



**UNIVERSITY OF DELAWARE**

Statements of State of Delaware General, Capital Improvement, and Agency Funds  
Appropriated, Received, and Expended, and Supplemental Data

June 30, 2013

(With Independent Auditors' Reports Thereon)

# UNIVERSITY OF DELAWARE

## Table of Contents

	<b>Page</b>
Independent Auditors' Report	1
Statement of State of Delaware General Funds Appropriated, Received, and Expended	3
Statement of State of Delaware Capital Improvement Funds Appropriated, Received, and Expended	5
Statement of State of Delaware Agency Funds Appropriated, Received, and Expended	6
Note to Statements of State of Delaware General Funds Appropriated, Received, and Expended; State of Delaware Capital Improvement Funds Appropriated, Received, and Expended; and State of Delaware Agency Funds Appropriated, Received, and Expended	7
Supplementary Information:	
Schedule 1 – State of Delaware Appropriated Funds Current Funds Expenditures	8
Schedule 2 – State of Delaware Appropriated Funds Current Funds Expenditures by Function	9
Schedule 3 – State of Delaware Appropriated Funds Capital Improvements Appropriations	12
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13



KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

## Independent Auditors' Report

The Board of Trustees  
University of Delaware:

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

We have audited the accompanying financial statements of the University of Delaware (the University) which comprise the statement of State of Delaware general funds appropriated, received, and expended; the statement of State of Delaware capital improvement funds appropriated, received, and expended; and the statement of State of Delaware agency funds appropriated, received, and expended for the year ended June 30, 2013, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

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

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



***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the appropriated general, capital improvement, and agency funds received from the State of Delaware and the expenditures therefrom by the University of Delaware for the year ended June 30, 2013, in accordance with the cash basis of accounting described in note 1.

***Basis of Accounting***

We draw attention to note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information included in Schedules 1 through 3 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information included in Schedules 1 through 3 is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

**KPMG LLP**

October 28, 2013

**UNIVERSITY OF DELAWARE**

Statement of State of Delaware General Funds Appropriated, Received, and Expended

Year ended June 30, 2013

	<b>Cash balance on hand at beginning of year</b>	<b>Appropriations received</b> (a)	<b>Expended</b>	<b>Returned to State of Delaware</b>	<b>Cash balance on hand at end of year</b>
Current funds:					
Government appropriations – State:					
General operations	\$ —	89,655,300	89,655,300	—	—
College of Agriculture and Natural Resources:					
Agricultural Environmental Quality	—	1,144	1,144	—	—
Agricultural Experiment Station	—	574,500	574,500	—	—
Biotechnology	—	620,595	620,595	—	—
Carvel Research and Education Center	—	859,130	859,130	—	—
Cooperative Extension	—	1,554,698	1,554,698	—	—
Crop Extension	—	29,686	29,686	—	—
Poultry Disease Research	—	1,110,780	1,110,780	—	—
Soil Testing/Pesticide Control	—	160,267	160,267	—	—
Great Beginnings	—	19,900	19,900	—	—
Total College of Agriculture and Natural Resources	—	4,930,700	4,930,700	—	—
College of Arts and Sciences:					
Associate in Arts Degree	—	160,500	160,500	—	—
Biotechnology	—	28,000	28,000	—	—
Civics Education for Teachers	—	85,000	85,000	—	—
Computer Aided Arts and Science Instruction	—	85,000	85,000	—	—
Computer Aided Math Instruction	—	40,000	40,000	—	—
Center for Community Development and Family Policy	—	222,000	222,000	—	—
Center for Translational Cancer Research	—	359,100	359,100	—	—
Delaware Center for Teacher Education	—	245,200	245,200	—	—
Educational Management and Government Training	—	99,200	99,200	—	—
Information Technology Partnership	—	222,000	222,000	—	—
Local Government Research	—	202,900	202,900	—	—
Math/Science Education for Delaware Teachers	—	347,300	347,300	—	—
Public Service Assistantships	—	256,600	256,600	—	—
Research on School Finance Issues	—	76,900	76,900	—	—
Secondary Clinical Teacher Education	—	127,100	127,100	—	—
Urban Agent Program	—	115,300	115,300	—	—
Womens Leadership	—	11,300	11,300	—	—
Total College of Arts and Sciences	—	2,683,400	2,683,400	—	—
College of Business and Economics:					
Information Technology Partnership	—	1,665,900	1,665,900	—	—
Total College of Business and Economics	—	1,665,900	1,665,900	—	—
College of Earth Ocean and Environment:					
Biotechnology	—	50,500	50,500	—	—
Coastal Community Development	—	182,710	182,710	—	—
Sea Grant Program	—	564,590	564,590	—	—
Total College of Earth Ocean and Environment	—	797,800	797,800	—	—
College of Education and Human Development:					
Clinical Instruction in Teacher Education	—	248,200	248,200	—	—
The College School	—	95,400	95,400	—	—
Delaware Center for Teacher Education	—	352,800	352,800	—	—
Delaware Education Research/Development Center	—	239,700	239,700	—	—
Early Childhood Education	—	118,800	118,800	—	—
Early Learning Center	—	440,400	440,400	—	—
Educational Management and Government Training	—	183,599	183,599	—	—
Graduate Education-Southern Delaware	—	38,701	38,701	—	—
Math/Science Education for Delaware Teachers	—	469,600	469,600	—	—
Milford Professional Development School	—	121,800	121,800	—	—
Public Service Assistantships	—	67,300	67,300	—	—
Total College of Education and Human Development	—	2,376,300	2,376,300	—	—

**UNIVERSITY OF DELAWARE**

Statement of State of Delaware General Funds Appropriated, Received, and Expended

Year ended June 30, 2013

	<b>Cash balance on hand at beginning of year</b>	<b>Appropriations received</b> (a)	<b>Expended</b>	<b>Returned to State of Delaware</b>	<b>Cash balance on hand at end of year</b>
College of Engineering:					
Biotechnology	\$ —	390,368	390,368	—	—
Delaware Center for Teacher Education	—	54,690	54,690	—	—
Science, Engineering & Technology (SET) Policy Program		170,912	170,912		—
Information Technology Partnership	—	367,930	367,930	—	—
Total College of Engineering	—	983,900	983,900	—	—
College of Health Sciences:					
Nurse Practitioner	—	238,330	238,330	—	—
Nursing Program Expansion	—	277,870	277,870	—	—
Total College of Health Sciences	—	516,200	516,200	—	—
Other Programs:					
Biotechnology Institute	—	513,800	513,800	—	—
Diversity Enhancement	—	257,300	257,300	—	—
Improved Campus Security	—	88,800	88,800	—	—
Library Automation	—	44,200	44,200	—	—
Software License Support	—	267,400	267,400	—	—
Undergraduate Multimedia Instruction	—	175,600	175,600	—	—
Total Other Programs	—	1,347,100	1,347,100	—	—
	—	104,956,600	104,956,600	—	—
Government appropriations – State scholarships:					
General Scholarships	—	3,073,700	3,073,700	—	—
Scholarship Fund	—	2,507,300	2,507,300	—	—
Academic Incentive Program	—	114,600	114,600	—	—
Aid to Needy Students	—	1,940,400	1,940,400	—	—
Delaware Scholars Program	—	200,000	200,000	—	—
Service Learning Scholarships	—	200,000	200,000	—	—
Title VI Compliance	—	1,742,400	1,742,400	—	—
Student Employment Program	—	136,900	136,900	—	—
Delaware Research Scholars Program	—	150,000	150,000	—	—
Study Abroad	—	50,000	50,000	—	—
	—	10,115,300	10,115,300	—	—
Grand total current funds	\$ —	115,071,900 (a)	115,071,900	—	—

Note:

- (a) In addition to general appropriated funds received, the State of Delaware also provided auto, fire, and other insurance coverage with an estimated premium value of \$872,228.

See accompanying note to financial statements.

**UNIVERSITY OF DELAWARE**

Statement of State of Delaware Capital Improvement Funds Appropriated, Received, and Expended  
Year ended June 30, 2013

	<b>Cash balance on hand at beginning of year</b>	<b>Appropriations received</b>	<b>Expended</b>	<b>Returned to State of Delaware</b>	<b>Cash balance on hand at end of year</b>	
Plant funds – capital improvements:						
Act of 2009	\$ —	539,770	539,770	—	—	(a)
Act of 2010	—	348,677	348,677	—	—	(b)
Act of 2011	—	2,204,244	2,204,244	—	—	(c)
Act of 2012	—	10,871,250	10,871,250	—	—	(d)
Act of 2013	—	415,976	415,976	—	—	(e)
Grand total plant funds	\$ —	14,379,917	14,379,917	—	—	

Note:

- (a) In the Capital Improvement Act of 2009, the State of Delaware appropriated \$5,000,000 to the University of Delaware for Alison Hall renovations.
- (b) In the Capital Improvement Act of 2010, the State of Delaware appropriated \$1,000,000 to the University of Delaware for Alison Hall renovations.
- (c) In the Capital Improvement Act of 2011, the State of Delaware appropriated \$1,000,000 to the University of Delaware for Alison Hall renovations; the State of Delaware also appropriated \$2,000,000 to the University of Delaware for the Chrysler site which is now referred to as the Science, Technology and Advance Research (STAR) Campus. Funds must be expended by June 30, 2014.
- (d) In the Capital Improvement Act of 2012, the State of Delaware appropriated \$9,500,000 to the University of Delaware for Alison Hall renovations; the State of Delaware also appropriated \$4,000,000 to the University of Delaware for the Life Science Research Facility. Funds must be expended by June 30, 2014.
- (e) In the Capital Improvement Act of 2013, the State of Delaware appropriated \$3,000,000 to the University of Delaware for Drake Lab renovations. Funds must be expended by June 30, 2015.

See accompanying note to financial statements.

**UNIVERSITY OF DELAWARE**

Statement of State of Delaware Agency Funds Appropriated, Received, and Expended  
Year ended June 30, 2013

	<u>Cash balance on hand at beginning of year</u>	<u>Appropriations received</u>	<u>Expended</u>	<u>Returned to State of Delaware</u>	<u>Cash balance on hand at end of year</u>
Delaware Geological Survey – 2012/2013:					
Salaries and wages	\$ —	1,465,351	1,416,966	—	48,385
Travel	4,221	—	2,874	—	1,347
Supplies and expense	9,020	61,549	70,543	—	26
Federal cooperative program	8,000	140,238	140,352	—	7,886
Rivermaster program	26,335	111,262	87,524	—	50,073
	<u>\$ 47,576</u>	<u>1,778,400</u>	<u>1,718,259</u>	<u>—</u>	<u>107,717</u> (a)

The Delaware Geological Survey is a separate State agency under the general charge and direction of the University of Delaware, and therefore, the Delaware Geological Survey appropriations are not included in the statement of State of Delaware general funds appropriated, received, and expended.

Notes:

- (a) At June 30, 2013 the ending balance consisted of \$59,333 in encumbered funds and \$48,384 to be carried forward to fiscal year 2014.

See accompanying note to financial statements.



## UNIVERSITY OF DELAWARE

Note to the Statements of State of Delaware General Funds Appropriated, Received, and Expended;  
State of Delaware Capital Improvement Funds Appropriated, Received, and Expended; and  
State of Delaware Agency Funds Appropriated, Received, and Expended

June 30, 2013

### (1) **Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

The statement of State of Delaware general funds appropriated, received, and expended; the statement of State of Delaware capital improvement funds appropriated, received, and expended; and the statement of State of Delaware agency funds appropriated, received, and expended by the University of Delaware were prepared on the cash basis of accounting, and accordingly, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

## UNIVERSITY OF DELAWARE

## State of Delaware Appropriated Funds Current Funds Expenditures

Year ended June 30, 2013

Education and general:	
Instruction	\$ 48,056,092
Research	7,397,748
Public service	4,759,881
Academic support	13,820,100
Student services	3,098,042
Operation and maintenance of plant	16,814,135
Institutional support	11,010,602
Student aid – scholarships	7,836,000
Title VI compliance scholarships	1,724,400
Service learning scholarships	25,000
Student employment program	127,525
Study abroad – Delaware residents	50,000
Scholarship – other	352,375
Grand total	\$ <u>115,071,900</u>

See accompanying independent auditors' report.

## UNIVERSITY OF DELAWARE

## State of Delaware Appropriated Funds Current Funds Expenditures by Function

Year ended June 30, 2013

	<u>Total</u>	<u>Wages and benefits</u>	<u>Other</u>
Educational and general:			
Instruction:			
College of Agriculture and Natural Resources	\$ 1,773,098	1,773,098	—
College of Arts and Sciences	16,585,688	16,435,268	150,420
Alfred Lerner College of Business and Economics	2,512,288	2,512,288	—
College of Earth, Ocean, and Environment	1,138,313	1,138,313	—
College of Engineering	1,721,398	1,721,398	—
College of Education and Human Development	3,824,776	3,461,309	363,467
College of Health Sciences	3,014,650	3,014,650	—
Professional and Continuing Studies	373,421	373,421	—
Special Instructional Projects	2,809,034	2,746,552	62,482
Academic Affairs and International Programs	434,448	434,448	—
Benefits	13,868,978	13,868,978	—
	<u>48,056,092</u>	<u>47,479,723</u>	<u>576,369</u>
Research:			
Agricultural Experiment Station	507,288	201,563	305,725
Sea Grant Program	421,922	421,922	—
Poultry Disease Research	940,346	497,833	442,513
Center for Translational Cancer Research	306,988	164,325	142,663
Delaware Education Research and Development Center	191,384	155,678	35,706
Carvel Research and Education Center	736,636	279,043	457,593
College of Agriculture and Natural Resources	2,480,609	2,480,609	—
College of Arts and Sciences	7,834	7,834	—
College of Health Sciences	2,525	2,525	—
College of Earth, Ocean, and Environment	49,724	49,724	—
College of Engineering	41,701	41,701	—
Benefits	1,710,791	1,710,791	—
	<u>7,397,748</u>	<u>6,013,548</u>	<u>1,384,200</u>
Public service:			
Agricultural Extension Service	1,805,044	1,641,897	163,147
Agricultural Environmental Quality	6,414	—	6,414
Soil Testing/Pesticide Control	121,383	119,059	2,324
Public Policy	1,023,535	989,678	33,857
College of Engineering	174,569	174,569	—
Public Service Assistantships	323,433	321,166	2,267
Coastal Community Development	148,117	93,141	54,976
Benefits	1,157,386	1,157,386	—
	<u>4,759,881</u>	<u>4,496,896</u>	<u>262,985</u>

## UNIVERSITY OF DELAWARE

## State of Delaware Appropriated Funds Current Funds Expenditures by Function

Year ended June 30, 2013

	<u>Total</u>	<u>Wages and benefits</u>	<u>Other</u>
Academic support:			
Library	\$ 5,012,665	4,936,702	75,963
University Media Services	955,552	955,552	—
Office of Vice President for Information Technologies	195,555	195,555	—
Student Special Services	227,637	227,637	—
Research Coordination	1,467,637	1,467,637	—
College of Engineering	36,604	36,604	—
Office of Vice President for Academic Programs	196,744	196,744	—
College Administration	1,464,583	1,464,583	—
Graduate Studies	142,392	142,392	—
Benefits	4,120,731	4,120,731	—
	<u>13,820,100</u>	<u>13,744,137</u>	<u>75,963</u>
Student services:			
Student Life	182,619	182,619	—
Admissions and Financial Aid	1,033,009	1,033,009	—
University Registrar	428,564	428,564	—
Counseling and Student Development	111,209	111,209	—
Career Services Center	339,572	339,572	—
Foreign Student and Scholar Services	70,086	70,086	—
Benefits	932,983	932,983	—
	<u>3,098,042</u>	<u>3,098,042</u>	<u>—</u>
Operations and maintenance of plant:			
Administration and Supervision	403,620	403,620	—
Building Services	4,376,591	4,376,591	—
Repairs and Maintenance	5,573,954	5,573,954	—
Grounds Services	1,313,789	1,313,789	—
Facilities Planning and Construction	82,563	82,563	—
Benefits	5,063,618	5,063,618	—
	<u>16,814,135</u>	<u>16,814,135</u>	<u>—</u>
Institutional support:			
Office of Executive Vice President and University Treasurer	895,976	895,976	—
Student Life	492,598	492,598	—
Human Resources	876,309	846,309	30,000
Office of Vice President for Information Technologies	1,010,783	743,383	267,400
Public Safety	3,485,089	3,485,089	—
Supporting Services	375,557	375,557	—
Environmental Health and Safety	406,552	406,552	—
Institutional Research and Planning	51,865	51,865	—
Other General Institutional Expense	200,603	200,603	—
Benefits	3,215,270	3,215,270	—
	<u>11,010,602</u>	<u>10,713,202</u>	<u>297,400</u>

## UNIVERSITY OF DELAWARE

## State of Delaware Appropriated Funds Current Funds Expenditures by Function

Year ended June 30, 2013

	<u>Total</u>	<u>Wages and benefits</u>	<u>Other</u>
Student aid – scholarships	7,836,000	—	7,836,000
Title VI compliance scholarships	1,724,400	—	1,724,400
Service learning scholarships	25,000	—	25,000
Student employment program	127,525	127,525	—
Study abroad – Delaware residents	50,000		50,000
Scholarship – other (a)	352,375	80,160	272,215
	<u>10,115,300</u>	<u>207,685</u>	<u>9,907,615</u>
Grand total	\$ <u><u>115,071,900</u></u>	<u><u>102,567,368</u></u>	<u><u>12,504,532</u></u>

## Note:

- (a) Includes \$18,000 of Title VI Compliance and \$9,375 of Student Employment Program administrative expenditures.

See accompanying independent auditors' report.

## UNIVERSITY OF DELAWARE

## State of Delaware Appropriated Funds Capital Improvements Appropriations

Year ended June 30, 2013

	<u>Original appropriations</u>	<u>Appropriations expended during the year ended June 30, 2013</u>	<u>Appropriations expended through June 30, 2012</u>	<u>Returned to State of Delaware</u>	<u>Unexpended appropriations at June 30, 2013</u>
Capital improvements:					
Act of 2009:					
Alison Hall	\$ 5,000,000	(539,770)	(4,460,230)	—	—
	<u>\$ 5,000,000</u>	<u>(539,770)</u>	<u>(4,460,230)</u>	<u>—</u>	<u>—</u>
Act of 2010:					
Alison Hall	\$ 1,000,000	(348,677)	(651,323)	—	—
	<u>\$ 1,000,000</u>	<u>(348,677)</u>	<u>(651,323)</u>	<u>—</u>	<u>—</u>
Act of 2011:					
Alison Hall	\$ 1,000,000	(1,000,000)	—	—	—
Chrysler	2,000,000	(1,204,244)	(744,001)	—	51,755
	<u>\$ 3,000,000</u>	<u>(2,204,244)</u>	<u>(744,001)</u>	<u>—</u>	<u>51,755</u>
Act of 2012:					
Alison Hall	\$ 9,500,000	(7,978,378)	—	—	1,521,622
Life Science Research Facility	4,000,000	(2,892,872)	—	—	1,107,128
	<u>\$ 13,500,000</u>	<u>(10,871,250)</u>	<u>—</u>	<u>—</u>	<u>2,628,750</u>
Act of 2013:					
Alison Hall	\$ 3,000,000	(415,976)	—	—	2,584,024
	<u>\$ 3,000,000</u>	<u>(415,976)</u>	<u>—</u>	<u>—</u>	<u>2,584,024</u>

See accompanying independent auditors' report.



KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

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

The Board of Trustees  
University of Delaware:

We have audited, in accordance with 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 statement of State of Delaware general funds appropriated, received, and expended; the statement of State of Delaware capital improvement funds appropriated, received, and expended; and the statement of State of Delaware agency funds appropriated, received, and expended of the University of Delaware (the University) for the year ended June 30, 2013, and have issued our report thereon dated October 28, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements listed above, 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 listed above, 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 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 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 University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

October 28, 2013