

**WIDENER UNIVERSITY AND AFFILIATE**  
**CONSOLIDATED FINANCIAL STATEMENTS, SUPPLEMENTARY**  
**INFORMATION, AND SINGLE AUDIT COMPLIANCE REPORTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](https://CLAcconnect.com)

**WIDENER UNIVERSITY - SINGLE AUDIT  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF ACTIVITIES</b>	<b>5</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>FINANCIAL RESPONSIBILITY RATIO SUPPLEMENTAL SCHEDULE</b>	<b>40</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>41</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>42</b>
<b>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</b>	<b>43</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANC</b>	<b>45</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>48</b>



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Widener University and Affiliate  
Chester, Pennsylvania

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

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Widener University and Affiliate (the University), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

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

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

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

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

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

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

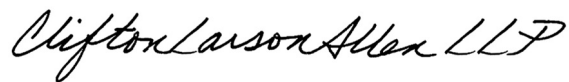
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying financial responsibility ratio supplemental schedule is required by the United States Department of Education is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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 GAAS. In our opinion, the financial responsibility ratio supplemental schedule is fairly stated, in all material respects, related to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022, except for Note 19 as to which the date is March 15, 2023, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania

October 11, 2022, except for Note 19 to the consolidated financial statements and the financial responsibility ratio supplemental schedule as to which the date is March 15, 2023.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

<b>ASSETS</b>	2022	2021
Cash and Cash Equivalents	\$ 66,607	\$ 56,046
Accounts Receivable:		
Students (Net of Allowance for Doubtful Accounts of \$4,237 in 2022 and \$3,969 in 2021)	12,357	9,519
Affiliates (Net of Allowance for Doubtful Accounts of \$51 in 2022 and \$100 in 2021)	400	556
Grants and Other	2,326	3,198
Prepaid Expenses and Other Assets	795	613
Contributions Receivable (Net of Allowance for Doubtful Accounts of \$2,101 in 2022 and \$957 in 2021)	827	235
Assets Whose Use is Limited	21,456	-
Long-Term Investments	117,662	118,299
Loans to Students (Net of Allowance for Doubtful Accounts of \$4,433 in 2022 and \$4,720 in 2021)	5,414	5,863
Finance Lease Right-of-Use Assets	1,429	1,366
Operating Lease Right-of-Use Assets	18	94
Property and Equipment	459,489	452,756
Less: Accumulated Depreciation	(255,751)	(247,210)
Net Property and Equipment	203,738	205,546
Total Assets	\$ 433,029	\$ 401,335
<b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable and Accrued Expenses	\$ 21,942	\$ 17,098
Accrued Interest	1,734	1,708
Deferred Revenue and Deposits	14,706	13,091
Asset Retirement Obligation	4,291	4,086
Accrued Postretirement Benefit Obligation	52,173	65,812
Finance Lease Obligations	1,451	1,378
Operating Lease Obligations	18	94
Bonds and Notes Payable	107,482	73,223
U.S. Government Grants Refundable	4,070	4,638
Total Liabilities	207,867	181,128
Net Assets:		
Without Donor Restrictions	157,978	149,196
With Donor Restrictions	67,184	71,011
Total Net Assets	225,162	220,207
Total Liabilities and Net Assets	\$ 433,029	\$ 401,335

See accompanying Notes to Consolidated Financial Statements.

**WIDENER UNIVERSITY - SINGLE AUDIT  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2022 AND 2021  
(DOLLARS IN THOUSANDS)**

	2022	2021
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Operating Activities:		
Revenue, Gains, and Other Support:		
Tuition and Fees (Net of Scholarship and Fellowships of \$92,509 in 2022 and \$91,902 in 2021)	\$ 119,177	\$ 123,291
Federal Grants and Contracts	1,502	1,860
State Grants and Contracts	945	1,092
Interest on Loans	159	215
Contributions	1,247	978
Investment Returns Designated for Current Operations:		
Endowment Spending	4,455	4,239
Other Investment Income	52	70
Miscellaneous Income	2,011	991
Auxiliary Enterprises	18,239	5,761
Revenues and Gains Without Donor Restrictions	147,787	138,497
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	16,371	7,898
Total Revenues and Gains Without Donor Restrictions	164,158	146,395
<b>EXPENSES</b>		
Educational and General Expenses:		
Instructional	73,227	72,276
Research	600	417
Public Service	618	558
Academic Support	13,882	13,228
Student Services	21,371	18,047
Institutional Support	22,392	16,136
Auxiliary Enterprises	21,438	16,762
CARES Act Grants to Students	4,056	1,603
Total Expenses	157,584	139,027
Total Operating Income	6,574	7,368
<b>NONOPERATING ACTIVITIES</b>		
Net (Depreciation) Appreciation in Fair Value of Investments	(5,492)	10,193
Loss on Extinguishment of Debt	(5,288)	-
Gain (Loss) on Disposition of Property	76	(82)
Net Change in Postretirement Benefit Obligation	13,067	(501)
Voluntary Retirement and Severance	-	(90)
Other	(155)	(2,431)
Total Loss from Nonoperating Activities	2,208	7,089
<b>TOTAL CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	8,782	14,457
<b>CHANGE IN NET ASSETS - WITH DONOR RESTRICTION</b>		
Private Gifts, Grants, and Contracts	15,385	7,473
Recovery (Loss) on Write-Off of Pledge Receivable	175	(962)
Endowment Spending	2,356	2,161
Miscellaneous Income	2	8
Investment Returns Less Than Amounts Designated for Operations	(5,374)	11,765
Net Assets Released From Restrictions	(16,371)	(7,898)
Change in Net Assets With Donor Restrictions	(3,827)	12,547
<b>CHANGE IN NET ASSETS</b>	4,955	27,004
Net Assets - Beginning of Year	220,207	193,203
<b>NET ASSETS - END OF YEAR</b>	\$ 225,162	\$ 220,207

See accompanying Notes to Consolidated Financial Statements.

**WIDENER UNIVERSITY - SINGLE AUDIT  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021  
(DOLLARS IN THOUSANDS)**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 4,955	\$ 27,004
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	14,437	14,135
Net Depreciation (Appreciation) in Fair Value of Investments	4,098	(28,763)
Contributions Restricted for Long-Term Investment	(825)	(322)
Payments under Lease Obligations	(106)	(132)
Loss of Extinguishment of Debt	5,288	-
(Gain) Loss on Disposition of Property	(76)	82
Changes in Assets and Liabilities:		
Accounts Receivable (Gross)	(2,078)	1,162
Allowance for Doubtful Accounts	268	(36)
Contributions Receivable	(592)	877
Prepaid Expenses and Other Assets	(182)	376
Accounts Payable and Accrued Expenses, Net of Investing Activities	4,844	2,646
Accrued Interest	26	(48)
Deferred Revenue and Deposits	1,615	983
Asset Retirement Obligation	205	177
Postretirement Benefit Obligation	(13,639)	4
Net Cash Provided by Operating Activities	18,238	18,145
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Decrease in Loans to Students	449	392
Purchase of Property and Equipment	(20,132)	(3,859)
Proceeds from Sale of Property	8,778	-
Proceeds from Sales of Investments	36,461	37,564
Purchases of Investments	(39,922)	(32,969)
Net Cash Provided (Used) by Investing Activities	(14,366)	1,128
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Contributions Restricted for Long-Term Investment	825	322
Proceeds from Issuance of 2021 Bonds	85,344	-
Payments for Refunding of Bonds	(53,518)	-
Payments Under Financing Leases	(860)	(544)
Repayments on Bonds Payable	(2,225)	(2,156)
Payment of Bond Issuance Costs	(853)	(6)
Net Change in U.S. Government Grants Refundable	(568)	(1,188)
Net Cash Provided (Used) by Financing Activities	28,145	(3,572)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	32,017	15,701
Cash and Cash Equivalents - Beginning of Year	56,046	40,345
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 88,063	\$ 56,046
<b>SUPPLEMENTAL DISCLOSURE</b>		
Cash Paid for Interest Expense, Net of Capitalized Interest	\$ 3,603	\$ 3,483
<b>NONCASH TRANSACTIONS</b>		
Equipment Financed with Capital Leases	\$ -	\$ 1,465
Cash and Cash Equivalents, End of Year	\$ 66,607	\$ 56,046
Assets Whose Use is Limited (Restricted), End of Year	21,456	-
	\$ 88,063	\$ 56,046

See accompanying Notes to Consolidated Financial Statements.



**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Operations**

Founded in 1821, Widener University (the University) is a private, metropolitan university that connects curricula to societal issues through civic engagement. The University provides a unique combination of liberal arts and professional education, offering powerhouse programs, faculty mentorship, and hands-on experiences that put students on the inside track to success. Dynamic teaching, active scholarship, personal attention, applied leadership, extensive career preparation, and experiential learning are key components of the Widener experience.

Approximately 5,500 undergraduate and graduate students study in the College of Arts and Sciences, School of Business Administration, School of Engineering, College of Health and Human Services, School of Nursing, Delaware School of Law, Commonwealth School of Law, and the Center for Graduate and Continuing Studies. The University offers more than 100 programs of study leading to associate's, bachelor's, master's, and doctoral degrees and specialized certificates online and at its three campuses in Chester and Harrisburg, Pennsylvania, and Wilmington, Delaware. The University is accredited university-wide by the Middle States Commission on Higher Education (MSCHE). The individual colleges and schools hold additional specialized accreditations for their various programs. The University is incorporated in both the Commonwealth of Pennsylvania and the state of Delaware. The consolidated financial statements of the University have been prepared on the accrual basis of accounting. The significant accounting policies followed by the University are described below to enhance the usefulness of the consolidated financial statements for the reader.

During fiscal year 2016, Cares Twenty One S.R.L. (the Affiliate) was formed in Costa Rica. The Affiliate's purpose is to own and operate a property within Costa Rica for educational purposes. The University is the sole owner of the Affiliate.

**Basis of Presentation**

The University's consolidated financial statements are prepared in accordance with generally accepted accounting principles for nonprofit organizations.

Net assets and revenues, expenses, gains, and losses are classified as without donor restrictions or with donor restrictions based on the absence or existence of donor imposed restrictions as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor imposed restrictions.

*Net Assets With Donor Restrictions* – Net assets whose use by the University are subject to donor-imposed stipulations that may or will be met either by actions of the University or the passage of time are reported as net assets with donor restrictions. Additionally, funds received as gifts which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity are reported as net assets with donor restrictions. The investment returns on these gifts held in perpetuity are included in net assets with donor restrictions until such time that the funds are drawn in accordance with the University's spending policy and utilized in accordance with the donor restriction.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The University allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be readily identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions received is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Contributions made toward long-lived assets are held as net assets with donor restrictions until the asset is placed in service. At such time, the contribution is considered to be released from restriction and reclassified to net assets without donor restriction.

Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

1. As increases in net assets with donor restriction if the terms of the gift or the University interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
2. As increases in net assets with donor restriction based upon relevant state law or if the terms of the gift impose restrictions on the use of the income; or
3. As increases in net assets without donor restrictions in all other cases.

Commonwealth of Pennsylvania law permits the University to allocate to income each year a portion of endowment net realized gains under an endowment spending policy, limited to 7% of the trailing three-year average of the market value of the endowment assets. Since endowment net realized and unrealized gains may eventually be spent by the University, endowment net realized and unrealized gains are recorded in the consolidated financial statements as net assets with donor restriction until transferred to net assets without donor restrictions.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Principals of Consolidation**

The consolidated financial statements of the University include the accounts of the Affiliate. All significant interorganizational transactions have been eliminated in these consolidated financial statements.

**Nonoperating Activities**

Nonoperating activities reflect transactions of a long term investment or capital nature, including investment returns net of the amount the University has appropriated for current operational support in accordance with the University's endowment spending guidelines, changes in the postretirement benefit obligation, voluntary retirement program, loss on extinguishment of debt, and severance expense, and other transactions that are not accounted for as part of ongoing budgeted operations.

**Cash and Cash Equivalents**

Cash equivalents include all highly liquid interest-bearing deposits with maturities of three months or less at time of purchase, except those held for long term investment purposes. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times the University's cash may exceed FDIC insurable limits.

**Assets Whose Use is Limited**

Assets whose use is limited represent project funds totaling \$21,456 at June 30, 2022. These funds consist of cash and cash equivalents and are restricted to fund various University capital projects.

**Investments**

Investments are stated at fair market value as provided by external investment managers or quoted market values. Investments acquired by gift are recorded at the fair value on the date the gift was received. Cost of investments sold is determined on the first in, first out method, and investment transactions are recognized on the settlement date.

Valuations for private debt and equity funds and other alternative investments are based on valuations provided by external investment managers or on audited financial statements when available. Valuations provided by external investment managers include estimates, appraisals, assumptions, and methods that are reviewed by management.

The University generally uses net asset value per share as reported by investment managers as the practical expedient estimate of fair value without further adjustment for its investments in alternative investment funds for which there is no readily determinable market value.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable include student accounts receivable, affiliate receivables, grants, and other receivables. Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is recorded annually based on historical experience and management's evaluation of individual accounts. Bad debts are written off when deemed uncollectible. Receivables are generally unsecured.

**Property and Equipment**

Property and equipment are recorded at cost, net of depreciation, except for gifts of physical properties, which are recorded at their appraised value when received. Depreciation is calculated on the straight line method over the estimated useful lives of the assets: buildings, 50 years; building improvements, 15 years; equipment, 7 years; and personal computers, 4 years. Capital expenses greater than \$10,000 are capitalized.

**Art Collection**

The University houses a collection of American paintings and the Alfred O. Deshong Collection of European paintings and Oriental art objects that it does not capitalize. These collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) use any proceeds from sale of collection items to acquire new collection items or the direct care of the existing collection. The University defines direct care as activities to enhance the life, usefulness, or quality of the collection, thereby ensuring that it will continue to benefit the public for years to come.

**Deferred Revenue**

Deferred revenue primarily consists of unearned tuition and fees related to summer semesters and prepaid tuition, fees, and contract advances. Such amounts will be recognized as revenue as they are earned.

**U.S. Government Grants Refundable**

Funds provided by the U.S. government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collections. These funds are ultimately refundable to the U.S. government and are presented in the accompanying consolidated statements of financial position as a liability.

**Asset Retirement Obligation**

The University recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the University capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of activities.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The University determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in ROU assets – financing and lease liability – financing in the consolidated statements of financial position.

ROU assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The University has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the University has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The University has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Fair Value of Financial Instruments**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date and requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

*Level 1* – Quoted prices in active markets for identical assets or liabilities.

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

*Level 3* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value of Financial Instruments (Continued)**

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

**Use of Estimates**

The preparation of consolidated 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Self-Insurance**

The University maintains a self-insurance program for its employees' health care costs beginning in November 2016. The University is liable for losses on claims up to \$175 per claim and \$10,500 in total for the year. The University has third-party insurance coverage for any losses in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the consolidated statement of financial position date as well as an estimated liability for claims incurred but not reported. The total accrued liability for self-insurance costs was \$1,595 and \$1,795 as of June 30, 2022 and 2021, respectively.

**Federal Income Taxes**

The University has been recognized by the Internal Revenue Service as a tax exempt organization described in Section 501(c)(3) of the Internal Revenue Code. As such, it is subject to tax only on income from activities unrelated to its tax exempt mission. For the years ended June 30, 2022 and 2021, the University generated no significant unrelated business income subject to tax, and no provision for income taxes was provided. The University believes it has taken no significant uncertain tax positions.

**Tuition and Fee Revenue**

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Any payments received in advance are classified as deferred revenue in the accompanying consolidated statements of financial position. The University provides financial aid to eligible students, generally in a package that can include loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided primarily through programs with the U.S. government under which the University is responsible only for certain administrative duties. The grant and scholarships include awards provided from gifts and grants from private donors, income earned on endowment funds restricted for student aid, and University funds.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tuition and Fee Revenue (Continued)**

Four summer terms are offered: half summer I from mid-May to the end of June; half summer II from early July to mid-August; full-term summer I from mid-May to mid-August; and full-term summer II from end of May to mid-August. Payments of tuition and housing for all of the summer terms are recognized as performance obligations are met. Because the academic terms for Full-term Summer I and II span two reporting periods, a portion of the revenues are included in deferred revenue.

**Sponsored Awards**

The University receives sponsored program funding from various governmental and corporate sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

Revenues from exchange transactions are recognized as performance obligations are satisfied.

Revenues from non-exchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligations to make future payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied. As of June 30, 2022, the University has unrecorded conditional grant agreements of \$1,540 from government sponsors related to Higher Education Emergency Relief Funds (HEERF).

Indirect costs recovered on federally sponsored programs are generally based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors. Funds received for sponsored research activity are subject to audit. Based upon information currently available, management believes that any liability resulting from such audits will not materially affect the financial position or operations of the University.

**Auxiliary Enterprises Revenue**

Auxiliary enterprises revenue includes revenues from contracts with customers to provide student housing and dining facilities, the campus store, child development center and other miscellaneous activities. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, revenue from housing and dining services is recognized ratably as services are rendered.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS**

**Revenue Recognition**

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred to our customers (students), in an amount that reflects the consideration we expect to be entitled in exchange for those goods or services.

The following table shows the University's tuition revenue disaggregated according to the timing of transfer of goods or service and by source for the years ended June 30:

	2022	2021
Revenue Recognized over Time:		
Undergraduate Tuition and Fees	\$ 54,458	\$ 57,649
Extended Learning Tuition and Fees	2,512	2,443
Graduate Tuition and Fees	62,207	63,199
Total	\$ 119,177	\$ 123,291

The following table shows the University's auxiliary revenues disaggregated according to the timing of transfer of goods or service and by source for the years ended June 30:

	2022	2021
Revenue Recognized over Time:		
Housing	\$ 10,324	\$ 2,896
Dining	6,599	2,745
Other	1,316	120
Total	\$ 18,239	\$ 5,761

**Performance Obligations and Revenue Recognition**

The University has four academic terms: fall, spring, summer 1, and summer 2. Tuition revenue is recognized in the fiscal year in which the academic programs are delivered. Auxiliary revenue is recognized in the fiscal year in which housing and food services are provided. Any payments received prior to fiscal year-end related to academic terms that occur subsequent to fiscal year-end are recorded as deferred revenue in the accompanying consolidated statements of financial position.

Customer contracts generally have separately stated prices for each performance obligation contained in the contract. Therefore, each performance obligation generally has its own standalone selling price. Arrangements for payment are agreed to prior to registration of the student's first academic term. Generally, payments for tuition, fees and auxiliaries are due approximately two weeks prior to the start of the academic terms. Students may also enter into a payment plan in which payment is due at predetermined dates during the course of a semester. Many students obtain Title IV or other financial aid resulting in the University receiving a significant amount of the transaction price at the beginning of the academic term.



**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

**Transaction Price**

Revenue, or transaction price, is measured as the amount of consideration expected to be received in exchange for transferring goods or services. Tuition and auxiliary revenues are reported at established rates.

Students may receive discounts, scholarships or refunds, which gives rise to variable consideration. The amount of discounts or scholarships are applied to individual student accounts when such amounts are awarded. Therefore, the transaction price is reduced directly by these discounts or scholarships from the amount of the standard rates charged.

Students who adjust their course load or withdraw completely within the first 8 days of the academic term (add/drop period) may receive a full or partial refund in accordance with the University's refund policy. Once the add/drop period passes, students are no longer eligible for a refund.

If a student withdraws prior to completing an academic term, federal regulations permit the University to retain only a set percentage of the total tuition and auxiliary revenues received from such student, which varies with, but generally equals or exceeds, the percentage of the academic term completed by such student. Payment amounts received by the University in excess of such set percentages of tuition are refunded to the student or the appropriate funding source.

Management reassesses collectability throughout the period revenue is recognized by the University based on the aging of the students' accounts receivable balances.

**Contract Balances**

Tuition, fees and auxiliary revenues are recognized in the period classes and services are provided and amounts received for future periods are reported as deferred revenue. Students are billed at the beginning of each academic term and payment is due at pre-established dates prior to the start of the academic term. The University's performance obligations are to provide educational services in the form of instruction as well as housing facilities and meals during the academic term. As these performance obligations are satisfied over the academic term, deferred revenue is reduced.

At June 30, 2022 and 2021, respectively, the balance of contract assets as shown as students accounts receivable on the consolidated statements of financial position was \$12,357 and \$9,519. At the beginning of 2021, the balance of contract assets was \$10,150.

**WIDENER UNIVERSITY - SINGLE AUDIT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021  
(DOLLARS IN THOUSANDS)**

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)**

**Contract Balances (Continued)**

The activity and balances for deposits and deferred revenue from contracts with customers are shown in the following table:

	Summer Terms (Tuition and Housing)	Student Organizations	Other Organizations	Deposits	Total
Balance - June 30, 2020	\$ 11,705	\$ 284	\$ 91	\$ 28	\$ 12,108
Revenue Recognized	(11,705)	(284)	(91)	(28)	(12,108)
Payments Received and/or Amounts Billed in Advance of Performance	12,740	211	110	30	13,091
Balance - June 30, 2021	12,740	211	110	30	13,091
Revenue Recognized	(12,740)	(211)	(110)	(30)	(13,091)
Payments Received and/or Amounts Billed in Advance of Performance	14,285	183	133	105	14,706
Balance - June 30, 2022	<u>\$ 14,285</u>	<u>\$ 183</u>	<u>\$ 133</u>	<u>\$ 105</u>	<u>\$ 14,706</u>

The balance of deferred revenue at June 30, 2022, will be recognized as revenue over the related academic term beginning on July 1, 2022, as services are rendered.

**Practical Expedients**

As the University's performance obligations have an original expected duration of one year or less, the University has applied the practical expedient to not disclose the amount of the transaction price allocated to our performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and when the entity expects to recognize this amount as revenue. All consideration from contracts with customers is included in the transaction price.

**NOTE 3 LIQUIDITY**

To help manage unanticipated liquidity needs, the University has signed a line of credit in the amount of \$5,000 in 2018 which it could draw upon. Additionally, the University has a quasi-endowment of \$53,096. Although the University does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its quasi-endowment could be made available, if necessary. However, both the quasi-endowment and donor endowment contain lock-up provisions that would reduce the total investments that could be made available.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 3 LIQUIDITY (CONTINUED)**

The University's financial assets due within one year of the balance sheet date for general expenditure are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 66,607	\$ 56,046
Student Receivable	12,357	9,519
Affiliates Receivable	400	556
Grants and Other Receivables	<u>2,326</u>	<u>3,198</u>
Total	<u>\$ 81,690</u>	<u>\$ 69,319</u>

The University endowment funds consist of donor endowment and quasi-endowment. Income from the donor endowment is restricted for specific purposes and, therefore, is not available for general expenditure. The quasi-endowment has a spending rate of 7.0% for both the years ended June 30, 2022 and 2021.

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable are summarized as follows at June 30:

	<u>2022</u>	<u>2021</u>
Unconditional Promised Expected to be Collected:		
Within One Year	\$ 596	\$ 301
Between One and Five Years	2,089	2,006
After Five Years	<u>61</u>	<u>114</u>
Subtotal	2,746	2,421
Less:		
Allowance for Uncollectible Contributions Receivable	(1,814)	(2,101)
Present Value Discount (1.2% to 3.4%)	<u>(105)</u>	<u>(85)</u>
Total	<u>\$ 827</u>	<u>\$ 235</u>

Development costs were \$1,902 and \$1,829 for the years ended June 30, 2022 and 2021, respectively.

**NOTE 5 INVESTMENTS**

The University records investments at fair value. Long-term investments are comprised primarily of the endowment funds, which has a fair value of \$113,852 and \$114,876 as of June 30, 2022 and 2021, respectively, and are invested through fund managers.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 5 INVESTMENTS (CONTINUED)**

The University has investments in University Technology Park, Inc. and Uno Providence LLC, which are recorded using the equity method of accounting and totaled \$192 and \$326 as of June 30, 2022 and 2021, respectively.

Investments that are recorded at fair value at June 30 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Equity Funds	\$ 59,541	\$ 65,047
Commodities	2,127	4,986
Venture Capital	14,161	12,312
Natural Resources	6,100	5,530
Fixed Income	23,182	20,192
Real Estate	8,713	6,726
Money Market Funds	44	112
Other	3,602	3,068
Total	<u>\$ 117,470</u>	<u>\$ 117,973</u>

Investment fees were \$243 and \$93 for the years ended June 30, 2022 and 2021, respectively.

The following tables present the University's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis at June 30:

	<u>2022</u>			
	Fair Value Measurements Using			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets:				
Equity Funds	\$ 16	\$ -	\$ -	\$ 16
Other	3,602	-	-	3,602
Subtotal	<u>\$ 3,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,618</u>
Investments Measured at Fair Value				
Using Net Asset Value per Share				113,852
Equity Method Investments				192
Total Investments				<u>\$ 117,662</u>

	<u>2021</u>			
	Fair Value Measurements Using			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets:				
Equity Funds	\$ 29	\$ -	\$ -	\$ 29
Other	3,068	-	-	3,068
Subtotal	<u>\$ 3,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,097</u>
Investments Measured at Fair Value				
Using Net Asset Value per Share				114,876
Equity Method Investments				326
Total Investments				<u>\$ 118,299</u>

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 5 INVESTMENTS (CONTINUED)**

The University's major categories of alternative marketable investments held at June 30, their significant investment strategies, and the conditions upon which the University may redeem its investment for each major category are summarized below:

2022		
Investment Category	Investment Strategy	Redemption Terms
Strategic Solutions Global Equity LLC	Equity	Monthly, with 5 days prior notice
High Quality Bond Fund	Fixed	Weekly, with 5 days prior notice
Global Absolute Alpha Company A	Hedge Fund	Quarterly, with 65 days prior notice
SSgA S&P Global LargeMidCap Natural Resr	Natural Resources	Monthly, with 30 days prior notice
SSgA US High Yield Bond Index Common Tru	Real Assets	Daily, with 2 days prior notice
SSgA Tuckerman US REIT Index NL QP	Real Assets	Daily, with 2 days prior notice
CF REIT Portfolio, LLC	Real Assets	Daily, with 2 days prior notice
CF Credit Series	Fixed	Monthly, with 90 Days Prior Notice

2021		
Investment Category	Investment Strategy	Redemption Terms
Strategic Solutions Global Equity LLC	Equity	Monthly, with 5 days prior notice
High Quality Bond Fund	Fixed	Weekly, with 5 days prior notice
Global Absolute Alpha Company A	Hedge Fund	Quarterly, with 65 days prior notice
SSgA S&P Global LargeMidCap Natural Resr	Natural Resources	Monthly, with 30 days prior notice
SSgA S&P 500 Index Non-Lending Strat.	Equity	Daily, with 2 days prior notice
SSgA US Aggregate Bond Index NL Strat.	Fixed	Daily, with 2 days prior notice
CF REIT Portfolio, LLC	Real Assets	Daily, with 2 days prior notice
CF Credit Series	Fixed	Monthly, with 90 Days Prior Notice

The University has \$41,952 and \$37,701 as of June 30, 2022 and 2021, respectively, of investments in nonmarketable alternative investment funds which are reported at estimated fair value. The unobservable inputs used to determine the fair value of these investments have been estimated based on the net asset value per share as provided by the investment managers as the practical expedient estimate of fair value of the investment without further adjustment. All of those investments are redeemable with the fund at net asset value under the original terms of the partnership agreements and/or subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the University's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the University were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

The University is not aware of any fund specific secondary market information available for its alternative investment funds.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 5 INVESTMENTS (CONTINUED)**

The University's nonmarketable investments are generally not redeemable as of June 30, 2022 and 2021. Major categories held at June 30 and their significant investment strategies include:

2022	
Alternative Investment Category	Investment Strategy
Private Equity Partners VI	Private Equity
Private Equity Partners VII	Private Equity
CCI-SSG Global Private Equity Fund	Private Equity
CCI-SSG Global Private Equity Fund II, L	Private Equity
CCI-SSG Global Private Equity Fund III	Private Equity
CCI-SSG Global Private Equity Fund IV	Private Equity
Int'l Private Equity Partners V	International Equity
Int'l Private Equity Partners VI	International Equity
Venture Partners VII	Venture
Venture Partners VIII	Venture
Venture Partners IX	Venture
Venture Partners XI	Venture
Venture Partners XII	Venture
Venture Partners XIII	Venture
Venture Partners XIV	Venture
Commonfund Private Credit Fund 2018	Private Capital
Cerberus Offshore LLOF III, L.P.	Private Capital
Commonfund Private Credit Fund II, L.P.	Private Capital
Natural Resources Partners VII	Natural Resources
Natural Resources Partners VIII	Natural Resources
Natural Resources Partners IX	Natural Resources
Natural Resources Partners XI	Natural Resources
Strategic Solutions Core Real Estate Fd.	Real Estate
SSG Realty Opportunities Fund 2014	Real Estate
Commonfund Real Estate Opportunity Fund	Real Estate
Commonfund Real Estate Opportunity Fund II	Real Estate
Environmental Sustainability Prtnrs 2020	Real Assets

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 5 INVESTMENTS (CONTINUED)**

	2021	
Alternative Investment Category		Investment Strategy
Private Equity Partners VI		Private Equity
Private Equity Partners VII		Private Equity
CCI-SSG Global Private Equity Fund		Private Equity
CCI-SSG Global Private Equity Fund II, L		Private Equity
CCI-SSG Global Private Equity Fund III		Private Equity
Int'l Private Equity Partners V		International Equity
Int'l Private Equity Partners VI		International Equity
Venture Partners VII		Venture
Venture Partners VIII		Venture
Venture Partners IX		Venture
Venture Partners XI		Venture
Venture Partners XII		Venture
Venture Partners XIII		Venture
Commonfund Private Credit Fund 2018		Private Capital
Commonfund Private Credit Fund II		Private Capital
Cerberus Offshore LLOF III, L.P.		Private Capital
Natural Resources Partners VII		Natural Resources
Natural Resources Partners VIII		Natural Resources
Natural Resources Partners IX		Natural Resources
Natural Resources Partners XI		Natural Resources
Strategic Solutions Core Real Estate Fd.		Real Estate
SSG Realty Opportunities Fund 2014		Real Estate
Commonfund Real Estate Opportunity Fund		Real Estate
Environmental Sustainability Ptrs. 2020		Real Assets

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 5 INVESTMENTS (CONTINUED)**

The University's best estimate of the remaining life of finite lived investments, the amount of the University's unfunded commitments related to the investment at June 30, 2022, and the terms and conditions upon which the University may redeem its investment for each major category of alternative investments are summarized below:

Alternative Investment Category	Estimated Remaining Life	Unfunded Commitments at June 30, 2022	Redemption Terms
Private Equity Partners VI	0	\$ 36	N/A
Private Equity Partners VII	0	40	N/A
CCI-SSG Global Private Equity Fund	4	610	N/A
CCI-SSG Global Private Equity Fund II, L <sup>1</sup>	6	794	N/A
CCI-SSG Global Private Equity Fund III, <sup>1</sup>	9	1,650	N/A
CCI-OCIO Global Private Equity Fund IV	11	2,558	N/A
Int'l Private Equity Partners V	0	26	N/A
Int'l Private Equity Partners VI	0	37	N/A
Venture Partners VII	0	10	N/A
Venture Partners VIII	0	23	N/A
Venture Partners IX	2	15	N/A
Venture Partners XI <sup>1</sup>	4	97	N/A
Venture Partners XII <sup>1</sup>	7	220	N/A
Venture Partners XIII <sup>1</sup>	9	520	N/A
Venture Partners XIV	11	1,860	N/A
Commonfund Private Credit Fund 2018, L.P.	5	869	N/A
Commonfund Private Credit Fund II, L.P.	8	1,027	N/A
Cerberus Offshore LLOF III, L.P.	0	474	N/A
Environmental Sustainability Prtnrs 2020	10	1,200	N/A
Natural Resources Partners VII	0	20	N/A
Natural Resources Partners VIII	0	15	N/A
Natural Resources Partners IX	1	245	N/A
Natural Resources Partners XI <sup>1</sup>	8	714	N/A
SSG Realty Opportunities Fund 2014	0	622	N/A
Commonfund Real Estate Opportunity Fund	11	2,288	N/A
Commonfund Real Estate Opportunity Fd II	14	3,882	N/A
Total		\$ 19,852	

**NOTE 6 STUDENT LOANS RECEIVABLE**

The University issues uncollateralized loans to students based on financial need. Student loans are funded through the Perkins Federal Loan Program. Allowances for doubtful accounts are established based upon prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms.



**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 6 STUDENT LOANS RECEIVABLE (CONTINUED)**

Student loans receivable consist of the following:

	<u>2022</u>	<u>2021</u>
Federal Government Programs, Gross	\$ 7,734	\$ 9,423
Institutional Programs, Gross	1,951	873
Less Allowance for Doubtful Accounts:		
Beginning of Year	(4,433)	(4,720)
Increases	162	287
End of Year	<u>(4,271)</u>	<u>(4,433)</u>
Student Loans Receivable, Net	<u>\$ 5,414</u>	<u>\$ 5,863</u>

Government advances and related interest earned on Perkins Loans of \$4,070 and \$4,638 as of June 30, 2022 and 2021, respectively, are ultimately refundable to the United States Government and thus are reported as a liability.

**NOTE 7 PROPERTY AND EQUIPMENT**

At June 30, property and equipment were as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 16,575	\$ 17,030
Buildings:		
Cost of Buildings	208,340	218,701
Less: Accumulated Depreciation	<u>(92,022)</u>	<u>(90,560)</u>
Net Cost of Buildings	116,318	128,141
Building Improvements:		
Cost of Improvements	150,399	137,354
Less: Accumulated Depreciation	<u>(91,749)</u>	<u>(87,429)</u>
Net Cost of Improvements	58,650	49,925
Furniture and Equipment:		
Cost of Furniture and Equipment	69,607	68,011
Less: Accumulated Depreciation	<u>(61,886)</u>	<u>(59,609)</u>
Net Cost of Furniture and Equipment	7,721	8,402
Computers:		
Cost of Computers	11,411	10,297
Less: Accumulated Depreciation	<u>(10,094)</u>	<u>(9,612)</u>
Net Cost of Computer Equipment	1,317	685
Construction in Progress	<u>3,157</u>	<u>1,363</u>
Net Property and Equipment	<u>\$ 203,738</u>	<u>\$ 205,546</u>

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 7 PROPERTY AND EQUIPMENT (CONTINUED)**

The University has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities at the time of disposal of certain capital assets. The liability was initially recorded at fair value, and is adjusted for accretion expenses and changes in the amount or timing of cash flows. The corresponding asset retirement costs are capitalized as part of the carrying values of the related long lived assets and depreciated over the useful lives of the assets. The discount rate is 5% for 2022 and 2021. The liability relates to estimated costs to remove asbestos that is contained within the University's facilities, and is as follows for the years ended June 30:

	2022	2021
Asset Retirement Obligation - Beginning of Year	\$ 4,086	\$ 3,909
Accretion	205	194
Less: Disposals	-	(17)
Asset Retirement Obligation - End of Year	\$ 4,291	\$ 4,086

Depreciation and accretion costs are approximately \$214 and \$138 for the years ended June 30, 2022 and 2021, respectively.

**NOTE 8 LEASES**

The University has operating and finance leases for certain equipment. The leases expire at various dates through 2025 and do not provide for renewal options. All future required payments are fixed and are not subject to future increases. Additionally, the agreements generally require the University to pay insurance and repairs. The University also receives rental income by leasing real estate to a third-party lessee operating a restaurant. This lease expires in March 2025 and will automatically renew for an additional five-year term.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 8 LEASES (CONTINUED)**

The following table provides quantitative information concerning the University's leases.

	<u>2022</u>	<u>2021</u>
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 840	\$ 556
Interest on Lease Liabilities	30	28
Operating Lease Cost	76	104
Sublease Income	<u>(55)</u>	<u>(55)</u>
Total Lease Cost	<u>\$ 891</u>	<u>\$ 633</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Finance - Financing Cash Flows	\$ 829	\$ 544
Finance - Operating Cash Flows	30	28
Operating - Operating Cash Flows	76	104
Right-of-Use Assets Obtained in Exchange for Lease Liabilities:		
Finance Leases	903	1,465
Weighted-Average Remaining Lease Term:		
Finance Leases	2.36	2.53
Operating Leases	0.81	1.18
Risk-Free Discount Rate:		
Finance Leases	1.61 %	1.95 %
Operating Leases	1.20 %	1.20 %

A maturity analysis of annual undiscounted cash flows for leases liabilities as of June 30, 2022, is as follows:

<u>Year Ending June 30.</u>	<u>Financing Leases</u>	<u>Operating Leases</u>
2023	\$ 722	\$ 18
2024	461	-
2025	293	-
Total	<u>1,476</u>	<u>18</u>
Less: Present Value Discount	(25)	-
Lease Liability	<u>\$ 1,451</u>	<u>\$ 18</u>

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 9 LONG-TERM DEBT**

Bonds and notes payable comprise the following at June 30:

	Dated	Security	Due Serially to	Original Amount	Interest Rate	Outstanding Principal Balance	
						2022	2021
Pennsylvania Higher Education Facilities Authority Bonds	2013	Dormitory	2043	\$ 11,980	5.50%	\$ -	\$ 11,980
Pennsylvania Higher Education Facilities Authority Bonds	2013A	Refinancing	2038	52,875	4.00% to 5.50%	7,220	45,080
Pennsylvania Higher Education Facilities Authority Bonds	2014	Refinancing	2038	19,605	2.00% to 5.00%	15,505	16,140
Pennsylvania Higher Education Facilities Authority Bonds	2021A	Capital Renovations	2051	26,130	3.00% to 4.00%	26,130	-
Pennsylvania Higher Education Facilities Authority Bonds	2021B	Refinancing	2043	55,060	.86% to 3.73%	55,060	-
Total						103,915	73,200
Unamortized Discount on Bonds						-	(324)
Unamortized Premium on Bonds						4,642	994
Unamortized Issuance Costs on Bonds						(1,075)	(647)
Bonds Payable						<u>\$ 107,482</u>	<u>\$ 73,223</u>

In August 2013, the University borrowed \$11,980 for the construction of dormitory facilities on the Main Campus. Financing was arranged through a bond offering with the Authority. The bond offering original principal consisted of term bonds of \$1,235 that bear interest at 5.5% and are due on July 15, 2035; term bonds of \$2,130 that bear interest at 5.5% and are due on July 15, 2038; and term bonds of \$8,615 that bear interest at 5.5% and are due on July 15, 2043. The 2013 bonds were fully refinanced in July 2021 under the 2021B bonds.

In November 2013, the University borrowed \$52,875 for the refinancing of the 2003 revenue bonds and the partial refinancing of the 2005 revenue bonds. The 2003 revenue bonds were for the refinancing of the 1992, 1993, 1996, and 2000 revenue bonds, as well as the construction of a Science and Engineering building on the Main Campus. Financing was arranged through a bond offering with the Authority. The 2013A bond offering original principal consisted of \$22,995 of serial bonds that bear interest at the annual rate of 4.0% to 5.25% and are due over thirteen years beginning July 15, 2015, and maturing July 15, 2028; term bonds of \$4,840 that bear interest at 5.0% and are due on July 15, 2030; term bonds of \$8,270 that bear interest at 5.25% and are due on July 15, 2033; and term bonds of \$16,770 that bear interest at 5.5% and are due on July 15, 2038. The 2013A bonds were partially refinanced in July 2021 under the 2021B bonds.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

In September 2014, the University borrowed \$19,605 for the refinancing of the 2005 revenue bonds. Financing was arranged through a bond offering with the Authority. The bond offering original principal consisted of \$14,705 of serial bonds that bear interest at the annual rate of 2.0% to 5.0% and are due over nineteen years beginning July 15, 2015, and maturing July 15, 2034; term bonds of \$4,900 that bear interest at 5.0% and are due on July 15, 2038.

In July 2021, the University borrowed \$26,130 for the financing of renovations of existing buildings for Health Sciences programs and future planned capital projects. The 2021A bond offering original principal consisted of \$1,800 of serial bonds that bear interest at the annual rate of 3.0% and are due over two years beginning July 15, 2039, and maturing July 15, 2041; term bonds of \$8,650 that bear interest at 4.0% and are due on July 15, 2046; and term bonds of \$15,680 that bear interest at 4.0% and are due on July 15, 2051.

In July 2021, the University also borrowed \$55,060 for the refinancing of the 2013 and partial refinancing of the 2013A revenue bonds. The 2013 revenue bonds were for the construction of dormitory facilities on the Main Campus. The 2013A revenue bonds refinanced previous bonds and were for the construction of the Science and Engineering building on the Main Campus. The 2021B bond offering original principal consisted of \$19,440 of serial bonds that bear interest at the annual rate of 0.86% to 2.94% and are due over nine years beginning July 15, 2022, and maturing July 15, 2031; term bonds of \$18,485 that bear interest at 3.36% and are due on July 15, 2036; and term bonds of \$17,135 that bear interest at 3.73% and are due on July 15, 2043.

Total interest was \$2,792 and \$3,690 for the years ended June 30, 2022 and 2021, respectively.

At June 30, 2022, the University's obligations mature as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 2,940
2024	3,050
2025	3,170
2026	3,290
2027	3,405
Thereafter	88,060
Total	<u>\$ 103,915</u>

**NOTE 10 EMPLOYEE BENEFIT PLANS**

The University has a 403(b) tax-deferred saving plan for faculty, administrative staff, and other employees. The plan is funded by the purchase of individual annuity contracts and mutual funds. The University makes a matching contribution of 100% of participants' deferrals up to the first 5% after the employee has met the age and service requirements.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 10 EMPLOYEE BENEFIT PLANS (CONTINUED)**

The University also makes a nondiscretionary employer contribution of 5% of eligible compensation for employees, even if the employees have not elected to make their own deferral contributions after they meet the age and service requirements. Employees vest immediately in all contributions made by the University. In fiscal year 2021, the University temporarily suspended its contributions to these funds.

The University also makes direct pension payments to certain pensioners for service prior to the initiation of the current plans.

Total expense relating to the above savings plans and pension payments was \$2,901 and \$2,710 for the years ended June 30, 2022 and 2021, respectively.

In addition, the University provides medical plan supplemental coverage to retirees as a postretirement benefit. The University has an accrued postretirement benefit obligation on the consolidated statement of financial position of \$52,173 and \$65,812 as of June 30, 2022 and 2021, respectively. Information with respect to the plans is as follows:

	<u>2022</u>	<u>2021</u>
Change in Benefit Obligation:		
Benefit Obligation at Beginning of Year	\$ 65,812	\$ 65,808
Service Cost	1,159	1,226
Interest Cost	1,499	1,457
Plan Participants' Contributions	222	234
Actuarial Gain	(14,566)	(956)
Benefits Paid	(2,008)	(1,976)
Medicare Part D Prescription Drug Federal Subsidy	55	19
Benefit Obligation at End of Year	<u>\$ 52,173</u>	<u>\$ 65,812</u>
	<u>2022</u>	<u>2021</u>
Change in Plan Assets:		
Fair Value of Plan Assets, Beginning of Year	\$ -	\$ -
Employer Contributions	1,742	1,786
Plan Participant Contributions	234	221
Actual Benefits Paid	(1,976)	(2,007)
Fair Value of Plan Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>
	<u>2022</u>	<u>2021</u>
Other Changes in Benefit Obligations Previously Recognized in Changes in Net Assets Without Donor Restrictions:		
Net Actuarial Gain	\$ (14,566)	\$ (956)
Amortization of Prior Service Credit	36	36
Amortization of Actuarial Loss	(499)	(917)
Total	<u>\$ (15,029)</u>	<u>\$ (1,837)</u>

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 10 EMPLOYEE BENEFIT PLANS (CONTINUED)**

Net periodic postretirement benefit cost (service cost reported as an expense, the remaining components reported as a part of the net change in postretirement benefit obligation, in the consolidated statements of activities) includes the following components:

	2022	2021
Service Cost	\$ 1,159	\$ 1,226
Interest Cost	1,499	1,457
Amortization of Prior Service Credit	(36)	(36)
Amortization of Unrecognized Loss	499	917
Net Periodic Postretirement Benefit Cost	\$ 3,121	\$ 3,564

The following assumptions were used in accounting for the postretirement benefit plan:

	2022	2021
Weighted-Average Assumptions Used to Determine Postretirement Benefit Obligation:		
Effective Discount Rate for Benefit Obligation	4.64%	2.80%
Health Care Trend Rates - Medical		
Trend for Next Year	7.70%	5.75%
Ultimate Trend	4.50%	4.50%
Year Ultimate Trend Reached	2030	2030
Health Care Trend Rates - Retiree Drug Subsidy		
Trend for All Years	4.50%	4.50%
Measurement Date	June 30, 2022	June 30, 2021

Weighted-Average Assumptions Used to Determine Benefit Cost:		
Effective Discount Rate for Benefit Obligation	2.80%	2.73%
Effective Discount Rate for Interest on Benefit Obligation	2.34%	2.25%
Effective Discount Rate for Service Cost	2.98%	2.95%
Effective Discount Rate for Interest on Service Cost	2.81%	2.74%
Health Care Trend Rates - Medical		
Trend for Next Year	5.75%	5.90%
Ultimate Trend	4.50%	4.50%
Year Ultimate Trend Reached	2030	22-Jul-05
Health Care Trend Rates - Retiree Drug Subsidy		
Trend for All Years	4.50%	4.50%

For the year ended June 30, 2022, the net actuarial gain in the postretirement benefit obligation was primarily driven by an increase in the discount rate from 2.8% in 2021 to 4.64% in 2022.

The University's expected employer contributions are \$1,842 for the year ending June 30, 2023.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 10 EMPLOYEE BENEFIT PLANS (CONTINUED)**

At June 30, 2022, the University's expected future benefit payments for future service are as follows:

Estimated Future Benefits Payments Reflecting Expected Future Service for the Fiscal Year Ending June 30,	Amount
2023	\$ 1,773
2024	1,986
2025	2,242
2026	2,459
2027	2,653
2028 to 2032	16,218

At June 30, 2022, the items not yet recognized as a component of net periodic postretirement benefit cost are as follows:

Unrecognized Prior Service Cost	\$ (9)
Unrecognized Net Gain	(4,897)
Total Unamortized Items	<u><u>\$ (4,906)</u></u>

**NOTE 11 NET ASSET BALANCES**

Net assets with donor restrictions related to purpose restrictions consist of the following at June 30:

	2022	2021
Funds Held for Accumulated Gains on True Endowment	\$ 17,704	\$ 22,559
Funds Held for Scholarships	2,000	1,769
Funds Held for Special Projects	6,021	6,195
Total	<u><u>\$ 25,725</u></u>	<u><u>\$ 30,523</u></u>

Net assets with donor restrictions related to endowment funds consist of the following at June 30:

	2022	2021
Funds Held in Support of Scholarships	\$ 20,291	\$ 19,682
Funds Held in Support of Academic Professorships	5,242	5,237
Funds Held in Support of General Operations	2,408	2,319
Funds Held for Other Purposes	12,724	12,456
Land Held for Conservation	794	794
Total	<u><u>\$ 41,459</u></u>	<u><u>\$ 40,488</u></u>



**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 12 ENDOWMENTS**

The University's endowment consists of 334 individual funds established for a variety of purposes. Its endowment includes both donor restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

**Interpretation of Relevant Law**

The University has interpreted relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions endowment funds as (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by relevant law. Pennsylvania law permits the board of trustees to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to donor restricted endowment funds averaged over a period of three or more preceding years, provided the board of trustees has determined that such percentage is consistent with the long term preservation of the real value of such assets.

**Return Objectives and Risk Parameters**

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the organization must hold in perpetuity as well as board designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the appropriate indices while assuming a moderate level of investment risk. The University expects its endowment funds, over time, to provide a board approved average rate of return annually. Actual returns in any given year may vary from that amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long term 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). The University targets a diversified asset allocation that places a greater emphasis on equity based investments to achieve its long term return objectives within prudent risk constraints.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 12 ENDOWMENTS (CONTINUED)**

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The University has a policy of appropriating for distribution each year up to a board approved percentage of its funds based on the average three year rolling market value. The board approved spending rate was 7.0% for the years ended June 30, 2022 and 2021. In establishing this policy, the University considered the long term expected return on its funds. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow annually. This is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the original gift amount. Deficiencies of this nature were approximately \$14 as of June 30, 2022, with a fair market value of \$528 and original gifts of \$543. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of newly endowed funds. There were no such deficiencies of this nature for the year ended June 30, 2021.

**Net Asset Classifications of Endowment Funds**

Net asset classification by type of endowment is as follows as of June 30:

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 60,944	\$ 60,944
Board-Designated Endowment Funds	53,096	-	53,096
Total	<u>\$ 53,096</u>	<u>\$ 60,944</u>	<u>\$ 114,040</u>
	2021		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 64,716	\$ 64,716
Board-Designated Endowment Funds	50,233	-	50,233
Total	<u>\$ 50,233</u>	<u>\$ 64,716</u>	<u>\$ 114,949</u>

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 12 ENDOWMENTS (CONTINUED)**

**Net Asset Classifications of Endowment Funds (Continued)**

Changes in endowment net assets are as follows for the years ended June 30:

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets -			
Beginning of Year	\$ 50,233	\$ 64,716	\$ 114,949
Investment Return			
Investment Loss	(98)	(140)	(238)
Net Depreciation (Realized and Unrealized Gains and Losses)	(1,933)	(1,850)	(3,783)
Total Investment Loss	(2,031)	(1,990)	(4,021)
Contributions	9,001	749	9,750
Loss on Write-Off of Pledges	-	175	175
Appropriation of Endowment Assets for Expenditure	(4,107)	(2,706)	(6,813)
Endowment Net Assets - End of Year	<u>\$ 53,096</u>	<u>\$ 60,944</u>	<u>\$ 114,040</u>
	2021		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets -			
Beginning of Year	\$ 40,900	\$ 50,194	\$ 91,094
Investment Return			
Investment Loss	(34)	(47)	(81)
Net Appreciation (Realized and Unrealized Gains and Losses)	13,279	16,158	29,437
Total Investment Gain	13,245	16,111	29,356
Contributions	-	1,861	1,861
Recovery on Write-Off of Pledges	-	(961)	(961)
Appropriation of Endowment Assets for Expenditure	(3,912)	(2,489)	(6,401)
Endowment Net Assets - End of Year	<u>\$ 50,233</u>	<u>\$ 64,716</u>	<u>\$ 114,949</u>

**NOTE 13 CONTINGENCIES**

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

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 13 CONTINGENCIES (CONTINUED)**

Since 1997, the University has also guaranteed, on a joint and several basis with another entity, certain loans to finance the building of the University Technology Park, Inc. As of June 30, 2022, these loans were paid in full and there is no remaining guarantee. As of June 30, 2021, these loans amount to approximately \$2,142, of which the University had guaranteed \$1,071 of these loans.

Amounts received and expended by the University under various federal and state programs are subject to audit by the various federal and state agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position of the University.

The University did not have any outstanding construction commitments as of June 30, 2022.

**NOTE 14 RELATED PARTIES**

The University is the sole member of the Widener Partnership Charter School, Inc., (the School), a non-profit corporation. The School's bylaws stipulate that the University will nominate and elect the members of the School's Board of Trustees and that there shall be no less than ten (10) and no more than twenty (20) trustees.

On June 28, 2022, the University transferred ownership of the School to Chester Upland School District. Through June 28, 2022, the School had an arrangement with the University that the School will reimburse the University for general and administrative services rendered at a rate of 3% of tuition revenue for the years ended June 30, 2022 and 2021. Rent expense charged to the School from the University for use of the school building was \$700 for the years ended June 30, 2022 and 2021. Related party expenses charged to the School from the University for management and professional services were \$268 and \$171 for the years ended June 30, 2022 and 2021, respectively.

The University has \$1,874 and \$2,078 in gross pledges receivable due from members of the board of trustees as of June 30, 2022 and 2021, respectively.

**NOTE 15 LINE OF CREDIT**

Effective June 27, 2018, the University signed a line of credit for \$5,000, which is secured by the University's revenues. Draws on the line of credit bear interest at the prime rate. The University was obligated for \$-0- at June 30, 2022 and 2021.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 16 FUNCTIONAL EXPENSES**

The statements of activities present expenses by functional classification. The table below presents expenses by both their nature and function for the years ended June 30.

		2022					
		Salaries and Wages					
		Benefits	O&M	Depreciation	Interest	Other	Total
Instructional	\$ 45,059	\$ 15,285	\$ 4,875	\$ 4,135	\$ 809	\$ 3,064	\$ 73,227
Research	309	74	-	-	-	217	600
Public Service	402	122	-	-	-	94	618
Academic Support	4,038	1,499	1,514	1,284	251	5,296	13,882
Student Service	8,434	3,262	2,791	2,367	463	4,054	21,371
Institutional Support	12,639	7,006	711	603	118	1,315	22,392
Auxiliary Enterprises	942	302	7,116	6,036	1,181	5,861	21,438
HEERF Grants to Students	-	-	-	-	-	4,056	4,056
<b>Total</b>	<b>\$ 71,823</b>	<b>\$ 27,550</b>	<b>\$ 17,007</b>	<b>\$ 14,425</b>	<b>\$ 2,822</b>	<b>\$ 23,957</b>	<b>\$ 157,584</b>

		2021					
		Salaries and Wages					
		Benefits	O&M	Depreciation	Interest	Other	Total
Instructional	\$ 45,031	\$ 15,894	\$ 3,830	\$ 4,027	\$ 1,047	\$ 2,447	\$ 72,276
Research	221	49	-	-	-	147	417
Public Service	383	101	-	-	-	74	558
Academic Support	4,112	1,563	1,211	1,273	331	4,738	13,228
Student Service	8,084	3,191	2,232	2,346	610	1,584	18,047
Institutional Support	9,311	595	637	669	174	4,750	16,136
Auxiliary Enterprises	523	184	5,691	5,983	1,556	2,825	16,762
HEERF Grants to Students	-	-	-	-	-	1,603	1,603
<b>Total</b>	<b>\$ 67,665</b>	<b>\$ 21,577</b>	<b>\$ 13,601</b>	<b>\$ 14,298</b>	<b>\$ 3,718</b>	<b>\$ 18,168</b>	<b>\$ 139,027</b>

The financial statements utilize, when possible, a direct allocation method for expenses of a functional category. Other categories of expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. Expenses that are allocated on a square footage basis include depreciation, interest, and operations and maintenance. Benefits and payroll taxes are allocated based on the percentage of salary expense.

**NOTE 17 RISKS AND UNCERTAINTIES**

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to Widener University, COVID-19 may impact various parts of its 2023 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes Widener University is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(DOLLARS IN THOUSANDS)**

**NOTE 17 RISKS AND UNCERTAINTIES (CONTINUED)**

Due to COVID-19, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) on December 27, 2020, and the American Rescue Plan Act (ARP) on March 11, 2021, which include funding for the Higher Education Emergency Relief Fund (HEERF). These funds were awarded to institutions of higher education in two allotments; institutional aid to provide support for defraying expenses associated with coronavirus and a student portion to provide emergency financial aid grants to students.

Through June 30, 2022, the University has received an allocation of \$6,828 in student portion and \$8,453 in institutional portion. The University had expended \$5,522 and \$27 defraying expenses associated with coronavirus that is included in grants with donor restriction on the consolidated statements of activities, for the years ended June 30, 2022 and 2021, respectively. The University had expended \$4,056 and \$1,603 related to emergency student grants that is included in HEERF grants to students expense on the consolidated statements of activities for years ended June 30, 2022 and 2021, respectively. The University has drawn down and received \$9,338 and \$2,755 for the years ended June 30, 2022 and 2021, respectively. The University has \$144 and \$11 in accounts receivable as of June 30, 2022 and 2021, respectively, related to HEERF funding amounts to be drawn.

**NOTE 18 SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, the University has evaluated events and transactions for potential recognition or disclosure through October 11, 2022, the date the consolidated financial statements were issued.

**WIDENER UNIVERSITY - SINGLE AUDIT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
(DOLLARS IN THOUSANDS)

**NOTE 19 COMPOSITE SCORE**

The University participates in various federally funded student financial aid programs. Under regulatory provisions of these programs, the University is required to demonstrate financial responsibility by meeting a certain composite score based on a formula developed by the Department of Education. The score uses financial ratios based on the University's audited financial statements. The composite score calculated reflects the overall relative financial health of institutions along a scale of negative 1.0 to positive 3.0.

The composite score for the year ended June 30, 2022 is as follows:

Primary Reserve Ratio:				
Expendable Net Assets		\$ 70,068		
Total Expenses/Losses		\$ 157,739		0.44
Equity Reserve Ratio:				
Modified Net Assets		\$ 224,762		
Modified Assets		\$ 432,629		0.52
Net Income Ratio:				
Change in Net Assets Without Donor Restriction		\$ 8,782		
Total Revenues/Gains		\$ 177,301		0.05
	Ratios	Strength Factors	Weight	Composite Score
Primary Reserve Ratio	0.44	3.0	40%	1.2
Equity Reserve Ratio	0.52	3.0	40%	1.2
Net Income Ratio	0.05	3.0	20%	0.6
Composite Score				3.0

See below for additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV.

<b>Net Assets</b>		
1	Net Assets with Donor Restrictions: Restricted in Perpetuity	\$ 41,459
2	Other Net Assets with Donor Restrictions (Not Restricted in Perpetuity):	
	a. Annuities with Donor Restrictions	\$ 189
	b. Term Endowments	-
	c. Life Income Funds (Trusts)	-
	d. Total Annuities, Term Endowments, and Life Income Funds with Donor Restrictions	\$ 189

**WIDENER UNIVERSITY - SINGLE AUDIT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021  
(DOLLARS IN THOUSANDS)**

**NOTE 19 COMPOSITE SCORE (CONTINUED)**

**Property, Plant, and Equipment, Net**

3	Pre-Implementation Property, Plant, and Equipment, Net	
	a. Ending Balance of Last Financial Statements Submitted to and Accepted by the Department of Education (June 30, 2020, Financial Statement)	\$ 201,795
	b. Reclassify Capital Lease Assets Previously Included in PPE, Net Prior to the Implementation of ASU 2016-02 Leases Standard	-
	c. Less Subsequent Depreciation and Disposals (Net of Accumulated Depreciation)	(22,367)
	d. Balance Pre-Implementation Property, Plant, and Equipment, Net	179,428
4	Debt Financed Post-Implementation Property, Plant, and Equipment, Net	
	Long-Lived Assets Acquired with Debt Subsequent to June 30, 2020:	
	a. Equipment	282
	b. Land Improvements	-
	c. Building	12,839
	d. Total Property, Plant, and Equipment, Net Acquired with Debt Exceeding 12 Months	13,121
5	Construction in Progress - Acquired Subsequent to June 30, 2020	3,157
6	Post-Implementation Property, Plant, and Equipment, Net, Acquired without Debt:	
	a. Long-Lived Assets Acquired without Use of Debt Subsequent to June 30, 2020	8,032
7	Total Property, Plant, and Equipment, Net - June 30, 2020	\$ 203,738

**Debt to be Excluded from Expendable Net Assets**

8	Pre-Implementation Debt:	
	a. Ending Balance of Last Financial Statements Submitted to the Department of Education (June 30, 2020):	\$ 73,223
	b. Reclassify Capital Leases Previously Included in Long-Term Debt Prior to the Implementation of ASU 2016-02 Leases Standard	-
	c. Less Subsequent Debt Repayments	(50,129)
	d. Balance Pre-Implementation Debt	23,094
9	Allowable Post-Implementation Debt Used for Capitalized Long-Lived Assets:	
	a. Equipment - All Capitalized	282
	b. Land Improvements	-
	c. Buildings	12,839
	d. Balance Post-Implementation Debt	13,121
10	Construction in Progress (CIP) Financed with Debt or Line of Credit	2,283
11	Long-Term Debt not for the Purchase of Property, Plant, and Equipment or Liability Greater than Assets Value	68,984
		\$ 107,482
12	Terms of Current Year Debt and Line of Credit for PPE Additions:	

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Nature of Capitalized Amounts</u>	<u>Amount Capitalized</u>
a. July 14, 2021	July 15, 2051	Equipment	\$ 282
b. July 14, 2021	July 15, 2051	Buildings	\$ 12,839
c. July 14, 2021	July 15, 2051	CIP	\$ 2,283



**WIDENER UNIVERSITY - SINGLE AUDIT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021  
(DOLLARS IN THOUSANDS)**

**NOTE 19 COMPOSITE SCORE (CONTINUED)**

**Lease Right-of-Use Assets and Liabilities**

13	Lease Right-of-Use Assets Right-of-Use Assets as of Balance Sheet Date June 20, 2021	\$	1,447
14	Lease Right-of-Use Assets - Pre-Implementation Right-of-Use Assets as of Balance Sheet Date June 20, 2021, Excluding Leases Entered into Before December 15, 2018		-
15	Lease Right-of-Use Assets - Post-Implementation Right-of-Use Assets as of Balance Sheet Date June 20, 2021, Excluding Leases Entered into on or After December 15, 2018		1,447
16	Lease Right-of-Use Liability Lease Liabilities as of Balance Sheet Date June 20, 2021		1,469
17	Lease Right-of-Use Liability - Pre-Implementation Lease Liabilities as of Balance Sheet Date June 20, 2021, Excluding Leases Entered into Before December 15, 2018		-
18	Lease Right-of-Use Liability - Post-Implementation Lease Liabilities as of Balance Sheet Date June 20, 2021, Excluding Leases Entered into on or After December 15, 2018		1,469

**Unsecured Related-Party Receivables**

19	Secured Related-Party Receivables	\$	-
20	Unsecured Related-Party Receivables		400
21	Total Secured and Unsecured Related-Party Receivables	<u>\$</u>	<u>400</u>

**Sale of Fixed Assets (if Loss)**

22	Loss on Sale of Fixed Assets	\$	-
23	Remaining Balance in Expense Category in which Loss on Sale of Assets is Included on SOA		-
24	Expense Category in which Loss on Sale of Assets is Included on SOA	<u>\$</u>	<u>-</u>

**Sale of Fixed Assets (if Gain)**

25	Gain on Sale of Fixed Assets	\$	76
26	Remaining Balance in Nonoperating Other Income Category in which Gain on Sale of Assets is Included		-
27	Other Income Category in which Gain on Sale of Assets is Included on SOA	<u>\$</u>	<u>76</u>

**WIDENER UNIVERSITY - SINGLE AUDIT  
FINANCIAL RESPONSIBILITY RATIO SUPPLEMENTAL SCHEDULE  
JUNE 30, 2022**

	<b>Primary Reserve Ratio:</b>		<b>Expendable Net Assets:</b>	
1	Statement of Financial Position (SFP)		Net Assets without Donor Restrictions	\$ 157,977,656
2	SFP		Net Assets with Donor Restrictions	67,183,966
3	Note 12		Net Assets Restricted in Perpetuity	41,459,237
4	SFP		Unsecured Related-Party Receivable	400,000
5	Supplemental Disclosure (SD) Line 2d		Donor Restricted Annuities, Term Endowments, Life Income Funds	189,296
6	SD Line 3d		Property, Plant, and Equipment Pre-Implementation	179,428,019
7	SD Line 4d		Property, Plant, and Equipment Post-Implementation with Outstanding Debt for Original Purchase	13,120,816
8	SD Line 5		Construction in Progress Purchased with Long-Term Debt	3,156,626
9	SD Line 35		Post-Implementation Property, Plant, and Equipment, Net, Acquired without Debt	8,032,034
10	SD Line 14		Lease Right-of-Use Asset, Pre-Implementation (Grandfather of Leases Option Not Chosen)	-
11	SD Line 15		Lease Right-of-Use Asset, Post-Implementation	1,446,898
12	SFP		Intangible Assets	-
13	SFP		Post-Employment and Pension Liabilities	52,172,511
14	SD Line 8d		Long-Term Debt for Long-Term Purposes Pre-Implementation	23,094,161
15	SD Line 9d		Long-Term Debt for Long-Term Purposes Post-Implementation	13,120,816
16	SD Line 10		Line of Credit for Construction in Progress	2,282,528
17	SD Line 17		Pre-Implementation Right-of-Use Asset Liability	-
18	SD Line 18		Post-Implementation Right-of-Use Asset Liability	1,469,077
			<b>Total Expenses and Losses:</b>	
19	Statement of Activities (SOA)		Total Expenses (Operating and Nonoperating) without Donor Restrictions	157,739,032
20	SOA		Non-Service Component of Pension/Postemployment (Nonoperating) Cost, (if Loss)	-
21	SD Line 22		Sale of Fixed Assets (if Loss)	-
22	SOA		Change in Value of Interest-Rate Swap Agreements (if Loss)	-
	<b>Equity Ratio:</b>		<b>Modified Net Assets:</b>	
23	SFP		Net Assets without Donor Restrictions	157,977,656
24	SFP		Net Assets with Donor Restrictions	67,183,966
25	SFP		Intangible Assets	-
26	SD Line 14		Unsecured Related-Party Receivables	400,000
			<b>Modified Assets:</b>	
27	SFP		Total Assets	433,028,731
28	SD Line 14		Lease Right-of-Use Asset Pre-Implementation	-
29	SFP		Intangible Assets	-
30	SD Line 20		Unsecured Related-Party Receivables	400,000
	<b>Net Income Ratio:</b>		<b>Change in Net Assets without Donor Restrictions</b>	<b>8,781,747</b>
			<b>Total Revenues and Gains without Donor Restriction:</b>	
32	SOA		Total Operating Revenue (Including Net Assets Released from Restrictions)	164,158,175
33	SOA		Investments Gain, Net (Aggregate Operating and Nonoperating Interest, Dividends, Realized and Unrealized Gains)	-
34	SOA		Non-Service Component of Pension/Postemployment (Nonoperating) Cost (if Gain)	13,067,050
35	SOA		Pension-Related Changes Other than Net Periodic Pension Costs (if Gain)	-
36	SOA		Change in Value of Annuity Agreement (Typically in Nonoperating)	-
37	SOA		Change in Value of Interest-Rate Swap Agreements (if Gain)	-
38	SD Line 25		Sale of Fixed Assets (if Gain)	76,031
39	SOA		Other Gains	-

**WIDENER UNIVERSITY - SINGLE AUDIT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Pass-Through to Subrecipients
<b>Department of Education</b>				
<b>Student Financial Assistance Cluster:</b>				
Federal Direct Student Loans	84.268	n/a	\$ 85,080,001	\$ -
Federal Perkins Loan Program	84.038	n/a	4,230,530	-
Federal Pell Grant Program	84.063	n/a	2,740,212	-
Federal Supplemental Educational Opportunity Grant	84.007	n/a	818,315	-
Federal Work Study	84.033	n/a	503,004	-
Total Student Financial Assistance Cluster			93,372,062	-
COVID-19, Education Stabilization Fund - Higher Education Emergency Relief Fund Student Aid Portion	84.425E	n/a	4,055,791	-
COVID-19, Education Stabilization Fund - Higher Education Emergency Relief Fund Institutional Portion	84.425F	n/a	4,169,378	-
Total COVID-19, Education Stabilization Fund			8,225,169	-
Total Department of Education			101,597,231	-
<b>Research and Development Cluster:</b>				
<b>National Science Foundation</b>				
Fostering Inclusion, Innovation and Creativity: A National Design Competition in Rehabilitation and Assistive Devices	47.041	n/a	9,000	-
Adsorptive Separation of Rare Earth Elements in DNA Grafted Mesoporous Carbons	47.041	n/a	1,992	-
Subtotal Federal Assistance Listing Number 47.041			10,992	-
Pass Through Oregon State University,				
Mathematical and Physical Sciences	47.049	2020265	12,996	-
How Energy Economy and Muscle Properties Shape Fish Swimming Strategies	47.074	n/a	36,605	-
NSF – Rapid Krumm	47.074	n/a	42,408	-
RCN-UBE: Broadening undergraduate participation in ecology	47.074	n/a	6,183	-
Research Coordination Networks in Undergraduate Biology Education	47.074	n/a	46,584	-
Subtotal Federal Assistance Listing Number 47.074			131,780	-
Total Research and Development Cluster			155,768	-
<b>Other Programs:</b>				
<b>Department of Defense / Defense Logistics Agency</b>				
Pass Through the University of Pennsylvania,				
Procurement Technical Assistance Program	12.002	5-51363-D	5,463	-
Procurement Technical Assistance Program	12.002	5-53606-D	77,570	-
Subtotal for Federal Assistance Listing Number 12.002			83,033	-
Total Department of Defense / Defense Logistics Agency			83,033	-
<b>Small Business Administration</b>				
Pass Through the University of Pennsylvania,				
SBDC-SBA Contract 1	59.037	551652-P	225,429	-
SBDC-SBA Contract 2	59.037	554538-P	37,436	-
SBDC-SBA Contract 5	59.037	SBACARES20200514	269,407	-
Subtotal for Federal Assistance Listing Number 59.037			532,272	-
Total Small Business Administration			532,272	-
<b>Department of Health and Human Services:</b>				
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	n/a	21,961	-
Behavior Health Workforce Education and Training Program	93.732	n/a	28,425	-
Opioid Workforce Expansion Program- Professional	93.732	n/a	390,438	-
Subtotal for Federal Assistance Listing Number 93.732			418,863	-
Pass Through the University of Pennsylvania,				
Graduate Nurse Education Network of Greater Philadelphia	93.779	SONWIDEDY1-13	1,120	-
Child Health and Human Development Extramural Research	93.865	n/a	11,960	-
Pass Through Crozer, Healthy Start Initiative	93.926	H49MC00060-10-01	197,577	-
Total Department of Health and Human Services			651,481	-
Total Expenditures of Federal Awards			\$ 103,019,785	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WIDENER UNIVERSITY - SINGLE AUDIT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Widener University under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Widener University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Widener University.

For 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 subawards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

Widener University elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 FEDERAL STUDENT LOAN PROGRAMS**

The Federal Perkins Loan Program is administered directly by Widener University, and balances and transactions relating to this program are included in Widener University's basic consolidated financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2022 is \$3,469,448.



**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**

Board of Trustees  
Widener University and Affiliate  
Chester, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Widener University and Affiliate (the University), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 11, 2022, except for Note 19 which is dated March 15, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

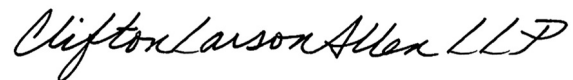
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the University's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 11, 2022, except for Note 19 as to which the date is March 15, 2023.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Widener University and Affiliate  
Chester, Pennsylvania

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

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

We have audited Widener University and Affiliate's (the University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

### **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2022, and have issued our report thereon dated October 11, 2022, except for Note 19 as to which the date is March 15, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



**CliftonLarsonAllen LLP**

King of Prussia, Pennsylvania  
March 15, 2023

**WIDENER UNIVERSITY AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

---

***Section I – Summary of Auditors’ Results***

---

***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes            X       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes            X       no
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes            X       no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes            X       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes            X       no
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes            X       no

***Identification of Major Federal Programs***

<b>Federal Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.007	Student Financial Assistance Cluster: Federal Supplemental Educational Opportunity Grant
84.033	Federal Work Study
84.038	Federal Perkins Loan Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.425E	COVID – 19, Education Stabilization Fund: Higher Education Emergency Relief Fund Student Aid Portion

**WIDENER UNIVERSITY AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

---

***Section I – Summary of Auditors’ Results (Continued)***

---

84.425F

Higher Education Emergency Relief Fund  
Institutional Portion

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

    X     yes            no

---

***Section II – Financial Statement Findings***

---

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

---

***Section III – Findings and Questioned Costs – Major Federal Programs***

---

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2022

Department of Education

Widener University respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

Audit period: July 1, 2021 - June 30, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

### **FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

#### **2021–001 Student Financial Assistance Cluster**

**Condition:** A student eligible for \$4,000 of Direct Subsidized Loans was disbursed \$2,000 in Direct Subsidized Loans and \$2,000 of Direct Unsubsidized Loans.

**Reason why audit finding is no longer valid or does not warrant further action:** Widener University provided staff training on how to determine eligibility for federal direct loans with consideration of federal need, annual subsidized and unsubsidized loan limits, academic grade level and aggregate loan limits.

#### **2021–002 Education Stabilization Fund Quarterly Reporting**

**Condition:** During our testing of the student portion quarterly public reports, while the University published the required information on the University's website, one of the two quarterly reports was posted after the established deadline.

**Reason why audit finding is no longer valid or does not warrant further action:** Widener University's process now includes ensuring required documentation is posted publicly within deadlines and documentation is available to verify the date of posting.

#### **2021–003 Education Stabilization Fund Procurement**

**Condition:** The University's procurement policy does not conform to the procurement standards identified in Uniform Guidance §§ 200.317 through 200.327.

**Reason why audit finding is no longer valid or does not warrant further action:** Widener University revised its Procurement Policy to include guidance and procedures consistent with Uniform Guidance regulations.

If the Department of Education has questions regarding this schedule, please call William Lockard, AVP Fiscal Operations & Risk Management, at 610-499-4396.