\$ -			\$ 63,088	\$ -
<b>Total Office of Personnel Management</b>		\$ 63,088	\$ -			\$ 63,088	\$ -
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>							
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>							
Research/Study of Mitigation of Incidence of Violence to Fire Fighter and EMS Responders	43.U02	\$ -	\$ 7,965	Space Telescope Science Institute	HST-GO-14135.001-A	\$ 7,965	\$ -
<b>Total CFDA 43.U02</b>		\$ -	\$ 7,965			\$ 7,965	\$ -
<b>Total National Aeronautics and Space Administration</b>		\$ -	\$ 7,965			\$ 7,965	\$ -
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>							
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>							
Promotion of the Humanities Office of Digital Humanities	45.169	\$ -	\$ 13,668	Temple University	262524-DU ; MOD 1	\$ 13,668	\$ -
<b>Total CFDA 45.169</b>		\$ -	\$ 13,668			\$ 13,668	\$ -
<b>TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES</b>		\$ -	\$ 13,668			\$ 13,668	\$ -

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<b>DEPARTMENT OF VETERAN AFFAIRS</b>							
<b>DEPARTMENT OF VETERAN AFFAIRS</b>							
Investigating Multi-Level Determinants of Racial/Ethnic Disparities in Quality of End-of-Life Care for Veterans	64.U03	\$ 35,840	\$ -			\$ 35,840	\$ -
<b>Total CFDA 64.U03</b>		<b>\$ 35,840</b>	<b>\$ -</b>			<b>\$ 35,840</b>	<b>\$ -</b>
<b>TOTAL DEPARTMENT OF VETERAN AFFAIRS</b>		<b>\$ 35,840</b>	<b>\$ -</b>			<b>\$ 35,840</b>	<b>\$ -</b>
<b>DEPARTMENT OF ENERGY</b>							
<b>DEPARTMENT OF ENERGY</b>							
Renewable Energy Research and Development	81.087	\$ -	\$ 146,354	General Motors LLC	PO # 4300498846	\$ 146,354	\$ -
<b>Total CFDA 81.807</b>		<b>\$ -</b>	<b>\$ 146,354</b>			<b>\$ 146,354</b>	<b>\$ -</b>
<b>Total Department of Energy</b>		<b>\$ -</b>	<b>\$ 146,354</b>			<b>\$ 146,354</b>	<b>\$ -</b>
<b>DEPARTMENT OF EDUCATION</b>							
<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	\$ -	\$ 2,267	University of Pennsylvania	565407 / 10047739/15872;MOD4	\$ 2,267	\$ -
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	-	9,981	Trustees of the University of Pennsylvania	565326 ; MOD 04	9,981	-
<b>Total CFDA 84.015</b>		<b>\$ -</b>	<b>\$ 12,248</b>			<b>\$ 12,248</b>	<b>\$ -</b>
<b>OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES</b>							
Special Education Grants to States	84.027	\$ -	\$ 121,869	Philadelphia School District	0734/F18 ; RFP 549 ;579014	\$ 121,869	\$ -
<b>Total CFDA 84.027</b>		<b>\$ -</b>	<b>\$ 121,869</b>			<b>\$ 121,869</b>	<b>\$ -</b>
<b>OFFICE OF POSTSECONDARY EDUCATION</b>							
Fund for the Improvement of Postsecondary Education	84.116	\$ (1,480)	\$ -			\$ (1,480)	\$ -
<b>Total CFDA 84.116</b>		<b>\$ (1,480)</b>	<b>\$ -</b>			<b>\$ (1,480)</b>	<b>\$ -</b>
Graduate Assistance in Areas of National Need	84.200	\$ 413,698	\$ -			\$ 413,698	\$ -
<b>Total CFDA 84.200</b>		<b>\$ 413,698</b>	<b>\$ -</b>			<b>\$ 413,698</b>	<b>\$ -</b>
<b>Office of Innovation and Improvement</b>							
Innovative Approaches to Literacy, Full-service Community Schools; and Promise Neighborhoods	84.215	\$ 3,283,173	\$ -			\$ 3,283,173	\$ 1,331,706
<b>Total CFDA 84.215</b>		<b>\$ 3,283,173</b>	<b>\$ -</b>			<b>\$ 3,283,173</b>	<b>\$ 1,331,706</b>
<b>Office of Special Education and Rehabilitative Services</b>							
Special Education - State Personnel Development	84.323	\$ -	\$ 3,300	Montgomery County Intermediate Unit 23 (US Dept of Educ)	10-2271-215-00-17-608 329	\$ 3,300	\$ -
<b>Total CFDA 84.323</b>		<b>\$ -</b>	<b>\$ 3,300</b>			<b>\$ 3,300</b>	<b>\$ -</b>
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	\$ 132,946	\$ -			\$ 132,946	\$ -
<b>Total CFDA 84.325</b>		<b>\$ 132,946</b>	<b>\$ -</b>			<b>\$ 132,946</b>	<b>\$ -</b>

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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 Postsecondary Education</b>							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	\$ -	\$ 211,619	The College Crusade of Rhode Island	P334S110008	\$ 211,619	\$ -
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	-	262	School District Of Philadelphia	CONTRACT 853B/F15(018/F18); Y3	262	-
<b>Total CFDA 84.334</b>		<b>\$ -</b>	<b>\$ 211,881</b>			<b>\$ 211,881</b>	<b>\$ -</b>
<b>Office of Early Learning (OEL)</b>							
Mathematics and Science Partnerships	84.366	\$ -	\$ 48,918	Philadelphia School District	1065/F18; 581216; YEAR5	\$ 48,918	\$ -
<b>Total CFDA 84.366</b>		<b>\$ -</b>	<b>\$ 48,918</b>			<b>\$ 48,918</b>	<b>\$ -</b>
<b>OFFICE OF ELEMENTARY AND SECONDARY EDUCATION</b>							
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	\$ -	\$ (28,863)	PA Department of Education	071-800055	\$ (28,863)	\$ (28,863)
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	-	228,221	PA Department of Education	4100081325	228,221	-
<b>Total CFDA 84.367</b>		<b>\$ -</b>	<b>\$ 199,358</b>			<b>\$ 199,358</b>	<b>\$ (28,863)</b>
Race to the Top ? Early Learning Challenge	84.412	\$ -	\$ 361,851	PA Department of Education	4100079816	\$ 361,851	\$ 111,201
<b>Total CFDA 84.412</b>		<b>\$ -</b>	<b>\$ 361,851</b>			<b>\$ 361,851</b>	<b>\$ 111,201</b>
<b>Total Department of Education</b>		<b>\$ 3,828,337</b>	<b>\$ 959,425</b>			<b>\$ 4,787,762</b>	<b>\$ 1,414,044</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
Maternal and Child Health Federal Consolidated Programs	93.110	\$ -	\$ 57,158	University of California Los Angeles	UCLA 200 G TJ481; MOD 4	\$ 57,158	\$ -
Maternal and Child Health Federal Consolidated Programs	93.110	-	8,994	Children's Hospital of Philadelphia	127007- 32096105 18- 19- 20	8,994	-
Maternal and Child Health Federal Consolidated Programs	93.110	-	40,000	Children's Sickle Cell Foundation	SUB - AWARD #: 1SCDNBSFP2018	40,000	-
Maternal and Child Health Federal Consolidated Programs	93.110	-	48,818	University of California Los Angeles	2000G TJ481 ;4-441589-ZJ-29857	48,818	-
<b>Total CFDA 93.110</b>		<b>\$ -</b>	<b>\$ 154,970</b>			<b>\$ 154,970</b>	<b>\$ -</b>
HIV-Related Training and Technical Assistance	93.145	\$ -	\$ 10,000	Health Federation of Philadelphia	HRSA 5U1OHA-29295-04-00	\$ 10,000	\$ -
<b>Total CFDA 93.145</b>		<b>\$ -</b>	<b>\$ 10,000</b>			<b>\$ 10,000</b>	<b>\$ -</b>
<b>OFFICE OF POPULATION AFFAIRS</b>							
Family Planning Services	93.217	\$ -	\$ (23,241)	Access Matters	162401	\$ (23,241)	\$ -
Family Planning Services	93.217	-	(3,757)	Access Matters	164009	(3,757)	-
Family Planning Services	93.217	-	21	Access Matters	CONTRACT # 183007	21	-
Family Planning Services	93.217	-	35,285	Access Matters	CONTRACT# 182401	35,285	-
Family Planning Services	93.217	-	8,057	Access Matters	CONTRACT# 180201	8,057	-
Family Planning Services	93.217	-	53,928	Access Matters	190201; MOD 01	53,928	-
Family Planning Services	93.217	-	50,045	Access Matters	860164 CONTRACT#192401	50,045	-
<b>Total CFDA 93.217</b>		<b>\$ -</b>	<b>\$ 120,338</b>			<b>\$ 120,338</b>	<b>\$ -</b>

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<b>SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION</b>							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ 476,003	\$ -			\$ 476,003	\$ 24,555
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	(34)	Pennsylvania Department of Drug and Alcohol Programs	4400007960	(34)	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	63,028	Pennsylvania Department of Drug and Alcohol Programs	Contract 4400015617	63,028	-
<b>Total CFDA 93.243</b>		<b>\$ 476,003</b>	<b>\$ 62,994</b>			<b>\$ 538,997</b>	<b>\$ 24,555</b>
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	\$ 10,428	\$ -			\$ 10,428	\$ -
<b>Total CFDA 93.283</b>		<b>\$ 10,428</b>	<b>\$ -</b>			<b>\$ 10,428</b>	<b>\$ -</b>
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	\$ 479,981	\$ -			\$ 479,981	\$ 9,758
<b>Total CFDA 93.153</b>		<b>\$ 479,981</b>	<b>\$ -</b>			<b>\$ 479,981</b>	<b>\$ 9,758</b>
Public Health Training Centers Program	93.516	\$ -	\$ 91,874	University of Pittsburgh	0061461 (131334-3)	\$ 91,874	\$ -
<b>Total CFDA 93.516</b>		<b>\$ -</b>	<b>\$ 91,874</b>			<b>\$ 91,874</b>	<b>\$ -</b>
<b>ADMINISTRATION FOR CHILDREN AND FAMILIES</b>							
Social Services Block Grant	93.667	\$ -	\$ 10,292	Access Matters	CONTRACT# 182401	\$ 10,292	\$ -
Social Services Block Grant	93.667	-	3,662	Access Matters	CONTRACT# 180201	3,662	-
Social Services Block Grant	93.667	-	11,180	Access Matters	190201; MOD 01	11,180	-
Social Services Block Grant	93.667	-	15,639	Access Matters	860164 CONTRACT#192401	15,639	-
<b>Total CFDA 93.667</b>		<b>\$ -</b>	<b>\$ 40,773</b>			<b>\$ 40,773</b>	<b>\$ -</b>
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	\$ -	\$ 3,528	Access Matters	181501	\$ 3,528	\$ -
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	-	3,880	Access Matters	Contract# 180203	3,880	-
<b>Total CFDA 93.898</b>		<b>\$ -</b>	<b>\$ 7,408</b>			<b>\$ 7,408</b>	<b>\$ -</b>

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<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
HIV Emergency Relief Project Grants	93-914	\$ -	\$ (82)	City of Philadelphia - Aids Activities Coordinating Office	1520267-02/RS5875	\$ (82)	\$ -
HIV Emergency Relief Project Grants	93-914	-	(8)	City of Philadelphia - Aids Activities Coordinating Office	1520267 R6213 SBXX17000279	(8)	-
HIV Emergency Relief Project Grants	93-914	-	1,811	City of Philadelphia - Aids Activities Coordinating Office	1520267 R5212	1,811	-
HIV Emergency Relief Project Grants	93-914	-	727	City of Philadelphia - Aids Activities Coordinating Office	1520267 R4587	727	-
HIV Emergency Relief Project Grants	93-914	-	4,693	City of Philadelphia - Aids Activities Coordinating Office	1520267 R7213 SBXX17000934	4,693	-
HIV Emergency Relief Project Grants	93-914	-	(3)	City of Philadelphia - Aids Activities Coordinating Office	1520268 RM7811 SBXX17000935	(3)	-
HIV Emergency Relief Project Grants	93-914	-	5,491	City of Philadelphia - Aids Activities Coordinating Office	1520267 R7212 SBXX17000934	5,491	-
HIV Emergency Relief Project Grants	93-914	-	238,080	City of Philadelphia - Aids Activities Coordinating Office	CONTRACT # 1820529 RW8213	238,080	-
HIV Emergency Relief Project Grants	93-914	-	60,367	City of Philadelphia - Aids Activities Coordinating Office	CONTRACT# 1820529; RS8875	60,367	-
HIV Emergency Relief Project Grants	93-914	-	161,591	City of Philadelphia - Aids Activities Coordinating Office	1820528; RM8811 ; MOD 2	161,591	-
HIV Emergency Relief Project Grants	93-914	-	98,398	City of Philadelphia - Aids Activities Coordinating Office	CONTRACT 1820528; RM8812	98,398	-
HIV Emergency Relief Project Grants	93-914	-	6,729	City of Philadelphia - Aids Activities Coordinating Office	1820529-01 RS9875	6,729	-
HIV Emergency Relief Project Grants	93-914	-	21,549	City of Philadelphia - Aids Activities Coordinating Office	1820529-01 RW9213	21,549	-
HIV Emergency Relief Project Grants	93-914	-	1,589	City of Philadelphia - Aids Activities Coordinating Office	1820528-01 RM9811	1,589	-
HIV Emergency Relief Project Grants	93-914	-	9,708	City of Philadelphia - Aids Activities Coordinating Office	1820528-01 RM9812	9,708	-
HIV Emergency Relief Project Grants	93-914	-	498,318	City of Philadelphia - Aids Activities Coordinating Office	1820529; R8212;SBXX18001030	498,318	-
HIV Emergency Relief Project Grants	93-914	-	67,661	City of Philadelphia - Aids Activities Coordinating Office	1820529-01 RW9212	67,661	-
<b>Total CFDA 93-914</b>		\$ -	\$ 1,176,619			\$ 1,176,619	\$ -
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
HIV Care Formula Grants	93-917	\$ -	\$ 171	City of Philadelphia - Aids Activities Coordinating Office	1520160 RXB7116 SBXX17000971	\$ 171	\$ -
HIV Care Formula Grants	93-917	-	171	Jewish Healthcare Foundation	1718-5142	171	-
HIV Care Formula Grants	93-917	-	280	City of Philadelphia - Aids Activities Coordinating Office	1520160-03; RXB8113	280	-
HIV Care Formula Grants	93-917	-	320	City of Philadelphia - Aids Activities Coordinating Office	1520160-03 ; RXB8116	320	-
HIV Care Formula Grants	93-917	-	55,687	Jewish Healthcare Foundation	AGREEMENT #1819-5142	55,687	-
<b>Total CFDA 93-917</b>		\$ -	\$ 56,629			\$ 56,629	\$ -
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93-918	\$ 973,311	\$ -			\$ 973,311	\$ 34,020
<b>Total CFDA 93-918</b>		\$ 973,311	\$ -			\$ 973,311	\$ 34,020

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<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
HIV Prevention Activities Health Department Based	93.940	\$ -	\$ (985)	Access Matters	163007	\$ (985)	\$ -
HIV Prevention Activities Health Department Based	93.940	-	285	City of Philadelphia - Aids Activities Coordinating Office	1520269 CPB6038 SBXX17000226	285	-
HIV Prevention Activities Health Department Based	93.940	-	54,799	City of Philadelphia - Aids Activities Coordinating Office	1820419-01 CP8016	54,799	-
HIV Prevention Activities Health Department Based	93.940	-	27,288	City of Philadelphia - Aids Activities Coordinating Office	1820419 CP8015	27,288	-
HIV Prevention Activities Health Department Based	93.940	-	49,152	City of Philadelphia - Aids Activities Coordinating Office	1820468; CP8017	49,152	-
HIV Prevention Activities Health Department Based	93.940	-	34,341	City of Philadelphia - Aids Activities Coordinating Office	1820419-02 CP9016	34,341	-
HIV Prevention Activities Health Department Based	93.940	-	28,048	City of Philadelphia - Aids Activities Coordinating Office	1820419-02 CP9015	28,048	-
HIV Prevention Activities Health Department Based	93.940	-	37,858	City of Philadelphia - Aids Activities Coordinating Office	1820468 CP9017; 1920453	37,858	-
<b>Total CFDA 93.940</b>		\$ -	\$ 230,786			\$ 230,786	\$ -
<b>SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION</b>							
Block Grants for Community Mental Health Services	93.958	\$ -	\$ 4,756	University of Pennsylvania	574727	\$ 4,756	\$ -
<b>Total CFDA 93.958</b>		\$ -	\$ 4,756			\$ 4,756	\$ -
Block Grants for Prevention and Treatment of Substance Abuse	93.959	\$ -	\$ 57,470	City of Philadelphia - Office of Addiction Services	1520483	\$ 57,470	\$ -
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	(1,054)	City of Philadelphia - Office of Addiction Services	15-20483	(1,054)	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	66,449	City of Philadelphia - Office of Addiction Services	15-20483-03 SBXX18000493	66,449	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	57,628	University of Louisiana - Lafayette	SUBAWARD 340122-02	57,628	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	21,405	University of Louisiana - Lafayette	340122-02 ; MOD 01	21,405	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	125,000	City of Philadelphia - Office of Addiction Services	19-20259	125,000	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	(1,057)	University of Louisiana	881125-01	(1,057)	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	134,103	University of Louisiana	SUBAWARD# 340122-03;2000277558	134,103	-
<b>Total CFDA 93.958</b>		\$ -	\$ 459,944			\$ 459,944	\$ -
<b>CENTERS FOR DISEASE CONTROL AND PREVENTION</b>							
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	\$ -	\$ 8,821	Access Matters	CONTRACT# 182401	\$ 8,821	\$ -
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	-	293	Access Matters	CONTRACT# 180201	293	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	-	658	Access Matters	190201; MOD 01	658	-
<b>Total CFDA 93.977</b>		\$ -	\$ 9,772			\$ 9,772	\$ -

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<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
Maternal and Child Health Services Block Grant to the States	93.994	\$ -	\$ (1,117)	Children's Hospital of Philadelphia	SUB# 220010618 PO#962904-RSUB	\$ (1,117)	\$ -
Maternal and Child Health Services Block Grant to the States	93.994	-	276,406	Pennsylvania Department of Health	SAP#4100080552 R1	276,406	-
Maternal and Child Health Services Block Grant to the States	93.994	-	160,881	Children's Hospital of Philadelphia	PO#20013370-RSUB;220010619	160,881	-
Maternal and Child Health Services Block Grant to the States	93.994	-	(1,293)	Pennsylvania Department of Health	SAP 4100065983 R2	(1,293)	-
Maternal and Child Health Services Block Grant to the States	93.994	-	16,173	Access Matters	CONTRACT# 182401	16,173	-
Maternal and Child Health Services Block Grant to the States	93.994	-	(479,985)	City of Philadelphia-Department of Public Health	CONTRACT 1620120-02	(479,985)	-
Maternal and Child Health Services Block Grant to the States	93.994	-	37,310	Access Matters	CONTRACT 193007	37,310	-
Maternal and Child Health Services Block Grant to the States	93.994	-	97,309	City of Philadelphia	1620120-03	97,309	-
Maternal and Child Health Services Block Grant to the States	93.994	-	1,550	Pennsylvania Department of Health	SAP#4100080552	1,550	-
Maternal and Child Health Services Block Grant to the States	93.994	-	67,837	City of Philadelphia	1620120	67,837	-
<b>Total CFDA 93.994</b>		<b>\$ -</b>	<b>\$ 175,071</b>			<b>\$ 175,071</b>	<b>\$ -</b>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.U04	\$ 99,817	\$ -			\$ 99,817	\$ -
FY 17 Family Planning Partnership Program	93.U04	-	17,042	Access Matters	CONTRACT 176301	17,042	-
Catheter Ablation Versus Anti-arrhythmic Drug Therapy for Atrial Fibrillation Trial - CABANA	93.U04	-	12,286	Duke Clinical Research Institute	CABANA TRIAL	12,286	-
NIDA Centers of Excellence in Physician Information	93.U04	-	(30)	JBS International	HHSN271200900021C	(30)	-
<b>Total CFDA 93.U04</b>		<b>\$ 99,817</b>	<b>\$ 29,298</b>			<b>\$ 129,115</b>	<b>\$ -</b>
<b>Total Department of Health and Human Services</b>		<b>\$ 2,039,540</b>	<b>\$ 2,631,232</b>			<b>\$ 4,670,772</b>	<b>\$ 68,334</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>							
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>							
National Service and Civic Engagement Research Competition	94.026	\$ 17,118	\$ -			\$ 17,118	\$ -
<b>Total CFDA 94.026</b>		<b>\$ 17,118</b>	<b>\$ -</b>			<b>\$ 17,118</b>	<b>\$ -</b>
<b>Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		<b>\$ 17,118</b>	<b>\$ -</b>			<b>\$ 17,118</b>	<b>\$ -</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>							
<b>DEPARTMENT OF HOMELAND SECURITY</b>							
Research/Study of Mitigation of Incidence of Violence to Fire Fighter and EMS Responders	97.U05	\$ -	\$ (65)	International Association of Fire Chiefs, Inc.	HSFE20-15-Q-0053	\$ (65)	\$ -
<b>Total CFDA 97.U05</b>		<b>\$ -</b>	<b>\$ (65)</b>			<b>\$ (65)</b>	<b>\$ -</b>
<b>Total Department of Homeland Security</b>		<b>\$ -</b>	<b>\$ (65)</b>			<b>\$ (65)</b>	<b>\$ -</b>
<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b>							
<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b>							
USAID Development Partnerships for University Cooperation and Development	98.012	\$ -	\$ 32,049	21st Century Partnership for STEM Education	21PSTEM 72026318Co003	\$ 32,049	\$ -
<b>Total CFDA 98.012</b>		<b>\$ -</b>	<b>\$ 32,049</b>			<b>\$ 32,049</b>	<b>\$ -</b>
<b>Total Agency for International Development</b>		<b>\$ -</b>	<b>\$ 32,049</b>			<b>\$ 32,049</b>	<b>\$ -</b>
<b>TOTAL OTHER SPONSORED PROJECTS</b>		<b>\$ 6,529,292</b>	<b>\$ 4,310,433</b>			<b>\$ 10,839,725</b>	<b>\$ 1,552,771</b>

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<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	\$ 1,669,756	\$ -			\$ 1,669,756	\$ -
	<b>Total CFDA 84.007</b>	<b>\$ 1,669,756</b>	<b>\$ -</b>			<b>\$ 1,669,756</b>	<b>\$ -</b>
Federal Work-Study Program	84.033	\$ 2,747,919	\$ -			\$ 2,747,919	\$ -
	<b>Total CFDA 84.033</b>	<b>\$ 2,747,919</b>	<b>\$ -</b>			<b>\$ 2,747,919</b>	<b>\$ -</b>
Federal Perkins Loan Program Outstanding loans as of July 1, 2018	84.038	\$ 21,247,380	\$ -			\$ 21,247,380	\$ -
	<b>Total CFDA 84.038</b>	<b>\$ 21,247,380</b>	<b>\$ -</b>			<b>\$ 21,247,380</b>	<b>\$ -</b>
Federal Pell Grant Program	84.063	\$ 17,402,207	\$ -			\$ 17,402,207	\$ -
	<b>Total CFDA 84.063</b>	<b>\$ 17,402,207</b>	<b>\$ -</b>			<b>\$ 17,402,207</b>	<b>\$ -</b>
Graduate Assistance in Areas of National Need	84.200	\$ 92,399	\$ -			\$ 92,399	\$ -
	<b>Total CFDA 84.200</b>	<b>\$ 92,399</b>	<b>\$ -</b>			<b>\$ 92,399</b>	<b>\$ -</b>
Federal Direct Student Loans	84.268	\$ 233,906,968	\$ -			\$ 233,906,968	\$ -
	<b>Total CFDA 84.268</b>	<b>\$ 233,906,968</b>	<b>\$ -</b>			<b>\$ 233,906,968</b>	<b>\$ -</b>
<b>Total Department of Education</b>		<b>\$ 277,066,629</b>	<b>\$ -</b>			<b>\$ 277,066,629</b>	<b>\$ -</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
<b>Health Resources and Services Administration</b>							
Primary Care Loans							
Outstanding loans as of July 1, 2018	93.342	\$ 2,422,069	\$ -			\$ 2,422,069	\$ -
New loans issued during 2019	93.342	-	-			-	-
Total Primary Care Loans		\$ 2,422,069	\$ -			\$ 2,422,069	\$ -
Loans for Disadvantaged Students							
Outstanding loans as of July 1, 2018	93.342	\$ 2,067	\$ -			\$ 2,067	\$ -
New loans issued during 2019	93.342	-	-			-	-
Total Loans for Disadvantaged Students		\$ 2,067	\$ -			\$ 2,067	\$ -
	<b>Total CFDA 93.342</b>	<b>\$ 2,424,136</b>	<b>\$ -</b>			<b>\$ 2,424,136</b>	<b>\$ -</b>
<b>Total Department of Health and Human Services</b>		<b>\$ 2,424,136</b>	<b>\$ -</b>			<b>\$ 2,424,136</b>	<b>\$ -</b>
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>		<b>\$ 279,490,765</b>	<b>\$ -</b>			<b>\$ 279,490,765</b>	<b>\$ -</b>
<b>TOTAL FEDERAL AWARD EXPENDITURES</b>		<b>\$ 351,731,186</b>	<b>\$ 21,107,263</b>			<b>\$ 372,838,449</b>	<b>\$ 15,309,264</b>

**Drexel University and Subsidiaries**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

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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, 2019. 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 is presented using the accrual basis of accounting. Negative items on the Schedule represent adjustments from the prior year.

**3. Federal Student Loan Programs**

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

	CFDA Number	Loan Receivable as of June 30, 2019
Other student loan programs:		
Federal Perkins Loan Program	84.038	\$ 17,458,256
Primary Care Loans	93.342	\$ 1,988,759
Loans for Disadvantaged Students	93.342	\$ 69,068
Nursing Student Loan	93.364	\$ -
		\$ 19,516,083

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, 2019 is \$0. The amount of Perkins loan principal cancelled during the year was \$68,958 (CFDA #84.038).

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.

## **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, 2019, and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2019.

**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, 2019



**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, 2019. 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, 2019.



### ***Other Matters***

As indicated in Part I to the accompanying Schedule of Findings and Questioned Costs, we have audited the Student Financial Assistance cluster as a major program. Also, as indicated in the first paragraph of this report, we performed our audit of compliance using the compliance requirements contained in the OMB Compliance Supplement, including those contained in Part V 5.3, Compliance Requirement N, Special Tests and Provisions, Section 10 “Gramm Leach-Bliley Act-Student Information Security.” This section includes three suggested audit procedures with respect to verification that the institution (1) designated an individual to coordinate the information security program, (2) performed a risk assessment that addresses the three required areas in 16 CFR 314.4(b), and (3) documented a safeguard for each risk identified. Our procedures in relation to these three items were limited to inquiry of and obtaining written representation from management and obtaining and reading management’s documentation related to these three items. Our procedures did not include an analysis of the adequacy or completeness of the risk assessment performed or the safeguards for each risk identified by management.

The results of our auditing procedures disclosed instances 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 items 2019-001 and 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

The University’s response to the noncompliance findings identified in our audit is described in the accompanying 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 16, 2019

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

**Drexel University and Subsidiaries**  
**Schedule of Audit Findings and Questioned Cost**  
**For the Year Ended June 30, 2019**

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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	Student Financial Aid Cluster
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease

- (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, 2019**

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

##### **Finding 2019-001: Return of Title IV Funds**

**Grantor:** Department of Education  
**Program:** Student Financial Assistance Cluster  
**CFDA #:** 84.268  
**Title:** Federal Direct Student Loan Program  
**Award Year:** 7/1/2018 – 6/30/2019

##### **Criteria**

34 CFR part 668 addresses timely return of Title IV funds (“R2T4”) to the Department of Education. The regulations note that returns of Title IV funds are required to be deposited or transferred into the Student Financial Aid account or electronic fund transfers initiated to the Department of Education as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.

##### **Condition**

For 1 of the 25 students selected for testing, the Title IV funds were not returned within 45 days of the student’s withdrawal from the University. The funds were returned 85 days after the student’s withdrawal date, which is 40 days outside the required 45-day window. Although the funds were not returned within the required timeframe, the appropriate amount of funds were returned to the Department of Education.

##### **Cause**

Management utilizes a weekly “R2T4 report”, which lists all students that have withdrawn, transferred, or otherwise discontinued coursework, to identify students requiring an R2T4 calculation to determine if funds need to be returned. Once the R2T4 calculation and return of funds is complete, the Office of Financial Aid will update the student account information in Banner (system of record for student activity), indicating that the requirement has been completed. At this point, the student will no longer appear on the weekly R2T4 report.

The student noted above was incorrectly updated as complete for the R2T4 process in Banner. Although the R2T4 calculation had been completed and reviewed, the final return of funds had not yet been processed and reviewed. Therefore, this was considered an error in execution of the control. The student was not listed on the subsequent weeks “R2T4 report”, which led to the late return of funds.

##### **Questioned Costs**

There were no questioned costs related to this finding as the student was eligible to receive Title IV aid, and the appropriate amount of aid was returned to the Department of Education.

##### **Effect**

If Management does not complete all requirements for the R2T4 process prior to updating a student account to complete, aid returned to the Department of Education could be incorrect or not returned at all.

**Drexel University and Subsidiaries**  
**Schedule of Audit Findings and Questioned Cost**  
**For the Year Ended June 30, 2019**

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**Recommendation**

We recommend the University continue to enhance the execution of the Title IV return process to ensure all students that withdraw from the University have their aid reviewed and returned in a timely manner. The student account information within Banner should not be updated until all procedures, including the final return of funds to the Department of Education, are completed and reviewed.

**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 Audit Findings and Questioned Cost**

### **For the Year Ended June 30, 2019**

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#### **2019-002: Eligibility**

**Grantor:** Aids Activity Coordinating Office (AACO)

**Program:** Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease

**CFDA #:** 93.914

**Title:** Ambulatory/Out-Patient Medical Care, Care Services Case Management

**Award Year:** 3/1/19-6/30/19

**Award #:** H89HA00013

#### **Criteria:**

Per the AACO/PA Dept. of Health Ryan White Part A/B – Payer of Last Resort Client Certification Form Instructions, “The Health Resources and Services Administration (HRSA) standards require service providers who receive Ryan White funding to screen clients and collect supporting documentation to certify their eligibility for Ryan White-funded services based on HIV positive diagnosis, identity, residence, insurance status, and income. The standards further require recertification every 6 months to determine continued eligibility.” The certification form states under the ‘Verification of Insurance’ requirement, “Having insurance or other third-party coverage does not deem a client ineligible for Ryan White. However, that coverage should serve as primary in reimbursement of services as Ryan White is to serve as ‘Payer of Last Resort’ for those services. Verification of eligibility shall remain in the client’s file.”

#### **Condition:**

For 2 of a sample of 40 patient files selected for testing, the patients were certified as eligible for Ryan White funds, yet each patient’s insurance did not meet the “Payer of Last Resort” requirement.

#### **Cause:**

Both patients were originally certified as eligible based on allowable insurance coverage (i.e. Government programs). However, at their most recent recertification, both patients insurance changed to coverage that did not qualify under the “Payer of Last Resort” requirement. The patients informed case managers of the change in insurance, but recertification still occurred.

#### **Questioned Costs:**

There are no questioned costs, as the University incurs costs related to the program in excess of budgeted amounts greater than the program income noted.

#### **Effect:**

There were no questioned costs related to this finding because City of Philadelphia funds were not specifically reimbursed to the University for the services provided to the inappropriately recertified patients.

**Drexel University and Subsidiaries**  
**Schedule of Audit Findings and Questioned Cost**  
**For the Year Ended June 30, 2019**

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**Recommendation:**

We recommend the University ensures that changes in insurance are identified and reviewed for all patients during the recertification process. To accomplish this, management should consider implementing a secondary level of review during the recertification process.

**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, 2019**

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#### **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:** 7/1/2017 – 06/30/2018  
**Award Number:** 850039, 860124, 470024

#### **Summary**

During PwC's testing of Compensation Direct Costs, for 4 of the 83 effort reports selected for 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.

#### **Status**

Department Management has changed workflow to request advance fund numbers for all grant renewals to reduce the delays in effort report certification caused by labor redistributions. Supervisors have also copied the Business Manager when resignation and/ or termination letters are emailed to Human Resources for processing to ensure departing staff members complete effort certifications prior to the last date of employment. An alternate certifier is also identified when necessary.

The Business Manager increased the frequency of meetings with the PI to monthly to review any changes in personnel and necessary labor distributions. The Business manager uses the monthly staff meeting as an opportunity to remind staff to certify effort reports. With the increase in number of grant awards, an additional staff member was hired to assist with the overall grant management process.



**Management's View and Corrective Action Plan**

**Finding 2019-001: Return of Title IV Funds**

**Grantor:** Department of Education

**Program:** Student Financial Assistance Cluster

**CFDA #:** 84.268

**Title:** Federal Direct Student Loan Program

**Award Year:** 7/1/2018 – 6/30/2019

**Management's Response:**

The Office of Financial Aid acknowledges this finding and will immediately modify the workflow surrounding R2T4 processing. We will review all students the day after R2T4's are processed in order to ensure the funds were successfully returned to COD. Once verifying that all R2T4 requirements, including the successful return of funds to the COD, the staff will then update the student account to complete within Banner.

  
Cynthia De Lone  
Executive Director – Office of Financial Aid

12-12-19  
Date



Office of the Comptroller  
Research Accounting Services

## Federal Awards Findings and Questioned Costs

### 2019-002: Eligibility

**Grantor:** Aids Activity Coordinating Office (AACO)  
**Program:** Other Sponsored Projects  
**CFDA #:** 93.914  
**Title:** Ambulatory/Out-Patient Medical Care, Care Services Case Management  
**Award Year:** 3/1/19-6/30/19  
**Award #:** H89HA00013

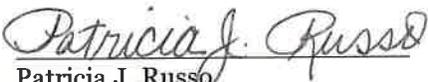
### Management's Response:

Management agrees with the finding that 2 of the 40 patients that were certified as eligible for Ryan White funds did not meet the "Payer of Last Resort" insurance requirement.

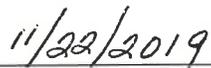
The two patients were both previously Ryan White (RW) eligible due to having Medicaid and/or Special Pharmaceutical Benefit Program (SPBP) coverage. The error was made due to the certifier not checking their current insurance status. In the past year their insurance status had changed from Medicaid and SPBP to private insurance. There was no current proof of income or proof of income by proxy from Medicaid or SPBP.

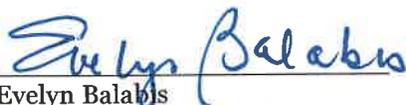
As of October 1, 2019, when a patient of the Partnership Clinic is being certified or re-certified for RW services, the medical case manager doing the certification will check the patient's insurance status in the electronic health record and PROMISE. PROMISE (Provider Reimbursement and Operations Management Information System) is managed by the Pennsylvania Department of Human Services (DHS) which allows access to the portal to check patient eligibility status for Medicaid. If it is Medicaid or SPBP within the past 12 months, that will be used by proxy to satisfy the income requirement for RW certification. If the patient does not have Medicaid or SPBP within the time period and there is no other verification of income, then the patient will not be certified for RW services and will not receive a card.

The Director of Case Management will conduct a randomized survey of 50 patient records every quarter to ascertain that this procedure is being followed correctly.



Patricia J. Russo  
Associate Vice President and Comptroller

  
Date



Evelyn Balabos  
Executive Director

  
Date