

CONSOLIDATED FINANCIAL STATEMENTS AND
SINGLE AUDIT AND SUPPLEMENTARY INFORMATION

The Cooper Health System
Year Ended December 31, 2014
with Reports of Independent Auditors

Ernst & Young LLP



Building a better
working world

The Cooper Health System

Consolidated Financial Statements and Single Audit
and Supplementary Information

Year Ended December 31, 2014

Contents

Report of Independent Auditors.....	1
Audited Consolidated Financial Statements	
Consolidated Balance Sheets	4
Consolidated Statements of Operations and Changes in Net Assets	6
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements.....	9
Single Audit and Supplementary Information	
Schedule of Expenditures of Federal and State of New Jersey Awards	44
Notes to Schedule of Expenditures of Federal and State of New Jersey Awards.....	54
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	56
Report of Independent Auditors on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB Circular Letter 04-04.....	58
Schedule of Findings and Questioned Costs.....	61
New Jersey Department of Health	
Schedules of Costs	63
Philadelphia Department of Public Health AACO	
Statements of Expenditures and Revenues	91



Ernst & Young LLP
One Commerce Square
Suite 700
2005 Market Street
Philadelphia, PA 19103

Tel: +1 215 448 5000
Fax: +1 215 448 5500
ey.com

Report of Independent Auditors

The Board of Trustees
The Cooper Health System

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Cooper Health System, which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Cooper Health System at December 31, 2014 and 2013, and the consolidated results of its operations and changes in net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and State of New Jersey awards for the year ended December 31, 2014, the schedules of costs, and the statements of expenditures and revenues as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, New Jersey Office of Management and Budget Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and the *City of Philadelphia Subrecipient Audit Guide*, the New Jersey Department of Health, and the Philadelphia Department of Public Health, respectively, are presented for purposes of additional analysis and are 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, except for the portion marked “unaudited,” 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 with auditing standards generally accepted in the United States. In our opinion, the information, except for that portion marked “unaudited,” on which we express no opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated April 30, 2015, on our consideration of The Cooper Health System’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of



that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Cooper Health System's internal control over financial reporting and compliance.

Ernst + Young LLP

April 30, 2015, except for the schedule of expenditures of federal and State of New Jersey awards, the New Jersey Department of Health schedules of costs, and the Philadelphia Department of Public Health AACO statements of expenditures and revenues for which the date is September 30, 2015.

The Cooper Health System
Consolidated Balance Sheets
(In Thousands)

	December 31	
	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 170,086	\$ 96,048
Current portion of assets limited as to use – externally designated	18,368	22,895
Patient accounts receivable, net of allowance for doubtful accounts of \$28,145 and \$23,971 in 2014 and 2013, respectively	105,885	108,173
Prepaid expenses and other current assets	41,248	35,384
Total current assets	335,587	262,500
Assets limited as to use:		
Internally designated by Board of Trustees	187,393	175,492
Externally designated for donor purposes	36,519	33,467
Externally designated under debt agreements, net of current portion	26,968	64,390
Externally designated under self-insurance programs, net of current portion	32,354	40,181
	283,234	313,530
Property, plant, and equipment, net	439,873	427,045
Other assets, net	8,597	8,960
Note receivable	15,781	15,781
Equity method investment	12,351	–
Total assets	\$ 1,095,423	\$ 1,027,816

	December 31	
	2014	2013
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 17,182	\$ 25,516
Accrued expenses	94,458	89,217
Current portion of estimated settlements due to third-party payors	12,587	7,776
Current portion of self-insured reserves	18,642	17,658
Current portion of long-term debt	2,630	7,547
Total current liabilities	<u>145,499</u>	<u>147,714</u>
Estimated settlements due to third-party payors, net of current portion	10,309	10,716
Accrued retirement benefits	11,690	1,521
Self-insured reserves, net of current portion	50,552	50,995
Long-term debt, net of current portion	294,843	302,657
Deferred revenue and other liabilities	16,094	17,444
Notes payable	27,113	27,113
Total liabilities	<u>556,100</u>	<u>558,160</u>
Net assets:		
Unrestricted	514,131	448,417
Temporarily restricted	22,726	18,762
Permanently restricted	2,466	2,477
Total net assets	<u>539,323</u>	<u>469,656</u>
Total liabilities and net assets	<u>\$ 1,095,423</u>	<u>\$ 1,027,816</u>

See accompanying notes.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (In Thousands)

	Year Ended December 31	
	2014	2013
Unrestricted net assets		
Revenue:		
Net patient service revenue	\$ 955,917	\$ 879,740
Provision for bad debts	(70,002)	(66,856)
Net patient service revenue less provision for bad debts	885,915	812,884
Other revenue	64,479	62,041
	950,394	874,925
Expenses:		
Salaries, wages, and fringe benefits	552,178	521,512
Supplies and other	284,788	274,802
Malpractice	16,106	15,408
Depreciation and amortization	40,420	36,959
Interest	11,202	11,194
Total expenses	904,694	859,875
Operating income before malpractice actuarial gain	45,700	15,050
Malpractice actuarial gain	499	5,069
Operating income	46,199	20,119
Nonoperating gains and losses:		
Investment income	10,617	17,036
Gain (loss) on fixed asset disposal	9,352	(997)
Loss on extinguishment of debt	(4,374)	-
Net change in unrealized gains and losses on trading securities	6,663	(2,329)
Change in fair value of interest rate swap agreements	(4,375)	5,475
Excess of revenue over expenses	64,082	39,304
Other changes in unrestricted net assets:		
Change in pension benefit obligation	(8,413)	5,705
Contributions for capital acquisitions	10,554	46,404
Net change in unrealized gains and losses on other-than-trading securities	(509)	(671)
Increase in unrestricted net assets	65,714	90,742

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

	Year Ended December 31	
	2014	2013
Temporarily restricted net assets		
Contributions, gifts, and special events	\$ 7,036	\$ 5,819
Income from investments	334	294
Net realized and unrealized gains on investments	554	769
Net assets released from restrictions for operating purposes	(3,960)	(5,163)
Increase in temporarily restricted net assets	3,964	1,719
 Permanently restricted net assets		
Change in net unrealized gains and losses on investments	(11)	3
(Decrease) increase in permanently restricted net assets	(11)	3
Increase in net assets	69,667	92,464
Net assets, at beginning of year	469,656	377,192
Net assets, at end of year	\$ 539,323	\$ 469,656

See accompanying notes.

The Cooper Health System

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended December 31	
	2014	2013
Operating activities		
Increase in net assets	\$ 69,667	\$ 92,464
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in pension benefit obligation	8,413	(5,705)
Loss on extinguishment of debt	4,374	-
Change in fair value of interest rate swap agreements	4,375	(5,475)
Depreciation and amortization	40,420	36,959
(Gain) loss on property, plant, and equipment disposal	(9,352)	997
Provision for bad debts	70,002	66,856
Net realized and unrealized gains on investments	(8,154)	(6,941)
Income from equity method investments	(1,049)	-
Restricted contributions	(10,554)	(46,404)
Changes in certain assets and liabilities:		
Patient accounts receivable	(67,714)	(68,879)
Prepaid expenses and other assets	(6,376)	(7,090)
Accounts payable and accrued expenses	5,040	4,636
Self-insured reserves and accrued retirement benefits	2,297	(4,121)
Estimated settlements with third-party payors	4,404	(4,257)
Deferred revenue and other liabilities	(5,514)	(1,136)
Net cash provided by operating activities	100,279	51,904
Investing activities		
Sale (purchases) of assets limited as to use	42,977	(72,319)
Acquisition of equity method investments	(11,302)	-
Capital expenditures	(42,884)	(83,227)
Net cash used in investing activities	(11,209)	(155,546)
Financing activities		
Proceeds from issuance of long-term debt	159,118	54,915
Financing fees incurred	(2,220)	(1,289)
Repayments of long-term debt	(182,484)	(9,022)
Restricted contributions	10,554	46,404
Net cash used in financing activities	(15,032)	91,008
Net increase (decrease) in cash and cash equivalents	74,038	(12,634)
Cash and cash equivalents at beginning of year	96,048	108,682
Cash and cash equivalents at end of year	\$ 170,086	\$ 96,048
Supplemental disclosure of cash flow information		
Assets acquired under capital lease	\$ 8,849	\$ -
Cash paid for interest	\$ 15,746	\$ 11,255

See accompanying notes.

The Cooper Health System

Notes to Consolidated Financial Statements (In Thousands)

December 31, 2014

1. Organization

The Cooper Health System (Health System) is a New Jersey not-for-profit organization. The Health System is comprised of two divisions: The Cooper University Hospital (CUH), Cooper University Physicians (UP). The CUH includes the operations of Cooper Hospital/University Medical Center and The Children's Regional Hospital at Cooper, as well as programs focusing on ambulatory diagnostic and treatment services, wellness and prevention, and many other health services. The UP consists primarily of the employed medical staff.

The Health System also controls certain other entities which are included in the accompanying consolidated financial statements. Such entities include: Cooper Cancer Center (CCC); Cooper HealthCare Services, Inc. (CHCS); Cooper Medical Services, Inc. (CMS); and The Cooper Foundation (the Foundation). CCC owns and operates the cancer building which is leased to CUH. CHCS is a holding company, which is the sole shareholder of Cooper HealthCare Properties, Inc. (CHCP) and C&H Collections Services (C&H). CHCP manages a number of medical office buildings for the Health System, and C&H provides collection services primarily to the Health System. CMS owns and manages a medical office building on the campus of the Health System. The Health System appoints all of the Board of Trustees and exercises certain control over the Foundation, which promotes the charitable, scientific, and educational programs and policies of the Health System.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Health System and its affiliates and subsidiaries as described above. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of these consolidated financial statements has required 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 those estimates.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2. Summary of Significant Accounting Policies (continued)

Charity Care

The Health System has a policy of providing charity care to patients who are unable to pay based on federal poverty income guidelines. All charity care patients are separately identified and related charges are reduced based on financial information obtained from the patient. Since management does not expect payment for charity care, the charges are excluded from net patient service revenue.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are recorded on an estimated basis in the period that the related services are rendered, and adjusted in future periods as final settlements are determined. The method for making these estimates and establishing the resulting reserves are continually reviewed and updated, with any resulting adjustments reflected in operating income currently. In 2014 and 2013, the consolidated financial statements include revenue of \$2,548 and \$3,989, respectively, related to favorable adjustments of prior-year cost reports.

Other Revenue

Other revenue is comprised of grant revenue, incentive payments related to the implementation and meaningful use of certified electronic health records, salary reimbursement from affiliated parties, cafeteria revenue, net assets released from restrictions for operating purposes, parking, and other miscellaneous items.

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments for eligible hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology. For Medicare and Medicaid EHR incentive payments, the Health System utilizes a grant accounting model to recognize revenue. Under this accounting policy, EHR incentive payments were recognized as revenue when attestation that the EHR meaningful use criteria for the required period of time

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2. Summary of Significant Accounting Policies (continued)

was demonstrated. Accordingly, the Health System recognized approximately \$2,557 and \$3,073 of EHR revenue for the years ended December 31, 2014 and 2013, respectively. These amounts comprised \$0 and \$589 of Medicaid revenue and \$2,557 and \$2,484 of Medicare revenue for the years ended December 31, 2014 and 2013, respectively. These amounts are included in other revenue on the consolidated statements of operations and changes in net assets.

The Health System's attestation of compliance with the meaningful use criteria is subject to audit by the federal government or its designee. Additionally, Medicare EHR incentive payments received are subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated.

Advertising Costs

The Health System expenses advertising cost as incurred. In 2014 and 2013, the Health System incurred advertising expenses of \$6,368 and \$4,049, respectively, which are included in supplies and other on the consolidated statements of operations and changes in net assets.

Cash and Cash Equivalents

Cash and cash equivalents include various checking and savings accounts and all short-term funds, with initial maturity dates of three months or less, held on deposit with various lending institutions, excluding those classified as assets limited as to use.

Allowance for Doubtful Accounts

The Health System provides an allowance for doubtful accounts for estimated losses resulting from the unwillingness of patients to make payments for services. The allowance is determined by analyzing historical data and trends. Accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and the Health System ceases collection efforts.

Supplies

Supplies are stated at the lower of cost or market, determined by the average cost valuation method and are included in other current assets on the consolidated balance sheets.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2. Summary of Significant Accounting Policies (continued)

Derivative Financial Instruments

The Health System maintains interest rate swap agreements to mitigate the Health System's cash flow risk relating to changes in the variable interest rates of its Series 2008A and 2009A Bonds. Under the swap agreements, the Health System pays interest at fixed rates and receives interest at variable rates. All swap agreements are reflected at fair value on the consolidated balance sheets. The net changes in the fair value of these swap agreements are recorded in nonoperating gains and losses, on the consolidated statements of operations and changes in net assets, and the net monthly cash exchange under the contract is reflected within interest expense. The mark-to-market position of interest rate swap arrangements is included within deferred revenue and other liabilities and other assets on the consolidated balance sheets.

Fair Value of Financial Instruments

Financial instruments consist of cash equivalents, patient accounts receivable, assets limited as to use, notes receivable, accounts payable and accrued expenses, interest-rate swaps, notes payable, and long-term debt. The carrying amounts reported in the consolidated balance sheets for cash equivalents, patient accounts receivable, notes receivable, accounts payable and accrued expenses, and notes payable approximate fair value. Management's estimate of the fair value of other financial instruments is described elsewhere in the notes to the consolidated financial statements.

Assets Limited as to Use and Investment Income

Assets limited as to use are measured at fair value in the consolidated balance sheets. Assets limited as to use include internally designated assets set aside by the Board of Trustees (the Board), externally designated assets held by trustees under debt agreements (includes debt service interest, principal, and reserve funds and funds for future capital expenditures), for self-insurance programs (includes trusts for workers' compensation and for medical professional and general liability), and funds designated as such for donor restrictions. Amounts set aside by the Board are designated for operations, future capital improvements, and other contingencies, as needed.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2. Summary of Significant Accounting Policies (continued)

The Board retains control over the internally designated assets and may, at its discretion, subsequently use the assets for other purposes. Amounts internally designated by Board and externally designated by donor are classified as trading securities and all other assets limited as to use are deemed to be other than trading. Amounts required to meet current liabilities of the Health System have been classified as current assets in the consolidated financial statements.

Investment income, net of amounts capitalized from assets limited as to use, realized gains and losses, and the change in unrealized gains and losses from trading securities are recorded as nonoperating gains and losses.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost or fair value at the date of donation. Depreciation is provided over the estimated useful lives of the assets of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized by the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements. Interest costs incurred on borrowed funds, net of related interest income during the period of construction of capital assets is capitalized as a component of acquiring the assets. The Health System capitalized interest expense of \$2,429 and \$3 of interest revenue resulting in net capitalized interest expense of \$2,426 for the year ended December 31, 2014. The Health System capitalized interest expense of \$1,290 and \$1 of interest revenue resulting in net capitalized interest expense of \$1,289 for the year ended December 31, 2013.

Gifts or grants for the purchase of long-lived assets such as land, buildings, or equipment are excluded from the excess of revenue over expenses. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Health System continually evaluates whether later events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, the Health System uses an estimate of the related undiscounted operating income over the remaining life of the long-lived asset, or determines the fair market value of the long-lived asset in measuring whether the long-lived asset is recoverable. Management believes that no revision to the remaining useful lives or write-down of long-lived assets was required as of December 31, 2014 or 2013.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2. Summary of Significant Accounting Policies (continued)

Equity Method Investments

In 2014, the Health System purchased a 20% ownership interest in AmeriHealth Insurance Company of New Jersey, which provides health care services, insurance, and administration for New Jersey residents for \$8,492 in cash. The Health system could be subject to additional capital contributions based upon capital requirements set by the NJ Department of Business and Insurance, as provided in the agreement. As of December 31, 2014, the Health System has not funded any additional capital contributions. The Health System is accounting for the investment on the equity method. The Health System's share of the organization's income recognized in 2014 amounted to \$1,049.

Additionally in 2014 the Health System purchased a 49% ownership interest in a property management company for \$2,450 in cash. The Health System is accounting for the investment on the equity method. The Health System's share of the organization's income recognized in 2014 amounted to \$0.

Other Assets

Other assets include (1) deferred financing costs which are being amortized utilizing the effective interest method over the life of the related indebtedness and (2) long-term portion of insurance receivable.

Self-Insured Reserves

The Health System is self-insured for the majority of its medical malpractice, employee health, general liability, and the first layer of workers' compensation risks. A portion of the losses are covered with high-deductible commercial insurance policies and through trust funds. The Health System accrued liabilities which include estimates of the ultimate costs, net of insurance for both reported claims and claims incurred but not reported for each of their risks.

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include the excess of revenue over expenses. Changes in unrestricted net assets which are excluded from the excess of revenue over expenses include net change in unrealized gains and losses on investments

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2. Summary of Significant Accounting Policies (continued)

designated as other-than-trading securities, to the extent such losses are considered temporary, other changes in pension benefit obligation, and contributions of long-lived assets (including assets acquired using donor-restricted contributions or grant funds that were to be used for the purposes of acquiring such assets).

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Health System has been limited by donors to a specific time period or purpose. As the donors' intentions are met, the net assets are reclassified as unrestricted and reported in the consolidated statements of operations and changes in net assets as other revenue.

Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors to be maintained by the Health System in perpetuity. As specified by donor, the income earned on these investments is expendable to support patient care services.

Income Taxes

The Health System, CCC, CMS, and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal and state income taxes pursuant to Section 501(a) of the Code and the laws of the state of New Jersey.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, to clarify the principles for recognizing revenue and to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2. Summary of Significant Accounting Policies (continued)

reporting period. Early application is not permitted. An entity should apply the amendments in this update using either a full retrospective application or a modified retrospective application. Under the full retrospective application, an entity will apply the standard to each prior reporting period presented. Under the modified retrospective application, an entity recognizes the cumulative effect of initially applying the new standard as an adjustment to the opening balance of net assets at the date of initial application. Revenue in periods presented before that date will continue to be reported under guidance in effect before the change. The Health System is evaluating this new guidance and has not yet determined which approach it will adopt to apply the amendments in ASU 2014-09 or the impact that the adoption of this update will have on its financial statements.

In October 2012, the FASB issued ASU 2012-05, *Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*, which requires a not-for-profit to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any imposed limitations for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities. This guidance is effective prospectively for fiscal years beginning after June 15, 2013, with retrospective application to all prior periods presented permitted. The Health System adopted these provisions for the year ended December 31, 2014. The adoption did not impact the Health System's results of operations, financial position, or cash flows.

3. Net Patient Service Revenue

The Health System's service area is southern New Jersey. The Health System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

The Health System has agreements with third-party payors that provide for payments at amounts different from established charges. The CUH's inpatient acute care services and the UP's professional services for Medicare and Medicaid program beneficiaries and the CUH's outpatient services for Medicare program beneficiaries are paid at prospectively determined rates

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

3. Net Patient Service Revenue (continued)

per discharge or visit or fee schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Health System is reimbursed for cost reimbursable and other pass-through items, such as bad debts and paramedical education, from Medicare at a tentative rate with final settlements determined after submission of annual cost reports by the Health System and audits thereof by the programs' fiscal intermediaries. Provisions for estimated adjustments resulting from audit and final settlements have been recorded. The Health System's cost report for fiscal years 2005, 2009, 2011, and 2012 have been audited but not final settled as of yet. In the opinion of management, adequate provision has been made for any adjustment which may result from the final settlement of these reports or appeal items. Differences between the estimated adjustments and the amounts settled are recorded in the year of settlement.

Collectively, net revenues from the Medicare and Medicaid programs constitute approximately 47% and 44% of the Health System's net patient service revenue for the years ended December 31, 2014 and 2013, respectively.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation, and noncompliance could subject the Health System to significant regulatory action, including fines and penalties. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Health System believes that it is in compliance with applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretations as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. The Health System has a Corporate Compliance Program to monitor compliance with Medicare and Medicaid laws and regulations.

The Health System has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Health System under these agreements includes prospectively determined rates per discharge or visit, discounts from established charges, and prospectively determined daily rates. These agreements have retrospective audit clauses allowing the payor to review and adjust claims subsequent to initial payment.

3. Net Patient Service Revenue (continued)

Accounts receivable are reduced by an allowance for doubtful accounts. The Health System's allowance for doubtful accounts totaled approximately \$28,145 and \$23,971 at December 31,

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

2014 and 2013, respectively. In evaluating the collectibility of accounts receivable, the Health System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party payor coverage, the Health System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients, the Health System records a significant provision for bad debts on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Health System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of the contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Health System recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Health System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Health System records a significant provision for bad debts related to uninsured patients.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

3. Net Patient Service Revenue (continued)

Patient service revenue for the years ended December 31, 2014 and 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	Year Ended December 31	
	2014	2013
Third-party payors	\$ 938,178	\$ 849,857
Self-pay	17,739	29,883
Patient service revenue(net of contractual allowances and discounts)	\$ 955,917	\$ 879,740

Deductibles and copayments under third-party payment programs within third-party payor amount above are the patients' responsibility and the Health System considers these amounts in its determination of the provision for bad debts based on collection experience.

The mix of accounts receivable from patients and third-party payors was as follows:

	December 31	
	2014	2013
Commercial	22%	27%
HMO	43	34
Medicare	16	19
Blue Cross	12	13
Self-pay (including accounts which may ultimately be charity care)	1	3
Medicaid	6	4
	100%	100%

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

4. Charity Care and State Subsidies

The Health System provides care to those who meet the State of New Jersey Public Law 1992 (Chapter 160) charity care criteria. Charity care is provided without charge or at amounts less than its established charges. The Health System maintains records to identify and monitor the level of charity care it provides. The cost of services provided and supplies furnished under its charity care policy is estimated using internal cost data and is calculated based on the Health System's cost accounting system. The total direct and indirect amount of charity care provided, determined on the basis of cost, was \$36,650 and \$62,770 for the years ended December 31, 2014 and 2013, respectively.

The Health System's patient acceptance policy is based upon its mission statement and its charitable purposes. Accordingly, the Health System accepts all patients regardless of their ability to pay. This policy results in the Health System's assumption of higher-than-normal patient receivable credit risks. To the extent that the Health System realizes additional losses resulting from such higher credit risks and patients that are not identified or do not meet the Health System's defined charity care policy, such additional losses are included in the provision for bad debts.

Chapter 160 established the Charity Care Subsidy Fund and the Hospital Relief Subsidy Fund to provide a mechanism and funding source to compensate certain hospitals for charity care. These amounts are subject to change from year to year based on available state budget amounts and allocation methodologies.

Effective July 1, 2014, the state replaced the Hospital Relief Subsidy Fund with a new payment mechanism referred to as the Delivery System Reform Incentive Payment Pool (DSRIP). DSRIP will be available to certain hospitals that are able to establish performance improvement activities in one of eight specified clinical improvement areas. CUH qualified under the Diabetes Long-Term Complications Admission Rate metric. DSRIP will cover the period of July 1 to June 30 of each prospective fiscal year. Following the initial project period, the subsidy can be adjusted positively or negatively depending on the performance during that future period. The outcome remains to be determined.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

4. Charity Care and State Subsidies (continued)

The Health System recorded the following amounts from the funds as net patient service revenue.

	Year Ended December 31	
	2014	2013
Charity Care Subsidy Fund	\$ 36,854	\$ 36,020
Delivery System Reform Incentive Payment Pool	2,757	–
Hospital Relief Subsidy Fund	2,423	6,212
	\$ 42,034	\$ 42,232

5. Assets Limited as to Use and Investment Income

The composition of assets limited as to use is as follows:

	December 31	
	2014	2013
Internally designated by Board of Trustees:		
Cash and cash equivalents	\$ 5,769	\$ 10,206
Equity securities:		
U.S. companies	64,233	54,043
International companies	698	660
U.S. Treasury securities	28,393	37,638
Governmental asset-backed securities	7,634	8,073
Corporate bonds	80,666	64,872
	\$ 187,393	\$ 175,492

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

5. Assets Limited as to Use and Investment Income

	December 31	
	2014	2013
Externally designated for donor purposes:		
Cash and cash equivalents	\$ 441	\$ 533
Equity securities:		
U.S. companies	22,098	20,477
International companies	372	253
Mutual funds	40	41
U.S. Treasury securities	2,778	11,580
Governmental asset-backed securities	1,084	29
Corporate bonds	9,706	554
	\$ 36,519	\$ 33,467
 Externally designated – under debt agreements:		
Cash and cash equivalents	\$ 30,302	\$ 68,685
U.S. treasury securities	–	3,696
Governmental asset-backed securities	–	1,670
	30,302	74,051
Less current portion	3,334	9,661
	\$ 26,968	\$ 64,390
 Assets held by trustees externally designated – under debt agreements are maintained for the following purposes:		
Debt service interest funds	\$ 2,452	\$ 4,586
Debt service principal funds	882	5,075
Debt service reserve funds	506	13,809
Capital addition funds	26,462	50,581
	\$ 30,302	\$ 74,051

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

5. Assets Limited as to Use and Investment Income (continued)

	December 31	
	2014	2013
Externally designated – under self-insurance programs:		
Cash and cash equivalents	\$ 621	\$ 1,291
Equity securities:		
U.S. companies	8,670	9,715
International companies	349	985
Governmental asset-backed securities	1,698	1,749
Corporate bonds	36,050	39,675
	47,388	53,415
Less current portion	15,034	13,234
	\$ 32,354	\$ 40,181

Investment income, net of amounts capitalized, and net unrealized gains and losses on trading securities are included in nonoperating revenues and are comprised of the following:

	Year Ended December 31	
	2014	2013
Nonoperating gains and losses:		
Interest and dividend income	\$ 8,617	\$ 7,867
Net realized gains on sales of securities	2,000	9,169
Investment income	10,617	17,036
Change in net unrealized gains and losses on trading securities	6,663	(2,329)
	\$ 17,280	\$ 14,707
Change in net unrealized gains and losses on other-than-trading securities	\$ (509)	\$ (671)

The fair value framework establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include Level 1 – defined as observable inputs such as quoted prices in active markets; Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 – defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

5. Assets Limited as to Use and Investment Income (continued)

In determining fair value, the Health System uses the market approach. This utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The following table presents the fair value hierarchy for the Health System's financial assets measured at fair value on a recurring basis which include cash and cash equivalents, assets limited as to use, and the mark-to-market asset position of interest rate swap arrangements:

	Total	Level 1	Level 2	Level 3
December 31, 2014				
<u>Assets</u>				
Cash and cash equivalents	\$ 207,219	\$ 207,219	\$ —	\$ —
Equity securities:				
U.S. companies	95,001	95,001	—	—
International companies	1,419	1,419	—	—
Mutual funds	40	40	—	—
U.S. Treasury securities	31,171	31,171	—	—
Governmental asset-backed securities	10,416	—	10,416	—
Corporate bonds	126,422	—	126,422	—
Total assets	<u>\$ 471,688</u>	<u>\$ 334,850</u>	<u>\$ 136,838</u>	<u>\$ —</u>
<u>Liabilities</u>				
Interest rate swaps	\$ 4,710	\$ —	\$ 4,710	\$ —
Total liabilities	<u>\$ 4,710</u>	<u>\$ —</u>	<u>\$ 4,710</u>	<u>\$ —</u>

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

5. Assets Limited as to Use and Investment Income (continued)

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2013				
<u>Assets</u>				
Cash and cash equivalents	\$ 176,763	\$ 176,763	\$ —	\$ —
Equity securities:				
U.S. companies	84,235	84,235	—	—
International companies	1,898	1,898	—	—
Mutual funds	41	41	—	—
U.S. Treasury securities	52,914	52,914	—	—
Governmental asset-backed securities	11,521	—	11,521	—
Corporate bonds	105,101	—	105,101	—
Swap	210	—	210	—
Total assets	\$ 432,683	\$ 315,851	\$ 116,832	\$ —
<u>Liabilities</u>				
Interest rate swaps	\$ 545	\$ —	\$ 545	\$ —
Total liabilities	\$ 545	\$ —	\$ 545	\$ —

The Health System's Level 1 securities primarily consist of U.S. Treasury securities, equity securities, mutual funds, and cash and cash equivalents. The Health System determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets.

The Health System's Level 2 securities primarily consist of corporate debt, government asset-backed securities, and interest rate swaps. The Health System determines the estimated fair value for its Level 2 securities using the following methods: quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time), inputs other than quoted prices that are observable for the asset/liability (e.g., interest rates, yield curves volatilities, default rates), and inputs that are derived principally from or corroborated by other observable market data.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

6. Property, Plant, and Equipment

	December 31		Depreciable
	2014	2013	Life
Land	\$ 7,131	\$ 9,554	
Land improvements	1,320	1,320	5–25 years
Buildings and building improvements	456,502	453,477	10–40 years
Fixed equipment	57,617	39,245	10–20 years
Major movable equipment	321,519	296,820	5–20 years
	844,089	800,416	
Less accumulated depreciation	(428,622)	(389,008)	
	415,467	411,408	
Construction in progress	24,406	15,637	
	\$ 439,873	\$ 427,045	

Depreciation expense for the years ended December 31, 2014 and 2013, amounted to \$40,124 and \$36,637, respectively. Property, plant, and equipment, net included \$9,515 and \$799 of assets held under capitalized leases at December 31, 2014 and 2013, respectively.

The Health System sold certain property, plant, and equipment resulting in a gain on sale of \$9,352 for the year ended December 31, 2014. The Health System disposed of certain property, plant, and equipment resulting in a loss on disposal of \$997 for the year ended December 31, 2013.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

7. Long-Term Debt

	December 31	
	2014	2013
2005A Camden County Improvement Authority (CCIA) Revenue Bonds, including unamortized original issue discount of \$0 and \$554 at December 31, 2014 and 2013, respectively, with interest rates ranging from 5.00% to 5.25%, due February 15 th and August 15 th	\$	– \$ 67,076
2005B CCIA Revenue Bonds, including unamortized original issue premium of \$0 and \$718 at December 31, 2014 and 2013, respectively, with interest rates ranging from 4.00% to 5.25%, due February 15 th and August 15 th		– 47,628
2004A CCIA Revenue Bonds, including unamortized original issue discount of \$0 and \$264 at December 31, 2014 and 2013, respectively, with an interest rate at 5.75%, due February 15 th and August 15 th		– 30,116
2004B CCIA Variable Rate Demand Revenue Bonds with monthly interest payments, adjusted to a weekly rate determined by the remarketing agent, not to exceed 10% (0% and 0.19% at December 31, 2014 and 2013, respectively)		– 33,385
2008A New Jersey Economic Development Authority (NJEDA) Variable Rate Demand Revenue Bonds, with principal payments ranging from \$1,800 to \$13,500 due annually beginning on November 1, 2033 through 2038, with monthly interest payments, adjusted to a weekly rate determined by the remarketing agent, not to exceed 12% (0.16% and 0.19% at December 31, 2014 and 2013, respectively)	50,000	50,000
2009A CCIA Variable Rate Revenue Bonds, with principal payments ranging from \$67 to \$71 due monthly on March 15 th through February 15, 2021, with monthly interest payments based on 67% of London Interbank Offered Rate (LIBOR), plus 168 basis points	6,134	6,996
2013A CCIA Revenue Bonds, including unamortized original issue discount of \$1,774 and \$1,839 at December 31, 2014 and 2013, respectively, with principal payments ranging from \$595 to \$15,200 due annually beginning on November 1, 2035 through 2042, with interest rates ranging from 5.00% to 5.25%, due February 15 th and August 15 th of each year	53,141	53,076

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

7. Long-Term Debt (continued)

	December 31	
	2014	2013
2014A CCIA Revenue Bonds, including unamortized original issue premium of \$19,192 at December 31, 2014, with principal payments ranging from \$4,100 to \$10,690 due annually beginning on February 1, 2016 through 2035, with an interest rate of 5.00%, due February 15 th and August 15 th of each year	\$ 158,917	\$ —
2008B NJEDA Revenue Bonds, with principal payments ranging from \$367 to \$821 due annually beginning on December 1, 2016 through 2033, with an interest rate of 4.85%, due December 1 st and June 1 st of each year	10,183	10,183
\$997 Capital Lease, with principal and interest payments due monthly through 2018. Principal payments ranging from \$12 to \$16 plus a fixed interest rate of 5.30%	666	836
\$2,496 Equipment Loan, with principal and interest payments due monthly through 2017. Principal payments ranging from \$25 to \$35 plus a fixed interest rate of 5.13%	1,055	1,416
2002 Revenue Bonds, with monthly principal and interest payments of \$74, through February 15, 2022, at a fixed 5.75% rate. Secured by medical office building of CMS	5,291	5,858
Note payable in monthly installments, including interest adjusted every five years per the agreement (5.75% at December 31, 2014 and 2013), maturity date of July 1, 2023, secured by the building and substantially all assets of CHCP	457	495
\$8,849 Capital Lease, with principal and interest payments due monthly through 2028. Principal payments ranging from \$171 to \$1,213 plus an effective interest rate of 22%	8,849	—
New Jersey Health Care Facilities Financing Authority Capital Asset Program; Series 2007A Capital Asset Program Loan, with monthly principal payments of \$30 through October 1, 2017, with monthly interest payments based on variable rate which was 1.60% and 1.03% at December 31, 2014 and 2013, respectively	2,780	3,139
	297,473	310,204
Less current portion	2,630	7,547
Long-term debt, net of current portion	\$ 294,843	\$ 302,657

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

7. Long-Term Debt (continued)

In November 2014, the Health System issued \$139,725 of Revenue Bonds (Series 2014A) at an original issue premium of \$19,393. The proceeds of these bonds and the existing Debt Service Funds were used to refund the outstanding principle of the 2004A, 2004B, and 2005A Revenue Bonds. In addition, the 2005B Bonds were legally defeased through the payments of funds in a legally isolated irrevocable escrow account with a Trustee to pay bondholders at future redemption dates. These funds and the liability for the corresponding bonds are excluded from the Health System's special-purpose balance sheets at December 31, 2014. Outstanding principal amounts to be paid from escrow to bondholders total \$110,480 with a redemption date of February 17, 2015.

The refunding of the 2004A, 2004B, and 2005A Revenue Bonds and the defeasance of the 2005B Revenue Bonds resulted in a loss of an early extinguishment of debt of \$4,374 for the year ended December 31, 2014. The loss is included as a component of nonoperating gains and losses in the consolidated statements of operations and changes in net assets.

Revenue Bonds

The Health System pays monthly debt service to the Bond Trustee to secure the 2009A, 2013A, and 2014A Revenue Bonds. The 2008A Revenue Bonds is enhanced by a Letter of Credit Agreement from a bank, which expires on October 31, 2018, with renewable options as defined. Under the Master Trust Indenture (MTI), the Health System granted to the Master Trustee a security interest in its gross receipts and a mortgage on the property of the Health System's main facility as defined.

The Health System must comply with Master Trust Indenture covenants, including requirements as to the permitted level of indebtedness, restrictions on the sale of certain assets, mergers, and other significant transactions, including a requirement that the Health System generate funds available for debt service (as defined) equivalent to at least 125% of maximum annual debt service. In addition, the Letter of Credit Agreement requires the Health System to maintain minimum days cash on hand, as defined. As of December 31, 2014, the Health System has complied with all financial covenants.

The 2002 Revenue Bond covenants require CMS to maintain a Debt Service Coverage Ratio (as defined) equivalent to at least 110%. At December 31, 2014, CMS has complied with all financial covenants related to the 2002 Revenue Bonds.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

7. Long-Term Debt (continued)

Interest Rate Swap Agreements

The Health System has entered into interest rate swap agreements with the intent of mitigating cash flow risk relating to changes in the variable interest rates of the 2008A and 2009A Bonds. Under the swap agreements, the Health System pays interest at fixed rates and receives interest at variable rates. The swaps settle on a monthly basis. The following schedule outlines the terms and fair market values of the interest rate swap agreements that are included in deferred revenue and other liabilities and other assets on the accompanying consolidated balance sheets.

	Series 2008A	Series 2008A	Series 2009A
Notional amount at December 31, 2014	\$25,000	\$25,000	\$ 6,134
Effective date	March 23, 2009	March 9, 2009	November 9, 2009
Termination date	November 1, 2029	November 1, 2029	February 15, 2016
Fixed rate	2.577%	2.428%	3.8325%
Variable rate basis	3-month USD-LIBOR-BBA	3-month USD-LIBOR-BBA	67% of 1-month USD-LIBOR-BBA
Fair value at December 31, 2014	\$ (2,505)	\$ (2,087)	\$ (118)
Change in fair value for the year ended December 31, 2014	\$ (2,193)	\$ (2,297)	\$ 115

During 2014, the fair value of the interest rate swaps exceeded the mark-to-market value set forth in the agreement requiring collateral to be posted. Total collateral posted totaled \$350 at December 31, 2014. This balance is included within prepaid expenses and other current assets on the special-purpose balance sheets. No collateral was required at December 31, 2013.

Line of Credit

The Health System has a \$5,000 revolving line of credit with a bank at December 31, 2014 and 2013. The agreement provides for interest at 0.5% above the prime rate of interest per annum, but shall never be less than 5.5%. The term of the line of credit is through December 2015, which may be renewed for one-year extensions with the bank's consent. The line of credit contains a negative pledge of accounts receivable of the Health System, and requires the Health System to maintain a minimum debt service coverage ratio of 1.25, as defined in the agreement. There were no amounts outstanding under this line of credit at December 31, 2014 or 2013.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

7. Long-Term Debt (continued)

Fair Value

The Health System uses current quoted market prices for similar assets and other observable inputs (Level 2) in estimating the fair value of its fixed rate revenue bonds and the carrying value of the variable rate demand bonds and other long-term obligations approximates fair value. The fair value of the Health System's long-term obligations, excluding the equipment loan and capital leases was \$293,395 and \$302,316 with a carrying value of \$284,123 and \$304,318 at December 31, 2014 and 2013, respectively.

Future Payments

Scheduled payments on long-term debt for the next five years and thereafter are as follows:

	Revenue Bonds	Equipment Loan and Capital Asset Program Loan	Capital Lease	Note Payable	Total
2015	\$ 1,496	\$ 740	\$ 351	\$ 43	\$ 2,630
2016	6,206	759	400	46	7,411
2017	6,526	2,336	461	49	9,372
2018	6,898	-	429	52	7,379
2019	7,276	-	408	56	7,740
Thereafter	237,846	-	7,466	211	245,523
	<u>266,248</u>	<u>3,835</u>	<u>9,515</u>	<u>457</u>	<u>280,055</u>
Net unamortized original issue premium	17,418	-	-	-	17,418
	<u>\$ 283,666</u>	<u>\$ 3,835</u>	<u>\$ 9,515</u>	<u>\$ 457</u>	<u>\$ 297,473</u>

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

8. New Market Tax Credit Program

In October 2012, The Cooper Health System and the Cooper Cancer Center entered into transactions as part of the Federal New Market Tax Credit Program (the Program). Under the Program, a taxpayer may claim tax credits over a seven-year period with respect to a qualified equity investment in a qualified community development entity (CDE). An equity investment in a CDE is a qualified equity investment if substantially all of the cash provided is then used by the CDE to make qualified low-income community investments, which includes a loan to any qualified active low-income community business.

In conjunction with the Program, the Health System loaned \$15,781 to a financial institution through a promissory note (the Note) to be used for qualified equity investments in several CDEs. Interest on the Note will accrue at 1.54% per annum with interest payments received quarterly. Principal payments are received quarterly beginning December 2019. At the end of the seven-year compliance period for the new market tax credits, the Health System has the option to call the Note for a nominal amount. The Note matures on July 1, 2039.

Also in October 2012, the Cooper Cancer Center entered into promissory note agreements (the Agreements) totaling \$22,296 with third-party CDEs as part of the program. The Cooper Cancer Center was structured to meet the definition of a qualified active low-income community business under the provisions of the Program. Interest payments on the Agreements are made quarterly and accrue at a fixed interest rate of 1.1% per annum. Principal payments are made quarterly beginning December 2019 through September 2042. At the end of the seven-year compliance period for the new market tax credits, approximately \$6,515 of the outstanding balance of the Agreements is expected to be forgiven. The remaining \$15,781 outstanding on the Agreements is offset by the Note owed to the Health System for purposes of cash flow. The carrying values of the Health System's Note and the Cooper Cancer Center's Agreements approximate their fair value.

9. Pension Plans

Defined Contribution Plan

The Health System sponsors a noncontributory defined contribution plan covering all bargaining and nonbargaining employees. Employer contributions to the defined contribution plan are based on a formula as defined by the plan document. Costs of the defined contribution plan charged to expense were \$11,070 and \$10,609 for the years ended December 31, 2014 and 2013, respectively.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

9. Pension Plans (continued)

Defined Benefit Plan

The Health System has a frozen noncontributory defined benefit pension plan (the Plan), which covered all employees who met certain criteria. The Health System uses a December 31 measurement date for the Plan. The following tables summarize information about the defined benefit pension plan.

	December 31	
	2014	2013
Change in benefit obligation		
Projected benefit obligation at beginning of year	\$ 151,867	\$ 159,962
Service cost	943	965
Interest cost	7,431	6,500
Actuarial loss (gain)	26,661	(9,203)
Benefits paid	(5,798)	(5,414)
Expected administrative expenses	(1,240)	(943)
Projected benefit obligation, end of year	\$ 179,864	\$ 151,867
Accumulated benefit obligation	\$ 179,864	\$ 151,867
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 150,346	\$ 151,817
Actual return on plan assets, net of expenses	24,866	4,053
Employer contributions	–	833
Benefits paid	(5,798)	(5,414)
Administrative expenses	(1,240)	(943)
Fair value of plan assets at end of year	\$ 168,174	\$ 150,346
Funded status at year end – recognized in the consolidated balance sheets as accrued retirement benefits	\$ (11,690)	\$ (1,521)
Cumulative amounts recognized in accumulated unrestricted net assets consist of:		
Net loss	\$ 46,899	\$ 38,486

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

9. Pension Plans (continued)

The estimated net loss that will be amortized from other changes in unrestricted net assets into net periodic benefit cost over the next fiscal year is \$4,049.

	December 31	
	2014	2013
Components of net periodic benefit cost and other amounts recognized in other changes in unrestricted net assets		
Net periodic benefit cost:		
Service cost	\$ 943	\$ 965
Interest cost	7,431	6,500
Expected return on plan assets	(9,685)	(11,540)
Recognized actuarial loss	3,067	3,990
	1,756	(85)
Other changes in pension benefit obligation recognized in other changes in unrestricted net assets:		
Net gain	8,413	(5,705)
	\$ 10,169	\$ (5,790)

Assumptions

Weighted-average assumptions used to determine benefit obligations at December 31:

Discount rate	4.09%	4.98%
Rate of compensation increase	N/A	N/A

Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:

Discount rate	4.98%	4.12%
Expected long-term return on plan assets	6.60%	7.75%
Rate of compensation increase	N/A	N/A

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

9. Pension Plans (continued)

In October 2014, the Society of Actuaries published updated mortality tables that were incorporated into the Health System's assumptions, resulting in an increase in the projected benefit obligation of \$7,915.

To develop the expected long-term rate of return on assets assumption, the Health System considered the historical returns and the future expectations for returns for each asset class, as well as the target allocation of the pension portfolio. This resulted in the selection of the 7.75% long-term rate of return on assets assumption.

	Asset Allocation			December 31	
	Minimum	Target	Maximum	2014	2013
Plan assets					
Weighted-average asset allocations, by asset category:					
Equity securities	30%	20%	10%	17%	21%
Debt securities	90	80	70	83	79
				100%	100%

The Health System has designed an investment strategy for plan assets such that asset returns are anticipated to track changes in plan liabilities. The objectives of the strategy are to provide an absolute total return on plan assets equal to or greater than 6.6% annually over long-term periods.

The fair values of each major category of plan assets, according to the level within the fair value hierarchy in which the fair value measurements fall in their entirety are as follows:

	Assets at Fair Value as of December 31, 2014			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 362	\$ 362	\$ —	\$ —
U.S. Treasury securities	35,941	35,941	—	—
Mutual funds	131,871	131,871	—	—
	\$ 168,174	\$ 168,174	\$ —	\$ —

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

9. Pension Plans (continued)

	Assets at Fair Value as of December 31, 2013			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 344	\$ 344	\$ —	\$ —
U.S. Treasury securities	29,744	29,744	—	—
Mutual funds	110,615	110,615	—	—
Fund of funds	9,643	—	—	9,643
	<u>\$ 150,346</u>	<u>\$ 140,703</u>	<u>\$ —</u>	<u>\$ 9,643</u>

Mutual funds and U.S. Treasury securities are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end and are included in Level 1. Fund of funds are invested in various private investment funds. Fair values of fund of funds are determined by the investment managers and are included in Level 3. Generally, fair value for fund of funds reflects net contribution to the funds, distributions made by the trustee and an ownership share of realized and unrealized investment income and expenses.

Pension benefit plan assets classified at Level 3 in the fair value hierarchy represent other investments in which the trustee has used significant unobservable inputs in the valuation model. The fair values of the fund of funds have been estimated using the net asset value per share of the investment. The following table presents a reconciliation of activity for such alternative investments:

	Fund of Funds
Balance, beginning of year	\$ 9,643
Unrealized gain	557
Realized loss	(456)
Sales	(9,744)
Balance, end of year	<u>\$ —</u>

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

9. Pension Plans (continued)

Cash Flows

Contributions

Contributions expected to be made to the Plan during 2015	\$	–
---	----	---

Estimated Future Benefit Payments

2015	\$	6,985
2016		7,471
2017		8,023
2018		8,618
2019		9,066
2020–2024		51,833

10. Self-Insured Reserves

The Health System self-insures the primary layer of its employee health benefits, professional malpractice, general, and workers' compensation liabilities. Recorded liabilities for the self-insured reserves are as follows:

	December 31	
	2014	2013
Employee health benefits	\$ 3,398	\$ 3,514
Workers' compensation	5,262	4,061
Professional and general liability	60,534	61,078
	69,194	68,653
Less current portion of self-insured reserves	18,642	17,658
	\$ 50,552	\$ 50,995

The employee health insurance program is administered through a commercial insurance company. The plan provides for covered expenses in any accredited hospital and by any licensed physician. The lifetime plan maximum per person is \$1,000.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

10. Self-Insured Reserves (continued)

The Health System also provides coverage for all employees for work-related injuries and illnesses. This plan pays for medical expenses and reimburses 70% of lost wages up to the state-defined maximum. Stop-loss coverage is provided at various levels depending upon the circumstances surrounding the injury or illness.

For malpractice claims reported after January 1, 2005, the Health System is self-insured through a trust up to \$6,500 per occurrence for hospital and \$5,500 per occurrence for physicians and \$39,000 in the annual aggregate. Claims in excess of these retained amounts are covered by a commercial claims-made insurance policy.

Claims prior to January 1, 2005, were covered by various programs combining self-insured captive insurance company and commercial claims-made insurance policies. The estimated liability for all unreported claims as of December 31, 2014, and retained uninsured risk for all prior years is included in the self-insured reserves and covered by the self-insured trust.

The estimated losses on self-insured malpractice claims are discounted at a rate of 3.5%. The Health System recorded actuarial gains of \$499 and \$5,069 for the years 2014 and 2013, respectively. The ultimate losses are lower than prior actuarial valuations, which is a result of favorable actual loss experience as compared to originally estimated.

The Health System is also self-insured for general liability coverage, up to \$1,000 per occurrence with no annual aggregate, effective January 1, 2010, with a retro date of August 30, 1994. From January 1, 2003 until December 31, 2009, liability limits were \$3,000 per occurrence and from September 1, 1994 until December 31, 2002, limits were \$2,000 per occurrence, both with an unlimited annual aggregate.

There is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

11. Commitments and Contingencies

Operating Leases

The Health System rents certain equipment and buildings under various operating lease agreements. Rental expense under these lease agreements amounted to \$23,697 and \$23,754 in 2014 and 2013, respectively.

The future minimum rental payments required under the noncancelable operating leases are as follows:

	Operating Leases
2015	\$ 15,349
2016	10,690
2017	8,542
2018	7,175
2019	4,648
Thereafter	18,224

On April 12, 2006, the Health System executed an agreement to lease ground owned by the Health System to the Camden County Improvement Authority (the Authority), upon which a parking facility was constructed. The parking facility was financed, constructed, and is operated by the Authority. Upon completion of the construction in 2007, the Health System leased from the Authority approximately 57% of the total parking spaces in the facility pursuant to a parking license agreement that was also executed on April 12, 2006. Under the ground lease, the Health System receives base rent of \$100 annually over the term of the lease, and may receive additional variable rent based upon the operations of the garage. During the initial term of 15 years, the Health System's parking license fee agreement increases annually 3% during the first five years and 1.5% annually thereafter.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

11. Commitments and Contingencies (continued)

Litigation Claims and Settlements

The Health System is involved in litigation and claims which are not considered unusual to the Health System's business. The final outcome of any current or future litigation or governmental or internal investigations cannot be accurately predicted at this time, nor can the Health System predict any resulting penalties, fines or other sanctions that may be imposed at the discretion of federal or state regulatory authorities. The Health System records accruals for such contingencies to the extent that it concludes it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. It is possible that the outcome of such matters could potentially have a material adverse impact on the Health System's future results of operations, financial position, and cash flows.

University of Rowan Affiliation

In 2010, the Health System executed an affiliation agreement with Rowan University. This affiliation agreement governs the roles and duties of each party with respect to The Cooper Medical School of Rowan University. The Health System has pledged support of \$18,000 through 2014 beginning in 2011. This commitment to pay is contingent upon receipt by the Health System of the annual state appropriation for affiliate hospital support. During 2014, the Health System received \$9,723 of state appropriation and paid \$1,000 in contributions to Rowan University.

The Health System additionally has a contractual relationship with Rowan University. Under the contract, the Health System is reimbursed for certain expenses incurred for physicians' salaries and expenses relating to their teaching duties. These expenses are reimbursed from Rowan University. The Health System received \$2,371 and \$3,319 during the years ended December 31, 2014 and 2013, respectively.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or have time restrictions as follows:

	December 31	
	2014	2013
Purpose:		
Various funds for benefit of the departments, programs, or educational programs of the Health System	\$ 22,185	\$ 18,252
Time restricted	541	510
Total temporarily restricted net assets	\$ 22,726	\$ 18,762

The Health System follows the requirements of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as they relate to its endowments. The Health System's endowments consist of numerous individual funds established for a variety of purposes and consist solely of donor-restricted endowment funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Health System has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Health System classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment, the original value of subsequent gifts donated to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instruments. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is characterized as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

12. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets consist of the following permanent endowments:

	December 31	
	2014	2013
Women's Board	\$ 1,026	\$ 1,025
Radiology	501	501
Lummis Trust	204	204
Nursing education	171	171
Cleft Palate program	106	125
Physical teaching and excellence award	16	2
Nespele Estate	13	17
Other	429	432
Total permanently restricted net assets	\$ 2,466	\$ 2,477

The investment income earned on the above endowments is to be used for the purposes stated above, with the exception of the Nespele Estate and the Lummis Trust, for which the investment income is unrestricted. The principal is to be held in perpetuity.

The Health System has adopted investment policies for its endowment assets that are consistent with the policies and objectives of their overall investments. The assets are invested in a manner that is intended to produce a positive rate of return while assuming a low level of risk. From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor requires the Health System to maintain in perpetual duration. Deficiencies of this nature are reported in unrestricted net assets in accordance with U.S. generally accepted accounting principles.

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	Year Ended December 31	
	2014	2013
Purpose:		
Various funds for benefit of the departments, programs, or educational programs of the Health System	\$ 3,960	\$ 5,163
Total temporarily restricted net assets	\$ 3,960	\$ 5,163

The Cooper Health System

Consolidated Statements of Operations and Changes in Net Assets (continued) (In Thousands)

13. Functional Expenses

The Health System provides general health care services to residents within its service area. Expenses related to providing these services included in the consolidated statements of operations and changes in net assets are as follows:

	Year Ended December 31	
	2014	2013
Health care services	\$ 465,348	\$ 451,917
General and administrative	180,430	170,305
Physician services	258,417	232,584
	<u>\$ 904,195</u>	<u>\$ 854,806</u>

14. Subsequent Events

The Health System has evaluated subsequent events through April 30, 2015, the date when the consolidated financial statements were issued. No subsequent events have occurred that require disclosure in or adjustment to the consolidated financial statements.

Single Audit and Supplementary Information

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS						
Corporation for National and Community Service						
Passed through National Association of Community:						
Health Centers, Inc (NACHC)						
AmeriCorps	311200152, B, C	94.006	10EDHM0020042		\$ 57,532	
Total for CFDA Number 94.006					<u>57,532</u>	
Department of Health and Human Services						
Agency for Healthcare Research and Quality:						
Passed through Vanderbilt University:						
Research on Healthcare Costs, Quality and Outcomes	311500164	93.226	1R18HS020415-01	\$ 17,107	17,107	
Total for CFDA Number 93.226					<u>17,107</u>	
Centers for Medicare and Medicaid Services						
Direct Award:						
Health Care Innovation Awards (HCIA)	321200143	93.610	1C1CMS330967-01-00		894,789	
Passed Through Rutgers, The State University:						
Health Care Innovation Awards (HCIA)	311200166B	93.610	1C1CMS330995-01-00		58,470	
Total for CFDA Number 93.610					<u>953,259</u>	
Health Resources & Services Administration						
Direct Award:						
Affordable Care Act (ACA) Primary Care Residency Expansion Program	321292744	93.510	T89HP20845		482,456	
Affordable Care Act (ACA) Primary Care Residency Expansion Program	321292746	93.510	T89HP20828		484,391	
Total for CFDA Number 93.510					<u>966,847</u>	

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS (continued)						
Health Resources & Services Administration						
Direct Award (continued):						
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	321200195	93.918	5 H76HA01727-10-00		\$ 141,347	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	321200266	93.918	5 H76HA01727-11-00		217,291	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	321200307	93.918	1 P06HA28045-01-00		<u>23,812</u>	
Total For CFDA Number 93.918					382,450	
Passed through Philadelphia Department of Public Health AIDS Activities Coordinating Office (AACO):						
City of Philadelphia – HIV Emergency Relief Project Grants	311200189	93.914	11-20528-03		165,982	
City of Philadelphia – HIV Emergency Relief Project Grants	311200257	93.914	1320704-02		<u>739,119</u>	
Total for CFDA Number 93.914					905,101	
National Institutes of Health						
Passed through Massachusetts General Hospital:						
Research and Training In Complementary and Integrative Health	311500231	93.213	5U01 AT000613-11	\$ 2,319	<u>2,319</u>	
Total for CFDA Number 93.213					2,319	
Passed through University of Texas Health Science Center at Houston:						
Minority Health and Health Disparities Research	311500241	93.307	5 U24 MD006941	1,973	<u>1,973</u>	
Total for CFDA Number 93.307					1,973	

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS (continued)						
National Institutes of Health (continued)						
Passed through American College of Radiology:						
Cancer Treatment Research	311594043	93.395	U10 CA21661	\$ 7,015	\$ 7,015	
Cancer Treatment Research	311594138	93.395	U10 CA021661	9,843	9,843	
Passed through Gynecologic Oncology Group:						
Cancer Treatment Research	311594049	93.395	1U10 CA27469	61,157	61,157	
Passed through NRG Oncology Network Group Operations Center:						
Cancer Treatment Research	311500308	93.395	1U10CA180868-01	5,834	<u>5,834</u>	
Total for CFDA Number 93.395					83,849	
Passed through Christina Care Health Services:						
Cancer Control	311594065	93.399	5 U10 CA 045418-20	106,108	<u>106,108</u>	
Total for CFDA Number 93.399					106,108	
Passed Through Massachusetts General Hospital:						
Extramural Research Programs in the Neurosciences and Neurological Disorders	311500223	93.853	2 U01 NS052592-06	7,834	7,834	
Passed through The Johns Hopkins University:						
Extramural Research Programs in the Neurosciences and Neurological Disorders	311500184	93.853	5 U01 NS062851-04	4,287	4,287	
Passed through Yale University:						
Extramural Research Programs in the Neurosciences and Neurological Disorders	311594114	93.853	5 U01 NS044876-05	11,469	11,469	

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS (continued)						
National Institutes of Health (continued)						
Passed through University of British Columbia:						
Extramural Research Programs in the Neurosciences and Neurological Disorders	311594141	93.853	U01 NS038529	\$ 14,244	\$ 14,244	
Total for CFDA Number 93.853					<u>37,834</u>	
Passed through University of Minnesota:						
Allergy and Infectious Diseases Research	311500201	93.855	U01 –AI068641	42,310	42,310	
Allergy, Immunology and Transplantation Research	311500303	93.855	U01 –AI068641	49,321	49,321	
Passed through Institute for Clinical Research Inc.:						
Allergy and Infectious Diseases Research	311594085	93.855	1 U01 –AI068641	34,126	34,126	
Allergy and Infectious Diseases Research	311594091	93.855	1 U01 –AI068641	86,221	86,221	
Allergy and Infectious Diseases Research	311594117	93.855	1 U01 –AI068641	7,450	7,450	
Allergy and Infectious Diseases Research	311594139	93.855	1 U01 –AI068641	3,489	3,489	
Allergy and Infectious Diseases Research	311500256	93.855	1 UM1-AI068641	72,197	72,197	
Passed through the George Washington University:						
Allergy and Infectious Diseases Research	311500258	93.855	2 UM1 AI069503-08	97,427	97,427	
Passed through Social & Scientific Systems, Inc.:						
Allergy and Infectious Diseases Research	311594152	93.855	U01 AI068636-01	410	410	
Total for CFDA Number 93.855					<u>392,951</u>	
Passed through Social & Scientific Systems, Inc.:						
Microbiology and Infectious Disease Research	311294013	93.856	U01 AI46362	2,379	2,379	
Microbiology and Infectious Disease Research	311594036	93.856	U01 AI46362	44,726	44,726	
Total for CFDA Number 93.856					<u>47,105</u>	

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS (continued)						
National Institutes of Health (continued)						
Direct Award:						
Cardiovascular Diseases Research	311500191	93.837	1R01HL112815-01A1	\$ 482,691	\$ 482,691	
Passed through Duke University:						
Cardiovascular Diseases Research	311594157	93.837	5U04HL089786-05	3,082	3,082	
Cardiovascular Diseases Research	311500196	93.837	R01HL105448	1,971	1,971	
Passed through Marshfield Clinic Research Foundation:						
Cardiovascular Diseases Research	311500235	93.837	7R01HL073980-10	30,377	<u>30,377</u>	
Total for CFDA Number 93.837					<u>518,121</u>	
Substance Abuse and Mental Health Services Administration						
Passed through American Psychiatric Association (APA):						
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	311900208	93.243	5 T06 SM 060562-03		<u>14,798</u>	
Total for CFDA Number 93.243					<u>14,798</u>	
National Institutes of Health – ARRA						
Passed through Trustees of the University of Pennsylvania:						
Trans-NIH Recovery Act Research Support	311500012	93.701	1U01NS062835-01A1	1,010	<u>1,010</u>	
Total for CFDA Number 93.701					<u>1,010</u>	
Passed through NJ Health Care Facilities Financing Authority:						
ARRA-Advance Interoperable Health Information Tehnology Services to Support Health Information Exchange	311200026	93.719	90HT0049/01		<u>27,105</u>	
Total for CFDA Number 93.719					<u>27,105</u>	

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS (continued)						
Passed through State of NJ Department of Health						
HIV Prevention Activities-Health Department Based	331200250	93.940	AIDS14NAV005		\$ 150,000	
Total for CFDA Number 93.940					<u>150,000</u>	
Coordinated Services and Access to Research for Women, Infants, Children and Youth	331200220	93.153	DFHS14PDA004		196,429	
Coordinated Services and Access to Research for Women, Infants, Children and Youth	331200295	93.153	DFHS15PDA006		<u>125,010</u>	
Total for CFDA Number 93.153					321,439	
National Bioterrorism Hospital Preparedness Program	331200215	93.889	PHLP14MCC009		618,179	
National Bioterrorism Hospital Preparedness Program	331200287	93.889	PHLP15MCC003		<u>63,839</u>	
Total for CFDA Number 93.889					682,018	
HIV Care Formula Grants	331200220	93.917	DFHS14PDA004		82,312	
HIV Care Formula Grants	331200295	93.917	DFHS15PDA006		<u>52,334</u>	
Total for CFDA Number 93.917					134,646	
Maternal & Child Health Services Block Grant to the States	331200210	93.994	DFHS14EVL008		10,607	
Maternal & Child Health Services Block Grant to the States	331200217	93.994	DFHS14EIP007		30,882	
Maternal & Child Health Services Block Grant to the States	331200282	93.994	DFHS15EVL008		9,993	
Maternal & Child Health Services Block Grant to the States	331200289	93.994	DFHS15EIP007		<u>29,447</u>	
Total for CFDA Number 93.994					80,929	

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS (continued)						
Passed through State of NJ Department of Health (continued)						
Centers for Disease Control and Prevention Investigations and Technical Assistance	331200213	93.283	DFHS14CED008		\$ 63,175	
Centers for Disease Control and Prevention Investigations and Technical Assistance	331200216	93.283	DFHS14CCC010		6,675	
Centers for Disease Control and Prevention Investigations and Technical Assistance	331200285	93.283	DFHS15CED013		28,292	
Centers for Disease Control and Prevention Investigations and Technical Assistance	331200288	93.283	DFHS15CCC007		<u>2,764</u>	
Total for CFDA Number 93.283					<u>100,906</u>	
Passed through University of Medicine and Dentistry of NJ: FIMR/HIV Prevention Methodology	311900207	93.Unkown			10,000	
Passed through Rutgers University: FIMR/HIV Prevention Methodology	311900299	93.Unkown			<u>7,833</u>	
Total FIMR/HIV Prevention Methodology					17,833	
Department of Education						
Student Financial Assistance Cluster: Federal Direct Student Loans	351793083	84.268			180,301	
Federal PELL Grant Program	351793539	84.063			<u>120,284</u>	
Total Federal Student Assistance Cluster					300,585	

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
FEDERAL GRANTS (continued)						
Department of Veteran Affairs						
Veterans Benefits Administration:						
Post 9/11 Veterans Educational Assistance	351793539	64.027			\$ 26,376	
Total Veterans Benefits Administration					<u>26,376</u>	
Total Research and Development Cluster				\$ 1,208,377		
Total Federal Awards					<u>6,330,201</u>	
STATE OF NEW JERSEY GRANTS						
State of New Jersey Department of Health						
Direct Awards:						
Cooper Health Debt Services	331892647		09-1838-FS-H-0			\$ 8,023,289
Cooper Health Debt Services (Operating)	331800240		14-1838-FS-H-0			<u>2,630,000</u>
						10,653,289
Cancer Institute of New Jersey 2015	331800296		EPID15CIN003			<u>2,700,000</u>
						2,700,000
HIV/AIDS Care and Treatment 2014	331200214		AIDS14CTR005			372,168
HIV/AIDS Care and Treatment 2015	331200286		AIDS15CTR013			<u>323,315</u>
						695,483
EIP/Pediatric Tertiary Services	331200217		DFHS14EIP007			128,443
EIP/Pediatric Tertiary Services	331200289		DFHS15EIP007			<u>125,536</u>
						253,979

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
STATE OF NEW JERSEY GRANTS (continued)						
State of New Jersey Department of Health (continued)						
Direct Awards (continued):						
Tuberculosis Control (TB), Specialty Clinic Services	331200209		EPID14TBS005		\$	163,213
Tuberculosis Control (TB), Specialty Clinic Services	331200281		EPID15TBS011			139,695
						302,908
Newborn Screening & Genetics Services 2014	331200211		DFHS14NWB008			137,609
Newborn Screening & Genetics Services 2015	331200283		DFHS15NWB008			142,459
						280,068
Comprehensive Cancer Control 2014	331200216		DFHS14CCC010			74,133
Comprehensive Cancer Control 2015	331200288		DFHS15CCC007			30,695
						104,828
Early Intervention Services/Pediatric Tertiary Services	331200212		DFHS14EIP005			131,854
Early Intervention Services/Pediatric Tertiary Services	331200284		DFHS15EIP006			120,848
						252,702
New Jersey Cancer Education and Early Detection	331200213		DFHS14CED008			423,015
New Jersey Cancer Education and Early Detection	331200285		DFHS15CED013			155,782
						578,797
HIV/AIDS Counseling and Testing:						
Notification Assistance Program 2014	331200218		AIDS14CTN001			62,317
Notification Assistance Program 2014	331200219		AIDS14CTN008			59,292
Notification Assistance Program 2015	331200290		AIDS15CTN009			57,451
Notification Assistance Program 2015	331200291		AIDS15CTN008			56,748
						235,808

The Cooper Health System

Schedule of Expenditures of Federal and State of New Jersey Awards (continued)

Year Ended December 31, 2014

Grant/Program Title	CHS #	Federal CFDA/ Contract Number	Pass-Through/ Grantor Number	Research and Development Cluster	Federal (Direct and Pass-Through) Expenditures	State Expenditures
STATE OF NEW JERSEY GRANTS (continued)						
State of New Jersey Department of Health (continued)						
Direct Awards (continued):						
Special Child Health Child Evaluation Centers 2014	331200210		DFHS14EVL008		\$ 107,417	
Special Child Health Child Evaluation Centers 2015	331200282		DFHS15EVL008			101,040
						208,457
Total State of New Jersey Department of Health						16,266,319
State of New Jersey Department of Community Affairs						
Cooper Plaza Housing & Economic Development	311900192		2012-02240-0833			334,167
Cooper Plaza Housing & Economic Development	311900272		2014-02240-0322-00			50,625
Total State of New Jersey Department of Community Affairs						384,792
State of New Jersey Department of Children and Families						
Southern NJ HIV Program	331200177		13 DADS			47,814
Total State of New Jersey Department of Children and Families						47,814
State of New Jersey Department of Labor						
Cooper Health System FY14, Skills4Jersey	331200267		S4J14072			10,180
Total State of New Jersey Department of Labor						10,180
Grand Total					\$ 1,208,377	\$ 6,330,201
						\$ 16,709,105

See accompanying Notes to Schedule of Expenditures of Federal and State of New Jersey Awards.

The Cooper Health System

Notes to Schedule of Expenditures of Federal and State of New Jersey Awards

December 31, 2014

1. Summary of Significant Accounting Policies

Basis of Presentation and Nature of Awards

The accompanying Schedule of Expenditures of Federal and State of New Jersey Awards (the Schedule) has been prepared to present a summary of those activities of The Cooper Health System (the Health System) for the year ended December 31, 2014, which have been financed by the U.S. Government (federal awards) and the State of New Jersey (state awards). The Health System recognized expenditures of federal and State of New Jersey program funds on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the *City of Philadelphia Subrecipient Audit Guide*. Therefore, the Schedule presents only a selected portion of the activities of the Health System, and it is not intended to and does not present the financial position, operations, changes in net assets, or cash flows of the Health System.

For the purpose of the Schedule, federal and state awards include all financial assistance relationships entered into directly between the Health System and the federal and state government and subawards from non-federal organizations made under federally sponsored agreements. The federal and state awards received by the Health System consist primarily of community service type awards, including clinical treatment and research. Federal awards have been classified as either direct (awards received directly from a federal agency) or pass-through awards (awards received from a non-federal agency). The state awards reflect expenditures from the State of New Jersey Department of Health, the State of New Jersey Department of Community Affairs, the State of New Jersey Department of Children and Families, and the State of New Jersey Department of Labor, and excludes other state-funded programs.

Student Financial Assistance Cluster

During the year ended December 31, 2014, the Health System processed \$180,301 of new loans under the Federal Direct Student Loans Program (CFDA No. 84.268). Since this loan program is administered by an outside financial institution, new loans made in the fiscal year ended December 31, 2014 relating to this program are considered current year federal expenditures, whereas the outstanding loan balances are not. The new loans made in the fiscal year ended December 31, 2014 are reported in the Schedule of Expenditures of Federal and State of New Jersey Awards.

The Cooper Health System

Notes to Schedule of Expenditures of Federal
and State of New Jersey Awards (continued)

December 31, 2014

2. Subrecipients

Of the federal expenditures presented in the Schedule, the Health System provided federal awards to subrecipients as follows:

	Federal CFDA Number	Amounts Provided to Subrecipients
Research and Development Cluster		
Cardiovascular Diseases Research	93.837	\$ 289,479

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

Management and The Board of Trustees
The Cooper Health System

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Cooper Health System, which comprise the consolidated balance sheet as of December 31, 2014, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 30, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Ernst + Young LLP

April 30, 2015

Report of Independent Auditors on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB Circular Letter 04-04

Management and The Board of Trustees
The Cooper Health System

Report on Compliance for Each Major Federal and State Program

We have audited The Cooper Health System's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the New Jersey Office of Management and Budget (NJOMB) Circular Letter 04-04 *State Compliance Supplement* that could have a direct and material effect on each of The Cooper Health System's major federal and state programs for the year ended December 31, 2014. The Cooper Health System's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Cooper Health System's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; NJOMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and the *Philadelphia Subrecipient Audit Guide*. Those standards, OMB Circular A-133, NJOMB Circular Letter 04-04, and the *Philadelphia Subrecipient Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred.

An audit includes examining, on a test basis, evidence about The Cooper Health System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of The Cooper Health System's compliance.

Opinion on Each Major Federal and State Program

In our opinion, The Cooper Health System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of The Cooper Health System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Cooper Health System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, NJOMB Circular Letter 04-04, and the *Philadelphia Subrecipient Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Cooper Health System's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, NJOMB Circular Letter 04-04, and the *City of Philadelphia Subrecipient Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Ernst + Young LLP

September 30, 2015

The Cooper Health System

Schedule of Findings and Questioned Costs

Year Ended December 31, 2014

Part I – Summary of Auditors’ Results

Financial Statements Section

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal and State Awards Section

Internal control over major federal and state programs:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes None reported

Type of auditors’ report issued on compliance for major federal and state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133 and NJOMB Circular Letter 04-04? Yes No

Identification of Major Programs

CFDA Number	Name of Federal Program or Cluster
93.153	Coordinated Services and Access to Research for Women, Infants, Children and Youth
93.889	National Bioterrorism Hospital Preparedness Program
93.914	HIV Emergency Relief Project Grants
84.268, 84.063	Student Financial Assistance Cluster

The Cooper Health System

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2014

Part I – Summary of Auditors’ Results (continued)

Contract Number	Name of State Program
09-1838-FS-H-0/14-1838-FS-H-0 EPID15CIN003 AIDS14CTR005/AIDS15CTR013 DFHS14CED008/DFHS15CED013	Cooper Health Debt Services Cancer Institute of New Jersey HIV/AIDS Care and Treatment New Jersey Cancer Education and Early Detection
Dollar threshold used to distinguish between Type A and Type B programs:	Federal – \$ 300,000 State – \$ 501,273
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Part II – Financial Statement Findings

No significant deficiencies, material weaknesses, fraud, illegal acts, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the consolidated financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit were identified.

Part III – Federal and State Award Findings and Questioned Costs

No significant deficiencies, material weaknesses, or instances of material noncompliance, including questioned costs, as well as any abuse findings involving federal or state awards that are material to a major program as required to be reported by OMB Circular A-133 section .510(a) and NJOMB Circular Letter 04-04 were identified.

New Jersey Department of Health
Schedules of Costs

The Cooper Health System

Schedule of Costs

Cooper Health Debt Services
 09-1838-FS-H-0
 Program Period: 07/01/08–6/30/14
 Award Amount: \$63,317,641
 331892647

	Amount of Approved Budget (Unaudited)	2008–2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	–
Fringe Benefits	–	–	–	–	–	–	–
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	63,317,641	55,294,352	–	8,023,289	–	63,317,641	–
Facility Cost	–	–	–	–	–	–	–
Debt Services	–	–	–	–	–	–	–
	<u>\$ 63,317,641</u>	<u>\$ 55,294,352</u>	<u>\$ –</u>	<u>\$ 8,023,289</u>	<u>\$ –</u>	<u>\$ 63,317,641</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Cooper Health Debt Services (Operating)

14-1838-FS-H-0

Program Period: 07/01/13–06/30/14

Award Amount: \$5,260,000

331800240

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 4,452,345	\$ 2,226,172	\$ –	\$ 2,226,172	\$ –	\$ 4,452,344	\$ (1)
Fringe Benefits	807,655	403,828	–	403,828	–	807,656	1
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 5,260,000</u>	<u>\$ 2,630,000</u>	<u>\$ –</u>	<u>\$ 2,630,000</u>	<u>\$ –</u>	<u>\$ 5,260,000</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

PHILEP (MCC) 2014

PHLP14MCC009

Program Period: 07/01/13–06/30/14

Award Amount: \$699,162

331200215

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 91,847	\$ -	\$ 44,586	\$ -	\$ 45,757	\$ 90,343	\$ (1,504)
Fringe Benefits	16,661	-	8,088	-	8,300	16,388	(273)
B. Consultant/Professional Services Cost	-	-	-	-	-	-	-
C. Other Cost Categories							
Office Expense and Related Cost	15,000	-	2,108	-	12,591	14,699	(301)
Program Expense and Related Cost	230,334	-	17,918	-	206,077	223,995	(6,339)
Staff Training and Education Cost	17,000	-	-	-	17,058	17,058	58
Travel, Conferences and Meetings	3,000	-	-	-	3,076	3,076	76
Equipment and Other Capital Expenditures	325,320	-	-	-	325,320	325,320	-
Facility Cost	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>\$ 699,162</u>	<u>\$ -</u>	<u>\$ 72,700</u>	<u>\$ -</u>	<u>\$ 618,179</u>	<u>\$ 690,879</u>	<u>\$ (8,283)</u>

The Cooper Health System

Schedule of Costs

Special Child Health Child Evaluation Centers 2014

DFHS14EVL008

Program Period: 07/01/13–6/30/14

Award Amount: \$233,500

331200210

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 197,647	\$ 88,948	\$ 8,797	\$ 90,924	\$ 8,978	\$ 197,647	\$ –
Fringe Benefits	35,853	16,135	1,596	16,493	1,629	35,853	–
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 233,500</u>	<u>\$ 105,083</u>	<u>\$ 10,393</u>	<u>\$ 107,417</u>	<u>\$ 10,607</u>	<u>\$ 233,500</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Newborn Screening and Genetic Services 2014

DFHS14NWB008

Program Period: 07/01/13–06/30/14

Award Amount: \$279,000

331200211

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 227,696	\$ 116,678	\$ –	\$ 110,998	\$ –	\$ 227,676	\$ (20)
Fringe Benefits	41,304	21,165	–	20,135	–	41,300	(4)
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	10,000	3,548	–	6,476	–	10,024	24
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 279,000</u>	<u>\$ 141,391</u>	<u>\$ –</u>	<u>\$ 137,609</u>	<u>\$ –</u>	<u>\$ 279,000</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Early Intervention Services, Pediatric Tertiary Services 2014

DFHS14EIP005

Program Period: 07/01/13–6/30/14

Award Amount: \$252,000

331200212

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 188,956	\$ 92,887	\$ –	\$ 96,055	\$ –	\$ 188,942	\$ (14)
Fringe Benefits	34,277	16,849	–	17,425	–	34,274	(3)
B. Consultant/Professional Services Cost	18,720	8,640	–	10,080	–	18,720	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	2,400	1,770	–	2,422	–	4,192	1,792
Travel, Conferences and Meetings	7,647	–	–	5,872	–	5,872	(1,775)
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 252,000</u>	<u>\$ 120,146</u>	<u>\$ –</u>	<u>\$ 131,854</u>	<u>\$ –</u>	<u>\$ 252,000</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

New Jersey Cancer Education and Early Detection 2014

DFHS14CED008

Program Period: 07/01/13–6/30/14

Award Amount: \$669,000

331200213

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 242,436	\$ 95,220	\$ 17,293	\$ 114,140	\$ 15,783	\$ 242,436	\$ –
Fringe Benefits	43,978	17,273	3,137	20,705	2,863	43,978	–
B. Consultant/Professional Services Cost		–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	500	25	5	1,084	170	1,284	784
Program Expense and Related Cost	379,086	41,987	7,625	284,833	44,008	378,453	(633)
Staff Training and Education Cost	1,500	207	38	865	131	1,241	(259)
Travel, Conferences and Meetings	1,500	–	–	1,388	220	1,608	108
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 669,000</u>	<u>\$ 154,712</u>	<u>\$ 28,098</u>	<u>\$ 423,015</u>	<u>\$ 63,175</u>	<u>\$ 669,000</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

HIV/AIDS Care and Treatment 2014

AIDS14CTR005

Program Period: 07/01/13–6/30/14

Award Amount: \$742,557

331200214

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 604,933	\$ 301,747	\$ –	\$ 306,992	\$ –	\$ 608,739	\$ 3,806
Fringe Benefits	109,735	54,737	–	55,688	–	110,425	690
B. Consultant/Professional Services Cost	3,745	–	–	2,160	–	2,160	(1,585)
C. Other Cost Categories							
Office Expense and Related Cost	2,652	572	–	1,309	–	1,881	(771)
Program Expense and Related Cost	20,964	13,239	–	5,744	–	18,983	(1,981)
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	528	94	–	275	–	369	(159)
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 742,557</u>	<u>\$ 370,389</u>	<u>\$ –</u>	<u>\$ 372,168</u>	<u>\$ –</u>	<u>\$ 742,557</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Comprehensive Cancer Control 2014

DFHS14CCC010

Program Period: 07/01/13–6/30/14

Award Amount: \$130,800

331200216

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 61,232	\$ 29,111	\$ 2,621	\$ 27,269	\$ 2,455	\$ 61,456	\$ 224
Fringe Benefits	11,107	5,281	475	4,946	445	11,147	40
B. Consultant/Professional Services Cost	20,457	9,368	843	8,317	749	19,277	(1,180)
C. Other Cost Categories							
Office Expense and Related Cost	1,000	–	–	703	64	767	(233)
Program Expense and Related Cost	36,000	2,103	190	32,595	2,935	37,823	1,823
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	1,004	–	–	303	27	330	(674)
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 130,800</u>	<u>\$ 45,863</u>	<u>\$ 4,129</u>	<u>\$ 74,133</u>	<u>\$ 6,675</u>	<u>\$ 130,800</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Tuberculosis Control (TB), Specialty Clinic Services 2014

EPID14TBS005

Program Period: 07/01/13–6/30/14

Award Amount: \$278,243

331200209

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 230,633	\$ 95,896	\$ –	\$ 134,366	\$ –	\$ 230,262	\$ (371)
Fringe Benefits	41,837	17,395	–	24,375	–	41,770	(67)
B. Consultant/Professional Services Cost	916	–	–	–	–	–	(916)
C. Other Cost Categories							
Office Expense and Related Cost	355	98	–	159	–	257	(98)
Program Expense and Related Cost	1,912	62	–	186	–	248	(1,664)
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	1,630	1,579	–	4,127	–	5,706	4,076
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	960	–	–	–	–	–	(960)
	<u>\$ 278,243</u>	<u>\$ 115,030</u>	<u>\$ –</u>	<u>\$ 163,213</u>	<u>\$ –</u>	<u>\$ 278,243</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

HIV/AIDS Counseling and Testing Notification Assistance Program 2014

AIDS14CTN001

Program Period: 07/01/13–06/30/14

Award Amount: \$121,000

331200218

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 99,839	\$ 48,888	\$ –	\$ 50,873	\$ –	\$ 99,761	\$ (78)
Fringe Benefits	18,111	8,868	–	9,229	–	18,097	(14)
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	500	83	–	705	–	788	288
Program Expense and Related Cost	2,000	844	–	961	–	1,805	(195)
Staff Training and Education Cost	200	–	–	–	–	–	(200)
Travel, Conferences and Meetings	350	–	–	549	–	549	199
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 121,000</u>	<u>\$ 58,683</u>	<u>\$ –</u>	<u>\$ 62,317</u>	<u>\$ –</u>	<u>\$ 121,000</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Pediatric AIDS 2014

DFHS14PDA004

Program Period: 07/01/13–06/30/14

Award Amount: \$447,000

331200220

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 362,287	\$ –	\$ 140,679	\$ –	\$ 220,565	\$ 361,244	\$ (1,043)
Fringe Benefits	65,719	–	25,519	–	40,011	65,530	(189)
B. Consultant/Professional Services Cost	7,500	–	–	–	7,500	7,500	–
C. Other Cost Categories							
Office Expense and Related Cost	1,907	–	752	–	1,343	2,095	188
Program Expense and Related Cost	4,000	–	259	–	3,454	3,713	(287)
Staff Training and Education Cost	1,087	–	–	–	1,300	1,300	213
Travel, Conferences and Meetings	4,500	–	1,050	–	4,568	5,618	1,118
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 447,000</u>	<u>\$ –</u>	<u>\$ 168,259</u>	<u>\$ –</u>	<u>\$ 278,741</u>	<u>\$ 447,000</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Early Intervention Services, Pediatric Tertiary Services 2014

DFHS14EIP007

Program Period: 07/01/13–06/30/14

Award Amount: \$313,700

331200217

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 265,533	\$ 105,347	\$ 25,324	\$ 108,721	\$ 26,140	\$ 265,532	\$ (1)
Fringe Benefits	48,167	19,110	4,594	19,722	4,742	48,168	1
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 313,700</u>	<u>\$ 124,457</u>	<u>\$ 29,918</u>	<u>\$ 128,443</u>	<u>\$ 30,882</u>	<u>\$ 313,700</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

HIV/AIDS Counseling and Testing Notification Assistance Program 2014

AIDS14CTN008

Program Period: 07/01/13–06/30/14

Award Amount: \$113,000

331200219

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 93,345	\$ 45,051	\$ –	\$ 48,687	\$ –	\$ 93,738	\$ 393
Fringe Benefits	16,933	8,172	–	8,832	–	17,004	71
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	918	–	–	1,169	–	1,169	251
Program Expense and Related Cost	1,194	266	–	346	–	612	(582)
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	610	219	–	258	–	477	(133)
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 113,000</u>	<u>\$ 53,708</u>	<u>\$ –</u>	<u>\$ 59,292</u>	<u>\$ –</u>	<u>\$ 113,000</u>	<u>\$ –</u>

The Cooper Health System

Schedule of Costs

Special Child Health Evaluation Centers 2015

DFHS15EVL008

Program Period: 07/01/14–06/30/15

Award Amount: \$233,500

331200282

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 193,776	\$ –	\$ –	\$ 83,850	\$ 8,293	\$ 92,143	\$ (101,633)
Fringe Benefits	39,724	–	–	17,190	1,700	18,890	(20,834)
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Sub-Grants	–	–	–	–	–	–	–
	<u>\$ 233,500</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 101,040</u>	<u>\$ 9,993</u>	<u>\$ 111,033</u>	<u>\$ (122,467)</u>

The Cooper Health System

Schedule of Costs

Newborn Screening and Genetic Services 2015

DFHS15NWB008

Program Period: 07/01/14–06/30/15

Award Amount: \$283,500

331200283

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 226,556	\$ -	\$ -	\$ 115,873	\$ -	\$ 115,873	\$ (110,683)
Fringe Benefits	46,444	-	-	23,754	-	23,754	(22,690)
B. Consultant/Professional Services Cost	-	-	-	-	-	-	-
C. Other Cost Categories							
Office Expense and Related Cost	-	-	-	-	-	-	-
Program Expense and Related Cost	10,500	-	-	2,832	-	2,832	(7,668)
Staff Training and Education Cost	-	-	-	-	-	-	-
Travel, Conferences and Meetings	-	-	-	-	-	-	-
Equipment and Other Capital Expenditures	-	-	-	-	-	-	-
Facility Cost	-	-	-	-	-	-	-
Sub-Grants	-	-	-	-	-	-	-
	<u>\$ 283,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,459</u>	<u>\$ -</u>	<u>\$ 142,459</u>	<u>\$ (141,041)</u>

The Cooper Health System

Schedule of Costs

Early Intervention Services, Pediatric Tertiary Services 2015

DFHS15EIP006

Program Period: 07/01/14–06/30/15

Award Amount: \$252,000

331200284

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 201,420	\$ –	\$ –	\$ 100,289	\$ –	\$ 100,289	\$ (101,131)
Fringe Benefits	41,291	–	–	20,559	–	20,559	(20,732)
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	1,937	–	–	–	–	–	(1,937)
Travel, Conferences and Meetings	7,352	–	–	–	–	–	(7,352)
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Sub-Grants	–	–	–	–	–	–	–
	<u>\$ 252,000</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 120,848</u>	<u>\$ –</u>	<u>\$ 120,848</u>	<u>\$ (131,152)</u>

The Cooper Health System

Schedule of Costs

New Jersey Cancer Education and Early Detection 2015

DFHS15CED013

Program Period: 07/01/14–06/30/15

Award Amount: \$594,000

331200285

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 224,837	\$ –	\$ –	\$ 94,028	\$ 17,077	\$ 111,105	\$ (113,732)
Fringe Benefits	46,091	–	–	19,276	3,501	22,777	(23,314)
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	500	–	–	18	3	21	(479)
Program Expense and Related Cost	319,572	–	–	41,392	7,517	48,909	(270,663)
Staff Training and Education Cost	1,500	–	–	1,068	194	1,262	(238)
Travel, Conferences and Meetings	1,500	–	–	–	–	–	(1,500)
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Sub-Grants	–	–	–	–	–	–	–
	<u>\$ 594,000</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 155,782</u>	<u>\$ 28,292</u>	<u>\$ 184,074</u>	<u>\$ (409,926)</u>

The Cooper Health System

Schedule of Costs

HIV/AIDS Care & Treatment 2015
 AIDS15CTR013
 Program Period: 07/01/14–06/30/15
 Award Amount: \$681,043
 331200286

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 541,516	\$ -	\$ -	\$ 266,102	\$ -	\$ 266,102	\$ (275,414)
Fringe Benefits	111,011	-	-	54,550	-	54,550	(56,461)
B. Consultant/Professional Services Cost	-	-	-	-	-	-	-
C. Other Cost Categories							
Office Expense and Related Cost	2,431	-	-	1,142	-	1,142	(1,289)
Program Expense and Related Cost	25,570	-	-	1,445	-	1,445	(24,125)
Staff Training and Education Cost	-	-	-	-	-	-	-
Travel, Conferences and Meetings	515	-	-	76	-	76	(439)
Equipment and Other Capital Expenditures	-	-	-	-	-	-	-
Facility Cost	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
	<u>\$ 681,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,315</u>	<u>\$ -</u>	<u>\$ 323,315</u>	<u>\$ (357,728)</u>

The Cooper Health System

Schedule of Costs

PHILEP MCC 2015

PHLP15MCC003

Program Period: 07/01/14–06/30/15

Award Amount: \$544,718

331200287

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 92,016	\$ -	\$ -	\$ -	\$ 46,843	\$ 46,843	\$ (45,173)
Fringe Benefits	18,863	-	-	-	9,603	9,603	(9,260)
B. Consultant/Professional Services Cost	-	-	-	-	-	-	-
C. Other Cost Categories							
Office Expense and Related Cost	15,000	-	-	-	442	442	(14,558)
Program Expense and Related Cost	75,121	-	-	-	4,992	4,992	(70,129)
Staff Training and Education Cost	10,000	-	-	-	-	-	(10,000)
Travel, Conferences and Meetings	3,000	-	-	-	1,959	1,959	(1,041)
Equipment and Other Capital Expenditures	-	-	-	-	-	-	-
Facility Cost	-	-	-	-	-	-	-
Sub-Grants	330,718	-	-	-	-	-	(330,718)
	<u>\$ 544,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,839</u>	<u>\$ 63,839</u>	<u>\$ (480,879)</u>

The Cooper Health System

Schedule of Costs

Comprehensive Cancer Control 2015

DFHS15CCC007

Program Period: 07/01/14–06/30/15

Award Amount: \$130,800

331200288

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 29,188	\$ –	\$ –	\$ 13,375	\$ 1,204	\$ 14,579	\$ (14,609)
Fringe Benefits	5,984	–	–	2,742	247	2,989	(2,995)
B. Consultant/Professional Services Cost	53,680	–	–	13,174	1,186	14,360	(39,320)
C. Other Cost Categories							
Office Expense and Related Cost	1,000	–	–	–	–	–	(1,000)
Program Expense and Related Cost	40,390	–	–	1,342	121	1,463	(38,927)
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	558	–	–	62	6	68	(490)
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Sub-Grants	–	–	–	–	–	–	–
	<u>\$ 130,800</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 30,695</u>	<u>\$ 2,764</u>	<u>\$ 33,459</u>	<u>\$ (97,341)</u>

The Cooper Health System

Schedule of Costs

Early Intervention Services, Pediatric Tertiary Services 2015

DFHS15EIP007

Program Period: 07/01/14–06/30/15

Award Amount: \$313,699

331200289

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 260,331	\$ –	\$ –	\$ 104,179	\$ 24,437	\$ 128,616	\$ (131,715)
Fringe Benefits	53,368	–	–	21,357	5,010	26,367	(27,001)
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Sub-Grants	–	–	–	–	–	–	–
	<u>\$ 313,699</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 125,536</u>	<u>\$ 29,447</u>	<u>\$ 154,983</u>	<u>\$ (158,716)</u>

The Cooper Health System

Schedule of Costs

Tuberculosis Control (TB), Specialty Clinic Services 2015

EPID15TBS011

Program Period: 07/01/14–06/30/15

Award Amount: \$284,518

331200281

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 230,061	\$ -	\$ -	\$ 114,984	\$ -	\$ 114,984	\$ (115,077)
Fringe Benefits	47,163	-	-	23,572	-	23,572	(23,591)
B. Consultant/Professional Services Cost	916	-	-	-	-	-	(916)
C. Other Cost Categories							
Office Expense and Related Cost	310	-	-	-	-	-	(310)
Program Expense and Related Cost	1,388	-	-	273	-	273	(1,115)
Staff Training and Education Cost	-	-	-	-	-	-	-
Travel, Conferences and Meetings	4,320	-	-	866	-	866	(3,454)
Equipment and Other Capital Expenditures	-	-	-	-	-	-	-
Facility Cost	-	-	-	-	-	-	-
Other	360	-	-	-	-	-	(360)
	<u>\$ 284,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,695</u>	<u>\$ -</u>	<u>\$ 139,695</u>	<u>\$ (144,823)</u>

The Cooper Health System

Schedule of Costs

HIV/AIDS Counseling & Testing/Notification Assistance Program 2015

AIDS15CTN009

Program Period: 07/01/14–06/30/15

Award Amount: \$121,000

331200290

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 98,838	\$ -	\$ -	\$ 47,199	\$ -	\$ 47,199	\$ (51,639)
Fringe Benefits	20,262	-	-	9,676	-	9,676	(10,586)
B. Consultant/Professional Services Cost	-	-	-	-	-	-	-
C. Other Cost Categories							
Office Expense and Related Cost	480	-	-	99	-	99	(381)
Program Expense and Related Cost	1,000	-	-	477	-	477	(523)
Staff Training and Education Cost	-	-	-	-	-	-	-
Travel, Conferences and Meetings	420	-	-	-	-	-	(420)
Equipment and Other Capital Expenditures	-	-	-	-	-	-	-
Facility Cost	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>\$ 121,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,451</u>	<u>\$ -</u>	<u>\$ 57,451</u>	<u>\$ (63,549)</u>

The Cooper Health System

Schedule of Costs

HIV/AIDS Counseling & Testing/Notification Assistance Program 2015

AIDS15CTN008

Program Period: 07/01/14–06/30/15

Award Amount: \$113,000

331200291

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 92,689	\$ -	\$ -	\$ 46,766	\$ -	\$ 46,766	\$ (45,923)
Fringe Benefits	19,001	-	-	9,587	-	9,587	(9,414)
B. Consultant/Professional Services Cost	-	-	-	-	-	-	-
C. Other Cost Categories							
Office Expense and Related Cost	366	-	-	118	-	118	(248)
Program Expense and Related Cost	800	-	-	277	-	277	(523)
Staff Training and Education Cost	-	-	-	-	-	-	-
Travel, Conferences and Meetings	144	-	-	-	-	-	(144)
Equipment and Other Capital Expenditures	-	-	-	-	-	-	-
Facility Cost	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>\$ 113,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,748</u>	<u>\$ -</u>	<u>\$ 56,748</u>	<u>\$ (56,252)</u>

The Cooper Health System

Schedule of Costs

Pediatric AIDS 2015

DFHS15PDA006

Program Period: 08/01/14–07/31/15

Award Amount: \$447,318

331200295

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 355,450	\$ –	\$ –	\$ –	\$ 143,969	\$ 143,969	\$ (211,481)
Fringe Benefits	72,867	–	–	–	29,514	29,514	(43,353)
B. Consultant/Professional Services Cost	7,500	–	–	–	–	–	(7,500)
C. Other Cost Categories					909	909	(591)
Office Expense and Related Cost	1,500	–	–	–	593	593	(1,407)
Program Expense and Related Cost	2,000	–	–	–	315	315	(1,185)
Staff Training and Education Cost	1,500	–	–	–	2,044	2,044	(2,457)
Travel, Conferences and Meetings	4,501	–	–	–	–	–	–
Equipment and Other Capital Expenditures	–	–	–	–	–	–	–
Facility Cost	–	–	–	–	–	–	–
Sub-Grants	2,000	–	–	–	–	–	(2,000)
	<u>\$ 447,318</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 177,344</u>	<u>\$ 177,344</u>	<u>\$ (269,974)</u>

The Cooper Health System

Schedule of Costs

HIV/AIDS Navigator 2014
 AIDS14NAV005
 Program Period 01/01/2014–12/31/2014
 Award Amount: \$150,000
 331200250

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 123,445	\$ -	\$ -	\$ -	\$ 123,432	\$ 123,432	\$ (13)
Fringe Benefits	22,393	-	-	-	22,391	22,391	(2)
B. Consultant/Professional Services Cost	-	-	-	-	-	-	-
C. Other Cost Categories							
Office Expense and Related Cost	500	-	-	-	907	907	407
Program Expense and Related Cost	1,800	-	-	-	1,739	1,739	(61)
Staff Training and Education Cost	-	-	-	-	-	-	-
Travel, Conferences and Meetings	1,862	-	-	-	1,531	1,531	(331)
Equipment and Other Capital Expenditures	-	-	-	-	-	-	-
Facility Cost	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Indirect Costs	-	-	-	-	-	-	-
	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>

The Cooper Health System

Schedule of Costs

Cancer Institute of New Jersey 2015

EPID15CIN003

Program Period: 07/01/14–06/30/15

Award Amount: \$15,400,000

331800296

	Amount of Approved Budget (Unaudited)	2013 Expenditures		2014 Expenditures		Cumulative Disbursements	Budget Variance (Unaudited)
		State	Federal	State	Federal		
A. Personnel Cost							
Salaries/Wages	\$ 4,481,329	\$ –	\$ –	\$ 2,240,664	\$ –	\$ 2,240,664	\$ (2,240,665)
Fringe Benefits	918,671	–	–	459,336	–	459,336	(459,335)
B. Consultant/Professional Services Cost	–	–	–	–	–	–	–
C. Other Cost Categories							
Office Expense and Related Cost	–	–	–	–	–	–	–
Program Expense and Related Cost	–	–	–	–	–	–	–
Staff Training and Education Cost	–	–	–	–	–	–	–
Travel, Conferences and Meetings	–	–	–	–	–	–	–
Equipment and Other Capital Expenditures	10,000,000	–	–	–	–	–	(10,000,000)
Facility Cost	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Indirect Costs	–	–	–	–	–	–	–
	<u>\$ 15,400,000</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 2,700,000</u>	<u>\$ –</u>	<u>\$ 2,700,000</u>	<u>\$ (12,700,000)</u>

Philadelphia Department of
Public Health AACO

Statements of Expenditures and Revenues

The Cooper Health System

Statement of Expenditures and Revenues

Provider Name: EIP – Cooper Health System
Funding Source: Part A Formula Ryan White HIV/AIDS Treatment Modernization Act
Award Number: R3578
Award Amount: \$498,280
Contract Number: 1320703
Activity Description: Ambulatory/Outpatient Medical Care
Effective Dates (Contract Term): 03/01/2013 to 02/28/2014

	<u>2014 Expenditures</u>	
Personnel services	\$	62,596
Fringe benefits		<u>11,518</u>
Total personnel expenditures	\$	74,114
Operating expenditures:		
Travel		207
Supplies		<u>16,014</u>
Subtotal operating expenditures		<u>16,221</u>
Total direct expenditures		90,335
Indirect expenditures		<u>–</u>
Total budgeted expenditures		90,335
Program revenues		<u>–</u>
Net AACO funding expenditures	\$	<u><u>90,335</u></u>

The Cooper Health System

Statement of Expenditures and Revenues

Provider Name: EIP – Cooper Health System
Funding Source: Part A Formula Ryan White HIV/AIDS Treatment Modernization Act
Award Number: R3580
Award Amount: \$225,400
Contract Number: 1320704
Activity Description: Care Services Case Management
Effective Dates (Contract Term): 03/01/2013 to 02/28/2014

	2014 Expenditures	
Personnel services	\$	28,318
Fringe benefits		<u>5,211</u>
Total personnel expenditures		\$ 33,529
Operating expenditures:		
Travel		1,201
Supplies		3,656
Subcontract		<u>19,861</u>
Subtotal operating expenditures		<u>24,718</u>
Total direct expenditures		58,247
Indirect expenditures		<u>–</u>
Total budgeted expenditures		58,247
Program revenues		<u>–</u>
Net AACO funding expenditures	\$	<u><u>58,247</u></u>

The Cooper Health System

Statement of Expenditures and Revenues

Provider Name: EIP – Cooper Health System
Funding Source: Part A Formula Ryan White HIV/AIDS Treatment Modernization Act
Award Number: RS3579
Award Amount: \$54,143
Contract Number: 1320703
Activity Description: Mental Health Services
Effective Dates (Contract Term): 03/01/2013 to 02/28/2014

	<u>2014 Expenditures</u>	
Personnel services	\$	14,698
Fringe benefits		<u>2,702</u>
Total personnel expenditures		\$ 17,400
Operating expenditures:		
Travel		–
Supplies		–
Subcontract		<u>–</u>
Subtotal operating expenditures		<u>–</u>
Total direct expenditures		17,400
Indirect expenditures		<u>–</u>
Total budgeted expenditures		17,400
Program revenues		<u>–</u>
Net AACO funding expenditures	\$	<u><u>17,400</u></u>

The Cooper Health System

Statement of Expenditures and Revenues

Provider Name: EIP – Cooper Health System
Funding Source: Part A Formula Ryan White HIV/AIDS Treatment Modernization Act
Award Number: R4578
Award Amount: \$560,808
Contract Number: 1320704-02
Activity Description: Ambulatory/Outpatient Medical Care
Effective Dates (Contract Term): 03/01/2014 to 02/28/2015

	<u>2014 Expenditures</u>
Personnel services	\$ 334,202
Fringe benefits	<u>68,781</u>
Total personnel expenditures	\$ 402,983
Operating expenditures:	
Travel	172
Supplies	70,670
Subcontract	<u>–</u>
Subtotal operating expenditures	<u>70,842</u>
Total direct expenditures	473,825
Indirect expenditures	<u>–</u>
Total budgeted expenditures	473,825
Program revenues	<u>–</u>
Net AACO funding expenditures	<u><u>\$ 473,825</u></u>

The Cooper Health System

Statement of Expenditures and Revenues

Provider Name: EIP – Cooper Health System
Funding Source: Part A Supplemental Ryan White HIV/AIDS Treatment Modernization Act
Award Number: R4580
Award Amount: \$284,159
Contract Number: 1320704-02
Activity Description: Care Services Case Management
Effective Dates (Contract Term): 03/01/2014 to 02/28/2015

	<u>2014 Expenditures</u>
Personnel services	\$ 159,796
Fringe benefits	<u>32,858</u>
Total personnel expenditures	\$ 192,654
Operating expenditures:	
Travel	1,338
Supplies	216
Subcontract	<u>17,343</u>
Subtotal operating expenditures	<u>18,897</u>
Total direct expenditures	211,551
Indirect expenditures	<u>–</u>
Total budgeted expenditures	211,551
Program revenues	<u>–</u>
Net AACO funding expenditures	<u><u>\$ 211,551</u></u>

The Cooper Health System

Statement of Expenditures and Revenues

Provider Name: EIP – Cooper Health System
 Funding Source: Part A Formula Ryan White HIV/AIDS Treatment Modernization Act
 Award Number: RS4579
 Award Amount: \$67,163
 Contract Number: 1320704-02
 Activity Description: Mental Health Services
 Effective Dates (Contract Term): 03/01/2014 to 02/28/2015

	2014 Expenditures
Personnel services	\$ 44,556
Fringe benefits	9,187
Total personnel expenditures	\$ 53,743
Operating expenditures:	
Travel	–
Supplies	–
Subcontract	–
Subtotal operating expenditures	–
Total direct expenditures	53,743
Indirect expenditures	–
Total budgeted expenditures	53,743
Program revenues	–
Net AACO funding expenditures	\$ 53,743

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2015 Ernst & Young LLP.
All Rights Reserved.

ey.com

