RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
(A Component Unit of the State of New Jersey)

Financial Statements, Management's Discussion
and Analysis and Schedule of Expenditures
of Federal Awards

June 30, 2014

(With Independent Auditors' Reports Thereon)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
(A Component Unit of the State of New Jersey)

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Independent Auditors' Report

The Board of Governors
The Board of Trustees
Rutgers, The State University of New Jersey:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Rutgers, The State University of New Jersey (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate (UPA), which represents approximately 27%, 10%, and 44%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for UPA, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

Basis for Modified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate were prepared on a modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The amount by which this departure would affect the assets, net position, and revenues of the aggregate discretely presented component units has not been determined.

Modified Opinion

In our opinion, based on our audit and the report of the other auditors, except for the effects of the matter described in the "Basis for Modified Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the University, as of June 30, 2014, and the changes in financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the University as of June 30, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

Change in Reporting Entity

As discussed in note 1 to the financial statements, on July 1, 2013, the New Jersey Medical and Health Sciences Education and Restructuring Act (the Act) went into effect and the Cancer Institute of New Jersey and certain units of the University of Medicine and Dentistry of New Jersey were integrated into the University. Also, as a result of the Act, University Physicians Associates of New Jersey, Inc. and Affiliate were incorporated into the University's reporting entity as a discretely presented component unit. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Pronouncement

As discussed in notes 1 and 2 to the financial statements, on July 1, 2013, the University adopted Governmental Accounting Standards Board Statement No. 69, *Government Combinations and Disposals of Government Operations*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2014 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Short Hills, New Jersey
November 6, 2014

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Management's Discussion and Analysis (unaudited)
June 30, 2014

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Rutgers, the State University of New Jersey (the university) at June 30, 2014 and its changes in financial position for the fiscal year then ended with fiscal year 2013 data presented for comparative purposes for the statement of net position only. The fiscal year 2013 data was calculated by adding the activities of the units of the University of Medicine and Dentistry (UMDNJ) that were integrated with the university on July 1, 2013. Management has prepared the basic financial statements and related footnote disclosures along with this MD&A in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board for public colleges and universities. This MD&A should be read in conjunction with the audited financial statements and related footnotes of the university, which directly follow the MD&A.

On August 22, 2012, the Governor of New Jersey signed the New Jersey Medical and Health Sciences Education Restructuring Act (Chapter 45, P.L. 2013) (the Act); which was passed by the New Jersey Senate and Assembly on June 28, 2013. The Act integrates all units of the University of Medicine and Dentistry of New Jersey, except University Hospital in Newark and the School of Osteopathic Medicine in Stratford, into Rutgers effective July 1, 2013. On July 1, 2013 the units transferred from UMDNJ were incorporated with the Rutgers School of Nursing, Ernest Mario School of Pharmacy and the Institute of Health, Health Care Policy and Aging Research to form a new organizational unit within Rutgers University-New Brunswick known as Rutgers Biological and Health Sciences (RBHS).

In fiscal 2014, the financial reporting entity of Rutgers, post integration, included 34 degree granting schools, of which 25 offered graduate programs of study with over 65,000 students enrolled in these programs. These schools are located at Rutgers University–New Brunswick, Rutgers University–Newark, and Rutgers University–Camden. Rutgers Biomedical and Health Sciences, a division within Rutgers, is closely aligned with Rutgers University–New Brunswick. The university also maintains educational services in many other communities throughout the State of New Jersey. The university operates research and institutional facilities on 6,088 acres in all 21 counties and 78 municipalities.

In February of 2014, the University released its strategic plan for the new Rutgers. The plan combines an assessment of our strengths with a vision of the opportunities for improvement to create a five year roadmap with a straight-forward goal: to be broadly recognized as among the nation's leading public universities: preeminent in research, excellent in teaching, and committed to community. The plan organizes initiatives along three dimensions; strategic priorities – areas that limit us and where attention is needed over the next five years; foundational elements – basic components required for future success; and integrating themes – Rutgers-wide areas of academic strength by which to coordinate initiatives along interdisciplinary and topically relevant areas.

The strategic plan identified as one of the foundational elements, the need to augment revenues by expanding nontraditional academic offerings, developing innovative fundraising paradigms, and rethinking delivery of academic, student, and auxiliary services. At the same time, we must recover resources internally that are associated with inefficient, ineffective, or outmoded programs and redeploy these resources toward our new strategic goals. The strategic plan will be used to guide the next stages of the process – the campus plans and the University Physical Master Plan – where more specific initiatives will be defined and implemented.

The university's financial report includes three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements focus on the financial condition of the university, the changes in financial position, and cash flows of the university's business type activities as a whole rather than the accountability of funds.

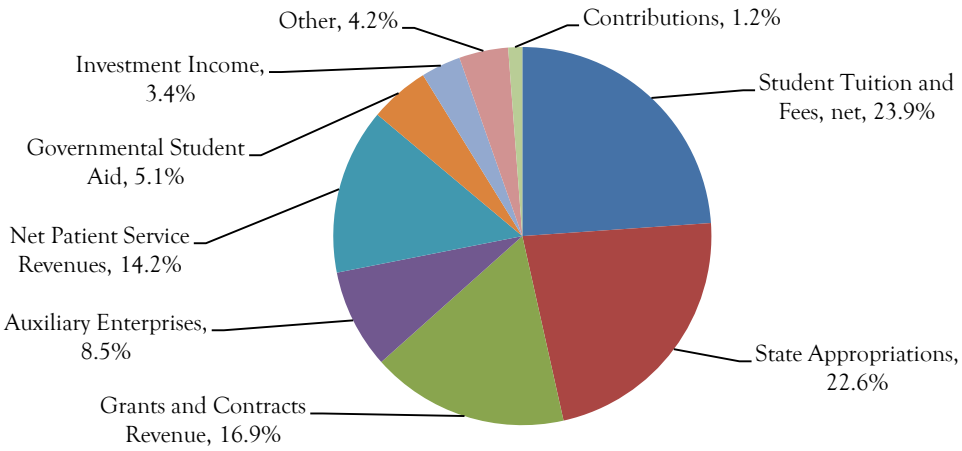
The financial statements also include the financial activity of the units of the New Market Tax Credit (NMTC) Transaction (One Washington Park), which include One Washington Park Capital, LLC, RUN Investments, LLC, and One Washington Park Holdings, LLC. The One Washington Park units provide financing services to the university classifying it as a component unit blended with those of the university. The financial statements for the Rutgers University Foundation (the Foundation) and University Physicians Associates of New Jersey, Inc. and Affiliate (UPA) are presented discretely. The Foundation was formed to aid the university in obtaining private funds and other resources to meet the needs and achieve the goals of the university. UPA supports Rutgers Biomedical and Health Sciences through administrative assistance to clinical faculty of the New Jersey Medical School.

Financial Highlights

The university's financial condition at June 30, 2014 remained stable with net position increasing by 2.3% or $68.2 million. The university's total operating revenues amounted to $2,305.8 million in fiscal 2014. The major components of operating revenues are student tuition and fees (net of scholarship allowances) of $820.2 million, grant and contracts revenues of $579.7 million, and net patient services revenues of $487.6 million.

As the State University of New Jersey, the appropriation from the State represents a vital part of the university's funding. In fiscal 2014, the State maintained the base appropriation constant with an additional appropriation from the Department of Health of $10 million for the Rutgers Cancer Institute of New Jersey (CINJ). Tuition revenue is another significant source of funding for the university. In fiscal 2014, in addition to an increase in tuition rates averaging 3.4%, enrollment was at its highest with 65,512 students. State appropriations, as well as contributions, investment income, and governmental student aid, are shown as nonoperating revenue.

As presented in the chart below, net student tuition and fees, state appropriations, grant and contract revenue and net patient service revenue are the primary sources of revenue for the university.



Statement of Net Position

The Statement of Net Position presents the financial position of the university at the end of the fiscal year and includes all assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (the difference between total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources) of the university. Current assets are classified as such if they are available to satisfy current liabilities, which are generally defined as being due within one year of the date of the statement of net position. Net position is one indicator of the financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

A summarized comparison of the university's assets, deferred outflows of resources, liabilities, and net position at June 30, 2014 and 2013 is as follows (dollars in thousands):

	2014	2013
Assets		
Current assets	$1,274,310	$1,035,244
Noncurrent assets		
Endowment, restricted and other noncurrent cash and investments	1,415,327	1,102,982
Capital assets, net	3,051,175	2,932,597
Other assets	128,957	112,010
Total Assets	5,869,769	5,182,833
Deferred Outflows of Resources	97,582	30,461
Total Assets and Deferred Outflows of Resources	5,967,351	5,213,294
Liabilities		
Current liabilities	653,819	659,929
Noncurrent liabilities	2,245,178	1,553,252
Total Liabilities	2,898,997	2,213,181
Net Position		
Net investment in capital assets	1,351,416	1,414,258
Restricted - nonexpendable	548,115	466,022
Restricted - expendable	460,048	488,384
Unrestricted	708,775	631,449
Total Net Position	$3,068,354	$3,000,113

Current Assets and Current Liabilities

Current assets include unrestricted and restricted cash and cash equivalents, investments that mature within one year, receivables, inventories and other short-term assets. Noncurrent assets include unrestricted investments that mature in more than a year, as well as cash and cash equivalents and investments that are restricted by donors or external parties as to their use. Receivables deemed to be collectible in more than a year are also included as noncurrent. Current assets increased $239.1 million in fiscal 2014 primarily as a result of the cash received from the issuance of new debt by the university and the state on behalf of the university.

Deferred outflows of resources are the consumption of net position that is applicable to a future reporting period. Deferred outflows of resources increased $67.1 million primarily due to a loss on refunding of $76.6 million recorded with the issuance of 2013 Series J, K and L. This loss was offset by amortizations recorded during the year.

Current liabilities include all liabilities that are payable within the next fiscal year. Unearned revenues, principally from summer programs and grant revenue received in advance, are also presented as current liabilities. Liabilities that are due to be paid beyond the next fiscal year are reported as noncurrent liabilities.

Current liabilities decreased $6.1 million in fiscal 2014 primarily as a result of the issuance of 2013 Series L to replace commercial paper. This was offset by accruals for salaries and other expenditures at the end of the year.

The university's current assets cover current liabilities by a factor of 1.9 times, an indicator of good liquidity and the ability to bear short term demands on working capital. The university's current assets also cover over four months of its total operating expenses, excluding depreciation.

Endowment and Other Investments

The primary financial objective of the investment management of the Endowment is to preserve and enhance its real (inflation-adjusted) purchasing power while providing a relatively predictable, stable, and constant (in real terms) stream of earnings for current use. The long term investment goal of the Endowment is to attain a total return of at least 4.5% plus inflation, fees, and costs. The investment objectives of the Endowment are based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. A major portion of the university's endowment is maintained in the long term investment pool managed by the university's Joint Investment Committee. The total annual return for the long-term investment pool was 16.0% in fiscal 2014. The average annual return over the 5 year period ending June 30, 2014 was 10.7%.

The university distributes endowment earnings in a way that balances the annual support needed for operational purposes against the requirement to preserve the future purchasing power of the endowment. The endowment spending-rate policy is based on total return, not just cash earnings. The total distribution for the endowment was $28.9 million in fiscal 2014.

The university's endowments consist of permanent (true), term and quasi endowments. Permanent or true endowments are funds received from donors stipulating that the principal gift remain inviolate and be invested in perpetuity with the income generated from the investment to be expended for a specific purpose as designated by the donor. These permanent endowments increased $82.0 million to $548.1 million for fiscal 2014. Term endowments are those funds received from donors that function as endowments until a specified event occurs. The university's term endowments increased by $4.7 million to $51.0 million in fiscal 2014. Quasi endowments consist of restricted expendable gifts and unrestricted funds that have been designated by the university for long-term investment purposes and therefore act as endowments. The university's quasi endowments increased by $38.6 million in fiscal 2014 to $280.3 million.

From a net position perspective, earnings from the endowment, while expendable, are mostly restricted in use by the donors. It is important to note that of the university's endowment funds, only $143.6 million or 17.5% can be classified as unrestricted net position. From this unrestricted endowment, a significant portion of the income is internally designated by the university for scholarships, fellowships, professorships, and research efforts.

Capital Assets and Debt Activities

The University's strategic plan identified an initiative to complete a University Physical Master Plan that assesses the current state of all three campuses and develops a vision of the future land use and space planning on each. The planning process is currently underway and should be released in the fall of 2014. While our physical master plan will provide guidance and vision for capital projects in the 3 to 10 year timeframe, many projects are now under way that will dramatically improve the student experience on our campuses, support our strengths in arts and sciences, and grow critical disciplines. In the coming years, the Rutgers campuses will be transformed by projects consistent with the core principles and priorities of our strategic plan. These projects have been made possible by the generosity of our private donors, by creative partnerships with the public sector, and by funds made available this year through the historic Building Our Future Bond Act approved by New Jersey voters in November 2012 and other state bond programs.

The Building Our Future Bond Act authorized the state to issue bonds totaling $750 million to help increase academic capacity at New Jersey institutions of higher education. In May 2013 the state issued general obligation bonds totaling $350 million of which $100 million was for the Building Our Future Program. The university will receive a total of $173.9 million from this program.

In addition to the Building Our Future Bond Act, the state has also authorized the issuance of bonds to fund several higher education initiatives. In September of 2014, the New Jersey Educational Facilities Authority (NJEFA) issued series 2014A bonds pursuant to the Higher Education Facilities Trust Fund Act (HEFT) in the amount of $199.9 million. This program authorizes the state to issue bonds for institutions of higher education in New Jersey for the purpose of the construction, reconstruction, development, extension, and improvement of instructional, laboratory, communication and research facilities. The university will receive $69.0 million from this program.

NJEFA also issued $203.3 million in Series 2014A-D bonds under the Higher Education Capital Improvement Fund Act (HECIF) in April 2014. HECIF provides funds to certain public and private institutions of higher education in the State for the purpose of paying the costs, or a portion of the costs, of certain capital improvements authorized in accordance with the Capital Improvement Fund Act. The university has been awarded $97.3 million from this program.

The university will also receive funds under the Technology Infrastructure Fund Act which created the Higher Education Technology Infrastructure Fund (HETI). HETI funds are required to be used to develop technology infrastructure within and among New Jersey's institutions of higher education in order to provide access effectively and efficiently to information, educational opportunities and workforce training, and to enhance the connectivity of higher education institutions to libraries and elementary and secondary schools. NJEFA issued Series 2014 in the amount of $38.1 million in January 2014. Rutgers will receive a total of $3.3 million for several technology projects.

Finally, the state authorized NJEFA to issue Series 2014 Higher Education Equipment Leasing Fund bonds in the amount of $89.3 million under the Higher Education Equipment Leasing Fund Act (ELF). This act authorizes NJEFA to issue bonds to finance the purchase of any property consisting of, or relating to, scientific, engineering, technical, computer, communications, and instructional equipment for lease to public and private institutions of higher education in the State. The university has been awarded $43.8 million from this bond issue for the purchase of this type of equipment.

On June 15, 2006, the Board of Governors and Board of Trustees of the university approved a comprehensive debt policy for the university to provide an internal strategic framework for capital planning and overall debt management. In 2008, the Board of Governors and the Board of Trustees of the university approved a commercial paper program. The commercial paper program is being used for the interim financing of capital projects and temporary funding of outstanding debt issues.

On July 1, 2013, the university issued 2013 Series J, and 2013 Series K to refinance the debt of the UMDNJ units integrated into Rutgers. The university also issued 2013 Series L to refinance the university's series 2002B, 2003C and 2004E and to finance several capital projects throughout the University.

The funds received from these state programs, university bonds and other funds received by the university have resulted in the $118.6 million increase in fiscal 2014 in capital assets, net. Capital additions primarily comprise replacement, renovation and new construction of academic and research facilities as well as significant investments in equipment, including information technology. Several major projects completed during fiscal 2014 include:

- Construction of a new facility at the gateway to the Livingston Campus for the School of Business which includes classrooms, instructional labs, meeting rooms, offices and a trading floor.
- Renovation of Tillet Hall on the Livingston Campus converting the space to accommodate new lecture rooms, classrooms, computer labs, academic support offices and a campus post office.

In addition, at June 30, 2014, the university had various projects under construction or in the design stage. Significant projects include:

- Construction of a new facility for the Department of Chemistry and Chemical Biology on the Busch Campus that will feature 145,000 square feet of flexible research space and classrooms designed to facilitate collaborative research and learning, providing a state-of-the-art facility to train the next generation of globally engaged scientists and support the needs of the chemical industry in New Jersey and beyond.
- Construction of the first new academic building on College Avenue in more than 50 years. The Rutgers Academic Building is an approximately 175,000 square foot academic building for the Rutgers University School of Arts & Sciences consisting of approximately 2,500 seats of classroom space in the form of modern lecture halls as well as departmental office space.
- Construction of an approximately 500 bed residence hall in New Brunswick for honors students including programming space, office space, common space and other amenities to enhance undergraduate honors research work. The Honors College will create an environment for our brightest students to share space with faculty and deans in order to foster mentorships, cultural exchanges and academic engagement.
- Construction of a 78,000 square foot facility for the Institute for Food, Nutrition and Health on the Cook Campus that will contain state-of-the-art laboratories, community clinics, a children's nutrition center and preschool as well as a dining facility offering health food options.

Net Position

Net Position represents the residual interest in the university's assets and deferred outflows of resources after the deduction of its liabilities and deferred inflows of resources. The change in net position measures whether the overall financial condition has improved or deteriorated during the year. Net position consists of four major categories; net investment in capital assets, restricted net position (nonexpendable and expendable), and unrestricted net position. Net position increased by $68.2 million in fiscal 2014.

The first category, net investment in capital assets, represents the university's capital assets of land, buildings and equipment net of accumulated depreciation and net of outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The decrease of $62.8 million in fiscal 2014 is primarily attributable to depreciation of capital assets.

The next category is restricted net position, which is divided into two categories, nonexpendable and expendable. Nonexpendable restricted net position are those resources that have been set aside and invested as required by the provider of the resources. These funds are not available for expenditures, but rather must be invested in perpetuity with the earnings on those investments to be used as specified by the external donor at the time the resources are received. The nonexpendable net position includes the permanent and term endowments mentioned previously under the Endowment and Other Investments section. The restricted nonexpendable net position increased by $82.1 million in fiscal 2014.

Expendable restricted net position is available for expenditure by the university but must be spent for purposes as specified by external donors. This category includes contributions received from donors and unspent income from endowed funds. There was a decrease of $28.3 million in fiscal 2014.

The final category is unrestricted net position. Unrestricted net position is available to the institution for any lawful purpose. Substantially all of the university's unrestricted net position has been designated by the governing boards or management to support specific programs such as student activities, research projects, continuing education and summer programs, agricultural experiment station activities, junior year abroad programs, auxiliary enterprises and other self-supporting organized activities relating to educational departments as well as capital projects. Many of these designations result from the funds being earned through special purpose fees charged for the specific purposes. The university, therefore, has an obligation to its students to maintain these funds for the purposes that they were received. The increase in unrestricted net position in fiscal 2014 was $77.3 million.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and the expenses incurred during the fiscal year. Activities are classified as either operating, non-operating, or other. Revenues received and expenses incurred as a result of the university providing goods and services to its customers are considered operating. Non-operating revenues are those received for which goods and services are not directly provided. The financial reporting model classifies state appropriations and gifts as non-operating revenues. The operating deficit demonstrates the university's dependency on state support and gifts. In addition, appropriations, grants and gifts received by the university, specifically for capital expenditures as well as gifts received from donors as endowments, are reported as other revenues.

A summary of the university's revenues, expenses, and changes in net position for the year ended June 30, 2014 is as follows (dollars in thousands).

	2014
Operating revenues	
Student tuition and fees (net of scholarship allowances)	$820,229
Grants and contracts	579,695
Auxiliary enterprises (net of scholarship allowances)	291,460
Net patient service revenues	487,578
Other operating revenues	126,880
Total operating revenues	2,305,842
Operating expenses	3,324,016
Operating loss	(1,018,174)
Nonoperating revenues (expenses)	
State appropriations (including fringe benefits paid directly by the state)	777,393
Contributions	40,625
Endowment and investment income	15,678
Net increase in fair value of investments	102,931
Governmental Student Aid	174,104
Interest on capital asset related debt	(83,053)
Net other nonoperating revenues	17,760
Net nonoperating revenues	1,045,438
Income before other revenues	27,264
Other revenues	40,977
Increase in net position	68,241
Net position at beginning of year, as restated	3,000,113
Net position at end of year	$3,068,354

Operating revenues represent 67.1% of total revenues. Significant components of operating revenues include the following:

Student tuition and fees, net of scholarship allowances are the largest component of operating revenues. Tuition and fees are reflected net of scholarship allowances, which represent scholarships and fellowships applied to student accounts for tuition and residence fees. These scholarships and fellowships are funded through federal and state grant programs and gifts raised by the university. The university provided $233.5 million of a total $286.0 million of student aid directly to student accounts. The remaining $52.5 million was paid to students and is reflected as scholarships and fellowships expense. Scholarship allowances allocated to tuition and fees amounted to $191.5 million. Another $42.0 million was allocated to residence fees, which are included in auxiliary revenues. Tuition rates were increased in fiscal 2014 by an average of 3.4%, while student fees increased an average of 2.4%. Enrollment reached a peak of 65,512 for fiscal 2014.

Grants and Contracts includes revenues for sponsored programs from federal, state and nongovernmental grants and contracts that normally provide for the recovery of direct and indirect costs, or expenses. This year has been a challenging year with the integration of the new schools and with the federal shutdown in the fall. The university, however, has continued to succeed in obtaining new grants with over 2,400 new awards totaling over $445.7 million this year.

In fiscal 2014, *Federal Grants and Contracts* amounted to $311.8 million or 53.8% of total grant and contract revenue. This year the university was awarded grants from various federal agencies including:

The National Institutes of Health last spring chose David Perlin, faculty member in the Rutgers New Jersey Medical School, to head a major effort developing new antibiotics to combat deadly bacteria that have become resistant to current treatments. With a grant of up to $26 million, Perlin will lead a public-private partnership among prominent scientists at Rutgers, other institutions and industry.

Jolie Cizewski, distinguished professor of physics and astronomy at New Brunswick, last year received a five-year grant of $7.9 million from U.S. Department of Energy to create a *Center of Excellence for Radioactive Ion Beam Studies.*

Rutgers-Newark has received a $3.5 million grant from the NSF for its statewide program to increase minority participation in science, technology, engineering and mathematics fields. It extends the program, which was launched five years ago, through 2019. Alexander Gates, professor of earth and environmental sciences, is the program director.

Fred Roberts, distinguished professor of mathematics at Rutgers–New Brunswick, is the principal investigator on a nearly $2.4 million grant last year from the U.S. Department of Homeland Security. The funds support the Rutgers' Command, Control and Interoperability Center for Advanced Data Analysis.

Two faculty members in the Robert Wood Johnson Medical School's Department of Environmental and Occupational Medicine, Jeffrey Laskin, professor, and Jason Richardson, associate professor, have received a $3.9 million grant from the National Institutes of Health for "Developing Drugs to Mitigate Parathion Intoxication."

Rutgers University Cell and DNA Repository (RUCDR) Infinite Biologics has won a $19 million grant from the National Institute on Drug Abuse. Led by distinguished professor Jay Tischfield, RUCDR will support NIDA-funded researchers employing genomic testing and analysis.

In fiscal 2014, *State and Municipal Grants and Contracts* was $147.2 million or 25.4% of total grant and contract revenue. The university received a $3.1 million grant from the state's Department of Children and Families awarded to Cathryn Potter, dean of the School of Social Work, to fund the New Jersey Child Welfare Partnership Training Program.

Finally, in fiscal 2014, *Nongovernmental Grants and Contracts* was $120.7 million or 20.8% of total grant and contract revenue.

The Robert Wood Johnson Foundation awarded a $250,000 grant to Joanne Robinson, dean and professor in the Rutgers School of Nursing–Camden. This grant is funding the Rutgers–Camden Cooper Collaborative for Upward Mobility in Nursing.

Auxiliary enterprise revenues include revenues from the university's housing, dining facilities and other student related services, as well as other business type activities such as the bookstore and the golf course that provide support to the university's primary missions of education, research and public service. Auxiliary revenues of $333.4 million were offset by scholarship allowances of $42.0 million. Housing and dining revenues totaled $206.9 million or 62.1% of total gross auxiliary revenues. Housing and dining rates were held flat in fiscal 2014. Housing and dining expenditures totaled $148.7 million or 51.5% of total auxiliary expenditures.

Net patient services revenues include revenues related to patient care services, which are generated within RBHS behavioral healthcare, cancer and contract activities, under contractual arrangements with governmental payors and private insurers. Revenues from a contract with the State of New Jersey Department of Corrections to provide mental and health services for inmates totaled $154.3 million in fiscal 2014.

Operating expenses are reported by functional classification in the Statements of Revenue, Expenses, and Changes in Net Position and by natural classification in the notes to the financial statements (See Note 13). The following tables summarize the university's operating expenses by functional and natural classification.

Operating Expenses by Functional Classification
(dollars in thousands)

	2014
Instruction	$849,438
Sponsored Research	358,231
Other Separately Budgeted Research	76,467
Other Sponsored Programs	87,977
Extension and Public Service	146,128
Academic Support	123,342
Student Services	107,332
Operation and Maintenance of Plant	207,167
General Administration and Institutional	260,811
Scholarships and Fellowships	52,517
Depreciation	147,629
Patient Care Services	613,492
Auxiliary Enterprises	292,991
Other Operating Expenses	494
Total Operating Expenses	$3,324,016

Operating Expenses by Natural Classification
(dollars in thousands)

	2014
Salaries and Wages	$1,752,152
Fringe Benefits	543,132
Supplies and Services	815,680
Scholarships and Fellowships	65,423
Depreciation	147,629
Total Operating Expenses	$3,324,016

The natural classification of expenses demonstrates that the major expenditure of the university is salaries and wages accounting for more than 52.7% of total operating expenses. Negotiated salary increases were implemented this year resulting in an average increase in salaries of 2.25%. Fringe benefits also increased significantly this year primarily resulting from increases in pension and healthcare costs.

State appropriations, including fringe benefits paid directly by the State, represent approximately 22.6% of total revenues and is a significant source of funding for the university. The university received an appropriation from the New Jersey Department of State (DOS) totaling $409.2 million for the New Brunswick (including RBHS and the Agricultural Experiment Station), Newark and Camden campuses. In addition, the university received an appropriation from the New Jersey Department of Health in the amount of $28.0 million for the Rutgers Cancer Institute of New Jersey (CINJ). The university also received an appropriation from the New Jersey Department of Human Services (DHS) totaling $18.0 million for the Rutgers University Behavioral Health Care Centers (UBHC). Total appropriations for the year amounted to $455.2 million. Fringe benefits are also paid directly by the State and totaled $322.2 million in fiscal 2014.

Governmental Student Aid is also a significant component of nonoperating revenues. The university's students benefit from various federal programs, such as, Pell Grants and the Federal Supplemental Educational Opportunity Grants. In addition, the State provides aid through the Tuition Aid Grant (TAG) program and the Educational Opportunity Fund (EOF). The university received a total of $77.6 million from federal programs and $96.4 million from the state this year.

Net increase in fair value of investments provided a significant increase in the university's revenue this year as the economy continued to strengthen during the year. These favorable market conditions at June 30, 2014 resulted in unrealized gains recorded to report investments at fair market value at the end of the year.

Other revenues and expenses consist of grants and gifts received by the university for capital projects, as well as additions to permanent endowments. The university received $27.8 million to add to our endowment as a result of the Foundations campaign.

Economic Factors that will affect the future

The university continues to maintain a strong financial position without additional direct support from the state. While state funding to higher education was increased in the state budget, direct support to Rutgers remains flat for 2015. In addition, the university increased tuition rates by only 2.3% in 2015. As mentioned in the university's strategic plan, we will meet our funding challenges through savings from increased efficiency and reduced administrative costs, revenue from nontraditional education programs, public-private partnerships, clinical care enterprises, increased grants and contracts, greater philanthropy and other sources.

The university foundation is close to the end of a $1.0 billion campaign to help meet the university's most pressing academic and financial needs. Funds raised through this campaign will be used to support academic initiatives and student services. The campaign also has a goal of doubling the university's permanent endowment to ensure that permanent resources will be available to meet the needs of our students and faculty for the future. The foundation is very close to reaching its goal with $933.5 million raised towards their goal at June 30, 2014.

During these difficult financial times, the university continues to attract high quality students. In fact enrollment continues to increase with a total of 66,015 students enrolled for the fall 2014 semester. The university maintains a state, national, and global reach by attracting competitive applicants from all 50 states and over 140 countries.

As a result of the various state bond programs and other financing sources, the university has numerous construction and renovation projects underway. This year will see the completion of the Honors College project which will further improve the university's ability to attract high caliber students. Other projects, such as the Institute for Food, Nutrition and Health and the Rutgers Academic Building on College Avenue should be ready for the fall of 2016. These projects will provide additional space and resources for our growing institution.

RUTGERS
THE STATE UNIVERSITY OF NEW JERSEY

STATEMENT OF NET POSITION
June 30, 2014
(dollars in thousands)

	Rutgers, The State University of New Jersey	Component Unit Rutgers University Foundation	Component Unit University Physician Associates of New Jersey, Inc. and Affiliates
ASSETS:			
Current Assets			
Cash and Cash Equivalents	$263,249	$1,077	$14,007
Cash and Cash Equivalents - Restricted	79,091	15,645	2,274
Short-Term Investments	425,680	–	26,829
Short-Term Investments - Restricted	89	13,408	–
Investments Held by Trustees - Restricted	91,376	–	–
Accounts Receivable, net	390,636	2,992	–
Contributions Receivable, Net – Current Portion	–	42,944	–
Inventories	4,533	–	–
Prepaid Expenses and Other Assets	19,656	350	1,444
Total Current Assets	1,274,310	76,416	44,554
Noncurrent Assets			
Cash and Cash Equivalents	66,037	–	–
Cash and Cash Equivalents - Restricted	373,715	–	–
Long-Term Investments	47,046	11,828	–
Long-Term Investments - Restricted	813,367	8,862	–
Investments Held by Trustees - Restricted	115,162	–	–
Accounts Receivable, net	125,562	–	–
Contributions Receivable, Net – Noncurrent Portion	–	24,131	–
Cash Surrender Value of Whole Life Insurance Policies	–	607	–
Other Noncurrent Assets	3,395	–	–
Capital Assets, net	3,051,175	–	63
Total Noncurrent Assets	4,595,459	45,428	63
TOTAL ASSETS	5,869,769	121,844	44,617
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	76,699	–	–
Interest Rate Swaps	20,883	–	–
TOTAL DEFERRED OUTFLOWS OF RESOURCES	97,582	–	–
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	5,967,351	121,844	44,617
LIABILITIES:			
Current Liabilities			
Accounts Payable and Accrued Expenses	362,143	2,119	9,145
Payable to Rutgers, The State University of New Jersey	–	220	9,352
Unearned Revenue	124,284	–	–
Payroll Withholdings	19,069	–	–
Other Payables	2,168	–	–
Annuities Payable – Current Portion	–	895	–
Short-Term Liabilities	48,475	–	–
Long-Term Liabilities - Current Portion	97,680	–	–
Total Current Liabilities	653,819	3,234	18,497

(Continued)

STATEMENT OF NET POSITION
June 30, 2014
(dollars in thousands)

	Rutgers, The State University of New Jersey	Component Unit Rutgers University Foundation	Component Unit University Physician Associates of New Jersey, Inc. and Affiliates
Noncurrent Liabilities			
Accounts Payable and Accrued Expenses	31,729	697	13,610
Unearned Revenue	152,064	–	–
Derivative Instruments	20,883	–	–
Annuities Payable – Noncurrent Portion	–	5,358	–
Long-Term Liabilities – Noncurrent Portion	2,040,502	–	–
Total Noncurrent Liabilities	2,245,178	6,055	13,610
TOTAL LIABILITIES	2,898,997	9,289	32,107
NET POSITION:			
Net Investment in Capital Assets	1,351,416	–	–
Restricted for			
Nonexpendable			
Instruction	224,282	770	–
Scholarships and Fellowships	242,304	6,287	–
Libraries	9,334	162	–
Other	72,195	279	–
Expendable			
Instruction	154,496	20,142	–
Research	63,800	24,814	–
Scholarships and Fellowships	81,486	8,921	–
Libraries	12,699	377	–
Loans	76,312	1	–
Capital Projects	38,976	19,890	–
Debt Service Reserve	11,127	–	–
Healthcare and Professional Services	7,300	–	–
Other	13,852	17,396	–
Unrestricted	708,775	13,516	12,510
TOTAL NET POSITION	$3,068,354	$112,555	$12,510

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2014
(dollars in thousands)

	Rutgers, The State University of New Jersey	Component Unit Rutgers University Foundation	Component Unit University Physician Associates of New Jersey, Inc. and Affiliates
OPERATING REVENUES			
Student Tuition and Fees (net of scholarship allowances of $191,513)	$820,229	$ –	$ –
Federal Grants & Contracts	311,766	–	–
State & Municipal Grants & Contracts	147,226	–	–
Nongovernmental Grants & Contracts	120,703	45,094	–
Auxiliary Enterprises (net of scholarship allowances of $41,987)	291,460	–	–
Net Patient Service Revenues	487,578	–	100,358
Other Operating Revenues	126,880	5,076	–
Total Operating Revenues	2,305,842	50,170	100,358
OPERATING EXPENSES			
Educational and General			
Instruction	849,438	–	–
Sponsored Research	358,231	–	–
Other Separately Budgeted Research	76,467	–	–
Other Sponsored Programs	87,977	–	–
Extension and Public Service	146,128	–	–
Academic Support	123,342	–	–
Student Services	107,332	–	–
Operations and Maintenance of Plant	207,167	–	–
General Administration and Institutional	260,811	28,617	18,244
Scholarships and Fellowships	52,517	–	–
Depreciation	147,629	–	–
Patient Care Services	613,492	–	37,076
Auxiliary Enterprises	292,991	–	–
Distributions to Rutgers, The State University of New Jersey	–	98,847	–
Distributions to Douglass Associate Alumnae	–	174	–
Other Operating Expenses	494	–	42,561
Total Operating Expenses	3,324,016	127,638	97,881
Operating (Loss)/Income	(1,018,174)	(77,468)	2,477

(Continued)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2014
(dollars in thousands)

	Rutgers, The State University of New Jersey	Component Unit Rutgers University Foundation	Component Unit University Physician Associates of New Jersey, Inc. and Affiliates
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	455,188	–	–
State Paid Fringe Benefits	322,205	–	–
Administrative Fees and Support from Rutgers, The State University of New Jersey	–	14,087	–
Noncash Support from Rutgers, The State University of New Jersey	–	1,620	–
Federal Appropriations	8,463	–	–
Federal Student Aid	77,633	–	–
State Student Aid	96,471	–	–
Contributions	40,625	25,170	–
Endowment and Investment Income (net of investment management fees of $5,292 for the university)	15,678	791	3,597
Net Increase in Fair Value of Investments	102,931	2,822	–
Interest on Capital Asset Related Debt	(83,053)	–	–
Loss on Disposal of Capital Assets	(1,539)	–	–
Other Nonoperating Revenues/(Expenses)	10,836	(82)	–
Net Nonoperating Revenues	1,045,438	44,408	3,597
Income before Other Revenues (Expenses)	27,264	(33,060)	6,074
			–
Capital Grants and Gifts	13,221	8,743	–
Additions to Permanent Endowments	27,756	27,294	–
Increase in Net Position	68,241	2,977	6,074
Net Position - Beginning of the Year, as restated (Note 2, page 26)	3,000,113	109,578	6,436
Net Position - End of the Year	$3,068,354	$112,555	$12,510

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014
(dollars in thousands)

	Rutgers, The State University of New Jersey
Cash Flows from Operating Activities	
Student Tuition and Fees	$881,486
Research Grants and Contracts	569,573
Services to Patients	49,854
Professional Services and Contracts	437,735
Payments to Employees and for Benefits	(1,893,414)
Payments to Suppliers	(830,370)
Payments for Utilities	(69,611)
Payments for Scholarships and Fellowships	(100,397)
Collection of Loans to Students and Employees	10,363
Auxiliary Enterprises Receipts:	
Housing	135,792
Dining	76,550
Athletics	16,009
Parking	7,608
Other	21,438
Other Receipts	103,186
Net Cash Used by Operating Activities	(584,198)
Cash Flows from Noncapital Financing Activities	
State Appropriations	455,188
Federal Appropriations	7,517
Contributions for other than Capital Purposes	21,772
Federal and State Student Aid	170,423
Contributions for Endowment Purposes	30,985
Other Receipts	21,337
Net Cash Provided by Noncapital Financing Activities	707,222
Cash Flows from Financing Activities	
Proceeds from Capital Debt and Leases	1,245,629
Capital Grants and Gifts Received	117,185
Purchases of Capital Assets and Construction in Progress	(225,919)
Principal Paid on Capital Debt and Leases	(57,551)
Interest Paid on Capital Debt and Leases	(87,555)
Debt Defeasance	(778,816)
Bond Issuance Costs	(8,749)
Other Receipts	11,022
Net Cash Provided by Financing Activities	215,246
Cash Flows from Investing Activities	
Proceeds from Sales and Maturities of Investments	1,411,454
Investment Income	13,310
Purchase of Investments	(1,516,639)
Net Cash Used by Investing Activities	(91,875)
Net Increase in Cash and Cash Equivalents	246,395
Cash and Cash Equivalents - Beginning of the year, as restated (See Note 2, Page 26)	535,697
Cash and Cash Equivalents - End of the year	$782,092

(Continued)

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014
(dollars in thousands)

	Rutgers, The State University of New Jersey
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	($1,018,174)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
State Paid Fringe Benefits	322,205
Depreciation	147,629
Amortization	810
Provision for Bad Debts	27,781
Prepaid Bond Insurance	(128)
Changes in Assets and Liabilities:	
Receivables	(99,196)
Inventories	2,089
Prepaid Expenses and Other Assets	447
Accounts Payable and Accrued Expenses	28,771
Unearned Revenue	1,522
Payroll Withholdings	1,416
Other Payables	630
Net Cash Used by Operating Activities	($584,198)

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization

Rutgers, The State University of New Jersey (the university), one of the nation's nine colonial colleges, consists of 34 schools and colleges located at campuses in New Brunswick and adjacent areas, Newark and Camden, and maintains educational services in many other communities throughout the State of New Jersey (the State). The university is the State University of New Jersey and the Land Grant College of the State of New Jersey. The university was created as a body corporate and politic with the title "The Trustees of Queens College in New Jersey" by royal charter granted by King George III, on November 10, 1766. In 1945, an act of the State Legislature designated Rutgers as the State University of New Jersey to be utilized as an instrumentality of the State for providing public higher education and thereby increasing the efficiency of its public school system. The university's title was changed to "Rutgers, The State University" and its charter was amended and supplemented by an act of the Legislature of the State in 1956 (the Rutgers Law).

Effective July 1, 2013, the New Jersey Medical and Health Sciences Education Restructuring Act (the Act), (Chapter 45, P.L. 2012), went into effect. The Act integrated the Cancer Institute of New Jersey and all units of the University of Medicine and Dentistry of New Jersey (UMDNJ), except University Hospital (UH) in Newark and the School of Osteopathic Medicine (SOM) in Stratford, into Rutgers. The UMDNJ schools and units transferred to Rutgers joining the existing Rutgers School of Nursing, Rutgers Ernest Mario School of Pharmacy and the Rutgers Institute of Health, Health Care Policy and Aging Research to form the Rutgers Biomedical and Health Sciences (RBHS) division.

Basis of Accounting

The basic financial statements of the university have been prepared on the accrual basis of accounting, using the economic resources measurement focus, and in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The university reports as a special purpose government engaged only in business type activities as defined in GASB Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 35 *Basic Financial Statements – and Management's Discussion and Analysis – Public Colleges and Universities.* Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

GASB Statement No. 34 requires that the financial statements be presented on a comprehensive entity-wide basis, reporting the university as an economic unit.

Reporting Entity

The university's financial statements and notes thereto include the financial statements of the Rutgers University Foundation (the Foundation), the units of the New Market Tax Credit (NMTC) Transaction (One Washington Park), which include One Washington Park Capital, LLC, Parkside RUN Investments, LLC, and One Washington Park Holdings, LLC, and the University Physician Association of New Jersey, Inc. and Affiliate (UPA).

The Foundation is a legally separate, not-for-profit organization, which exists solely for the benefit of the university and was formed to aid the university to obtain private funds and other resources to meet the needs and achieve the goals of the university for which adequate funds may not be available from other sources. To fulfill this mission, the Foundation solicits and receives gifts and pledges from private sources including individuals, corporations, and foundations. All of the financial data for the Foundation is from their audited financial statements, reported in accordance with generally accepted accounting principles promulgated by GASB. The Foundation is discretely presented in the university's financial report as it would be misleading to exclude them and they exist for the direct benefit of the university, its students, and faculty. Copies of the Foundation's financial statements can be obtained by writing to the Foundation at Rutgers University Foundation, Winants Hall, 7 College Avenue, New Brunswick, NJ 08901.

The governing body of the One Washington Park entities is primarily the same as that of the university, and they provide financing services to the university classifying them as blended component units. Copies of the financial statements for One Washington Park may be obtained by writing to the Executive Director of Business and Financial Services, 249 University Avenue, Room 306, Newark, NJ 07102-1896.

UPA, a not-for-profit organization, was incorporated on August 16, 1984. Located in Newark, New Jersey, its primary purpose was to support the UMDNJ through administrative assistance to clinical faculty of the New Jersey Medical School (NJMS). An agreement between UPA and UMDNJ (the Affiliation Agreement) established activities to be performed by

UPA in support of UMDNJ. During 1992, UPA established the Doctors' Center Management Corporation (DCMC) to manage the Doctors Office Center. DCMC is considered an affiliate of UPA and is included in the UPA financial statements.

Pursuant to the Act, UMDNJ ceased to exist and NJMS was incorporated within the university. Also effective July 1, 2013, the Affiliation Agreement between UPA and UMDNJ was amended to state that, as of that date, the parties to the Affiliation Agreement are Rutgers and UPA, the effect of which is that Rutgers succeeds to UMDNJ's obligations under the agreement (which expires on October 31, 2018).

The UPA became a component unit of the university due to the integration under the Act and meets the criteria to be reported as a component unit of the university since there is a financial benefit and the university has deemed the UPA misleading to exclude as a result of the nature and signifigance of their relationship. UPA's combined financial statements were prepared on a modified basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Separate financial statements for the UPA can be obtained by writing to the Executive Director/ Chief Executive Officer, University Physician Associates of New Jersey, Inc., 30 Bergen Street, ASMC 12, Room 1205, Newark, New Jersey 07107.

Under GASB Statement No. 61, *The Financial Reporting Omnibus*, an amendment of GASB Statement No. 14, *The Financial Reporting Entity,* and GASB Statement No. 34, the university is considered a component unit of the State of New Jersey for financial reporting purposes. Accordingly, the university's financial statements are included in the State of New Jersey's Comprehensive Annual Financial Report.

New Accounting Standards Adopted

GASB Statement No. 66, *Technical Corrections – 2012, An Amendment of GASB Statement No. 10 and No. 62 Liabilities* (GASB 66), removes the provision in GASB Statement No. 10 that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type and modifies the specific guidance in GASB Statement No. 62 on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. There was no impact as a result of adoption of this standard to the university's financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations,* (GASB 69), establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement provides specific accounting and financial reporting for combinations in the governmental environment and improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. See Note 2 for the impact of the adoption of this Statement on the university's financial statements as a result of the merger with UMDNJ.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (GASB 70), improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. GASB 70 also requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor and requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. New information must be disclosed by governments that receive nonexchange financial guarantees. There was no impact as a result of adoption of this standard to the university's financial statements.

Cash and Cash Equivalents

Current cash and cash equivalents, which are both unrestricted and restricted in nature, consist of cash on hand, and all highly liquid investments with an original maturity of three months or less except for those managed as a component of the university's investment portfolio. Noncurrent unrestricted cash and cash equivalents consist of funds that are not externally restricted and are to be used to purchase plant related items not related to capital construction. Noncurrent restricted cash and cash equivalents are externally restricted to maintain sinking or reserve funds, purchase or construct capital or other noncurrent assets, or are related to endowed funds.

Investments

Investments are recorded at fair value in the statement of net position. Investments with a maturity greater than one year and investments externally restricted for endowment purposes, to maintain sinking or reserve funds, and to purchase or construct capital or other noncurrent assets, including investments held by trustees, are classified as noncurrent assets in the statement of net position. The fair value of marketable investments is based on the last sale price on the last business day of the fiscal year as quoted by an industry standard pricing service. Securities for which no sale was reported as of the close of the last business day of the fiscal year are valued by this pricing service based on market evaluations using standard trade publications and other quote devices. Investments in non-marketable securities are reported in the financial statements based upon net asset values or the equivalent provided by external investment managers which are reviewed and evaluated by the university's management for reasonableness. The year-to-year change in the fair value of investments is reported in the statement of revenues, expenses, and changes in net position as net increase in fair value of investments.

Funds Held in Trust

Funds held in trust by others or not in the possession of, nor under the control of, the university are not included in the university's accompanying financial statements because they do not meet eligibility requirements for recognition. The market value of such funds aggregated approximately $62.8 million at June 30, 2014. Income derived from such irrevocable trust funds held by others, aggregating approximately $2.2 million in 2014, is reported in the accompanying financial statements as nonoperating revenue.

Prior to July 1, 2013, the New Jersey Health Foundation (NJHF) operated to support medical, dental and other healthcare education and research of UMDNJ and for other scientific, charitable, literary and educational purposes. As a result of the integration of UMDNJ, except for UH and SOM, into the university, the fundraising function for the resulting RBHS division was assumed by the the Foundation on July 1, 2013. The NJHF is not considered a component unit within the university. However, the NJHF holds permanently restricted net assets for RBHS that consist of endowment contributions from donors with income to be used for specific or general purposes, as well as temporarily restricted net assets for RBHS subject to donor imposed stipulations that will be met by actions of NJHF or by the passage of time.

Inventories

Inventories are stated at lower of cost or market. Cost is determined principally on a first-in, first-out basis.

Capital Assets

Capital assets consist of land, buildings, land improvements and infrastructure, equipment, construction in progress and art collections. Capital assets are recorded at cost at the date of acquisition, or fair market value on the date of gift if donated, and are shown net of accumulated depreciation. Depreciation on buildings, land improvements and infrastructure, and equipment is calculated using the straight-line method over the assets' estimated useful lives, ranging from 5 to 50 years. Library books totaling approximately 6.0 million volumes have not been capitalized. The capitalization threshold is $5,000 and above. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized at the fair market value of the item at the time of acquisition.

Unearned Revenue

Unearned revenue includes summer session activity which will be recognized as revenue and expense in the following fiscal year. In addition, capital State grants, including the Capital Improvement Fund (CIF), Equipment Leasing Fund (ELF), and the Higher Education Technology Infrastructure (HETI), for which all eligibility requirements for revenue recognition have not been met, are included as noncurrent unearned revenue.

Net Position

Net position is the difference between the university's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources. These resources are classified for accounting and reporting purposes into four categories as follows:

Net investment in capital assets represents the university's investment in capital assets, net of outstanding debt obligations related to those capital assets.

Restricted net position – nonexpendable consists of endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing income, which may either be expended or added to principal.

Restricted net position – expendable includes all resources for which the university is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external third parties as well as Perkins loans and U.S. government grants refundable.

Unrestricted net position represents resources available to the university for educational and general operations and spendable endowment income. These resources are derived from student tuition and fees, state appropriations, net patient service revenue, and sales and services of educational departments and auxiliary enterprises. Auxiliary enterprises and several academic programs, such as summer session and continuing education, are substantially self-supporting activities that provide services for students, faculty and staff.

Under the university's decentralized management structure, it is the responsibility of individual departments to determine whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Revenue Recognition

Revenues from student tuition and fees and auxiliary enterprises are presented net of scholarship allowances applied to student accounts and are recognized in the period earned. Other payments made directly to students are presented as scholarships and are included in operating expenses in the period incurred.

Grants and contracts revenue is comprised mainly of funds received from grants from federal, State of New Jersey and municipal and other nongovernmental sources and is recognized when all eligibility requirements for revenue recognition are met, which is generally the period in which the related expenses are incurred.

Net patient services revenues are generated from patient care services and include the university's behavioral healthcare, cancer and contract activities and the operations of faculty practice plans. Net patient service revenues are recorded in the period in which the services are provided and are reported at estimated net realizable amounts from patients, third party payors and others. Amounts recorded are net of allowances to give recognition to differences between charges and reimbursement rates from third faculty practice party payors. Reimbursement from third party payors varies, depending upon the type and level of care provided. Certain net revenues received are subject to audit and retroactive adjustments for which amounts are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Revenue from State appropriations is recognized in the fiscal year during which the State of New Jersey appropriates the funds to the university. The university is fiscally dependent upon these appropriations.

Contributions are recognized as revenues when all eligibility requirements are met, which is generally in the period donated. Additions to permanent endowments are recognized upon receipt. Endowment and investment income is recognized in the period earned.

Classification of Revenue

The university's policy for defining operating activities in the statement of revenues, expenses, and changes in net position are those that serve the university's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include (1) student tuition and fees, net of scholarship allowances, (2) auxiliary enterprises, net of scholarship allowances, (3) most federal, state and

municipal and other nongovernmental grants and contracts, and (4) net patient services. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as operating appropriations from the State, student aid, endowment and investment income and contributions. Interest on capital asset related debt is reported as nonoperating expenses.

Scholarships and Fellowships

Scholarships, fellowships or stipends include payments made directly to students in the form of student aid. Any aid applied directly to the students' accounts in payment of tuition and fees, housing charges and dining services is reflected as a scholarship allowance and is deducted from the university's revenues. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as nonoperating revenues in the university's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the university has recorded a scholarship discount and allowance.

The university received $71.7 million during the year ended June 30, 2014 from the Federal Pell Grant program, and $87.0 million during the year ended June 30, 2014 from Tuition Aid Grants, from the State of New Jersey, the largest state student aid program.

The university distributes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and unsubsidized loans, through schools, directly to students. During the year ended June 30, 2014, the university disbursed $401.6 million under the Federal Direct Student Loan Program. Direct student loans receivable are not included in the university's statement of net position since they are repayable directly to the U.S. Department of Education.

Income Taxes

The university is exempt from income taxes on related income pursuant to federal and state tax laws as an instrumentality of the State of New Jersey.

Use of Estimates

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

NOTE 2 – MERGER OF RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY AND THE UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY (UMDNJ)

Through June 30, 2013, UMDNJ was established as the State's university of health sciences, with programs at five academic health center campuses and a network of more than 200 affiliated education and healthcare partners throughout the State. UMDNJ operated three medical schools, a dental school, a teaching hospital, behavioral healthcare centers, a cancer institute, schools of biomedical sciences, health-related professions, nursing and public health, and several faculty practice plans.

According to GASB 69, the integration of UMDNJ into the university under the Act is classified as a government merger where one or more legally separate governments or nongovernmental entities cease to exist and their operations are absorbed into one or more continuing governments. The merger date, for financial reporting purposes, is the beginning of the reporting period in which the combination occurs. The university recognized and measured the combined assets, deferred outflows of resources, liabilities, and net position of the university and the components of UMDNJ transferred to RBHS as separate entities based upon the accounting principles applied as of the merger date of July 1, 2013. The combined statement of net position is as follows:

	As Previously Stated June 30, 2013 Rutgers University	As of July 1, 2013 RBHS (UMDNJ Component Only)	July 1, 2013 Total
ASSETS			
Current Assets	$733,629	$301,615	$1,035,244
Capital Assets, Net	2,317,877	614,720	2,932,597
Other Assets	1,067,824	147,168	1,214,992
Total Assets	4,119,330	1,063,503	5,182,833
DEFERRED OUTFLOWS	27,311	3,150	30,461
LIABILITIES			
Current Liabilities	425,823	234,106	659,929
Noncurrent Liabilities	1,057,098	496,154	1,553,252
Total Liabilities	1,482,921	730,260	2,213,181
NET POSITION			
Net Investment in Capital Assets	1,230,405	183,853	1,414,258
Restricted – Nonexpendable	429,035	36,987	466,022
Restricted – Expendable	382,446	105,938	488,384
Unrestricted	621,834	9,615	631,449
Total Net Position	$2,663,720	$336,393	$3,000,113

An adjustment of $31.7 million was recorded to net position of RBHS (UMDNJ component only) from restricted nonexpendable to restricted expendable, and a $10.9 million adjustment was recorded from investments to cash to conform to the accounting policies of the university.

Beginning of the Year Net Position

The beginning of the year net position as of July 1, 2013 was restated for the effects of the merger as follows (dollars in thousands):

	Amount
Rutgers University Net Position as of June 30, 2013	$2,663,720
RBHS (UMDNJ Components Only) Net Position as of July 1, 2013	336,393
Total	$3,000,113

Cash Flow Activity

Cash and cash equivalents as of July 1, 2013 were restated for the effects of the merger as follows (dollars in thousands):

	Amount
Rutgers University Cash and Cash Equivalents as of June 30, 2013	$394,538
RBHS (UMDNJ Components Only) Cash and Cash Equivalents as of July 1, 2013	141,159
Total	$535,697

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The university's net cash and cash equivalents balance at June 30, 2014 includes a cash book balance of $195.0 million. The actual amount of cash on deposit in the university's bank accounts at June 30, 2014 was $208.1 million. Of this amount, $2.3 million was insured by the Federal Deposit Insurance Corporation at June 30, 2014. At June 30, 2014, $205.8 million was collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes, and no cash was uninsured and uncollateralized at June 30, 2014.

The university's cash and cash equivalents are carried in the financial statements at fair value and consist of the following at June 30, 2014 (dollars in thousands):

	Amount
Money Market Funds	$358,935
Repurchase Agreements	27,255
Cash and Deposits	395,902
Total Cash and Cash Equivalents	$782,092

Investments

The Board of Governors and the Board of Trustees, through the Joint Committee on Investments, exercise authority over the investment of the university's Long-Term Investment Pool. Professional investment managers manage the investment of funds in accordance with the Investment Policy as established by the Joint Committee on Investments, approved by the Board of Governors with the consent of the Board of Trustees. Additionally, a professional investment consultant monitors and reports on the Long-Term Investment Pool and the individual investment managers. Under the terms of the university's bond indentures, bond proceeds and debt service funds may be invested and reinvested only in obligations which will by their terms mature on or before the date funds are needed for expenditure or withdrawal.

The primary financial objective of the investment management of the university's Long-Term Investment Pool is to preserve and enhance the Long-Term Investment Pool's real purchasing power while providing a relatively constant stream of earnings for current use. The long-term investment objective for the Long-Term Investment Pool is to attain an average annual total return of at least 4.5%, net of inflation, fees, and costs. In 2014, the university's annual spending policy is to spend an amount not to exceed 4.2750% of a trailing 13-quarter average of the Long-Term Investment Pool's market values. Current earned income will be used for ongoing spending requirements.

The university's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

The university's investments are carried in the financial statements at fair value and consist of the following at June 30, 2014 (dollars in thousands):

	Amount
Commercial Paper	$180,595
U.S. Government Treasury Securities	52,393
U.S. Government Agency Securities	174,906
Commodities	13,817
U.S. Corporate Equities	396,432
Foreign Corporate Equities	14,749
Mutual Funds	564,504
Real Estate	59,783
Corporate Bonds	2,003
Bonds – Other Holdings	24,836
Other Investments	8,702
Total Investments	$1,492,720

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The operating funds of the university are managed against the expected cash requirements of these funds. The university projects its cash requirements and arranges investment maturities accordingly. Special attention is given to the interest rate environment in times of economic growth or downturns. The table below reflects the operation of this process. Endowment funds have a much longer outlook and are invested by professional managers against an index as provided in the university's investment guidelines. For the university, the following table summarizes the maturities of cash and cash equivalents and investments at June 30, 2014 (dollars in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Commercial Paper	$180,595	$180,595	$ –	$ –	$ –
U.S. Government Treasury Securities	52,393	49,972	–	–	2,421
U.S. Government Agency Securities	174,906	57,237	117,629	40	–
Corporate Bonds	2,003	102	710	561	630
Bonds – Other Holdings	24,836	24,836	–	–	–
Money Market Funds	358,935	358,935	–	–	–
Repurchase Agreements	27,255	27,255	–	–	–
Total	820,923	$698,932	$118,339	$601	$3,051
U.S. Corporate Equities	396,432				
Foreign Corporate Equities	14,749				
Mutual Funds	564,504				
Commodities	13,817				
Real Estate	59,783				
Other Investments	8,702				
Total	$1,878,910				

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university's Investment Policy states that individual bonds shall be rated with an investment grade by at least two of the three rating agencies (Moody's, Fitch, and Standard & Poor's (S&P)). The average credit quality of the Core Fixed Income Fund shall be maintained at AA (by S&P or equivalent rating by Moody's or Fitch) or higher. The prospect of credit risk or risk of permanent loss shall be avoided in the Core Fixed Income Fund. Issues of state or municipal agencies shall not be purchased except in unusual circumstances. A fixed income manager may invest in foreign securities up to a limit of 20% of the portfolio. At June 30, 2014, the university's cash and cash equivalent and investment quality ratings as rated by Standard & Poor's were as follows (dollars in thousands):

Investment Type	Quality Rating	Amount
U.S. Government Treasury and Agency Securities	AA+	$227,299
Money Market Funds	AAA	358,935
Repurchase Agreements	N/R	27,255
Corporate Bonds	AAA	556
Corporate Bonds	AA	68
Corporate Bonds	AA–	630
Corporate Bonds	A+	561
Corporate Bonds	A	102
Corporate Bonds	BBB+	86
Bonds – Other Holdings	N/R	24,836
Commercial Paper	A-1+	75,078
Commercial Paper	A-1	105,517
Total		$820,923

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the university will not be able to recover the value of the investments that are in the possession of an outside party. Custodial credit risk should not be confused with market risk, which is the risk that the market value of a security may decline. The university's investment securities are exposed to custodial credit risk if the securities are uninsured and unregistered and held by the counterparty, or by its trust department or agent but not in the university's name. Money market funds and mutual funds are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. At June 30, 2014, the university had $807.6 million, of investments that were uninsured and unregistered and not held by the outside party in the university's name.

Investment Type	Amount
U.S. Corporate Equities	$274,302
Foreign Corporate Equities	2,903
Mutual Funds	431,954
Bonds – Other Holdings	24,836
Commodities	13,817
Real Estate	59,783
Total	$807,595

Investments - Endowment Funds

The majority of endowment funds assets are in the Long-Term Investment Pool. Each individual fund subscribes to or disposes of units in the pools on the basis of the per-unit market value at the beginning of the three-month period within which the transaction takes place. At June 30, 2014, the fair value of the Long-Term Investment Pool was $794.3. In addition, the aggregate endowment market value of funds separately invested was $28.6 million at June 30, 2014. The investment appreciation was $177.8 million at June 30, 2014. These amounts are included in restricted nonexpendable, restricted expendable and unrestricted net position.

The university employs a spending policy which provides for annual spending at a stated rate determined by the Joint Investment Committee of the Board of Governors and the Board of Trustees. Income earned above the stated rate is reinvested and added to the endowment principal, while any shortfall is covered by capital appreciation. The university complies with the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) P.L. 2009, Chapter 64, adopted by New Jersey. This law speaks to the management and use of funds held by charitable institutions.

Alternative Investments

As part of its investment strategy, the university has committed to invest a total of $233.3 million to 51 non-marketable alternative asset partnerships, hedge funds and real estate funds at June 30, 2014. As of June 30, 2014, the university has $177.5 million of paid-in capital to these alternative assets and $60.5 million in unfunded commitments.

NOTE 4 – ACCOUNTS RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are shown net of the allowance for doubtful accounts and are comprised of the following at June 30, 2014 (dollars in thousands):

	Accounts Receivable	Allowance	Net Accounts Receivable
Government Grants Receivable and Other Sponsored Programs	$162,471	$2,719	$159,752
Plant Receivables	89,114	–	89,114
Student Notes Receivable	75,962	5,473	70,489
Patient Accounts Receivable	67,606	13,652	53,954
Federal and State Governments	29,899	–	29,899
Student Accounts Receivable	19,413	7,015	12,398
Affiliate Receivable	52,668	2,340	50,328
Interest Receivable	9,505	–	9,505
Other	43,022	2,263	40,759
Total	$549,660	$33,462	$516,198

The allowances for doubtful accounts and notes are based upon management's best estimate of uncollectible accounts and notes at June 30, 2014, considering type, age, collection history and other appropriate factors.

NOTE 5 – NET PATIENT SERVICE REVENUES

University Behavioral Health Care (UBHC) provides care to patients who meet certain criteria defined by the New Jersey Department of Health and Senior Services and the Department of Human Services without charge or at amounts less than their established rates. These units maintain records to identify and monitor the level of charity care they provide, which includes the amount of gross charges foregone for services and supplies furnished.

Net patient service revenues are comprised of the following at June 30, 2014 (dollars in thousands):

	Amount
Gross Charges	$776,069
Deductions from Gross Charges	
Contractual and Other Allowances	(260,710)
Provision for Bad Debts	(27,781)
Net Patient Service Revenues	$487,578

NOTE 6 – CAPITAL ASSETS

The detail of Capital Assets activity for the year ended June 30, 2014 is as follows (dollars in thousands):

	July 1, 2013	Additions	Retirements/ Capitalization	June 30, 2014
Capital Assets Not Being Depreciated:				
Land	$73,769	$305	($14)	$74,088
Capitalized Art Collections	59,795	–	–	59,795
Construction in Progress	161,863	190,439	129,824	222,478
Total	295,427	190,744	129,810	356,361
Capital Assets Being Depreciated:				
Land Improvements	308,978	12,531	86	321,423
Buildings	3,787,673	158,463	10,497	3,935,639
Equipment	854,716	36,437	14,885	876,268
Total	4,951,367	207,431	25,468	5,133,330
Less Accumulated Depreciation:				
Land Improvements	229,505	13,057	46	242,516
Buildings	1,415,009	91,680	7,613	1,499,076
Equipment	669,683	42,892	15,651	696,924
Total	2,314,197	147,629	23,310	2,438,516
Net Capital Assets Being Depreciated	2,637,170	59,802	2,158	2,694,814
Total Capital Assets, net	$2,932,597	$250,546	$131,968	$3,051,175

During 2014, the university capitalized interest expense of $12.4 million in construction in progress in the accompanying statement of net position.

The July 1, 2013 balances were adjusted to reflect the amounts recorded for the UMDNJ integration.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following at June 30, 2014 (dollars in thousands):

	Amount
Vendors	$117,021
Compensated Absences	90,771
Accrued Salaries and Benefits	119,525
Workers Compensation	27,002
Interest Payable	12,198
Retainage	3,833
Other Accrued Expenses	23,522
Total Accounts Payable and Accrued Expenses	$393,872

NOTE 8 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2014 is as follows (dollars in thousands):

	July 1, 2013	Additions	Reductions	June 30, 2014	Current Portion
Accounts Payable and Accrued Expenses	$374,438	$39,237	$19,803	$393,872	$362,143
Unearned Revenue	122,401	158,066	4,119	276,348	124,284
Long-Term Liabilities	1,545,099	1,265,930	672,847	2,138,182	97,680
Total Noncurrent Liabilities	$2,041,938	$1,463,233	$696,769	$2,808,402	$584,107

The July 1, 2013 balances were adjusted to reflect the amounts recorded for the UMDNJ integration.

NOTE 9 – COMMERCIAL PAPER

On February 28, 2007, the university instituted the commercial paper program to provide interim or short-term financing for the acquisition and construction of and improvements, repairs, replacements, additions and betterments to the facilities, and the acquisition of equipment, and other property in connection therewith, of the university, and the refinancing of certain outstanding obligations of the university. The commercial paper was to be issued either as Tax-Exempt Commercial Paper or as Taxable Commercial Paper.

The commercial paper constitute direct general obligations of the university for the payment of which, as to both principal and interest, the full faith and credit of the university are pledged. Principal of the commercial paper, to the extent not paid from proceeds of general obligation bonds and proceeds of other commercial paper, and interest on the commercial paper is payable from other available university funds. The university has entered into a Standby Commercial Paper Purchase Agreement with Wells Fargo Bank, National Association (the Liquidity Provider) under which the Liquidity Provider is obligated to purchase newly issued commercial paper to pay the principal of other commercial paper, subject to suspension or termination upon the occurrence of certain events. The Standby Commercial Paper Purchase Agreement will terminate at the close of business on April 20, 2015, unless terminated prior to such date in accordance with its terms. Morgan Stanley & Co. Incorporated will be the exclusive dealer in connection with the offering and issuance of the Series A Tax-Exempt Commercial Paper, the Series C Taxable Commercial Paper and the Series D Extendable Commercial Paper. Merrill Lynch, Fenner & Smith Incorporated will be the dealer in connection with the offering and issuance of the Series B Tax-Exempt Commercial Paper.

During fiscal year 2014, using proceeds from the issuance of General Obligation Bonds, 2013 Series L, the university redeemed $33.1 million of General Obligation Commercial Paper Series A and $46.2 million of General Obligation Commercial Paper Series B. In addition, using university funds, the university redeemed $0.2 million of General obligation Commercial Paper Series A and $2.1 million of General Obligation Commercial Paper Series C.

Commercial Paper activity as of June 30, 2014 is as follows (dollars in thousands):

	July 1, 2013	Additions	Retirements	June 30, 2014
Series A	$33,300	$ –	$33,300	$ –
Series B	46,190	–	46,190	–
Series C	50,565	–	2,090	48,475
	$130,055	$ –	$81,580	$48,475

NOTE 10 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2014 is as follows (dollars in thousands):

	July 1, 2013	Additions	Retirements	June 30, 2014	Current Portion
General Obligation Bonds Payable	$1,218,728	$889,311	$482,252	$1,625,787	$44,726
Lease Obligations	284,465	376,619	189,908	471,176	13,356
Notes Payable	2,963	–	687	2,276	655
Loans Payable	38,943	–	–	38,943	38,943
Total Long-Term Liabilities	$1,545,099	$1,265,930	$672,847	$2,138,182	$97,680

The July 1, 2013 balances were adjusted to reflect the amounts recorded for the UMDNJ integration.

OTHER OBLIGATIONS OF THE UNIVERSITY

Notes Payable

Notes payable at June 30, 2014 consist of an unsecured note payable to the U.S. Department of Education with interest at 5.5%, final installment due January 1, 2021.

In February 1998, the university entered into a capital funding agreement with the New Jersey Department of Human Services for $0.5 million to purchase various properties. Title to the properties rests with the university. The agreement terminates in June 2018, at which time the university can renew the agreement or repay the debt. In October 2005, the university increased the agreement to $0.5 million to renovate various collateralized properties. In June 2014, the New Jersey Department of Human Services discharged $0.1 million of debt for a property that was sold.

In December 2004, the university entered into an enhanced Affiliation agreement with Robert Wood Johnson University Hospital (RWJUH), which provides for working capital requirements for Robert Wood Johnson Medical School (RWJMS) through a promissory note. The promissory note is a credit line of $10.0 million and can be drawn down for a period of five years. During 2006, the agreement was amended cancelling any further draws against the line of credit. Equal monthly repayments commence thirty days after the date of draw for ten years at an interest rate of prime. As of June 30, 2014, $4.0 million was drawn on the promissory note and principal payments were made in the amount of $3.3 million.

Rutgers Community Park

In 1999, the university and the City of Camden entered into an agreement for the acquisition, development and construction of an outdoor recreational complex designated the Rutgers Community Park which was made available to university students and the public. On June 26, 2002, the university agreed to assume the obligation for debt service payable on an aggregate of $1.0 million in loans that the City of Camden received from the Green Acres Program of the State of New Jersey in connection with the Rutgers Community Park, pursuant to an Amended and Restated Interlocal Services Agreement between the City of Camden and the university. The assumption of the debt service payable on the Green Acres Program of the State of New Jersey loan is a general obligation of the university secured by the full faith and credit of the university. At June 30, 2014, the outstanding amount due on the loans was $0.4 million.

Guaranty of LEAP School Bond Financing

The Delaware River Port Authority (the Authority) issued $8.5 million of Charter School Project Bonds, Series 2003 (LEAP Academy University Charter School, Inc.) on October 2, 2003 pursuant to the Compact, the New Jersey Act, the Pennsylvania Act and an Indenture of Trust dated as of September 1, 2003, by and between the Authority and Commerce Bank, National Association, as trustee (the Guaranty), for the purpose of financing the costs of the design, development, construction and equipping of the LEAP Academy University Charter School (the LEAP School) in Camden, New Jersey. The LEAP School will be owned and managed by the LEAP Academy University Charter School, Inc., a New Jersey not-for-profit corporation, and will serve approximately 216 students in grades 9-12. The LEAP School site is adjacent to the Camden Campus. The university's obligations under the Guaranty are a general obligation of the university secured by the full faith and credit of the university.

Loans Payable

On May 30, 2007, One Washington Park Holdings (a university controlled Qualified Active Low-Income Community Business - QALICB) entered into two loan and security agreements with New Jersey Community Capital Community Development Entity (NJCC CDE) I LLC and NJCC CDE II LLC in the amounts of $36.3 million and $2.6 million, respectively, to finance a portion of the acquisition and renovation of the property located at One Washington Park in Newark, NJ (See Note 17). The loans bear interest at a rate of 2.33% per annum and 1.45% per annum, respectively, and are payable every December 1. The principal amounts are due to NJCC CDE I LLC and NJCC CDE II LLC on December 1, 2014.

At June 30, 2014, the outstanding balance of the NJCC CDE I and II loans remained at $38.9 million.

Gateway Transit Village Property

On December 15, 2010, the university entered into a lease agreement with Somerset Street Urban Renewal Associates, LLC for the Gateway Transit Village Property, which comprises the Rutgers University Bookstore, Rutgers University Press, and the common areas (the Rutgers Component). The university began rent payments on October 1, 2012, in the amount of $0.4 million and will continue to make quarterly payments due and payable on the first business day of each quarter during the term of the lease. For lease years 1 – 7, annual lease payments amounts will be $1.4 million, and for lease years 8 – 30, annual lease payment amounts will be $1.7 million.

On December 23, 2010, the university entered into a loan arrangement for $16.1 million with Somerset Street Associates 2, LLC (SSA2) for the purpose of completing the Gateway Transit Village Property. The university began receiving interest only payments on October 1, 2012, in the amount of $0.4 million and will continue to receive such payments in quarterly installments on the first business day of each calendar quarter through January 1, 2018. Beginning April 1, 2018, SSA2 shall make quarterly payments of principal and interest in an amount sufficient to fully repay the sum of the principal amount then outstanding. Rutgers has the option to purchase all of the right, title and interest of the property in exchange of forgiving the loan to SSA2.

Bonds Payable – General Obligation

A summary of bonds issued and outstanding at June 30, 2014 is as follows (dollars in thousands):

	Date of Series	Original Amount	Outstanding June 30, 2014
General Obligation Refunding Bonds:			
2002 Series A, variable-rate, due serially to May 1, 2018	Feb. 1, 2002	$110,000	$43,200
2010 Series I, 3.46% effective, due serially to May 1, 2025 and term bonds due May 1, 2029	Nov. 1, 2010	40,830	36,090
2013 Series J, 3.78% effective, due serially to May 1, 2033 and term bonds due May 1, 2036	Jul. 1, 2013	340,925	334,185
2013 Series K, 4.06% effective, due serially to May 1, 2023 and term bonds due May 1, 2033	Jul. 1, 2013	134,100	127,725
Total General Obligation Refunding Bonds		625,855	541,200
General Obligation Bonds:			
2003 Series D, 3.74% effective, due serially to May 1, 2019	Dec. 1, 2003	24,805	5,415
2009 Series F, 4.56% effective, due serially to May 1, 2031 and term bonds due May 1, 2039	Feb.10, 2009	233,105	201,140
2009 Series G, variable-rate, due serially to May 1, 2039	Apr. 29, 2009	80,000	72,235
2010 Series H, 3.70% effective, due serially May 1, 2019 through May 1, 2022 and term bonds due May 1, 2029 and 2040	Nov. 1, 2010	390,990	390,990
2013 Series L, 4.44% effective, due serially to May 1, 2033 and term bonds due May 1, 2038 and 2043	Jul. 1, 2013	352,065	346,165
Total General Obligation Bonds		1,080,965	1,015,945
Total Bonds		$1,706,820	$1,557,145

The General Obligation Bonds (GOB) Payable includes premium on bonds of $68.7 million at June 30, 2014 related to Series 2003 D, Series 2009 F, Series 2010 I, Series 2013 J, Series 2013 K, and Series 2013 L.

General Obligation and General Obligation Refunding Bonds

The General Obligation Refunding Bonds, 2002 Series A, were issued under an Indenture of Trust, dated February 1, 2002. These bonds were issued to finance a portion of the cost of the renovation, construction and equipping of certain academic, research support and other facilities, as well as infrastructure development and land acquisitions of the university. Under the terms of the indentures, all bonds issued are direct and general obligations of the university and are in no way an obligation of the State of New Jersey. On August 25, 2011, the university, along with First Union National Bank (predecessor to U.S. Bank, National Association), the Trustee, and TD Bank, N.A. (the Substitute Liquidity Facility), entered into a Standby Bond Purchase Agreement for General Obligation Refunding Bonds, 2002 Series A pursuant to Section 5.9(b) of the First Supplemental Indenture of Trust, dated as of February 1, 2002, which supplements the Indenture of Trust, dated as of February 1, 2002. This agreement carries an annual facility fee of 0.4% and expires in 2018. As of June 30, 2014, no funds have been drawn against this agreement.

The General Obligation Bonds, 2003 Series D, were issued in the amount of $24.8 million and dated December 1, 2003. The 2003 Series D Bonds are secured under the provisions of the Indenture of Trust, dated as of February 1, 2002, as supplemented between the university and First Union National Bank (now known as Wells Fargo Bank, National Association), as Trustee and a Fourth Supplemental Indenture of Trust, dated as of December 1, 2003, between the

university and the Trustee. In September 2006, Wachovia Bank (now known as Wells Fargo Bank) sold all trustee rights to U.S. Bank. The proceeds of the 2003 Series D Bonds were being used to finance (i) the costs of construction of certain deferred capital maintenance projects on the New Brunswick Campus, the Camden Campus and the Newark Campus, each project with a minimum economic life of ten years, and (ii) certain administrative, legal, financing and incidental expenses relating to the issuance of these Bonds.

The General Obligation Bonds, 2009 Series F, were issued in the amount of $233.1 million on February 10, 2009. The bonds were issued under the terms of an Indenture of Trust, dated as of February 1, 2002 (the Master Indenture) as supplemented by and between the university and U.S. Bank National Association (successor to Wachovia Bank, National Association and First Union National Bank), as trustee (the Trustee), and a Sixth supplemental Indenture of Trust, dated as of February 1, 2009, by and between the university and the Trustee (the sixth supplemental Indenture, and together with the Master Indenture, the Indenture). The 2009 Series F Bonds were issued for (i) the refinancing of Commercial Paper which financed the construction of various capital projects, (ii) the financing of additional capital projects of the university, (iii) the refunding of certain outstanding bonds of the university, and (iv) the payment of certain administrative, legal, financing, and incidental expenses relating to the issuance of the bonds.

The General Obligation Bonds, 2009 Series G, were issued in the amount of $80.0 million on April 29, 2009. The bonds are secured under the provisions of an Indenture of Trust, dated as of February 1, 2002, (the Master Indenture) as supplemented by and between the university and U.S. Bank National Association (successor to Wachovia Bank, National Association and First Union National Bank), as trustee (the Trustee), and a Seventh Supplemental Indenture of Trust, dated as of May 1, 2009, by and between the university and the Trustee (the Seventh Supplemental Indenture, together with the Master Indenture, the Indenture). The 2009 Series G Bonds are authorized under the provisions of Rutgers, The State University Law, constituting Chapter 65 of Title 18A of the New Jersey Statues Annotated (the Act), and the Indenture. The 2009 Series G Bonds were issued for (i) the refinancing of the Commercial Paper which financed the construction of various capital projects, (ii) the financing of additional capital projects of the university, and (iii) the payment of certain administrative, legal, financing, and incidental expenses relating to the issuance of these bonds. On May 6, 2009, the university, along with U.S. Bank National Association, entered into a Standby Bond Purchase Agreement for General Obligation Bonds 2009 Series G at an annual facility fee of 1.0%. This agreement was extended on May 4, 2012, expiring in 2015. The agreement carries an annual facility fee of 0.4% at the university's current bond rating. As of June 30, 2014, no funds have been drawn against this agreement.

The General Obligation Bonds, 2010 Series H, and the General Obligation Refunding Bonds, 2010 Series I (collectively the 2010 Series Bonds) were issued in the amount of $391.0 million and $40.8 million, respectively, on November 1, 2010. The bonds are secured under the provisions of an Indenture of Trust, dated as of February 1, 2002, (the Master Indenture) as supplemented by and between the university and U.S. Bank National Association, (successor to Wachovia Bank, National Association and First Union National Bank), as trustee (the Trustee), as supplemented and amended, including by the Eighth Supplemental Indenture of Trust, dated as of November 1, 2010, by and between the university and the Trustee (the Eighth Supplemental Indenture, together with the Master Indenture, the Indenture). The 2010 Series Bonds are authorized under the provisions of Rutgers, The State University Law, constituting Chapter 65 of Title 18A of the New Jersey Statutes Annotated, and the Indenture. The 2010 Series Bonds were issued to (i) finance and/or refinance a portion of the construction of various capital projects of the university (the 2010 Capital Projects), (ii) provide for the refinancing of (a) certain outstanding commercial paper of the university, and (b) the current and/or advance refunding of all or a portion of certain outstanding bonds of the university, and (iii) finance costs of issuance with respect to the 2010 Capital Projects.

The General Obligation Refunding Bonds, 2013 Series J, the General Obligation Refunding Bonds 2013 Series K and 2013 Series L (collectively the 2013 Series Bonds), were issued in the amount of $340.9 million, $134.1 million, and $352.1 million, respectively, on July 1, 2013. The bonds are secured under the provisions of an Indenture of Trust, dated February 1, 2002 (the Master Indenture), as supplemented, by and between the university and U.S. Bank National Association (successor to Wachovia Bank, National Association and First Union National Bank) as trustee (the Trustee), and a Ninth Supplemental Indenture, dated as of July 1, 2013, by and between the university and the Trustee (the Ninth Supplemental Indenture, and together with the Master Indenture, the Indenture). The 2013 Series Bonds, among other things, were issued in furtherance of the New Jersey Medical and Health Sciences Education Restructuring Act, which was signed into law on August 22, 2012. Pursuant to the Restructuring Act, all rights to certain schools, institutes and centers of UMDNJ, was transferred to the university effective July 1, 2013, and all debt issued by UMDNJ allocable to such schools, institutes and centers, were transferred to the university. A portion of the proceeds of the 2013 Series J Bonds and 2013 Series K Bonds were to be used to refund certain outstanding indebtedness of UMDNJ in connection with the transfer of such UMDNJ facilities and indebtedness to the university. The terms of the Restructuring Act, applicable to the university, were consented to and approved by the Board of Governors and the Board of Trustees of the university by resolutions adopted

on November 19, 2012. The 2013 Series Bonds were issued to (i) refund certain outstanding indebtedness of the university and UMDNJ, (ii) finance and/or refinance, as the case may be, the payment of certain costs of construction of certain capital projects of the university (the 2013 Capital Projects), and (iii) finance costs of issuance with respect to the 2013 Capital Projects. The bonds which were refunded in whole included UMDNJ certificates of Participation 1997 Series A ($12.2 million), UMDNJ Certificates of Participation 1997 Series B ($3.1 million), NJEDA Lease Revenue Bonds Series 2000 ($38.3 million), UMDNJ Bonds 2002 Series A ($94.5 million), UMDNJ Certificates of Participation Series 2003 ($49.2 million), UMDNJ Certificates of Participation Series 2004 ($75.3 million), NJEFA Revenue Refunding Bonds Series 2009B ($214.9 million), General Obligation Bonds 2002 Series B ($24.1 million), General Obligation Refunding Bonds 2003 Series C ($26.4 million), and General Obligation Bonds 2004 Series E ($79.3 million).

As part of the refunding, the university reduced its total debt service over the next 23 years by $106.7 million and obtained an economic gain (difference between the present values of the old and new debt service payments less escrow funds used) of $38.0 million. The difference between the acquisition price and the net carrying amount of the old debt of $76.6 million is being deferred and amortized as interest expense through the year 2036 using the effective interest method. In 2014, $3.8 million has been expensed leaving $72.8 million as part of deferred outflows of resources.

All bonds bear interest at fixed-rates with the exception of 2002 Series A and 2009 Series G, which bear interest at a variable-rate. For 2002 Series A, the rates varied from a low of 0.01% to a high of 0.11% during fiscal year 2014. For 2009 Series G, the rates varied from a low of 0.01% to a high of 0.12% during fiscal year 2014. With the intention of lowering its effective interest rate related to 2002 Series A and Series 2009 G, the university entered into swap agreements with JP Morgan Chase, Merrill Lynch, and Bank of New York. (See **NOTE 11** for additional information about derivatives.) The university is exposed to basis risk due to the difference between the floating rate on the bonds and the SIFMA/LIBOR rate.

The following is the synthetic rate, related to the 2002 Series A bond, at the end of fiscal year 2014:

	Terms	Synthetic Rate
Interest rate swap		
Fixed payment to counterparty	Fixed	3.96%
Variable payment from counterparty	SIFMA	–0.06%
Net interest rate swap payments		3.90%
Variable rate bond coupon payments		0.03%
Synthetic interest rate		3.93%

The following is the synthetic rate, related to the 2009 Series G Bonds, at the end of fiscal year 2014:

	Terms	Merrill Lynch	Terms	Bank of New York
Interest rate swap				
Fixed payment to counterparty	Fixed	4.08%	Fixed	3.82%
Variable payment from counterparty	3 MO LIBOR	–0.23%	SIFMA	–0.06%
Net interest rate swap payments		3.85%		3.76%
Variable rate bond coupon payments		0.05%		0.05%
Synthetic interest rate		3.90%		3.81%

Using rates as of the end of the fiscal year, debt service payments to maturity, assuming current interest rates remain the same for their term, are as follows (dollars in thousands):

	Fixed-Rate Bonds		Variable-Rate Bonds		Interest Rate	
Year	Principal	Interest	Principal	Interest	Swaps, Net	Total
2015	$29,290	$70,674	$11,945	$49	$4,451	$116,409
2016	29,585	69,739	12,410	45	3,988	115,767
2017	25,140	68,692	12,880	41	3,506	110,259
2018	26,340	67,732	13,350	37	3,006	110,465
2019	43,775	66,706	2,030	32	2,488	115,031
2020-2024	207,085	306,163	11,420	146	11,214	536,028
2025-2029	266,635	251,270	13,855	115	8,862	540,737
2030-2034	310,935	177,704	16,905	78	5,978	511,600
2035-2039	247,180	106,478	20,640	32	2,447	376,777
2040-2044	255,745	33,036	–	–	–	288,781
Total	$1,441,710	$1,218,194	$115,435	$575	$45,940	$2,821,854

As rates vary, variable-rate bond interest payments and net interest rate swap payments will vary.

CAPITALIZED LEASE OBLIGATIONS

Facilities Authority:

- **Capital Improvement Fund (CIF)**

Under the provisions of the State of New Jersey Higher Education Capital Improvement Fund Act (CIF Act) of 1999, the university has been allocated funds to finance deferred maintenance and other capital improvements within the university. The funds are provided through bonds issued by the New Jersey Educational Facilities Authority. The university is obligated to pay amounts equal to one-third of the amount necessary to pay the principal of and interest on the portion of the bonds. In July 2000, the Facilities Authority issued Series 2000A bonds, the university's portion of which amounted to $95.0 million. The bonds bear interest at rates ranging from 5.0% to 5.75%. In December 2000, the Facilities Authority issues Series 2000B bonds, the university's portion of which amounted to $75.0 million. The bonds bear interest at rates ranging from 4.2% to 5.75%. In November 2002, the Facilities Authority issued Series 2002A bonds, the university's portion of which amounted to $94.0 million. The bonds bear interest at rates ranging from 3.0% to 5.25% and mature on August 15, 2022. These bonds were partially advance refunded in 2005 and 2006. The refunded bonds, Series 2005A and Series 2006A, mature on August 15, 2019 and August 15, 2022, respectively. In April 2014, the Facilities Authority issued Series 2014A-D bonds, the university's portion of which amounted to $97.3 million. The bonds bear an effective interest rate of 3.47% and mature on August 15, 2033. At June 30, 2014, the university had capital lease obligations of $0.5 million, $25.9 million, $21.2 million, and $30.2 million for Series 2002A, Series 2005A, Series 2006A, and Series 2014A, respectively.

- **Dormitory Safety Trust Fund (DSTF)**

Under the provisions of the Dormitory Safety Trust Fund Act (the DSTF Act) (P.L. 2000, c.56), the university received a $29.0 million interest free loan to finance the installation of fire suppression systems in buildings used as student dormitories. The New Jersey Educational Facilities Authority issued two series of bonds on August 14, 2001 to finance these loans. Series 2001A (Tax Exempt) bears an effective interest rate of 4.8% per annum, and Series 2001B (Federally Taxable) bears an effective interest rate of 6.1% per annum. Both series mature on March 1, 2016. At June 30, 2014, the university had a capital lease obligation of $4.1 million.

- **Equipment Leasing Fund (ELF)**

Under the provisions of the State of New Jersey Higher Education Equipment Leasing Fund Act (the ELF Act) of 1993, the university has been allocated $43.8 million to finance the purchase of any property consisting of, or relating to, scientific, engineering, technical, computer, communications, and instructional equipment for lease. The bonds were issued by the New Jersey Educational Facilities Authority on January 30, 2014 and bear an effective interest rate of 1.89% and mature on June 1, 2023. The university is obligated to make annual lease payments equal to 25% of the amount necessary to pay the principal and interest on the portion of the bonds. Title to all equipment purchased under this lease

agreement will be transferred to the university at the conclusion of the lease. At June 30, 2014, the university has a capital lease obligation of $9.7 million.

Housing Authority

In connection with a redevelopment project undertaken by the Housing and Urban Development Authority of the City of New Brunswick (the Housing Authority), a series of agreements were entered into by the university, the Housing Authority and Robert Wood Johnson University Hospital, Inc., the outcome of which was the construction of a student apartment complex, parking deck, health club facility and multi-unit retail center. Pursuant to the terms of the capital lease and agreement dated July 1, 1992 between the university and the Housing Authority, the Housing Authority issued bonds in the aggregate amount of $55.3 million on July 23, 1992, at an effective interest rate of 6.23% per annum, for the purpose of providing long-term financing for the project. On December 1, 1998, these bonds were refinanced in the aggregate amount of $54.5 million, at an effective interest rate of 4.83% per annum. On March 25, 2011, these bonds were refinanced, once again, in the aggregate amount of $31.3 million, at an effective interest rate of 3.2% per annum. The bonds mature serially from July 1, 2011, through July 1, 2020. In accordance with the agreement, the university is required to pay an annual rental to the Housing Authority over the life of the agreement in amounts necessary to retire the university's portion of the bonds, including interest, to provide for sinking fund and reserve account requirements and to reimburse the Housing Authority for its administrative costs. Upon retirement of the bonds, title to the student apartment complex, parking deck, health club facility and the related common space will be transferred to the university. Accordingly, the land and facilities have been capitalized with a corresponding liability classified as a capital lease obligation. At June 30, 2014, this liability was $20.6 million. As discussed more fully below, a portion of this capital lease obligation is being funded under a sublease agreement.

Hospital Sublease

In conjunction with the Housing Authority capital lease and agreement, the university simultaneously entered into a sublease and agreement with the Robert Wood Johnson University Hospital, Inc. (the Hospital), dated July 1, 1992, whereby the Hospital agreed to lease a portion of the parking facility from the university. The sublease provides for an initial term of two years which commenced July 1992, renewable in six consecutive five year terms. In accordance with the sublease, the Hospital is required to pay an annual rental to the university over the life of the agreement, subject to termination payments to the university should the options to renew not be exercised. The payments received under this sublease are being used by the university to cover a proportional amount of the lease payments due to the Housing Authority. Upon retirement of the bonds, title to the Hospital's portion of the parking deck will be transferred to the Hospital. At June 30, 2014, the estimated present value of the Hospital sublease over the full lease term, including renewal periods, amounted to $3.6 million. Payments required under the lease and agreement between the university and the Housing Authority are in no way conditional upon the receipt of payments from the Hospital under the sublease and agreement.

Certificates of Participation, Series 2004

Pursuant to an Agent Agreement, dated April 1, 2004, between the university, as Lessee, Lower George Street University Redevelopment Associates, LLC, a New Jersey limited liability company, as Lessor, and Wachovia Bank, National Association (now known as Wells Fargo Bank, National Association), as Agent, Certificates of Participation were issued in the amount of $30.6 million on April 15, 2004. The Certificates of Participation represent undivided proportionate interests in the fixed rent payable by the university pursuant to the Master Lease Agreement, dated April 1, 2004, between the Lessee and Lower George Street University Redevelopment Associates, LLC. The university is obligated under the Lease to make payments of fixed rent that comprise amounts designated as interest and as principal and that are payable to the owners of the 2004 Certificates. The 2004 Certificates were issued to finance the acquisition of the land, the preparation of the land for construction, including demolition and clearing of existing improvements, and the construction of improvements and costs of acquisition and installation of equipment. This area will primarily serve as the university's Division of Public Safety headquarters, provide additional office space for the university and provide a parking garage, all to support the university's educational functions. In addition, the 2004 Certificates provided for capitalized interest on the 2004 Certificates from the dates of delivery to July 1, 2005 and to pay the costs of issuance associated with the authorization, sale, execution and delivery of the 2004 Certificates. At June 30, 2014, the university had a capital lease obligation of $26.1 million.

Economic Development Authority:

- **College Avenue Redevelopment Project**

On Sept 12, 2013, the New Jersey Economic Development Authority (the Authority) offered $237.1 million of its General Obligation Lease Revenue Bonds, Series 2013. The bonds bear an effective interest rate of 4.927% and mature on June 15, 2046. The proceeds of the bonds will be loaned by the Authority to College Avenue Redevelopment Associates, LLC (the Company), whose sole and managing member is the New Brunswick Development Corporation (DEVCO), pursuant to a Loan Agreement dated September 1, 2013 to finance the educational facilities project being undertaken and constructed by the Company on behalf of the university. The Company is leasing the entire Property to the university pursuant to the Master Lease Agreement dated September 1, 2013. The Fixed-Rent payable by the university to the Company shall be sufficient to pay all interest and principal. The project generally entails the redevelopment and construction of (i) an approximately 175,900 square foot academic building for the Rutgers University School of Arts and Sciences (the Academic Building), consisting of approximately 2,500 seats of classroom space in the form of modern lecture halls ranging from 80 to 300 seats as well as departmental office space, and associated landscaped areas (the SAS improvements), (ii) a separate building consisting of an approximately 500-bed residence hall for honors students, including programming space, office space, common area space and other amenities to enhance undergraduate honors research work, and associated landscaped areas (the Honors College Improvements), (iii) an approximately 500-bed apartment-style residence building comprised of mainly apartments with four single-occupant bedrooms for Rutgers students as well as common area spaces, approximately 13,000 square feet of retail space, and a public plaza with new outdoor connections between the new and existing buildings on the Rutgers College Avenue Campus (the University Housing Improvements), and (iv) an approximately 300-space Rutgers multistory parking structure and surface lot (the University Parking Improvements), and together with the Academic Building, the SAS Improvements, the Honors College Improvements, and the University Housing Improvements, all necessary site and infrastructure improvements. At June 30, 2014, the university has a capital lease obligation of $237.1 million.

- **15 Washington Street**

On May 30, 2014, the New Jersey Economic Development Authority (the Authority) issued $58.3 million of its Revenue Notes, Series 2014. The notes bear an effective interest rate of 3.23% and mature on July 1, 2031. The proceeds of the notes will be loaned by the Authority to Washington Street University Housing Associates, LLC (the Landlord), whose sole and managing member is the New Brunswick Development Corporation (DEVCO), pursuant to a Loan Agreement dated May 30, 2014 to finance the renovation of the Residential Estate to provide housing for graduate and undergraduate students, including a total of approximately 335 beds in a variety of unit types including, double and single occupancy bedroom configurations, kitchen, living areas, and bathrooms (together with all necessary and appropriate site improvements and infrastructure). The Landlord is leasing the Property to the university pursuant to the Master Lease Agreement dated May 30, 2014. The Fixed-Rent payment by the university to the Company shall be sufficient to pay all interest and principal. At June 30, 2014, the university had a capital lease obligation of $58.3 million.

New Jersey Medical School – Hospital Building

On July 1, 2013, the university (subtenant) entered into a sublease agreement with University Hospital (sublandlord) to sublease a portion of the Hospital Building located at 150 Bergen Street, Newark, New Jersey. The sublease expiration date is May 31, 2089 and the base rent is $0.7 million per year. As of June 30, 2014, using a discount rate of 4.16%, the present value of the sublease was $15.6 million.

Ambulatory Care Center

On July 2, 2013, the university (subtenant) entered into a sublease agreement with University Hospital (sublandlord) to sublease the Ambulatory Care Center located at 140 Bergen Street, Newark, New Jersey. The sublease expiration date is May 31, 2089 and the base rent is $0.8 million per year. As of June 30, 2014, using a discount rate of 4.16%, the present value of the sublease was $18.3 million.

Future lease payments (receipts) applicable to the aforementioned capital leases at June 30, 2014 are as follows (dollars in thousands):

	Educational Facilities Authority						
Year	CIF (2002A)	CIF (2005A)	CIF (2006A)	CIF (2014A)	DSTF (2001A)	DSTF (2001B)	ELF (2014)
2015	$259	$5,274	$1,027	$1,141	$2,040	$33	$1,940
2016	13	5,520	1,019	2,358	2,040	32	1,939
2017	12	5,522	1,028	2,358	–	–	1,941
2018	13	5,521	1,027	2,358	–	–	1,940
2019	12	3,908	2,640	2,358	–	–	1,941
2020-2024	308	3,913	21,023	11,792	–	–	2,032
2025-2029	–	–	–	11,791	–	–	–
2030-2034	–	–	–	12,017	–	–	–
2035-2039	–	–	–	–	–	–	–
2040-2044	–	–	–	–	–	–	–
2045-2049	–	–	–	–	–	–	–
2050-2054	–	–	–	–	–	–	–
2055-2059	–	–	–	–	–	–	–
2060-2064	–	–	–	–	–	–	–
2065-2069	–	–	–	–	–	–	–
2070-2074	–	–	–	–	–	–	–
2075-2079	–	–	–	–	–	–	–
2080-2084	–	–	–	–	–	–	–
2085-2089	–	–	–	–	–	–	–
Total Lease Payments	617	29,658	27,764	46,173	4,080	65	11,733
Less Amount Representing Interest	111	3,785	6,546	15,995	–	–	2,076
Present Value of Lease Payment	$506	$25,873	$21,218	$30,178	$4,080	$65	$9,657

				Economic Development Authority		University Hospital		
Year	Housing Authority	Hospital Sublease	Certificates of Participation	College Ave Project	15 Washington St	ACC 140 Bergen St	NJMS 150 Bergen St	TOTAL
2015	$4,053	($719)	$1,864	$11,817	$1,833	$800	$680	$32,042
2016	4,052	(718)	1,861	11,817	3,593	800	680	35,006
2017	4,048	(718)	1,860	15,432	4,267	801	680	37,231
2018	4,052	(719)	1,858	15,402	4,269	800	679	37,200
2019	4,051	(719)	1,856	15,425	4,272	801	680	37,225
2020-2024	4,048	(719)	9,270	77,087	21,348	4,002	3,399	157,503
2025-2029	–	–	9,250	77,098	13,071	4,002	3,399	118,611
2030-2034	–	–	9,204	77,086	27,345	4,001	3,400	133,053
2035-2039	–	–	7,330	77,093	–	4,002	3,399	91,824
2040-2044	–	–	–	77,085	–	4,002	3,399	84,486
2045-2049	–	–	–	30,849	–	4,001	3,400	38,250
2050-2054	–	–	–	–	–	4,002	3,399	7,401
2055-2059	–	–	–	–	–	4,002	3,399	7,401
2060-2064	–	–	–	–	–	4,002	3,399	7,401
2065-2069	–	–	–	–	–	4,002	3,400	7,402
2070-2074	–	–	–	–	–	4,002	3,399	7,401
2075-2079	–	–	–	–	–	4,002	3,399	7,401
2080-2084	–	–	–	–	–	4,002	3,399	7,401
2085-2089	–	–	–	–	–	4,002	3,400	7,402
Total Lease Payments	24,304	(4,312)	44,353	486,191	79,998	60,028	50,989	861,641
Less Amount Representing Interest	3,744	(688)	18,238	249,136	21,668	41,694	35,415	397,720
Present Value of Lease Payment	$20,560	($3,624)	$26,115	$237,055	$58,330	$18,334	$15,574	$463,921

The capital lease obligation payable includes premium on capital leases of $5.8 million at June 30, 2014 related to Certificates of Participation and the College Avenue Redevelopment Project.

Miscellaneous Equipment Leases

The university has entered into certain lease-purchase agreements for equipment which are principally for a duration of one to five years depending on the application and financial advantage to the university. Such agreements are essential to the normal operation of the university, and it is expected that these arrangements, where applicable, would be renegotiated when financially advantageous. The following represents the book value of the university's equipment capital leases at June 30, 2014:

	Amount
Cost	$10,912
Accumulated Depreciation	(7,672)
Net Book Value	$3,240

The payments of these agreements include a charge for interest at various rates depending on each agreement. At June 30, 2014, the aggregate capitalized lease obligation associated with these agreements, which excludes future interest payments, is approximately $1.5 million. The annual rentals for these capitalized lease obligations are provided for in the university's operating budget.

NOTE 11 – DERIVATIVE FINANCIAL INSTRUMENTS

The university is party to derivative financial instruments (interest rate swaps) that are reported at fair value on the statements of net position.

Objective of the swaps:
The university has entered into four separate pay-fixed, receive-variable interest rate swaps in order to protect against adverse changes in cash flows caused by variable prices, costs, rates, or terms that cause future prices to be uncertain.

For the year ended June 30, 2014, the university had the following derivative instruments outstanding (dollars in thousands):

Derivative Instrument	Type	Objective	Notional Amount	Effective Date	Termination Date	Terms	Fair Value	Change in Fair Value
JP Morgan & Co.	Pay-fixed interest rate swap	Hedge of changes in cash flows on the General Obligation Bond (GOB) 2002 Series A	$43,200	2/4/2002	5/1/2018	Pay 3.96%; receive SIFMA swap index	($3,425)	$1,509
Merrill Lynch	Pay-fixed interest rate swap	Hedge of changes in cash flows on the General Obligation Commercial Paper (GOCP) Series C and GOB 2009 Series G	92,860	5/1/2008	11/1/2038	Pay 4.08%; receive 100% USD-LIBOR-BBA (3 mo)	(13,649)	(2,004)
Bank of New York	Pay-fixed interest rate swap	Hedge of changes in cash flows on the General Obligation Bond (GOB) 2009 Series G	16,585	5/1/2007	5/1/2027	Pay 3.82%; receive SIFMA swap index	(1,986)	631
Bank of New York	Pay-fixed interest rate swap	Hedge of changes in cash flows on the General Obligation Commercial Paper (GOCP) Series C	11,265	3/1/2012	11/1/2017	Pay 5.13%; receive 100% USD-LIBOR-BBA (1 mo)	(1,823)	433
Total			$163,910				($20,883)	$569

Fair Value:
As of June 30, 2014, the swaps had a total negative fair value of $20.9 million. The fair value was provided by Prager, Sealy & Co., LLC and derived from proprietary models based on estimates about relevant future market conditions. As these are hedging derivatives, the aggregate change in fair value is reported as deferred outflows of resources (since the swaps are in a liability position) in the statement of net position.

Credit Risk:
As of June 30, 2014, the university was not exposed to credit risk with JP Morgan, Bank of New York and Merrill Lynch because all of the swaps had negative fair values. The credit ratings for each of the counterparties are as follows:

Derivative Instrument	Counterparty Credit Rating
JP Morgan & Co.	A+
Merrill Lynch	A+
Bank of New York - SIFMA	AA–
Bank of New York - LIBOR	AA–

The mark-to-market value of the swap will not require collateralization unless (i) the Qualified Swap Provider is downgraded by a nationally recognized rating agency below the two highest grade categories, and (ii) the market value of the swap exceeds the current collateralization threshold specified in the respective Agreement. Any such collateral shall consist of direct obligations of, or obligations which are guaranteed by, the United States of America or other securities weighted to take into account their relative security compared to such obligations of the United States of America. The amount of (i.e., value of) such collateral shall equal the market value of the swap in excess of the applicable collateral threshold based on the rating of such counterparty at such time. The table below shows when collateralization would be required or triggered.

Ratings by Moody's and S&P	Counterparty Collateral Threshold
AAA/Aaa	Infinite
Aa3/AA–	Infinite
A1/A+	$20.0 million
A2/A	$10.0 million
A3/A–	$10.0 million
Baa1/BBB+	$5.0 million
Baa2/BBB	$5.0 million
Baa3/BBB–	Zero
Below Baa3/BBB– or not rated	Zero

In the table above, a Counterparty is not obligated to provide collateral if it has a credit rating in the highest two categories regardless of the mark-to-market value of the swap. Collateralization would be required, for example, if the Counterparty was rated "A2/A" and the mark-to-market value of the swap exceeded $10.0 million. In this example, the collateral required would be equal to the amount by which the mark-to-market value of the swap exceeds $10.0 million. Rutgers is subject to the same collateral requirements as the counterparty.

If either S&P or Moody's ceases to be in the business of rating debt securities and such business is not continued by a successor, a nationally recognized credit rating agency would be selected in substitution.

Basis Risk:
The pay-fixed receive-variable swaps expose the university to basis risk because the rates resulting from the Securities Industry and Financial Markets Association Index (SIFMA), for the GOB 2002 Series A and the GOB Series 2009 G swaps, 100% of USD-LIBOR-BBA (1 month and 3 month) for GOB Series 2009 G, GOCP Series C swaps are not the same rate the university pays on the hedged debt. The rates on the bonds are calculated daily by the remarketing agent, and for the commercial paper by a broker/dealer, at the lowest rate necessary to clear the market.

Rollover Risk:
The university is exposed to rollover risk on swaps only if the counterparty exercises its termination option, in which case the university will not realize the synthetic rate offered by the swaps on the underlying debt issues.

Termination Risk:
The university or any of the involved counterparties may terminate any of the swaps if the other party fails to perform under the terms of the contract. If a swap is terminated, the variable-rate debt issue would no longer carry a synthetic fixed interest rate. Also, if at termination a swap has a negative fair value, the university would be liable to the appropriate counterparty for a payment equal to the swap's fair value.

The JP Morgan & Co. swap has an optional termination provision in which they will have the right, but not the obligation to terminate the swap transaction in whole on each day that the daily weighted average of the Municipal Swap Index for any immediately preceding rolling consecutive 180 day period within the exercise period is more than 7.0% per annum. The exercise period began on November 1, 2004 and is up to, but excluding, the termination date of May 1, 2018. The date on which JP Morgan exercises its right to terminate the transaction is defined as the optional termination date. If JP Morgan exercises its right to terminate the transaction, the university shall pay two business days after the optional termination date the fixed amount for the period from and including the last fixed rate payer payment date to but excluding the optional termination date, and JP Morgan will pay two business days after the optional termination date the floating amount for the period from and including the last floating rate payer payment date to but excluding the optional termination date. Upon payment and receipt of these amounts, neither party shall have any further payment obligations related to this transaction.

NOTE 12 – COMMITMENTS

At June 30, 2014, the estimated cost of capital projects under construction, in the design stage with approved sources of funding, and in the design stage pending determination of sources of funding, aggregated approximately $857.6 million. Anticipated sources of funding for these projects are summarized as follows (dollars in thousands):

	Total Project Funding		
	Received at June 30, 2014	Additional Funding Required at June 30, 2014	Estimated Total Cost
Borrowing	$395,626	$ –	$395,626
State	97,300	242,906	340,206
Gifts and Other Sources	96,839	24,982	121,821
Total	$589,765	$267,888	$857,653

The university leases certain space used in general operations. Rental expense was approximately $11.0 million in 2014. The leases are non-cancelable and have been classified as operating leases which are expected to expire through 2043. Minimum annual rental commitments approximate the following (dollars in thousands):

Year	Amount
2015	$11,764
2016	8,030
2017	6,457
2018	5,430
2019	4,388
2020-2024	17,809
2025-2029	10,485
2030-2034	265
2035-2039	260
2040-2044	173
Total	$65,061

NOTE 13 – NATURAL EXPENSES BY FUNCTIONAL CLASSIFICATION

The university reports operating expenses by functional classification. Details of these expenses by natural classification at June 30, 2014 are as follows (dollars in thousands):

	Salaries and Wages	Fringe Benefits	Supplies and Services	Scholarships & Fellowships	Depreciation	2014 Total
Instruction	$582,823	$164,841	$97,259	$4,515	$ –	$849,438
Academic Support	72,658	15,106	35,547	31	–	123,342
Sponsored Research	147,174	53,518	155,924	1,615	–	358,231
Other Separately Budgeted Research	51,287	11,159	13,800	221	–	76,467
Other Sponsored Programs	33,810	12,637	36,874	4,656	–	87,977
Extension and Public Service	95,991	36,136	13,852	149	–	146,128
Student Services	51,172	13,657	42,503	–	–	107,332
Operation and Maintenance of Plant	80,254	26,288	100,625	–	–	207,167
General Administration and Institutional	133,363	55,313	71,765	370	–	260,811
Scholarships and Fellowships	680	94	9,771	41,972	–	52,517
Depreciation	–	–	–	–	147,629	147,629
Patient Care Services	393,078	114,144	106,270	–	–	613,492
Auxiliary Enterprises	109,862	40,239	130,996	11,894	–	292,991
Other Operating Expenses	–	–	494	–	–	494
Total Operating Expenses	$1,752,152	$543,132	$815,680	$65,423	$147,629	$3,324,016

NOTE 14 - EMPLOYEE BENEFITS

Retirement Plans

The university has primarily two retirement plans available to its employees, the State of New Jersey Public Employees Retirement System, a defined benefit plan, and the Alternate Benefit Program, a defined contribution plan. Under these plans, participants make annual contributions, and the State of New Jersey, in accordance with State statutes, makes employer contributions on behalf of the university for these plans. Pension expense paid directly by the State of New Jersey for 2014 aggregated $105.6 million of which $25.7 million has been reimbursed to the State from amounts recovered from self-supporting operations and sponsored programs. Reimbursement is based upon a composite fringe benefit rate provided by the State for all State plans. The university is charged for contributions on behalf of employees through a fringe benefits charge assessed by the State which is included within the state paid fringe benefits in the accompanying statement of revenues, expenses, and changes in net position. The university has no direct pension obligation associated with the State plans, and no liability for such costs has been reflected in the accompanying financial statements. Summary information regarding these plans is provided below.

Public Employees Retirement System (PERS)

Plan Description — PERS is a multiple-employer, public cost-sharing retirement system which is administered by the State of New Jersey under the provisions of N.J.S.A. 43:15A. The payroll for employees covered by PERS for the year ended June 30, 2014 was $307.0 million.

University employees of a certain classification are required as a condition of employment to be members of PERS. The formula for benefits is an annual allowance in the amount equal to years of service, divided by 55, times the final average salary. Final average salary means the average of the salaries received by the member for the last three years of membership service or the three highest fiscal years, whichever provides the largest benefit. Pension benefits fully vest on reaching ten years of credited service. Members enrolled in PERS prior to November 2, 2008, are eligible for retirement at age 60 with no minimum years of service required. Members enrolled in PERS on or after November 2, 2008, are eligible for retirement at age 62 with no minimum years of service required. Members enrolled in PERS prior to July 1, 2007, who have 25 years or more of credited service may also select early retirement without penalty at age 55 and receive full retirement benefits. Members enrolled in PERS on or after July 1, 2007, may select early retirement with an allowance reduction for each month prior to the normal retirement age as specified by the NJ Division of Pensions and Benefits. PERS also provides death and disability benefits. Benefits are established by State statute.

Members enrolled in PERS after May 21, 2010, must work 35 hours or more per week. An employee is eligible for PERS membership based upon only one position and requires the retirement system to designate the position providing the higher or highest compensation for the member from among any concurrently held positions. This position will be used as the basis for eligibility for membership, service credit, the compensation base for pension contributions, and for other pension calculations. The formula and definition of compensation to be used to calculate service, early and deferred retirement for these members changes as well. The formula for service, early and deferred retirement will be calculated as years of service, divided by 60, times the final average salary. Final average salary means the average annual compensation for the last five years of service, or any five fiscal years of membership that provide the largest possible benefit to the member or the member's beneficiary. This definition will also be used to calculate survivor pension benefits and death benefit payments, when available, to beneficiaries. The PERS members are eligible for retirement at age 62 with no minimum years of service required.

Members enrolled in PERS on or after June 28, 2011, are eligible for retirement at age 65 with no minimum years of service. The annual allowance is equal to years of service divided by 60, times the final annual average salary. Final average salary means the average salaries received by the member for the last five years (50 months for 10-month employees) of membership or the five highest fiscal years, whichever provides the largest benefit. Pension benefits fully vest on reaching 10 years of credited service.

Contributions – Covered university employees were required by PERS to contribute 6.78% of their annual compensation during fiscal year 2014. The PERS contribution rate will increase by 0.14% each year until the 7.5% contribution rate is reached by July 1, 2018. The State contributes the remaining amounts necessary to pay benefits when due. The State contribution is based upon annual actuarially determined percentages of total compensation of all active members. The State's annual contribution approximates the actuarially determined pension cost for the year. Employers were not required to contribute in 2014 due to legislation enacted in 1997 by the State, which fully funded previously existing unfunded accrued liabilities of PERS through State of New Jersey bonds. The contribution requirements of the plan members and the university are established and may be amended by the state.

Employees can also make voluntary contributions to two optional State of New Jersey tax-deferred investment plans, the Supplemental Annuity Collective Trust (SACT) and the Additional Contributions Tax Sheltered (ACTS) programs. Both plans are subject to limits within the Internal Revenue Code.

The State issues publicly available financial reports that include financial statements and required supplementary information for PERS. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Alternate Benefit Program (ABP)

Plan Description – ABP is an employer, defined contribution State retirement plan established as an alternative to PERS. The payroll for employees covered by ABP for the year ended June 30, 2014 was $1,011.0 million.

Faculty, part-time lecturers, professional and administrative staff, and certain other salaried employees are eligible to participate in ABP. Employer (State) contributions vest on reaching one year of credited service. The program also provides long-term disability and life insurance benefits. Benefits are payable upon termination at the member's option unless the participant is re-employed in another institution which participates in ABP.

Contributions – The employee mandatory contribution rate for ABP is 5.0% of base salary and is matched by the State at 8.0% of base salary. Contributions can be invested with up to seven investment carriers available under the plan for fiscal year 2014. Additional voluntary contributions may be made on a tax-deferred basis, subject to limits within the Internal Revenue Code. Employer contributions for the year ended June 30, 2014 were $80.9 million. Employee contributions for the year ended June 30, 2014 were $61.1 million.

Effective July 1, 2010, Governor Christie signed Chapter 31, P.L. 2010 into law, which only allowed employer contributions to the Alternate Benefits Program (ABP) for salaries up to $141,000. In response to this state imposed limit, the university established the Alternate Benefits Program and Trust. Through this program, the university continues to make the full 8% employer ABP contributions for salaries in excess of $141,000, up to the Federal IRC Annual Compensation limit ($260,000).

Other Retirement Plans

The university has a small number of employees enrolled in the State of New Jersey Police and Firemen's Retirement System (PFRS) and two Federal retirement plans, the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). All three of the plans are defined benefit plans and cover the university's police (PFRS) and selected positions related to the university's Cook College/New Jersey Agricultural Experiment Station (CSRS or FERS). The university also has a small number of Rutgers University Foundation employees enrolled in a contributory retirement plan under arrangements with Teacher's Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF), which provides for the purchase of annuities for the covered employees. The university also has a small number of employees enrolled in the Defined Contribution Retirement Program (DCRP). The Defined Contribution Retirement Program (DCRP) was established under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees who are ineligible for PERS and PFRS, because the hours of work are fewer than those required for PERS and PFRS membership, are eligible for enrollment in the DCRP provided the annual salary is $5,000 or higher. Employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; and employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary (indexed annually) for PERS Membership but who earn a salary of at least $5,000 annually, are eligible to enroll in the DCRP. Eligible employees contribute 5.5% of base salary and the employer match is 3% of base salary. Participation in all of these plans is limited, and the associated amounts are not significant.

Deferred Compensation Plan

University employees with membership in PERS, ABP or PFRS are eligible to participate in the State of New Jersey's Employees Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to elect pre-tax and/or after-tax Roth contributions to invest a portion of their base salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan is administered by Prudential Financial. The plan does not include any matching employer (State) contributions. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights, are held in trust by the State for the exclusive benefit of the participating employees and their beneficiaries.

Postemployment Benefits Other Than Pension

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for the university's retired employees, in accordance with State statutes. Full health coverage is provided to eligible employees retiring with 25 years of service credited on or before June 30, 1997 in one of the State of New Jersey's mandatory pension plans. Employees retiring with 25 years of service credited after June 30, 1997 may share in the cost of the health care provided under the State Plan according to the terms specified in the appropriate bargaining unit agreement in effect at the time the employee reaches 25 years of credited service. The rules governing the contribution rate are the same as that for active employees. Since the costs of these programs are the responsibility of the State and the retired employees, the amounts are not available to the university and no expenses or liabilities for these benefits are reflected in the university's financial statements.

NOTE 15 - COMPENSATED ABSENCES

The university accounts for compensated absences as directed by GASB Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences (i.e. unused vacation, sick leave, and paid leave bank days) attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

The university recorded a liability for accumulated vacation time in the amount of $72.9 million at June 30, 2014. The liability is calculated based upon employees' accrued vacation time as of the statements of net position date and is recorded in accounts payable and accrued expenses in the accompanying statement of net position.

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The pay out to retirees for unused accumulated sick time is calculated at the lesser of ½ the value of earned time or $15,000. Employees separating from the university service prior to retirement are not entitled to payments for accumulated sick leave balances. The university recorded a liability for accumulated sick leave balances in the amount of $13.8 million at June 30, 2014 which is included in noncurrent accounts payable and accrued expenses in the accompanying statement of net position.

The university also recorded a liability for paid leave bank days in the amount of $4.0 million at June 30, 2014, which is included in noncurrent accounts payable and accrued expenses in the accompanying statement of net position. Employees began using these days on July 1, 2010, and may continue for the duration of employment with the university. Once these days are exhausted, the employee will not be eligible for any additional days.

NOTE 16 - RISK MANAGEMENT

The university, jointly with 15 other higher education institutions, has established Genesis Ltd. (Genesis), a Class 2 reinsurer under the Insurance Act of 1978 of Bermuda. Genesis, a Captive Reinsurance Company, reinsures general liability, professional liability, and automobile liability risks of its shareholders. The university has approximately a 15.9% equity ownership of Genesis and receives a pro-rata share of the income generated. The university's annual premium payments to the company for insurance coverage are based on actuarial studies and are charged to expenses. The insurance policies have deductibles that vary by policy, the most significant of which provides for the payment of general liability claims.

In 2004, the university and its 15 partners formed a Vermont Reciprocal Risk Retention Group, Pinnacle Consortium of Higher Education, to further enhance and support the insurance programs and provide fronting services for Genesis. The primary purpose of this second alternate risk funding company is to reduce costs, reduce collateral requirements for Genesis and provide the flexibility to conduct business in the U.S.

The university is self-insured for workers compensation and retains various deductibles for general liability, automobile liability, and all risk property insurance. The total liability at June 30, 2014 for these items is $14.1 million. The reserve balance recorded at June 30, 2014 is $29.1 million. No discount rate is used. The self insurance reserve represents the estimated ultimate cost of settling claims and related expenses resulting from events that have occurred. The reserve includes the amount that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not been reported (IBNR).

The university administers a trust fund on behalf of the State known as the Rutgers University Self-Insurance Reserve Fund (the Fund) which is used to pay malpractice claims and insurance premiums. The contributions made during the current fiscal year by the university and its affiliate hospitals, UPA, Department of Corrections (DOC), and faculty practice plans are equal to the amount established in memoranda agreements between the Department of the Treasury and the university. If the contributions are insufficient to pay claims expenditures, the State's General Fund will be used to pay remaining claims.

Payment of claims from the Fund totaled $46.3 million in 2014. Contributions to the Fund from the State totaled $32.5 million, while contributions from RBHS affiliates, DOC, and faculty practice plans totaled $8.2 million in 2014.

The university has accrued expenses for deductibles and incurred but not reported liabilities in the statement of net position. The accrued expenses are based on estimates by management and third party claims administrators and generally represent the present value of the unpaid claims including the estimates for claims incurred but not reported.

NOTE 17 - CONTINGENCIES

The university is a party to various legal actions arising in the ordinary course of its operations. While it is not feasible to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the university's financial statements.

The university receives funds from federal, state and private agencies under grants and contracts for research, training and other activities. The costs, both direct and indirect, charged to these grants and contracts are subject to audit and possible disallowance by the sponsoring agency. It is the university's belief that any disallowances or adjustments would not have a significant effect on the university's financial statements.

In connections with the settlement of two cases that initially resulted in a Deferred Prosecution Agreement with the United States Attorney for the District of New Jersey, the University of Medicine and Dentistry of New Jersey (UMDNJ) entered into a five year Corporate Integrity Agreement (CIA) with the Office of the Inspector General (OIG) of the Federal Department of Health and Human Services in September 2009. Under the terms of the CIA, UMDNJ agreed to adhere to requirements that ensure regulatory and legal compliance with all Federal healthcare programs. Pursuant to a letter agreement between the university and the OIG, the university assumed UMDNJ's obligations under the CIA to the extent those obligations relate to the units of UMDNJ acquired by the university pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act. Related liabilities have been estimated and recorded within the 2014 financial statements.

NOTE 18 – ONE WASHINGTON PARK

In September 2006, the university's Board of Governors authorized the negotiation and execution of a contract of purchase and sale and arrangement for construction financing for the Rutgers Newark Business School's relocation to One Washington Park, Newark, New Jersey, where space was consolidated for faculty offices and classrooms. The building was converted into a condominium in which 11 floors of the building along with a 15,000 square foot addition located at grade level reconstituted as the Rutgers Business School space.

The overall project budget included the following: (i) the acquisition of the Rutgers Business School Space, (ii) the construction costs needed to build out the interior and exterior of such space, (iii) the construction costs needed to improve and repair certain common elements and common building systems in the building, (iv) the fee required under the Architect's Contract, and (v) other non-construction related costs. The overall project cost was $83.0 million. Funding for this project came from several sources, particularly, in fiscal year 2006, the State of New Jersey made a special appropriation to the university in the amount of $18.0 million earmarked specifically for the Business School. The university is also participating in the New Markets Tax Credit (NMTC) program administered by the U.S. Treasury's Community Development Financial Institutions Fund (CDFI) and entered into a transaction with City National Bank of New Jersey, PNC Bank, National Community Investment Fund, and New Jersey Community Capital, also known as a Community Development Entity (CDE). The NMTC compliance period will end as of December 1, 2014. Once the transaction is complete, the university will control the property indirectly through its blended component units, Parkside RUN Investments, LLC and QALICB.

On October 15, 2009, the new home of the Rutgers Business School at One Washington Park was officially opened. Classes began in the facility at the start of the 2009 fall semester. The building houses Rutgers Business school classes, faculty and staff offices, departments, centers, and a police substation for added security.

NOTE 19 - COMPONENT UNIT - RUTGERS UNIVERSITY FOUNDATION

Cash, Cash Equivalents, and Investments

The Foundation's cash and cash equivalents are carried in the financial statements at fair value and consist of the following as of June 30, 2014 (dollars in thousands):

Money Market Account	$1,869
Cash and Deposits	14,853
	$16,722

The Board of Overseers, through its Investment Committee, has authority over the investment of Foundation funds. Professional investment managers are engaged by the Foundation to buy, sell, invest, and reinvest portions of the assets in accordance with the investment policies and objectives established by the Investment Committee.

The primary financial objective of the Foundation's investment management of assets for the General Endowment Fund is to earn the highest yield possible without unnecessary risk to principal. To achieve the goals of safety, liquidity, and return, the assets in the General Endowment Fund are invested in laddered high quality short term fixed income securities and/or an institutional money market fund. The objective for the Planned Giving Portfolio is to maximize long term total return through a combination of income and capital appreciation in a prudent manner. To achieve the goals of growth and income, the assets within the Planned Giving Portfolio are divided into an equity portion (equities including convertibles and cash devoted to equities) and a fixed income portion (bonds, notes, nonconvertible preferred stock, and cash devoted to fixed income). In addition, the Planned Fiving Portfolio is subject to state mandated investment restrictions for annuities issued in the states of Florida and California.

Investments are carried in the financial statements at fair value, based on quoted market prices and consist of the following as of June 30, 2014 (dollars in thousands):

Investment Type	Amount
U.S. Treasury Securities	$5,465
Corporate Bonds	7,364
Municipal Bonds	938
Mortgage-backed Securities	5,569
Asset-backed Securities	112
Preferred Stock	314
Common Stock	10,162
Foreign Corporate Debt Securities	411
Bank Loans	517
Real Estate	1,118
Certificates of Deposit	1,002
Equity REITS	425
Mutual Funds	641
Privately Held Securities	60
	$34,098

Custodial Credit Risk –The custodial credit risk associated with the Foundation's cash and cash equivalents includes uncollateralized deposits, including any bank balance that is collateralized with securities held by pledging financial institutions, or by its trust department or agent, but not in the Foundation's name. As of June 30, 2014, the amount on deposit with the banks was $16.2 million. As of June 30, 2014, the Foundation had insured deposits up to the Federal Deposit Insurance Corporation (FDIC) coverage limits totaling $1.3 million. Cash and cash equivalents in excess of those balances are uncollateralized.

As of June 30, 2014, the Foundation's investments were either insured, registered, or held by the Foundation's agent in the Foundation's name, except for money market and mutual funds, which are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk –The Foundation limits the concentration of credit risk by placing a limit on the amount the investment managers may invest in any one issuer. No initial purchase of an equity or fixed income security in any one issuer should exceed 5% of the portion of the Foundation's assets under management by each investment manager. In addition, no single equity security should be greater than 10% of the market value of the Foundation's assets under management. As of June 30, 2014, there are no investments in any one issuer greater than 5% of total investments.

Credit Risk – GASB Statement No. 40 requires that disclosure be made as to the credit rating of all fixed income securities except obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. The Foundation's investment policy states that individual bonds shall be rated investment grade by at least two recognized or authorized rating agencies (Moody's and Standard & Poor's). The average credit quality of the fixed income securities must be maintained at a Class "BBB/Baa" or higher as rated by both standard services (Moody's and Standard & Poor's). Up to 10% of the investment manager's portfolio may be invested in securities rated "BBB/Baa" or lower as rated by both standard services (Moody's and Standard & Poor's). The dollar-weighted average rating of the fixed income portfolio for each manager of marketable bonds shall be "A/A" or better.

As of June 30, 2014, the Foundation's investment quality ratings as rated by Standard & Poor's were as follows (dollars in thousands):

Investment Type	Quality Rating	Amount
US Treasury and Agency Securities	AA+	$5,465
Corporate Bonds	AAA	575
Corporate Bonds	AA	391
Corporate Bonds	A	1,340
Corporate Bonds	BBB	2,063
Corporate Bonds	BBB–	100
Corporate Bonds	BB	1,039
Corporate Bonds	B	1,634
Corporate Bonds	CCC	222
Municipal Bonds	AAA	128
Municipal Bonds	AA	48
Municipal Bonds	A	260
Municipal Bonds	BBB	500
Municipal Bonds	BB	1
Municipal Bonds	CCC	1
Mortgage-backed Securities	AAA	9
Mortgage-backed Securities	AA+	5,467
Mortgage-backed-Securities	AA	20
Mortgage-backed-Securities	A	30
Mortgage-backed-Securities	BBB	27
Mortgage-backed-Securities	BB	7
Mortgage-backed-Securities	B	7
Mortgage-backed-Securities	CCC	2
Asset-backed Securities	AAA	13
Asset-backed Securities	AA	22
Asset-backed Securities	A	30
Asset-backed Securities	BBB	36
Asset-backed Securities	BB	6
Asset-backed Securities	B	4
Asset-backed Securities	CCC	1
Foreign Debt Securities	AAA	5
Foreign Debt Securities	AA	14
Foreign Debt Securities	A+	337
Foreign Debt Securities	A	36
Foreign Debt Securities	BBB	17
Foreign Debt Securities	BB	1
Foreign Debt Securities	CCC	1
Bank Loans	AAA	2
Bank Loans	AA	4
Bank Loans	A	4
Bank Loans	BBB	6
Bank Loans	BB	112
Bank Loans	B	338
Bank Loans	CCC	51
Preferred Stock	BBB+	74
Preferred Stock	BBB	49
Preferred Stock	BBB–	50
Preferred Stock	BB+	129
Preferred Stock	BB	12
Total		$20,690

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation does not have a provision in the investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. While the general provisions of the investment strategy should be implemented with a long term perspective, all holdings must be sufficiently liquid so as to allow liquidation of the entire portfolio on one month's notice. In addition, annuity pooled investments in the planned giving portion of the portfolio are governed by the New Jersey Prudent Investor Act. The required reserves for this pool are reviewed utilizing actuarial assumptions of the charitable gift annuity assets. The following table summarizes the maturities as of June 30, 2014 (dollars in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 – 5	6 – 10	More than 10
US Treasury Securities	$5,465	$116	$4,808	$453	$88
Corporate Bonds	7,364	251	3,538	3,438	137
Municipal Bonds	938	7	846	68	17
Mortgage-backed Securities	5,569	65	4,857	494	153
Asset-backed Securities	112	40	58	11	3
Foreign Debt Securities	411	8	368	28	7
Bank Loans	517	7	10	500	–
Preferred Stock	314	8	86	12	208
	$20,690	$502	$14,571	$5,004	$613

Administrative Fees and Support from Rutgers, The State University of New Jersey

The Foundation's operations, including certain payroll taxes and benefits, the fair rental value of space occupied, and office furnishings used by the Foundation are supported extensively by the University for operating purposes. Funding sources for the year ended June 30, 2014 were as follows (dollars in thousands):

	Amount
Administrative Fees and Support	
Endowment Administrative Fee	$6,260
Athletic Development Support	415
University Support	7,412
	$14,087
Noncash Support	
Fair Rental Value of Space Occupied	$352
University-Paid Payroll Taxes and Benefits	1,268
	1,620
Total	$15,707

Assessment Fee Income

The Foundation charges an assessment fee on all new gifts and nongovernmental grants in order to further advancement efforts on behalf of Rutgers, the State University of New Jersey. As of June 30, 2014, assessment fees totaling $4.3 million were recorded.

Restricted Contributions Receivable

The anticipated receipt of contributions receivable as of June 30, 2014 is as follows (dollars in thousands):

Year Ending June 30	
Within One Year	$45,025
Two to Five Years	25,145
	70,170
Less Allowance for Uncollectible Contributions Receivable	(3,095)
	$67,075

Contributions receivable related to permanent endowments and term endowments do not meet the eligibility requirements for recognition of GASB Statement No. 33 until received. These contributions receivable, which approximated $79.1 million as of June 30, 2014, has not been included in the accompanying financial statements.

Payable to Rutgers, The State University of New Jersey

In August 2008, the Foundation received a gift of real property, comprised of five land parcels, subject to an outstanding mortgage of $1.2 million. Rutgers, The State University of New Jersey loaned the Foundation the funds to satisfy the mortgage and the liability will be repaid to the University with the proceeds from the sale of the property. In March, 2011, two of the land parcels were sold and a portion of the proceeds was applied against the University's outstanding mortgage. In May, 2012 a third land parcel was sold and a portion of the proceeds was pending transfer to the University, to be applied against the University's outstanding mortgage, in July, 2012. As of June 30, 2014, the remaining balance of the mortgage was $0.2 million.

University Receipts on Foundation Pledges

The Foundation records pledges receivables, and the associated gift income, for nonendowment related gifts and private grants based upon written commitments from these entities. From individual donors, the written support is primarily in the form of a fund agreement signed by both the donor(s) and the Foundation. Private grants obtained from private corporations and foundations are recorded upon confirmation of the grant award to the University via correspondence from the private organization. Payments on these pledges are not all received at the Foundation, as some payments are made directly to the University. Any payments made directly to the University are captured in the Foundation's Statement of Revenues, Expenses and Changes in Net Position as gift revenue as well as distributions to the University. The total of these payments to the University as of June 30, 2014 was $17.9 million.

Merger of the Rutgers University Foundation and the Cancer Institute of New Jersey Foundation, Inc.

Through June 30, 2013, the Cancer Institute of New Jersey Foundation (CINJF) solicited and received contributions, grants, devises and bequests of real and personal property from individuals, foundations, partnerships, associations, governmental bodies and public and private corporations on behalf of and for the exclusive benefit of the Cancer Institute of New Jersey and maintained, used and applied the income therefrom exclusively for charitable, scientific and educational purposes as an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986.

As a result of a separate arrangement governed by the laws of the State of New Jersey, the assets of the Cancer Institute of New Jersey were transferred to the university.

With the knowledge that this State-mandated merger was to occur, the Board of Overseers of the Foundation and the Board of Trustees of CINJF determined that it would be advisable and in the best interests of their corporations, the university and the Cancer Institute of New Jersey, that CINJF merge with and into the Rutgers University Foundation, with the Rutgers University Foundation being the surviving organization. A Certificate of Merger was approved by the respective Boards of both corporations and filed with the State of New Jersey on June 28, 2013 to be effective July 1, 2013.

Through the point of merger, the two corporations were unrelated and reported their respective financial results independently of each other.

The following was recognized by the Foundation as of the merger date July 1, 2013 (dollars in thousands):

	CINJF as of June 30, 2013	Adjustments		Total
Current Assets	$7,764	($29)	(a)	$7,735
Capital Assets	2	(2)	(c)	–
Other Assets	1,547	(107)	(b)	1,440
Total Assets	9,313	(138)		9,175
Current Liabilities	227			227
Total Liabilities	227			227
Restricted – Nonexpendable	933	(18)	(a)	915
Restricted – Expendable	7,566	(119)	(a, b)	7,447
Unrestricted	587	(1)	(a, c)	586
Total Net Position	$9,086	($138)		$8,948

Adjustments to the valuation of certain assets as of July 1, 2013 were necessary due to CINJF's requirements to follow the pronouncements of the Financial Accounting Standards Board versus the Foundation's requirement to follow those of the Governmental Accounting Standards Board as follows (dollars in thousands):

Category	Description	Increase/(Decrease)	Reason
(a) Current assets	Contributions receivable, net	($18)	Removable of receivables associated with endowment pledges
(a) Current assets	Contributions receivable, net	9	Present value adjustment for contributions receivable ($8,628 restricted expendable, $756 unrestricted)
(b) Other assets	Beneficial interest in assets	(71)	Charitable gift annuities held and administered by unrelated third party
(b) Other assets	Long-term investments	(35)	Tax reserve value of life insurance policy

Adjustments to the valuation of certain assets as of July 1, 2013 were necessary to conform to the accounting policies of the Foundation as follows (dollars in thousands):

Category	Description	Increase/(Decrease)	Reason
(a) Current assets	Contributions receivable, net	($21)	Outstanding annual pledges are written off at the end of the fiscal year
(c) Capital assets	Capital assets	(2)	Computer equipment is not recorded as depreciable assets

Beginning of the Year Net Position

The beginning of the year net position as of July 1, 2013 was restated for the effects of the merger as follows (dollars in thousands):

Foundation net position as of June 30, 2013	$100,630
CINJF net assets as of July 1, 2013	8,948
	$109,578

NOTE 20 – COMPONENT UNIT – UNIVERSITY PHYSICIAN ASSOCIATES OF NEW JERSEY, INC. AND AFFILIATE

The following information has been taken from UPA's audited financial statements which were prepared in accordance with financial pronouncements of the Financial Accounting Standards Board.

The accompanying combined financial statements of UPA are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Investments and Assets Whose Use is Limited

Cash and Cash Equivalents – Restricted

This amount represents funds held in one depository account for the repayment of liabilities to the New Jersey Medical School Deans' Fund.

Assets limited as to use at June 30, 2014 is set forth in the following table (dollars in thousands):

Cash and Cash Equivalents – Restricted	$2,274
	$2,274

Investments

The composition of investments at June 30, 2014 is set forth in the following table (dollars in thousands):

Cash and Cash Equivalents	$1,686
Marketable Equity Securities	17,389
U.S. Government Securities	3,339
Bonds	4,415
Total Short-term Investments	$26,829

The fair value of UPA's financial assets that are measured on a recurring basis at June 30, 2014 are as follows (dollars in thousands):

Assets	Valuation Techniques[1]	Quoted Priced in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Marketable Equity Securities	M	$17,389	$ –	$ –	$17,389
U.S. Government Securities	M	–	3,339	–	3,339
Bonds	M	–	4,415	–	4,415
Total Assets		$17,389	$7,754	$ –	$25,143

[1] The three valuation techniques are market approach (M), cost approach (C), and income approach (I).

At June 30, 2014, there was approximately $1.7 million of cash and cash equivalents in investments within the statement of net position that are excluded from the charts above as they are not considered recurring fair value measurements.

The following methods and assumptions were used to estimate the fair value of each class of assets:

Marketable Equity Securities – Fair value estimates for publicly traded equity securities are based on quoted market prices are classified as Level 1. UPA does not adjust the quoted price for such assets.

U.S. Government Securities and Bonds – The estimated fair values are based on other market data for the same or comparable instruments and transactions in establishing the prices. Fair values of debt securities that do not trade on a regular basis in active markets of priced using a model-based valuation are classified as Level 2.

Transactions with Related Parties

The Board of Directors of UPA includes certain participating UPA physicians, the Dean of Rutgers New Jersey Medical School and the Senior Vice President for Finance and Administration of Rutgers University. Transactions between UPA, Rutgers University and UPA physicians are handled in accordance with the Affiliation Agreement.

Under the terms of the affiliation agreement between Rutgers University and UPA, all professional fees collected by UPA will be distributed in varying proportions to the following:

- UPA participating physicians – Faculty members who are required to or permitted to participate in the faculty practice plan. Included are full time, part time, and voluntary faculty.
- Rutgers New Jersey Medical School department Funds – 7% of gross patient service on system and off system collections are paid into the Departmental Chairs Fund.
- Rutgers New Jersey Medical School Deans' Fund – 7% of gross patient service on system and off system collections are paid into the Deans' Fund.
- Participant fund – These are funds voluntarily voted on by participants through their specific departments within Rutgers New Jersey Medical School, with varying amounts allocated for each participant.
- Rutgers University medical malpractice fund – 3% of gross patient service on system and off system collections are paid into Rutgers University's self-insured pool for medical malpractice coverage per the affiliation agreement.

The payables to related parties as of June 30, 2014 are as follows (dollars in thousands):

	Amount
Payable to Rutgers University Medical Malpractice Fund	$545
Payable to New Jersey Medical School Mandatory Department Account	3,788
Payable to New Jersey Medical School Deans' Fund	3,722
Payable to Voluntary Department Account	1,773
Payable to Voluntary Division Account	1,928
Payable to Voluntary Group Account	131
Payable to Voluntary Inter-Departmental Account	4
Payable to Voluntary Practice Group Account	6,606
Total Current Liabilities	18,497
Payable to Voluntary Practice Group Account	13,610
Total Liabilities	$32,107

Lease Commitments

UPA originally leased 47,500 square feet of rental space located in the Doctor's Office Center in Newark, New Jersey from UMDNJ. UMDNJ and UPA entered into a lease dated May 7, 2001, with four subsequent addendums to extend the terms of the lease. The fourth addendum effective January 1, 2006 has extended to lease to December 31, 2006 under the same terms and conditions set forth in the May 7, 2001 lease, which is subject to renewal. Effective July 1, 2013, the lease agreement between UPA and UMDNJ was amended to state that, as of that date, the parties to the Lease Agreement are Rutgers University and UPA. Total rental expense in fiscal year 2014 was $1.8 million.

NOTE 21 – SUBSEQUENT EVENT

Under the provisions of the State of New Jersey Higher Education Facilities Trust Fund Act (HEFT Act) of 1993, the university has been allocated $69.0 million to finance a portion of the cost of the construction, reconstruction, development, extension, or improvement of instructional, laboratory, communication, and research facilities of the university. The bonds have been issued by the New Jersey Educational Authority on September 24, 2014 to finance this grant.

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
Agency for International Development			
USAID Foreign Assistance for Programs Overseas	98.001		239,509
Subtotal Agency for International Development			239,509
Ames National Laboratory			
Various	81.RD		114,786
Subtotal Ames National Laboratory			114,786
Brookhaven National Labs			
Various	81.RD		180,503
Subtotal Brookhaven National Labs			180,503
Central Intelligence Agency			
Various	12.RD		404,157
Subtotal Central Intelligence Agency			404,157
Environmental Protection Agency			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		63,045
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436		37,923
National Estuary Program	66.456		2,848
Science To Achieve Results (STAR) Research Program	66.509		638,506
Pollution Prevention Grants Program	66.708		44,742
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	66.716		22,434
Subtotal Environmental Protection Agency			809,498

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
Institute of Museum and Library Services			
National Leadership Grants	45.312		70,124
Laura Bush 21st Century Librarian Program	45.313		209,622
Subtotal Institute of Museum and Library Services			279,746
Internal Revenue Service			
Low Income Taxpayer Clinics	21.008		50,968
Subtotal Internal Revenue Service			50,968
Lawrence Livermore National Laboratory			
Various	81.RD		268,808
Subtotal Lawrence Livermore National Laboratory			268,808
Los Alamos National Laboratory			
Various	81.RD		416
Subtotal Los Alamos National Laboratory			416
National Aeronautics and Space Administration			
Science	43.001		364,236
Aeronautics	43.002		(11,554)
Space Operations	43.007		23,777
Various	43.RD		722,815
Subtotal National Aeronautics and Space Administration			1,099,274
National Endowment for the Humanities			
Promotion of the Humanities Research	45.161		228,745
Subtotal National Endowment for the Humanities			228,745

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
National Historical Publications and Records Commission			
National Historical Publications and Records Grants	89.003		89,115
Subtotal National Historical Publications and Records Commission			89,115
National Science Foundation			
Engineering Grants	47.041		7,487,754
Scientific Research Project Support	47.047		174,430
Mathematical and Physical Sciences	47.049		11,023,500
Geosciences	47.050		4,192,149
Computer and Information Science and Engineering	47.070		7,689,802
Biological Sciences	47.074		11,239,202
Social, Behavioral, and Economic Sciences	47.075		1,471,574
Education and Human Resources	47.076		4,724,825
Polar Programs	47.078		524,115
Office of International and Integrative Activities	47.079		17,410
Office of Cyberinfrastructure	47.080		404,542
ARRA-Trans-NSF Recovery Act Research Support	47.082	Y	1,050,800
Various	47.RD		843,984
Subtotal National Science Foundation			50,844,087
Oak Ridge National Laboratory			
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	Y	270
Various	81.RD		186,398
Subtotal Oak Ridge National Laboratory			186,668

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
Small Business Administration			
Entrepreneurial Development Disaster Assistance (Disaster Relief Appropriations Act)	59.064		47,721
Subtotal Small Business Administration			47,721
Smithsonian Astrophysical Observatory			
Science	43.001		36,528
Various	43.RD		90,689
Subtotal Smithsonian Astrophysical Observatory			127,217
U.S. Department of Agriculture			
Agricultural Research Basic and Applied Research	10.001		858,968
Plant and Animal Disease, Pest Control, and Animal Care	10.025		547,352
Federal-State Marketing Improvement Program	10.156		25,522
Grants for Agricultural Research, Special Research Grants	10.200		2,722,448
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		4,072,490
Grants for Agricultural Research Competitive Research Grants	10.206		88,719
Biotechnology Risk Assessment Research	10.219		19,163
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250		50,672
Integrated Programs	10.303		89,567
International Science and Education Grants	10.305		9,586
Specialty Crop Research Initiative	10.309		365,938
Agriculture and Food Research Initiative (AFRI)	10.310		1,492,080
Rural Business Enterprise Grants	10.769		28,386

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Agriculture			
Rural Cooperative Development Grants	10.771		10,238
Environmental Quality Incentives Program	10.912		68,029
Technical Agricultural Assistance	10.960		49,021
Various	10.RD		526,438
Subtotal U.S. Department of Agriculture			11,024,617
U.S. Department of Commerce			
Integrated Ocean Observing System (IOOS)	11.012		2,831,965
Economic Adjustment Assistance	11.307		66,890
Coastal Zone Management Estuarine Research Reserves	11.420		575,664
Climate and Atmospheric Research	11.431		104,674
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432		(3,817)
Coastal Services Center	11.473		32,460
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483		861,611
Measurement and Engineering Research and Standards	11.609		110,057
Technology Innovation Program (TIP)	11.616		751,331
Various	11.RD		30,674
Subtotal U.S. Department of Commerce			5,361,509
U.S. Department of Defense			
Aquatic Plant Control	12.100		1,432
Basic and Applied Scientific Research	12.300		3,327,899
Military Medical Research and Development	12.420		9,804,811

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RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Defense			
Basic Scientific Research	12.431		1,561,000
Suppression Effects of Advance Energy Technologies	12.442		(41,447)
Basic, Applied, and Advanced Research in Science and Engineering	12.630		836
Air Force Defense Research Sciences Program	12.800		830,589
Mathematical Sciences Grants Program	12.901		217,994
Research and Technology Development	12.910		949,756
Various	12.RD		4,145,763
Subtotal U.S. Department of Defense			20,798,633
U.S. Department of Education			
Rehabilitation Long-Term Training	84.129		365,910
National Institute on Disability and Rehabilitation Research	84.133		967,207
Graduate Assistance in Areas of National Need	84.200		336,879
Education Research, Development and Dissemination	84.305		67,827
Child Care Access Means Parents in School	84.335		48,170
Teacher Incentive Fund	84.374		2,571,918
Subtotal U.S. Department of Education			4,357,911
U.S. Department of Energy			
Weatherization Assistance for Low-Income Persons	81.042		103,246
Office of Science Financial Assistance Program	81.049		4,254,384
ARRA-Office of Science Financial Assistance Program	81.049	Y	52,282
Stewardship Science Grant Program	81.112		1,002,794

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RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Energy			
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		513,813
Advanced Research and Projects Agency – Energy Financial Assistance Program	81.135		2,375
Subtotal U.S. Department of Energy			5,928,894
U.S. Department of Health and Human Services			
Training in General, Pediatric, and Public Health Dentistry	93.059		450,382
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		202,102
HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095		418,092
Environmental Health	93.113		3,116,544
Oral Diseases and Disorders Research	93.121		1,264,061
Grants to Increase Organ Donations	93.134		532,596
Injury Prevention and Control Research and State and Community Based Programs	93.136		114,740
Human Genome Research	93.172		1,057,623
Research Related to Deafness and Communication Disorders	93.173		1,946,680
Graduate Psychology Education Program and Patient Navigator and Chronic Disease Prevention Program	93.191		(626)
Research and Training in Complementary and Alternative Medicine	93.213		963,062
Research on Healthcare Costs, Quality and Outcomes	93.226		1,145,868
Mental Health Research Grants	93.242		16,635,206

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Health and Human Services			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		454,210
Occupational Safety and Health Program	93.262		1,224,040
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271		(1,007)
Alcohol Research Programs	93.273		5,107,859
Drug Abuse and Addiction Research Programs	93.279		2,450,113
Mental Health National Research Service Awards for Research Training	93.282		19,608
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		501,005
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		1,499,734
Trans-NIH Research Support	93.310		4,137,580
Academic Research Enhancement Award	93.390		105
Cancer Cause and Prevention Research	93.393		4,472,910
Cancer Detection and Diagnosis Research	93.394		316,734
Cancer Treatment Research	93.395		3,018,049
Cancer Biology Research	93.396		2,833,258
Cancer Centers Support Grants	93.397		3,154,059
Cancer Research Manpower	93.398		1,250,713
Cancer Control	93.399		720,727
Health Care Innovation Awards (HCIA)	93.610		4,464,573
IMR and NCCIM Programs	93.700		41,338

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Health and Human Services			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	173,123
ARRA-Recovery Act – Comparative Effectiveness Research - AHRQ	93.715	Y	1,218,967
Cardiovascular Diseases Research	93.837		7,478,660
Lung Diseases Research	93.838		1,497,751
Blood Diseases and Resources Research	93.839		30
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		3,559,051
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		2,806,378
Kidney Diseases, Urology and Hematology Research	93.849		4,891
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		61,737
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		11,190,791
Allergy, Immunology and Transplantation Research	93.855		21,205,429
Biomedical Research and Research Training	93.859		26,019,990
Child Health and Human Development Extramural Research	93.865		3,294,629
Aging Research	93.866		3,163,903
Vision Research	93.867		1,663,856
Medical Library Assistance	93.879		317,392
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943		94
Assistance Programs for Chronic Disease Prevention and Control	93.945		(2,637)

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Health and Human Services			
Tuberculosis Demonstration, Research, Public and Professional Education	93.947		(251)
Geriatric Education Centers	93.969		917
International Research and Research Training	93.989		146,325
Various	93.RD		8,652,257
Subtotal U.S. Department of Health and Human Services			155,965,221
U.S. Department of Homeland Security			
Centers for Homeland Security	97.061		2,287,319
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	97.077		(1,132)
Various	97.RD		2,157
Subtotal U.S. Department of Homeland Security			2,288,344
U.S. Department of Housing and Urban Development			
Sustainable Communities Regional Planning Grant Program	14.703		1,510,497
Healthy Homes Technical Studies Grants	14.906		45,285
Various	14.RD		128,134
Subtotal U.S. Department of Housing and Urban Development			1,683,916
U.S. Department of Justice			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		261,753
ARRA-State and Local Law Enforcement Assistance Program: Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States Competitive Grant Program	16.809	Y	3,290
Various	16.RD		261,265

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Justice			
Subtotal U.S. Department of Justice			526,308
U.S. Department of Labor			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		2,592
Disability Employment Policy Development	17.720		(15)
Subtotal U.S. Department of Labor			2,577
U.S. Department of the Interior			
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423		267,512
Great Apes Conservation	15.629		5,618
Visitor Facility Enhancements - Vehicle Pullouts, Interpretive Trails, and Kiosks	15.654		37,430
Assistance to State Water Resources Research Institutes	15.805		10,359
U.S. Geological Survey Research and Data Acquisition	15.808		3,024
Technical Preservation Services	15.915		9,361
Cooperative Research and Training Programs – Resources of the National Park System	15.945		184,315
Various	15.RD		158,278
Subtotal U.S. Department of the Interior			675,897
U.S. Department of Transportation			
Aviation Research Grants	20.108		503,590
Air Transportation Centers of Excellence	20.109		292,898
Railroad Research and Development	20.313		23,976
Public Transportation Research	20.514		370,314

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER:			
Direct:			
U.S. Department of Transportation			
University Transportation Centers Program	20.701		1,856,069
Various	20.RD		3,738,409
Subtotal U.S. Department of Transportation			6,785,256
U.S. Department of Veterans Affairs			
Veterans State Hospital Care	64.016		372,399
Sharing Specialized Medical Resources	64.018		73,152
Various	64.RD		164,097
Subtotal U.S. Department of Veterans Affairs			609,648
Subtotal Direct Research and Development			$270,979,949

(Continued)

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Agency for International Development			
Agribusiness in Sustainable Natural African Plant Products			
Various	98.RD		29,392
Purdue University			
Various	98.RD		18,761
Solidarity Center			
Various	98.RD		46,344
Tetra Tech ARD			
Various	98.RD		85,204
University of California-Davis			
Various	98.RD		95,742
Subtotal Various			275,443
Subtotal Agency for International Development			275,443
Environmental Protection Agency			
State of New Jersey-Department of Environmental Protection			
Air Pollution Control Program Support	66.001		16,761
State of New Jersey-Department of Environmental Protection-Office of Air Quality Management			
Air Pollution Control Program Support	66.001		125,848
Subtotal Air Pollution Control Program Support			142,609
Montclair State University			
National Estuary Program	66.456		18,434
Subtotal National Estuary Program			18,434
State of New Jersey-Department of Environmental Protection			
Nonpoint Source Implementation Grants	66.460		263,942
Subtotal Nonpoint Source Implementation Grants			263,942
University of Southern California			
Science To Achieve Results (STAR) Research Program	66.509		47,532
Subtotal Science To Achieve Results (STAR) Research Program			47,532

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
State of New Jersey-Department of Environmental Protection			
Performance Partnership Grants	66.605		251,689
Subtotal Performance Partnership Grants			251,689
Ocean County College-Barnegat Bay National Estuary Program			
Various	66.RD		15,372
Ocean County Soil Conservation District			
Various	66.RD		5,987
Partnership for the Delaware Estuary, Inc.			
Various	66.RD		6,511
State of New Jersey-Department of Environmental Protection			
Various	66.RD		210,896
Stockton State College			
Various	66.RD		2,500
Subtotal Various			241,266
Subtotal Environmental Protection Agency			965,472
National Aeronautics and Space Administration			
University of California-Los Angeles			
Science	43.001		63,484
University of Georgia			
Science	43.001		4,225
Virginia Institute of Marine Science			
Science	43.001		166,077
Subtotal Science			233,786
California Institute of Technology -Jet Propulsion Laboratory			
Various	43.RD		49,973
Liberty Science Center			
Various	43.RD		318
National Space Biomedical Research Institute			
Various	43.RD		139,660

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
New Jersey Sea Grant Consortium			
Various	43.RD		36,273
Space Telescope Science Institute			
Various	43.RD		148,445
University of Colorado			
Various	43.RD		18,632
Woods Hole Oceanographic Institution			
Various	43.RD		141,146
Subtotal Various			534,447
Subtotal National Aeronautics and Space Administration			768,233
National Endowment for the Humanities			
Butler University			
Promotion of the Humanities Research	45.161		(9,764)
Subtotal Promotion of the Humanities Research			(9,764)
Subtotal National Endowment for the Humanities			(9,764)
National Science Foundation			
Optimal Solutions Inc.			
Engineering Grants	47.041		45,470
Purdue University			
Engineering Grants	47.041		(256)
Subtotal Engineering Grants			45,214
Arizona State University			
Mathematical and Physical Sciences	47.049		11,040
Cold Spring Harbor Laboratory			
Mathematical and Physical Sciences	47.049		81,207
Mathematical Association of America			
Mathematical and Physical Sciences	47.049		9,465
Oregon State University			
Mathematical and Physical Sciences	47.049		149,083

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Penn State University			
Mathematical and Physical Sciences	47.049		89,352
Princeton University			
Mathematical and Physical Sciences	47.049		49,945
University of Washington			
Mathematical and Physical Sciences	47.049		293,645
Yale University			
Mathematical and Physical Sciences	47.049		11,500
Subtotal Mathematical and Physical Sciences			695,237
Consortium of Ocean Leadership			
Geosciences	47.050		2,347,512
Penn State University			
Geosciences	47.050		113,768
Stroud Water Research Center			
Geosciences	47.050		7,591
University of Arizona			
Geosciences	47.050		2,196
Subtotal Geosciences			2,471,067
Brown University			
Computer and Information Science and Engineering	47.070		29,928
Children's Research Institute			
Computer and Information Science and Engineering	47.070		542
Purdue University			
Computer and Information Science and Engineering	47.070		31,187
Subtotal Computer and Information Science and Engineering			61,657
Cary Institute of Ecosystem Studies			
Biological Sciences	47.074		8,336
University of Colorado, Denver			
Biological Sciences	47.074		46,389

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Yale University			
Biological Sciences	47.074		3,356
Subtotal Biological Sciences			58,081
University of California-San Diego			
Social, Behavioral, and Economic Sciences	47.075		126,046
University of Michigan			
Social, Behavioral, and Economic Sciences	47.075		16,981
Subtotal Social, Behavioral, and Economic Sciences			143,027
Educational Testing Service			
Education and Human Resources	47.076		(4,249)
University of Massachusetts			
Education and Human Resources	47.076		(452)
Subtotal Education and Human Resources			(4,701)
University of Florida			
Office of Cyberinfrastructure	47.080		28,352
University of Tennessee			
Office of Cyberinfrastructure	47.080		98,340
Subtotal Office of Cyberinfrastructure			126,692
Drexel University			
ARRA-Trans-NSF Recovery Act Research Support	47.082	Y	(16)
Princeton University			
ARRA-Trans-NSF Recovery Act Research Support	47.082	Y	48,076
University of Colorado			
ARRA-Trans-NSF Recovery Act Research Support	47.082	Y	121
University of Nevada			
ARRA-Trans-NSF Recovery Act Research Support	47.082	Y	31,882
Subtotal ARRA-Trans-NSF Recovery Act Research Support			80,063
BBN Technologies			
Various	47.RD		323,067

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Columbia University			
Various	47.RD		111,004
Johns Hopkins University			
Various	47.RD		81,666
Marine Biological Laboratory			
Various	47.RD		(1,686)
New York University			
Various	47.RD		15,467
Old Dominion University			
Various	47.RD		254,403
Ontash & Ermac Inc.			
Various	47.RD		1,300
Princeton University			
Various	47.RD		981
Pyro-E Technologies			
Various	47.RD		943
State University of New York-Albany			
Various	47.RD		991
Tufts University			
Various	47.RD		49,034
U.S.-Israel Binational Science Foundation			
Various	47.RD		3,774
University of Denver			
Various	47.RD		36,574
University of Massachusetts			
Various	47.RD		19,291
University of Missouri			
Various	47.RD		98,919
University of Notre Dame			
Various	47.RD		11,787

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Southern California			
Various	47.RD		41,446
Subtotal Various			1,048,961
Subtotal National Science Foundation			4,725,298
Office of Personnel Management			
University of Kansas			
ARRA-Trans-NSF Recovery Act Research Support	47.082	Y	18,539
Subtotal ARRA-Trans-NSF Recovery Act Research Support			18,539
Subtotal Office of Personnel Management			18,539
U.S. Department of Agriculture			
University of Rhode Island			
Agricultural Research Basic and Applied Research	10.001		4,451
Subtotal Agricultural Research Basic and Applied Research			4,451
Virginia Institute of Technology			
Plant and Animal Disease, Pest Control, and Animal Care	10.025		30,567
Subtotal Plant and Animal Disease, Pest Control, and Animal Care			30,567
State of New Jersey-Department of Agriculture			
Federal-State Marketing Improvement Program	10.156		(115)
Subtotal Federal-State Marketing Improvement Program			(115)
Connecticut Agricultural Experiment Station			
Grants for Agricultural Research, Special Research Grants	10.200		16,896
Cornell University			
Grants for Agricultural Research, Special Research Grants	10.200		107,019
State University of New York-Stony Brook			
Grants for Agricultural Research, Special Research Grants	10.200		14,456
Subtotal Grants for Agricultural Research, Special Research Grants			138,371

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
South Dakota State University			
Grants for Agricultural Research Competitive Research Grants	10.206		(86)
Subtotal Grants for Agricultural Research Competitive Research Grants			(86)
Jersey Flora, Inc.			
Small Business Innovation Research	10.212		1,628
Nutrasorb LLC			
Small Business Innovation Research	10.212		95,346
Subtotal Small Business Innovation Research			96,974
University of Vermont			
Sustainable Agriculture Research and Education	10.215		52,553
Subtotal Sustainable Agriculture Research and Education			52,553
University of Tennessee			
1890 Institution Capacity Building Grants	10.216		79,499
Subtotal 1890 Institution Capacity Building Grants			79,499
North Carolina State University			
Higher Education Challenge Grants	10.217		21,194
Ohio State University			
Higher Education Challenge Grants	10.217		13,674
Subtotal Higher Education Challenge Grants			34,868
Colorado State University			
Integrated Programs	10.303		(477)
Michigan State University			
Integrated Programs	10.303		31,068
Subtotal Integrated Programs			30,591
Purdue University			
Specialty Crop Research Initiative	10.309		127,390

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Maryland			
Specialty Crop Research Initiative	10.309		82,036
University of Minnesota			
Specialty Crop Research Initiative	10.309		76,281
Subtotal Specialty Crop Research Initiative			285,707
Auburn University			
Agriculture and Food Research Initiative (AFRI)	10.310		67,026
North Carolina State University			
Agriculture and Food Research Initiative (AFRI)	10.310		84,661
Penn State University			
Agriculture and Food Research Initiative (AFRI)	10.310		49,135
University of Georgia			
Agriculture and Food Research Initiative (AFRI)	10.310		797
University of Nevada			
Agriculture and Food Research Initiative (AFRI)	10.310		24,883
Subtotal Agriculture and Food Research Initiative (AFRI)			226,502
New Mexico State University			
Cooperative Extension Service	10.500		17,080
University of Tennessee			
Cooperative Extension Service	10.500		39
University of Vermont			
Cooperative Extension Service	10.500		25,663
Subtotal Cooperative Extension Service			42,782
The Xerces Society, Inc.			
Environmental Quality Incentives Program	10.912		19,528
University of California-Davis			
Environmental Quality Incentives Program	10.912		38,261
Subtotal Environmental Quality Incentives Program			57,789

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Auburn University			
Various	10.RD		581
Brigham Young University			
Various	10.RD		31,853
IMPAQ International LLC			
Various	10.RD		26,613
Southern University and A&M College			
Various	10.RD		16,417
State of New Jersey-Department of Agriculture			
Various	10.RD		69,536
University of Maine			
Various	10.RD		(50)
Subtotal Various			144,950
Subtotal U.S. Department of Agriculture			1,225,403
U.S. Department of Commerce			
New Jersey Sea Grant Consortium			
Sea Grant Support	11.417		166,573
Subtotal Sea Grant Support			166,573
University of New Hampshire			
Coastal Zone Management Administration Awards	11.419		93,555
University of New Hampshire-Cooperative Institute for Coastal and Estuarine Environmental Technology			
Coastal Zone Management Administration Awards	11.419		948
Subtotal Coastal Zone Management Administration Awards			94,503
University of Pennsylvania			
Climate and Atmospheric Research	11.431		13,270
Subtotal Climate and Atmospheric Research			13,270
Woods Hole Oceanographic Institution			
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432		125,013

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Subtotal National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes			125,013
Partnership for Mid-Atlantic Fisheries Science			
Unallied Science Program	11.472		41,406
Subtotal Unallied Science Program			41,406
Monmouth University			
Coastal Services Center	11.473		142,322
Subtotal Coastal Services Center			142,322
University of Texas			
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478		9,163
Subtotal Center for Sponsored Coastal Ocean Research Coastal Ocean Program			9,163
Woods Hole Oceanographic Institution			
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483		97,094
Subtotal NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction			97,094
Greater Philadelphia Urban Affairs Coalition			
ARRA-Broadband Technology Opportunities Program (BTOP)	11.557	Y	12,869
Subtotal ARRA-Broadband Technology Opportunities Program (BTOP)			12,869
Telecommunication Company			
State Broadband Data and Development Grant Program	11.558		28,952
Subtotal State Broadband Data and Development Grant Program			28,952
Garden State Seafood Association			
Various	11.RD		76,130
Global Science & Technology Inc.			
Various	11.RD		214,678

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
New Jersey Sea Grant Consortium			
Various	11.RD		121,090
State University of New York-The Research Foundation			
Various	11.RD		14,178
University of New Hampshire			
Various	11.RD		46,946
University of Puerto Rico			
Various	11.RD		31,149
Woods Hole Oceanographic Institution			
Various	11.RD		272,678
Subtotal Various			776,849
Subtotal U.S. Department of Commerce			1,508,014
U.S. Department of Defense			
Arctan, Inc.			
Basic and Applied Scientific Research	12.300		80,442
Columbia University			
Basic and Applied Scientific Research	12.300		163,670
Combustion Research and Flow Technology, Inc.			
Basic and Applied Scientific Research	12.300		55,454
Duke University			
Basic and Applied Scientific Research	12.300		128,793
Penn State University			
Basic and Applied Scientific Research	12.300		90,053
University of California - Santa Cruz			
Basic and Applied Scientific Research	12.300		14,340
Woods Hole Oceanographic Institution			
Basic and Applied Scientific Research	12.300		21,778
Yale University			
Basic and Applied Scientific Research	12.300		186,589
Subtotal Basic and Applied Scientific Research			741,119

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Purdue University			
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		102,419
University of Illinois			
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		93,438
Subtotal Basic Scientific Research - Combating Weapons of Mass Destruction			195,857
Robert Wood Johnson University Hospital			
Military Medical Research and Development	12.420		117,724
Wake Forest Baptist Medical Center			
Military Medical Research and Development	12.420		174,769
Subtotal Military Medical Research and Development			292,493
Arizona State University			
Basic Scientific Research	12.431		14,590
Auburn University			
Basic Scientific Research	12.431		118,500
IBM Corporation			
Basic Scientific Research	12.431		107,825
Subtotal Basic Scientific Research			240,915
Academy of Applied Science			
Basic, Applied, and Advanced Research in Science and Engineering	12.630		832
Johns Hopkins University			
Basic, Applied, and Advanced Research in Science and Engineering	12.630		621,912
Subtotal Basic, Applied, and Advanced Research in Science and Engineering			622,744
Henry M. Jackson Foundation for the Advancement of Military Medicine, Inc.			
Uniformed Services University Medical Research Projects	12.750		26,740
Subtotal Uniformed Services University Medical Research			26,740

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Projects			
City University of New York-Research Foundation			
Air Force Defense Research Sciences Program	12.800		78,996
Cornell University			
Air Force Defense Research Sciences Program	12.800		126,997
Duke University			
Air Force Defense Research Sciences Program	12.800		104,464
Lockheed Martin Corporation			
Air Force Defense Research Sciences Program	12.800		95,311
Penn State University			
Air Force Defense Research Sciences Program	12.800		65,874
Stanford University			
Air Force Defense Research Sciences Program	12.800		152,390
Subtotal Air Force Defense Research Sciences Program			624,032
Anonymous Corporation			
Research and Technology Development	12.910		702
Duke University			
Research and Technology Development	12.910		179,812
Subtotal Research and Technology Development			180,514
Alion Science and Technology			
Various	12.RD		195,113
Anonymous Corporation			
Various	12.RD		37,862
Applied Communication Sciences			
Various	12.RD		83,441
Battelle Memorial Institute			
Various	12.RD		17,108
CACI Technologies International, Inc.			
Various	12.RD		96,000

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Combustion Research and Flow Technology, Inc.			
Various	12.RD		9
Folded Structures Co. LLC			
Various	12.RD		23,615
Intelligent Automation Inc.			
Various	12.RD		5,261
Li Creative Technologies Inc.			
Various	12.RD		29,784
Massachusetts Institute of Technology			
Various	12.RD		36,109
Siemens Corporate Research and Support Inc.			
Various	12.RD		28,464
SRI International			
Various	12.RD		30,858
Telecommunication Company			
Various	12.RD		(8,261)
UES, Inc.			
Various	12.RD		53,738
United Silicon Carbide, Inc.			
Various	12.RD		25,252
University of Texas			
Various	12.RD		9,996
Woods Hole Oceanographic Institution			
Various	12.RD		174,538
Yale University			
Various	12.RD		59,368
Subtotal Various			898,255
Subtotal U.S. Department of Defense			3,822,669

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
U.S. Department of Education			
Essex County College			
Higher Education Institutional Aid	84.031		13,490
Subtotal Higher Education Institutional Aid			13,490
Temple University			
National Institute on Disability and Rehabilitation Research	84.133		14,567
University of Massachusetts			
National Institute on Disability and Rehabilitation Research	84.133		35,093
University of New Hampshire			
National Institute on Disability and Rehabilitation Research	84.133		9,547
Subtotal National Institute on Disability and Rehabilitation Research			59,207
Columbia University			
Education Research, Development and Dissemination	84.305		72,521
University of Virginia			
Education Research, Development and Dissemination	84.305		77,437
Subtotal Education Research, Development and Dissemination			149,958
Essex County College			
Strengthening Minority-Serving Institutions	84.382		(4,475)
Subtotal Strengthening Minority-Serving Institutions			(4,475)
Essex County College			
Various	84.RD		(2,530)
ICF Incorporated LLC			
Various	84.RD		400,445
New Jersey Institute of Technology			
Various	84.RD		11,541
Newark Public Schools			
Various	84.RD		22,000

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Penn State University			
Various	84.RD		20,307
State of New Jersey-Department of Education			
Various	84.RD		46,148
Subtotal Various			497,911
Subtotal U.S. Department of Education			716,091
U.S. Department of Energy			
Opto-Knowledge Systems, Inc.			
Office of Science Financial Assistance Program	81.049		147
Princeton University			
Office of Science Financial Assistance Program	81.049		99,169
State University of New York-The Research Foundation			
Office of Science Financial Assistance Program	81.049		456,262
University of Texas			
Office of Science Financial Assistance Program	81.049		142,391
Vanderbilt University			
Office of Science Financial Assistance Program	81.049		8,617
Subtotal Office of Science Financial Assistance Program			706,586
CCS Materials, Inc.			
Conservation Research and Development	81.086		(559)
Penn State University			
Conservation Research and Development	81.086		742,598
Subtotal Conservation Research and Development			742,039
Penn State University			
Renewable Energy Research and Development	81.087		245
South Dakota State University			
Renewable Energy Research and Development	81.087		6,094
Sunlight Photonics Inc.			
Renewable Energy Research and Development	81.087		(825)

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of California-San Diego			
Renewable Energy Research and Development	81.087		284,691
Subtotal Renewable Energy Research and Development			290,205
Massachusetts Institute of Technology			
ARRA-Advanced Research and Projects Agency – Energy Financial Assistance Program	81.135	Y	140,577
Subtotal ARRA-Advanced Research and Projects Agency – Energy Financial Assistance Program			140,577
Battelle Energy Alliance, LLC			
Various	81.RD		43,688
Battelle Memorial Institute			
Various	81.RD		94,789
Colorado State University			
Various	81.RD		44,021
Harvard University			
Various	81.RD		50
HiFunda LLC			
Various	81.RD		(1)
State of New Jersey-Board of Public Utilities			
Various	81.RD		416,956
State University of New York-The Research Foundation			
Various	81.RD		230,435
TreadStone Technologies, Inc.			
Various	81.RD		62,536
Vanderbilt University			
Various	81.RD		502,265
Vista Clara Inc.			
Various	81.RD		108,936
Subtotal Various			1,503,675
Subtotal U.S. Department of Energy			3,383,082

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
U.S. Department of Health and Human Services			
Columbia University			
Global AIDS	93.067		(320)
Subtotal Global AIDS			(320)
University of Texas Health Sciences			
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		73,238
Subtotal Family Smoking Prevention and Tobacco Control Act Regulatory Research			73,238
National Institute of Pharmaceutical Technology & Education			
Food and Drug Administration Research	93.103		59,895
University of Florida			
Food and Drug Administration Research	93.103		(1,296)
Subtotal Food and Drug Administration Research			58,599
University of Southern California			
Adolescent Family Life Research Grants	93.111		1,345
Subtotal Adolescent Family Life Research Grants			1,345
Michigan State University			
Environmental Health	93.113		2,411
University of Rochester			
Environmental Health	93.113		619
University of Southern California			
Environmental Health	93.113		99,262
Subtotal Environmental Health			102,292
Albert Einstein College of Medicine			
Oral Diseases and Disorders Research	93.121		4,699
Columbia University			
Oral Diseases and Disorders Research	93.121		13,599
University of Pennsylvania			
Oral Diseases and Disorders Research	93.121		287,533

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Rochester			
Oral Diseases and Disorders Research	93.121		26,427
University of Southern California			
Oral Diseases and Disorders Research	93.121		421
Subtotal Oral Diseases and Disorders Research			332,679
St. Barnabas Medical Center			
Grants to Increase Organ Donations	93.134		5,922
Subtotal Grants to Increase Organ Donations			5,922
Columbia University			
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143		10,881
Michigan State University			
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143		294,291
Subtotal NIEHS Superfund Hazardous Substances Basic Research and Education			305,172
Columbia University			
AIDS Education and Training Centers	93.145		289,774
Subtotal AIDS Education and Training Centers			289,774
Research Institute at Nationwide Children's Hospital			
Research Related to Deafness and Communication Disorders	93.173		15,448
Subtotal Research Related to Deafness and Communication Disorders			15,448
Mt. Sinai Hospital			
Disabilities Prevention	93.184		23,372
Subtotal Disabilities Prevention			23,372
Duke University Medical Center			
Research and Training in Complementary and Alternative Medicine	93.213		183,422

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Pennington Biomedical Research Center			
Research and Training in Complementary and Alternative Medicine	93.213		610,127
Purdue University			
Research and Training in Complementary and Alternative Medicine	93.213		585
Subtotal Research and Training in Complementary and Alternative Medicine			794,134
Virginia Commonwealth University			
Research on Healthcare Costs, Quality and Outcomes	93.226		63,649
Subtotal Research on Healthcare Costs, Quality and Outcomes			63,649
University of Wisconsin			
Policy Research and Evaluation Grants	93.239		854
Subtotal Policy Research and Evaluation Grants			854
Albert Einstein College of Medicine			
Mental Health Research Grants	93.242		11,302
Columbia University			
Mental Health Research Grants	93.242		6,841
Illinois Institute of Technology			
Mental Health Research Grants	93.242		38,093
Indiana University			
Mental Health Research Grants	93.242		121,682
John Jay College of Criminal Justice			
Mental Health Research Grants	93.242		49,582
Johns Hopkins University			
Mental Health Research Grants	93.242		(19,898)
Louisiana State University System - LUMCON			
Mental Health Research Grants	93.242		4,601
Social and Scientific Systems, Inc.			
Mental Health Research Grants	93.242		(4,850)

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Illinois			
Mental Health Research Grants	93.242		38,266
University of Maryland			
Mental Health Research Grants	93.242		34,255
Washington University - St. Louis			
Mental Health Research Grants	93.242		117,738
Subtotal Mental Health Research Grants			397,612
New York Committee for Occupational Safety and Health			
Occupational Safety and Health Program	93.262		15,272
The Center to Protect Workers' Rights			
Occupational Safety and Health Program	93.262		25,307
Subtotal Occupational Safety and Health Program			40,579
San Diego State University Research Foundation			
Alcohol Research Programs	93.273		90,591
State University of New York-The Research Foundation			
Alcohol Research Programs	93.273		658,868
University of Puerto Rico			
Alcohol Research Programs	93.273		187,223
Washington University - St. Louis			
Alcohol Research Programs	93.273		443,281
Subtotal Alcohol Research Programs			1,379,963
City University of New York-Research Foundation			
Drug Abuse and Addiction Research Programs	93.279		24,470
IonWerks, Inc.			
Drug Abuse and Addiction Research Programs	93.279		91,183
Milwaukee School of Engineering			
Drug Abuse and Addiction Research Programs	93.279		17,521
Northwestern University			
Drug Abuse and Addiction Research Programs	93.279		5,224

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
St. Lukes Roosevelt Institute for Health			
Drug Abuse and Addiction Research Programs	93.279		30,901
Washington University - St. Louis			
Drug Abuse and Addiction Research Programs	93.279		223,875
Subtotal Drug Abuse and Addiction Research Programs			393,174
Henry M. Jackson Foundation for the Advancement of Military Medicine, Inc.			
Mental Health National Research Service Awards for Research Training	93.282		728,586
Subtotal Mental Health National Research Service Awards for Research Training			728,586
State of New Jersey-Department of Environmental Protection			
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		40,406
Subtotal Centers for Disease Control and Prevention Investigations and Technical Assistance			40,406
Medical College of Wisconsin			
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		(246)
Rice University			
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		8,675
Subtotal Discovery and Applied Research for Technological Innovations to Improve Human Health			8,429
University of Pennsylvania			
Trans-NIH Research Support	93.310		798
Subtotal Trans-NIH Research Support			798
Fox Chase Cancer Center			
Nursing Research	93.361		(20,785)
Subtotal Nursing Research			(20,785)

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Newark Beth Israel Medical Center			
Sickle Cell Treatment Demonstration Program	93.365		16,291
Subtotal Sickle Cell Treatment Demonstration Program			16,291
Columbia University			
Cancer Cause and Prevention Research	93.393		260,767
Dartmouth College			
Cancer Cause and Prevention Research	93.393		106,427
Duke University Medical Center			
Cancer Cause and Prevention Research	93.393		82,094
Fox Chase Cancer Center			
Cancer Cause and Prevention Research	93.393		112,242
Fred Hutchinson Cancer Research Center			
Cancer Cause and Prevention Research	93.393		1,530
Health Research Inc.			
Cancer Cause and Prevention Research	93.393		349,790
Mt. Sinai School of Medicine			
Cancer Cause and Prevention Research	93.393		6,738
University of California			
Cancer Cause and Prevention Research	93.393		45,544
University of Hawaii			
Cancer Cause and Prevention Research	93.393		46,367
Subtotal Cancer Cause and Prevention Research			1,011,499
Dana Farber Cancer Institute			
Cancer Detection and Diagnosis Research	93.394		6,334
Fox Chase Cancer Center			
Cancer Detection and Diagnosis Research	93.394		2,111
Riverside Research Institute			
Cancer Detection and Diagnosis Research	93.394		(4,676)
University of Maryland			
Cancer Detection and Diagnosis Research	93.394		120,936

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Pennsylvania			
Cancer Detection and Diagnosis Research	93.394		23,578
Subtotal Cancer Detection and Diagnosis Research			148,283
Actinobac Biomed, Inc.			
Cancer Treatment Research	93.395		43,615
American College of Radiology			
Cancer Treatment Research	93.395		534
Case Western Reserve University			
Cancer Treatment Research	93.395		12,767
Fox Chase Chemical Diversity Center, Inc.			
Cancer Treatment Research	93.395		108,481
Frontier Science & Technology Research Foundation, Inc.			
Cancer Treatment Research	93.395		(117)
Subtotal Cancer Treatment Research			165,280
Columbia University			
Cancer Biology Research	93.396		40,436
Subtotal Cancer Biology Research			40,436
University of Pennsylvania			
Cancer Centers Support Grants	93.397		25,998
Subtotal Cancer Centers Support Grants			25,998
Frontier Science & Technology Research Foundation, Inc.			
Cancer Control	93.399		87,174
Subtotal Cancer Control			87,174
University of Wisconsin			
Refugee and Entrant Assistance State Administered Programs	93.566		34,622
Subtotal Refugee and Entrant Assistance State Administered Programs			34,622

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
State of Washington			
The Affordable Care Act – Medicaid Adult Quality Grants	93.609		106,436
Subtotal The Affordable Care Act – Medicaid Adult Quality Grants			106,436
Columbia University			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	(1,948)
Duke University Medical Center			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	1,309
New York University			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	40,630
Research Institute at Nationwide Children's Hospital			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	1,524
University of California			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	550
University of North Carolina			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	(125)
University of Pennsylvania			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	11,351
Vanderbilt University			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	(349)
Subtotal ARRA-Trans-NIH Recovery Act Research Support			52,942
Vanderbilt University			
ARRA-Recovery Act – Comparative Effectiveness Research - AHRQ	93.715	Y	99,420
Subtotal ARRA-Recovery Act – Comparative Effectiveness Research - AHRQ			99,420
State of New Jersey-Department of Human Services-Division of Disability Services			
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768		(4,230)
Subtotal Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities			(4,230)

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Abiomed, Inc.			
Cardiovascular Diseases Research	93.837		(4,336)
Fred Hutchinson Cancer Research Center			
Cardiovascular Diseases Research	93.837		490,763
Sonomedica, Inc.			
Cardiovascular Diseases Research	93.837		(8,657)
Vanderbilt University			
Cardiovascular Diseases Research	93.837		194,240
Subtotal Cardiovascular Diseases Research			672,010
Johns Hopkins University			
Lung Diseases Research	93.838		63,561
Mount Sinai Medical Center			
Lung Diseases Research	93.838		(24)
University of California			
Lung Diseases Research	93.838		27,371
Subtotal Lung Diseases Research			90,908
Johns Hopkins University			
Blood Diseases and Resources Research	93.839		26,486
University of Pennsylvania			
Blood Diseases and Resources Research	93.839		23,715
Subtotal Blood Diseases and Resources Research			50,201
Georgetown University			
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		204,299
Hospital for Special Surgery			
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		30,330
University of Pennsylvania			
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		31,330
Subtotal Arthritis, Musculoskeletal and Skin Diseases Research			265,959

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
St. Barnabas Medical Center			
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		14,810
University of Colorado			
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		72,118
Subtotal Diabetes, Digestive, and Kidney Diseases Extramural Research			86,928
Emory University			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		120,127
Massachusetts General Hospital			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		8,879
The Feinstein Institute for Medical Research			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		26,972
University of Cincinnati			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		28,075
University of Colorado, Denver			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		414,235
University of Michigan			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		19,942
University of Rochester			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		3
Subtotal Extramural Research Programs in the Neurosciences and Neurological Disorders			618,233
Albert Einstein College of Medicine			
Allergy, Immunology and Transplantation Research	93.855		152,706

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Avatar Medical LLC.			
Allergy, Immunology and Transplantation Research	93.855		95,206
Boston University Medical Center			
Allergy, Immunology and Transplantation Research	93.855		196,921
Brigham and Women's Hospital			
Allergy, Immunology and Transplantation Research	93.855		108,580
Case Western Reserve University			
Allergy, Immunology and Transplantation Research	93.855		201,877
Collaborative Drug Discovery, Inc.			
Allergy, Immunology and Transplantation Research	93.855		9,606
Columbia University			
Allergy, Immunology and Transplantation Research	93.855		717,203
Cornell University			
Allergy, Immunology and Transplantation Research	93.855		48,039
Emory University			
Allergy, Immunology and Transplantation Research	93.855		121,058
George Washington University			
Allergy, Immunology and Transplantation Research	93.855		30,342
Harvard University			
Allergy, Immunology and Transplantation Research	93.855		8,307
Johns Hopkins University			
Allergy, Immunology and Transplantation Research	93.855		194,317
Mayo Clinic Rochester			
Allergy, Immunology and Transplantation Research	93.855		(1,735)
Medicines for Malaria Venture			
Allergy, Immunology and Transplantation Research	93.855		381,691
Social and Scientific Systems, Inc.			
Allergy, Immunology and Transplantation Research	93.855		(322)
University of California			
Allergy, Immunology and Transplantation Research	93.855		5,974

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Iowa			
Allergy, Immunology and Transplantation Research	93.855		118,360
University of Michigan			
Allergy, Immunology and Transplantation Research	93.855		10,446
University of Rochester			
Allergy, Immunology and Transplantation Research	93.855		13,985
University of Texas			
Allergy, Immunology and Transplantation Research	93.855		(8)
Virginia Polytechnic Institute			
Allergy, Immunology and Transplantation Research	93.855		14,580
Yale University			
Allergy, Immunology and Transplantation Research	93.855		3,256
Subtotal Allergy, Immunology and Transplantation Research			2,430,389
Montefiore Medical Center			
Microbiology and Infectious Diseases Research	93.856		(12,300)
Subtotal Microbiology and Infectious Diseases Research			(12,300)
Baylor College of Medicine			
Biomedical Research and Research Training	93.859		331,060
Bowling Green State University			
Biomedical Research and Research Training	93.859		85,198
Columbia University			
Biomedical Research and Research Training	93.859		128,019
Georgia Institute of Technology			
Biomedical Research and Research Training	93.859		117,964
Johns Hopkins University			
Biomedical Research and Research Training	93.859		124,753
Mt. Sinai School of Medicine			
Biomedical Research and Research Training	93.859		32,533
Princeton University			
Biomedical Research and Research Training	93.859		575

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Scripps Research Institute			
Biomedical Research and Research Training	93.859		1,211,649
Stanford University			
Biomedical Research and Research Training	93.859		268,397
Temple University			
Biomedical Research and Research Training	93.859		103,590
University of California-San Francisco			
Biomedical Research and Research Training	93.859		145,500
University of Michigan			
Biomedical Research and Research Training	93.859		160,046
University of Texas			
Biomedical Research and Research Training	93.859		5,019
University of Wisconsin			
Biomedical Research and Research Training	93.859		20,796
William Marsh Rice University			
Biomedical Research and Research Training	93.859		133,686
Yale University			
Biomedical Research and Research Training	93.859		(1,669)
Subtotal Biomedical Research and Research Training			2,867,116
City University of New York-John Jay College of Criminal Justice			
Child Health and Human Development Extramural Research	93.865		60,886
Columbia University			
Child Health and Human Development Extramural Research	93.865		155,198
Harvard University			
Child Health and Human Development Extramural Research	93.865		608,203
University of Kansas Medical Center			
Child Health and Human Development Extramural Research	93.865		53,071

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Tennessee			
Child Health and Human Development Extramural Research	93.865		151,521
University of Texas			
Child Health and Human Development Extramural Research	93.865		8,135
Subtotal Child Health and Human Development Extramural Research			1,037,014
University of Wisconsin			
Aging Research	93.866		38,826
Subtotal Aging Research			38,826
University of California-Berkeley			
Vision Research	93.867		3,852
Subtotal Vision Research			3,852
Children's National Medical Center			
Medical Library Assistance	93.879		20,929
Emory University			
Medical Library Assistance	93.879		49,676
Genome Data Systems, Inc.			
Medical Library Assistance	93.879		2,302
Subtotal Medical Library Assistance			72,907
Memorial Sloan Kettering Institute for Cancer Research			
HIV Prevention Activities Non-Governmental Organization Based	93.939		3,937
Subtotal HIV Prevention Activities Non-Governmental Organization Based			3,937
State of New Jersey-Department of Health-Division of HIV/AIDS Services			
HIV Prevention Activities Health Department Based	93.940		(626)
Subtotal HIV Prevention Activities Health Department Based			(626)

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Columbia University			
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943		104
Subtotal Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups			104
Commonwealth of Pennsylvania			
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946		173,435
State of Maryland-Department of Health and Mental Hygiene			
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946		36,995
Subtotal Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			210,430
University of Pennsylvania			
International Research and Research Training	93.989		6,611
Subtotal International Research and Research Training			6,611
Actuarial Research Corporation			
Various	93.RD		18,997
Albert Einstein College of Medicine			
Various	93.RD		18,416
American Institutes for Research in the Behavioral Sciences			
Various	93.RD		8,013
Angion Biomedica			
Various	93.RD		77,041
Children's Hospital of Philadelphia			
Various	93.RD		61,404
City of Newark, New Jersey			
Various	93.RD		(29)

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
City University of New York-John Jay College of Criminal Justice			
Various	93.RD		21,209
Columbia University			
Various	93.RD		(602)
Cornell University			
Various	93.RD		6,834
County of Somerset			
Various	93.RD		70,548
EXACT Sports LLC			
Various	93.RD		10,900
Fred Hutchinson Cancer Research Center			
Various	93.RD		12,304
Harvard Pilgrim Health Care, Inc.			
Various	93.RD		16,643
Henry M. Jackson Foundation for the Advancement of Military Medicine, Inc.			
Various	93.RD		90,098
Ibris, Inc.			
Various	93.RD		(11,925)
James Bell Associates			
Various	93.RD		1,335
Mount Sinai Medical Center			
Various	93.RD		(134)
Mt. Sinai School of Medicine			
Various	93.RD		72,363
MTI Integrated Business Development Inc.			
Various	93.RD		56,359
National Committee for Quality Assurance			
Various	93.RD		168,742
New York University School of Medicine			
Various	93.RD		29,702

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RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
North Jersey Community Research Initiative			
Various	93.RD		33,256
Portland State University			
Various	93.RD		1,807
Princeton University			
Various	93.RD		29,022
Research Institute at Nationwide Children's Hospital			
Various	93.RD		82,316
Scripps Research Institute			
Various	93.RD		160,463
State of New Jersey-Department of Banking and Insurance			
Various	93.RD		33,446
State of New Jersey-Department of Education			
Various	93.RD		77,019
State of New Jersey-Department of Healt			
Various	93.RD		27,438
State of New Jersey-Department of Health			
Various	93.RD		1,259,699
State of New Jersey-Department of Human Services			
Various	93.RD		772,485
State University of New York-The Research Foundation			
Various	93.RD		173,714
TMF Health Quality Institute			
Various	93.RD		102,323
University of California-Berkeley			
Various	93.RD		(757)
University of California-San Francisco			
Various	93.RD		439,282
University of Minnesota			
Various	93.RD		73,280

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
University of Pittsburgh			
Various	93.RD		49,133
University of South Florida			
Various	93.RD		359,166
University of Texas			
Various	93.RD		2,345
Washington University - St. Louis			
Various	93.RD		581,233
WESTAT			
Various	93.RD		104,991
Subtotal Various			5,089,879
State of New Jersey-Department of State-National and Community Service-AmeriCorps			
AmeriCorps	94.006		19,086
Subtotal AmeriCorps			19,086
Boston College			
Social Security Research and Demonstration	96.007		41,959
Subtotal Social Security Research and Demonstration			41,959
Subtotal U.S. Department of Health and Human Services			20,412,494
U.S. Department of Homeland Security			
State of New Jersey-Department of Law and Public Safety-Office of Emergency Management			
Hazard Mitigation Grant	97.039		57,745
Subtotal Hazard Mitigation Grant			57,745
State of New Jersey-Department of Law and Public Safety-Office of Emergency Management			
Emergency Management Performance Grants	97.042		(28,320)
Subtotal Emergency Management Performance Grants			(28,320)
State of New Jersey-Department of Environmental Protection			
Cooperating Technical Partners	97.045		14,699

(Continued)

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Subtotal Cooperating Technical Partners			14,699
University of Connecticut			
Centers for Homeland Security	97.061		17,506
Subtotal Centers for Homeland Security			17,506
State of New Jersey-Department of Law and Public Safety-Office of Homeland Security and Preparedness			
Homeland Security Grant Program	97.067		(539)
Subtotal Homeland Security Grant Program			(539)
SRI International			
Various	97.RD		(3,536)
State of New Jersey-Department of Law and Public Safety -Office of Emergency Management			
Various	97.RD		(820)
Stevens Institute of Technology			
Various	97.RD		279,269
University of Southern California			
Various	97.RD		256,729
Subtotal Various			531,642
Subtotal U.S. Department of Homeland Security			592,733
U.S. Department of Housing and Urban Development			
Dover, Kohl & Partners			
Various	14.RD		23,946
Duncan Associates			
Various	14.RD		(53)
Trenton Housing Authority			
Various	14.RD		32,269
Subtotal Various			56,162
Subtotal U.S. Department of Housing and Urban Development			56,162

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
U.S. Department of Justice			
State of New Jersey-Department of Law and Public Safety-Juvenile Justice Commission			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540		12,372
State of New Jersey-Parole Board			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540		10,892
Subtotal Juvenile Justice and Delinquency Prevention Allocation to States			23,264
RAND Corporation			
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		57,840
Vera Institute of Justice, Inc.			
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		6,680
Subtotal National Institute of Justice Research, Evaluation, and Development Project Grants			64,520
Beyond Diversity Resource Center, Inc.			
Crime Victim Assistance/Discretionary Grants	16.582		58,196
State of New Jersey-Department of Law and Public Safety-Office of Victim Witness Advocacy			
Crime Victim Assistance/Discretionary Grants	16.582		(4,524)
Subtotal Crime Victim Assistance/Discretionary Grants			53,672
State of New Jersey-Department of Law and Public Safety			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		4,470
Subtotal Edward Byrne Memorial Justice Assistance Grant Program			4,470
Beyond Diversity Resource Center, Inc.			
Various	16.RD		33,443
Boston University			
Various	16.RD		33,295

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Subtotal Various			66,738
Subtotal U.S. Department of Justice			212,664
U.S. Department of Labor			
Colorado Community College System			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		358,616
Pueblo Community College			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		349,150
Subtotal Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants			707,766
Cornell University			
Disability Employment Policy Development	17.720		54,134
Subtotal Disability Employment Policy Development			54,134
Colorado Department of Labor & Employment			
Various	17.RD		(73)
Front Range Community College			
Various	17.RD		23,137
Raritan Valley Community College			
Various	17.RD		304,198
State of New Jersey-Department of Labor			
Various	17.RD		281,041
The Newark Workforce Investment Board, Inc.			
Various	17.RD		194,132
The WorkPlace, Inc.			
Various	17.RD		39,622
Subtotal Various			842,057
Subtotal U.S. Department of Labor			1,603,957

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
U.S. Department of the Interior			
National Fish and Wildlife Foundation			
Hurricane Sandy Disaster Relief – Coastal Resiliency Grants	15.153		14,971
Subtotal Hurricane Sandy Disaster Relief – Coastal Resiliency Grants			14,971
University of Alaska			
Alaska Coastal Marine Institute	15.421		35,757
Subtotal Alaska Coastal Marine Institute			35,757
National Fish and Wildlife Foundation			
Hurricane Sandy Disaster Relief Activities-FWS	15.677		13,383
Subtotal Hurricane Sandy Disaster Relief Activities-FWS			13,383
Minnesota Pollution Control Agency			
Various	15.RD		8,480
Telcordia Technologies, Inc.			
Various	15.RD		663
Subtotal Various			9,143
Subtotal U.S. Department of the Interior			73,254
U.S. Department of Transportation			
State of New Jersey-Department of Transportation			
Highway Research and Development Program	20.200		1,473,627
Subtotal Highway Research and Development Program			1,473,627
State of New Jersey-Department of Transportation			
Highway Planning and Construction	20.205		4,723
University of New Hampshire			
Highway Planning and Construction	20.205		9,427
Subtotal Highway Planning and Construction			14,150
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety			
State and Community Highway Safety	20.600		133,635

(Continued)

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
Subtotal State and Community Highway Safety			133,635
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety			
State Traffic Safety Information System Improvement Grants	20.610		9,266
Subtotal State Traffic Safety Information System Improvement Grants			9,266
City University of New York-Research Foundation			
University Transportation Centers Program	20.701		12,586
City University of New York-Transportation Research Center			
University Transportation Centers Program	20.701		2,572
San Jose State University Research Foundation			
University Transportation Centers Program	20.701		354,380
Subtotal University Transportation Centers Program			369,538
Cornell University			
Biobased Transportation Research	20.761		9,893
Subtotal Biobased Transportation Research			9,893
City University of New York-Research Foundation			
Various	20.RD		19,949
City University of New York-Transportation Research Center			
Various	20.RD		95,348
Dallas Area Rapid Transit			
Various	20.RD		24,883
National Academies-NRC-Transportation Research Board			
Various	20.RD		13,997
North Jersey Transportation Planning Authority			
Various	20.RD		425,445
Rensselaer Polytechnic Institute			
Various	20.RD		5,676

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER			
Pass-Through:			
South Dakota Department of Transportation			
Various	20.RD		(502)
State of New Jersey-Board of Public Utilities			
Various	20.RD		83,056
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety			
Various	20.RD		8,836
State of New Jersey-Department of Transportation			
Various	20.RD		5,028,943
Subtotal Various			5,705,631
Subtotal U.S. Department of Transportation			7,715,740
U.S. Election Assistance Commission			
Clemson University			
U.S. Election Assistance Commission Research Grants	90.403		38,033
Subtotal U.S. Election Assistance Commission Research Grants			38,033
Subtotal U.S. Election Assistance Commission			38,033
Subtotal Pass-Through Research and Development			$48,103,517
Subtotal Research and Development Cluster			$319,083,466

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
STUDENT FINANCIAL AID CLUSTER:			
Direct:			
U.S. Department of Education			
Federal Direct Student Loan Program	84.268		483,900,101
Federal Pell Grant Program	84.063		72,432,884
Federal Perkins Loan Program	84.038		7,535,346
Federal Supplemental Educational Opportunity Grant Program	84.007		1,761,964
Federal Work-Study Program	84.033		5,243,459
Subtotal U.S. Department of Education			$570,873,754
U.S. Department of Health and Human Services			
Nursing Student Loan Program	93.364		344,037
Subtotal U.S. Department of Health and Human Services			$344,037
Subtotal Student Financial Aid Cluster			$571,217,791

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
TRIO CLUSTER:			
Direct:			
U.S. Department of Education			
TRIO Student Support Services	84.042		903,010
TRIO Talent Search	84.044		670,759
TRIO Upward Bound	84.047		799,552
TRIO McNair Post-Baccalaureate Achievement	84.217		249,060
Subtotal U.S. Department of Education			$2,622,381
Subtotal TRIO Cluster			$2,622,381

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Direct:			
Environmental Protection Agency			
Science To Achieve Results (STAR) Fellowship Program	66.514		7,322
Various	66.UNK		5,222
Subtotal Environmental Protection Agency			12,544
Internal Revenue Service			
Low Income Taxpayer Clinics	21.008		55,315
Subtotal Internal Revenue Service			55,315
Millennium Challenge Corporation			
Various	85.UNK		1,515
Subtotal Millennium Challenge Corporation			1,515
National Aeronautics and Space Administration			
Science	43.001		56,553
Education	43.008		57,059
Subtotal National Aeronautics and Space Administration			113,612
National Endowment for the Arts			
Promotion of the Arts Grants to Organizations and Individuals	45.024		32,795
Subtotal National Endowment for the Arts			32,795
National Endowment for the Humanities			
Promotion of the Humanities Fellowships and Stipends	45.160		92,993
Subtotal National Endowment for the Humanities			92,993
National Historical Publications and Records Commission			
Various	89.UNK		1,320
Subtotal National Historical Publications and Records Commission			1,320
National Science Foundation			
Engineering Grants	47.041		365,154
Mathematical and Physical Sciences	47.049		184,089

(Continued)

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Direct:			
National Science Foundation			
Geosciences	47.050		362,709
Computer and Information Science and Engineering	47.070		249,557
Biological Sciences	47.074		80,954
Social, Behavioral, and Economic Sciences	47.075		216,458
Education and Human Resources	47.076		3,412,240
ARRA-Trans-NSF Recovery Act Research Support	47.082	Y	96,769
Various	47.UNK		655,381
Subtotal National Science Foundation			5,623,311
Small Business Administration			
Small Business Development Center	59.037		2,062,908
Veterans Business Development	59.044		122,378
Entrepreneurial Development Disaster Assistance (Disaster Relief Appropriations Act)	59.064		1,970,195
Various	59.UNK		67,264
Subtotal Small Business Administration			4,222,745
U.S. Department of Agriculture			
Agricultural Research Basic and Applied Research	10.001		203,121
International Science and Education Grants	10.305		29,653
Organic Agriculture Research and Extension Initiative	10.307		838,630
Specialty Crop Research Initiative	10.309		410,189
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312		59,126
Commodity Partnerships for Small Agricultural Risk Management Education Sessions	10.459		18,136
Risk Management Education Partnerships	10.460		47,050
Cooperative Extension Service	10.500		4,390,068
Subtotal U.S. Department of Agriculture			5,995,973

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Direct:			
U.S. Department of Commerce			
Economic Development Technical Assistance	11.303		114,479
Coastal Zone Management Estuarine Research Reserves	11.420		10,165
Measurement and Engineering Research and Standards	11.609		4,500
Various	11.UNK		(1,087)
Subtotal U.S. Department of Commerce			128,057
U.S. Department of Defense			
Basic and Applied Scientific Research	12.300		137,927
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		35,113
Air Force Defense Research Sciences Program	12.800		395,209
Language Grant Program	12.900		93,464
Various	12.UNK		213,759
Subtotal U.S. Department of Defense			875,472
U.S. Department of Education			
International: Overseas Doctoral Dissertation	84.022		52,621
Fund for the Improvement of Postsecondary Education	84.116		531
Rehabilitation Long-Term Training	84.129		(21,159)
Javits Fellowships	84.170		164,114
Graduate Assistance in Areas of National Need	84.200		1,058,853
Fund for the Improvement of Education	84.215		337,035
Comprehensive Regional Assistance Centers	84.283		1,349,368
Various	84.UNK		195,868
Subtotal U.S. Department of Education			3,137,231
U.S. Department of Energy			
Office of Science Financial Assistance Program	81.049		3,069
Subtotal U.S. Department of Energy			3,069

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Direct:			
U.S. Department of Health and Human Services			
Training in General, Pediatric, and Public Health Dentistry	93.059		125,630
Global AIDS	93.067		950,493
Environmental Health	93.113		391,354
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		1,066,950
Preventive Medicine and Public Health Residency Training Program, Integrative Medicine Program, and National Coordinating Center for Integrative Medicine	93.117		37,387
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118		345,189
NIEHS Hazardous Waste Worker Health and Safety Training	93.142		2,319,192
AIDS Education and Training Centers	93.145		694,729
Centers of Excellence	93.157		735,157
Research Related to Deafness and Communication Disorders	93.173		11,489
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		2,374,494
Research on Healthcare Costs, Quality and Outcomes	93.226		11,614
Mental Health Research Grants	93.242		384,488
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		218,141
Advanced Education Nursing Grant Program	93.247		319,465
Public Health Training Centers Grant Program	93.249		121,162
Poison Control Stabilization and Enhancement Grants	93.253		511,707
Occupational Safety and Health Program	93.262		18,519
Alcohol Research Programs	93.273		62,372
Drug Abuse and Addiction Research Programs	93.279		42,394
Mental Health National Research Service Awards for Research Training	93.282		317,580

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YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Direct:			
U.S. Department of Health and Human Services			
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		289,150
Teenage Pregnancy Prevention Program	93.297		236,983
Nurse Education, Practice Quality and Retention Grants	93.359		626,743
Cancer Research Manpower	93.398		34,634
Affordable Care Act (ACA) Primary Care Residency Expansion Program	93.510		181,202
Affordable Care Act (ACA) Advanced Nursing Education Expansion Initiative	93.513		71,280
Affordable Care Act (ACA) Public Health Training Centers Program	93.516		248,905
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		496,483
IMR and NCCIM Programs	93.700		3,961
ARRA-National Center for Research Resources, Recovery Act Construction Support	93.702	Y	2,055,221
Allergy, Immunology and Transplantation Research	93.855		45,396
Biomedical Research and Research Training	93.859		964,965
Child Health and Human Development Extramural Research	93.865		304,327
Grants for Residency Training in General Internal Medicine and/or General Pediatrics	93.884		336,670
HIV Care Formula Grants	93.917		527,671
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		978,182
Ryan White HIV/AIDS Dental Reimbursements	93.924		436,888
HIV Demonstration, Research, Public and Professional Education Projects	93.941		(1,189)
Various	93.UNK		1,545,704
Subtotal U.S. Department of Health and Human Services			20,442,682

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Direct:			
U.S. Department of Homeland Security			
Homeland Security-Related Science, Technology, Engineering And Mathematics (HS STEM) Career Development Program	97.104		196,753
Subtotal U.S. Department of Homeland Security			196,753
U.S. Department of Justice			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		5,769
Subtotal U.S. Department of Justice			5,769
U.S. Department of Labor			
Occupational Safety and Health Susan Harwood Training Grants	17.502		194,016
Various	17.UNK		70,195
Subtotal U.S. Department of Labor			264,211
U.S. Department of State			
Public Diplomacy Programs	19.040		3,921
Subtotal U.S. Department of State			3,921
U.S. Department of the Interior			
Various	15.UNK		1,885
Subtotal U.S. Department of the Interior			1,885
U.S. Department of Transportation			
Highway Training and Education	20.215		5,000
Public Transportation Research	20.514		3,700,239
ARRA-Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions	20.523	Y	123,447
University Transportation Centers Program	20.701		69,861
Various	20.UNK		53,805
Subtotal U.S. Department of Transportation			3,952,352

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Direct:			
U.S. Department of Veterans Affairs			
Sharing Specialized Medical Resources	64.018		435,752
Ophthalmology Services for Beneficiaries of Department of Veterans' Affairs New Jersey Health Care System	64.UNK		620,635
Veterans' Administration Kognito Evaluation	64.UNK		14,550
Veterinarian Services to Provide Technical Support and Directing R&D Activities	64.UNK		42,016
Subtotal U.S. Department of Veterans Affairs			1,112,953
United States Courts			
Various	16.UNK		109,645
Subtotal United States Courts			109,645
Subtotal Direct Other Programs			$46,386,123

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
Agency for International Development			
Research Triangle Institute			
Various	98.UNK		1,038,247
Triangle Coalition for Science and Technology Education			
Various	98.UNK		5,200
Subtotal Various			1,043,447
Subtotal Agency for International Development			1,043,447
Corporation for National and Community Service			
Jumpstart for Young Children			
AmeriCorps	94.006		54,961
The College of New Jersey			
AmeriCorps	94.006		11,537
Subtotal AmeriCorps			66,498
Cornell University			
Program Development and Innovation Grants	94.007		1,500
Subtotal Program Development and Innovation Grants			1,500
Mayor's Fund to Advance New York City			
Social Innovation Fund	94.019		229,129
Subtotal Social Innovation Fund			229,129
Subtotal Corporation for National and Community Service			297,127
Environmental Protection Agency			
State of New Jersey-Department of Environmental Protection			
Air Pollution Control Program Support	66.001		(3,048)
Subtotal Air Pollution Control Program Support			(3,048)

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
State Of Pennsylvania-Department of Environmental Protection			
Water Quality Management Technical Planning Assistance	66.023		(3,559)
Subtotal Water Quality Management Technical Planning Assistance			(3,559)
State of New Jersey-Department of Environmental Protection			
Capitalization Grants for Drinking Water State Revolving Funds	66.468		71,528
Subtotal Capitalization Grants for Drinking Water State Revolving Funds			71,528
State of New Jersey-Department of Environmental Protection			
Performance Partnership Grants	66.605		62,580
Subtotal Performance Partnership Grants			62,580
State of New Jersey-Department of Environmental Protection			
Various	66.UNK		54,602
Subtotal Various			54,602
Subtotal Environmental Protection Agency			182,103
Institute of Museum and Library Services			
Nurture Nature Center			
Various	42.UNK		657
Subtotal Various			657
Subtotal Institute of Museum and Library Services			657
National Aeronautics and Space Administration			
Baylor College of Medicine			
Aerospace Education Services Program	43.001		(1,074)
Subtotal Aerospace Education Services Program			(1,074)
Stockton State College			
Various	43.UNK		9,063
Subtotal Various			9,063

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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
Subtotal National Aeronautics and Space Administration			7,989
National Endowment for the Arts			
Arts Midwest			
Promotion of the Arts Grants to Organizations and Individuals	45.024		13,968
Subtotal Promotion of the Arts Grants to Organizations and Individuals			13,968
State of New Jersey-Department of State-New Jersey State Council on the Arts			
Promotion of the Arts Partnership Agreements	45.025		15,217
Subtotal Promotion of the Arts Partnership Agreements			15,217
Subtotal National Endowment for the Arts			29,185
National Endowment for the Humanities			
State of New Jersey-Department of State-New Jersey State Council on the Arts			
Promotion of the Arts Partnership Agreements	45.025		798
Subtotal Promotion of the Arts Partnership Agreements			798
New Jersey Council for the Humanities			
Promotion of the Humanities Federal/State Partnership	45.129		14,220
Subtotal Promotion of the Humanities Federal/State Partnership			14,220
New Jersey Council for the Humanities			
Various	45.UNK		2,885
Subtotal Various			2,885
Subtotal National Endowment for the Humanities			17,903
National Science Foundation			
Mathematical Association of America			
Mathematical and Physical Sciences	47.049		(2,402)
Subtotal Mathematical and Physical Sciences			(2,402)

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
University of Maryland Center for Environmental Science			
Geosciences	47.050		805
Subtotal Geosciences			805
Consortium of Ocean Leadership			
Various	47.UNK		(2,981)
Newark Public Schools			
Various	47.UNK		30,546
Ocean Nano Tech, LLC			
Various	47.UNK		39,980
Subtotal Various			67,545
Subtotal National Science Foundation			65,948
Small Business Administration			
Various Corporations			
Small Business Development Center	59.037		(2,007)
Subtotal Small Business Development Center			(2,007)
Subtotal Small Business Administration			(2,007)
U.S. Department of Agriculture			
University of Vermont			
Sustainable Agriculture Research and Education	10.215		4,902
Subtotal Sustainable Agriculture Research and Education			4,902
Cornell University			
Homeland Security Agricultural	10.304		18,919
Subtotal Homeland Security Agricultural			18,919
University of Oregon			
Agriculture and Food Research Initiative (AFRI)	10.310		71,033
Subtotal Agriculture and Food Research Initiative (AFRI)			71,033

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
Kansas State University			
Cooperative Extension Service	10.500		50,066
University of Delaware			
Cooperative Extension Service	10.500		9,778
University of Florida			
Cooperative Extension Service	10.500		56,599
University of Nebraska			
Cooperative Extension Service	10.500		3,359
University of Vermont			
Cooperative Extension Service	10.500		30,665
Subtotal Cooperative Extension Service			150,467
State of New Jersey-Department of Agriculture			
Team Nutrition Grants	10.574		153,129
Subtotal Team Nutrition Grants			153,129
State of New Jersey-Department of Agriculture			
Various	10.UNK		28,404
Subtotal Various			28,404
Subtotal U.S. Department of Agriculture			426,854
U.S. Department of Commerce			
New Jersey Sea Grant Consortium			
Various	11.UNK		523
Woods Hole Oceanographic Institution			
Various	11.UNK		14,749
Subtotal Various			15,272
Subtotal U.S. Department of Commerce			15,272

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
U.S. Department of Defense			
Princeton University			
Basic and Applied Scientific Research	12.300		(446)
Subtotal Basic and Applied Scientific Research			(446)
University of Colorado, Denver			
Military Medical Research and Development	12.420		154,529
Subtotal Military Medical Research and Development			154,529
Academy of Applied Science			
Basic, Applied, and Advanced Research in Science and Engineering	12.630		18,706
Subtotal Basic, Applied, and Advanced Research in Science and Engineering			18,706
CUBRC			
Various	12.UNK		6,000
Mathematical Association of America			
Various	12.UNK		27,500
Subtotal Various			33,500
Subtotal U.S. Department of Defense			206,289
U.S. Department of Education			
City University of New York -LaGuardia Community College			
Fund for the Improvement of Postsecondary Education	84.116		3,063
Subtotal Fund for the Improvement of Postsecondary Education			3,063
State of New Jersey-Commission on Higher Education			
College Access Challenge Grant Program	84.378		120,104
Subtotal College Access Challenge Grant Program			120,104
Trenton Public Schools			
ARRA-Special Education Grants to States (IDEA Part B), Recovery Act	84.391	Y	(33,314)

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
Subtotal ARRA-Special Education Grants to States (IDEA Part B), Recovery Act			(33,314)
National Writing Project			
Various	84.UNK		10,620
State of New Jersey-Commission on Higher Education			
Various	84.UNK		111,978
State of New Jersey-Department of Education			
Various	84.UNK		44,316
WestEd			
Various	84.UNK		1,837
Subtotal Various			168,751
Subtotal U.S. Department of Education			258,604
U.S. Department of Health and Human Services			
City of Newark			
Public Health and Social Services Emergency Fund	93.003		17,400
Subtotal Public Health and Social Services Emergency Fund			17,400
State of New Jersey-Department of Human Services-Division of Aging and Community Service			
Alzheimer's Disease Demonstration Grants to States	93.051		(41,720)
Subtotal Alzheimer's Disease Demonstration Grants to States			(41,720)
Columbia University			
Global AIDS (B)	93.067		58,393
Subtotal Global AIDS (B)			58,393
St. Louis University			
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073		625

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
University of Missouri			
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073		38,923
Subtotal Birth Defects and Developmental Disabilities - Prevention and Surveillance			39,548
University of Rochester			
Environmental Health	93.113		853
Subtotal Environmental Health			853
State of New Jersey-Department of Health Communicable Disease			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		1,215,418
State of New Jersey-Department of Health-Division of Epidemiology and Disease Control			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		95,120
Subtotal Project Grants and Cooperative Agreements for Tuberculosis Control Programs			1,310,538
Rowan University			
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156		155,361
Subtotal Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals			155,361
Pennington Biomedical Research Center			
Research and Training in Complementary and Alternative Medicine	93.213		78,127
Subtotal Research and Training in Complementary and Alternative Medicine			78,127
State of New Jersey-Department of Human Services-Division of Addiction Services			
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238		(600)

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
State of New Jersey-Department of Human Services-Division of Mental Health and Addiction Services			
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238		39,498
Subtotal Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement			38,898
Albert Einstein College of Medicine			
Mental Health Research Grants	93.242		3,482
Mt. Sinai School of Medicine			
Mental Health Research Grants	93.242		9,838
Subtotal Mental Health Research Grants			13,320
Mt. Sinai Hospital			
Occupational Safety and Health Program	93.262		130,274
Mt. Sinai School of Medicine			
Occupational Safety and Health Program	93.262		7,045
Subtotal Occupational Safety and Health Program			137,319
State of New Jersey-Department of Health-Division of Epidemiology and Disease Control			
The Affordable Care Act: Centers for Disease Control and PreventionInvestigations and Technical Assistance	93.283		(61)
State of New Jersey-Department of Health-Office of Cancer Control and Prevention			
The Affordable Care Act: Centers for Disease Control and PreventionInvestigations and Technical Assistance	93.283		26,287
Subtotal The Affordable Care Act: Centers for Disease Control and PreventionInvestigations and Technical Assistance			26,226
State of New Jersey-Department of Health-Division of Public Health and Environmental Laboratories			
Teenage Pregnancy Prevention Program	93.297		(18,155)
Subtotal Teenage Pregnancy Prevention Program			(18,155)

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
University of California			
Cancer Cause and Prevention Research	93.393		8,737
Subtotal Cancer Cause and Prevention Research			8,737
State of New Jersey-Department of Human Services			
Child Support Enforcement	93.563		4,853,558
Subtotal Child Support Enforcement			4,853,558
State of New Jersey-Department of Children and Families			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		6,839
Subtotal Child Care Mandatory and Matching Funds of the Child Care and Development Fund			6,839
University of Miami			
ARRA-Trans-NIH Recovery Act Research Support	93.701	Y	6,155
Subtotal ARRA-Trans-NIH Recovery Act Research Support			6,155
Ohio State University			
Medical Assistance Program	93.778		48,024
Subtotal Medical Assistance Program			48,024
Mt. Sinai School of Medicine			
Health Careers Opportunity Program	93.822		185,940
Subtotal Health Careers Opportunity Program			185,940
Brigham and Women's Hospital			
Allergy, Immunology and Transplantation Research	93.855		(5,486)
Case Western Reserve University			
Allergy, Immunology and Transplantation Research	93.855		34,124
University of Pittsburgh			
Allergy, Immunology and Transplantation Research	93.855		(4,433)
Subtotal Allergy, Immunology and Transplantation Research			24,205

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
State of New Jersey-Department of Health-Division of Public Health and Environmental Laboratories			
National Bioterrorism Hospital Preparedness Program	93.889		(617)
Subtotal National Bioterrorism Hospital Preparedness Program			(617)
City of Newark			
HIV Emergency Relief Project Grants	93.914		132,714
HIV Emergency Relief Project Grants	93.914		2,675,128
City of Philadelphia AIDS Activities Coordinating Office			
HIV Emergency Relief Project Grants	93.914		179,580
Middlesex County			
HIV Emergency Relief Project Grants	93.914		372,535
Union County			
HIV Emergency Relief Project Grants	93.914		105,290
Subtotal HIV Emergency Relief Project Grants			3,465,247
State of New Jersey-Department of Health-Special Children's Health Services			
HIV Care Formula Grants	93.917		67,375
Subtotal HIV Care Formula Grants			67,375
State of New Jersey-Department of Health-Special Children's Health Services			
Healthy Start Initiative	93.926		6,195
Subtotal Healthy Start Initiative			6,195
Newark Public Schools			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938		3,405
Subtotal Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems			3,405

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
State of New Jersey-Department of Health-AIDS Prevention and Control			
HIV Prevention Activities Health Department Based	93.940		641,381
Subtotal HIV Prevention Activities Health Department Based			641,381
State of New Jersey-Department of Health-Special Children's Health Services			
Maternal and Child Health Services Block Grant to the States	93.994		(3,453)
Subtotal Maternal and Child Health Services Block Grant to the States			(3,453)
Invenux, LLC.			
Various	93.UNK		28,147
North Jersey Community Research Initiative			
Various	93.UNK		22,361
State of New Jersey-Department of Education			
Various	93.UNK		248
State of New Jersey-Department of Health			
Various	93.UNK		743
The Center for Great Expectations			
Various	93.UNK		8,263
University of Oklahoma Health Sciences Center			
Various	93.UNK		2,676
Subtotal Various			62,438
Subtotal U.S. Department of Health and Human Services			11,191,537
U.S. Department of Homeland Security			
State of New Jersey-Department of Law and Public Safety-Office of Homeland Security and Preparedness			
Urban Areas Security Initiative	97.008		688,621
Subtotal Urban Areas Security Initiative			688,621

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
State of New Jersey-Department of Law and Public Safety-Office of Emergency Management			
Emergency Management Performance Grants	97.042		38,674
Subtotal Emergency Management Performance Grants			38,674
State of New Jersey-Department of Law and Public Safety-Office of Homeland Security			
State Homeland Security Program (SHSP)	97.073		52,766
Subtotal State Homeland Security Program (SHSP)			52,766
Metropolitan Transit Authority - Harris County, Texas			
Rail and Transit Security Grant Program	97.075		872
Subtotal Rail and Transit Security Grant Program			872
San Francisco Municipal Transportation Agency			
Various	97.UNK		(416)
Subtotal Various			(416)
Subtotal U.S. Department of Homeland Security			780,517
U.S. Department of Justice			
State of New Jersey-Department of Community Affairs			
Sexual Assault Services Formula Program	16.017		2
Subtotal Sexual Assault Services Formula Program			2
State of New Jersey-Department of Law and Public Safety-Office of Victim Witness Advocacy			
Crime Victim Assistance	16.575		29,065
Subtotal Crime Victim Assistance			29,065
National 4-H Council			
Juvenile Mentoring Program	16.726		37,264
Subtotal Juvenile Mentoring Program			37,264
Institute for Intergovernmental Research			
Various	16.UNK		49,390

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
Middlesex County			
Various	16.UNK		3,911
Subtotal Various			53,301
Subtotal U.S. Department of Justice			119,632
U.S. Department of Labor			
Camden County Workforce Investment Board			
Various	17.UNK		66,021
City of Newark			
Various	17.UNK		118,734
National Organization on Disability			
Various	17.UNK		27,967
New Jersey Institute of Technology			
Various	17.UNK		5,408
State of New Jersey-Department of Labor			
Various	17.UNK		6,753
Various	17.UNK		9,744
Subtotal Various			234,627
Subtotal U.S. Department of Labor			234,627
U.S. Department of State			
University of Delaware			
Professional Exchanges Annual Open Grant	19.415		103,821
Subtotal Professional Exchanges Annual Open Grant			103,821
International Research and Exchanges Board			
Various	84.UNK		62,844
Subtotal Various			62,844
Subtotal U.S. Department of State			166,665

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
U.S. Department of Transportation			
Various Associations			
Public Transportation Research	20.514		250,304
Subtotal Public Transportation Research			250,304
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety			
State and Community Highway Safety	20.600		81,219
Subtotal State and Community Highway Safety			81,219
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety			
Child Safety and Child Booster Seats Incentive Grants	20.613		(124)
Subtotal Child Safety and Child Booster Seats Incentive Grants			(124)
Cornell University			
Biobased Transportation Research	20.761		6,456
Subtotal Biobased Transportation Research			6,456
City University of New York -Transportation Research Center			
Various	20.UNK		25,000
McAndrew Company			
Various	20.UNK		29,536
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety			
Various	20.UNK		37,811
State of New Jersey-Department of Transportation			
Various	20.UNK		148,701
Subtotal Various			241,048
Subtotal U.S. Department of Transportation			578,903

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Numbers or Other I.D. Numbers	ARRA	Federal Expenditures
OTHER PROGRAMS:			
Pass-Through:			
SNAP Cluster			
U.S. Department of Agriculture			
State of New Jersey-Department of Health			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		1,165,491
State of New Jersey-Department of Human Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		4,025,986
State of New Jersey-Department of Human Services-Division of Family Development			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		(10,082)
Subtotal State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			5,181,395
Subtotal U.S. Department of Agriculture			5,181,395
Transit Services Programs Cluster			
U.S. Department of Transportation			
New Jersey Transit Corporation			
New Freedom Program	20.521		348,864
Subtotal New Freedom Program			348,864
Subtotal U.S. Department of Transportation			348,864
Subtotal Pass-Through Other Programs			$21,151,511
Subtotal Other Programs and Student Financial Aid Cluster			$641,377,806
Total Expenditures of Federal Awards			$960,461,272

See accompanying notes to Schedule of Expenditures of Federal Awards.

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
(A Component Unit of the State of New Jersey)

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

(1) Basis of Presentation

The purpose of the schedule of expenditures of Federal awards (the schedule) is to present a summary of those activities of Rutgers, The State University of New Jersey (the University) for the year ended June 30, 2014, which have been financed by the U.S. Government (Federal awards). For purposes of the schedule, Federal awards include all Federal assistance and procurement relationships entered into directly between the University and the Federal Government and sub-awards from non-Federal organizations made under Federally sponsored agreements. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the 2014 basic financial statements. Because the schedule presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in financial position, or cash flows of the University. For reporting purposes, Federal expenditures have been classified into three groups:

1. Research and development cluster,
2. Student financial aid cluster, and
3. Awards other than student financial aid and sponsored research, principally development and training activities.

The accounting principles followed by the University in each of these areas and used in preparing the accompanying schedule are as follows:

- Student Financial Aid – Disbursements are recognized on the accrual basis of accounting for awards made to students and for allowable administrative expenses of running such programs.
- Awards Other Than Student Financial Aid – Disbursements (expenditures) for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget Circular A-21, *Cost Principles for Educational Institutions*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general University activities which are allocated to Federal expenditures under negotiated formulas commonly referred to as facilities and administrative (F&A) costs rates. F&A costs applicable to these cost recoveries are classified as unrestricted expenses in the statements of revenues, expenses, and changes in net position. Credit disbursement amounts typically result from grant or contract closing adjustments or transfers.

Effective July 1, 2013, the New Jersey Medical and Health Sciences Education Restructuring Act (the Act), (Chapter 45, P.L. 2012), went into effect. The Act integrated the Cancer Institute of New Jersey and all units of the University of Medicine and Dentistry of New Jersey (UMDNJ), except University Hospital (UH) in Newark and the School of Osteopathic Medicine (SOM) in Stratford, into Rutgers. The UMDNJ schools and units transferred to Rutgers joining the existing Rutgers School of Nursing, Rutgers Ernest Mario School of Pharmacy and the Rutgers Institute of Health, Health Care Policy and Aging Research to form the Rutgers Biomedical and Health Sciences (RBHS) division. Federal awards that were previously administered by the

UMDNJ schools and units that were transferred to Rutgers have also been transferred and are included in the schedule for the year ended June 30, 2014.

(2) Subrecipients

Of the Federal expenditures presented in the schedule of expenditures of Federal awards, the University provided Federal awards to subrecipients as follows:

Program title	Federal CFDA numbers	Amount provided to subrecipients
Agricultural Research Basic and Applied Research	10.001	$ 57,987
Plant and Animal Disease, Pest Control, and Animal Care	10.025	232,415
Grants for Agricultural Research, Special Research Grants	10.200	135,225
Integrated Programs	10.303	3,378
Organic Agriculture Research and Extension Initiative	10.307	548,192
Specialty Crop Research Initiative	10.309	233,832
Agriculture and Food Research Initiative (AFRI)	10.310	198,803
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312	50,094
Cooperative Extension Service	10.500	2,241
Various	10.RD	174,830
Integrated Ocean Observing System (IOOS)	11.012	1,792,017
Coastal Zone Management Administration Awards	11.419	53,633
Coastal Zone Management Estuarine Research Reserves	11.420	14,440
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432	22,156
NOAA Programs for Disaster Relief Appropriations Act – Non-construction and Construction	11.483	30,787
Technology Innovation Program (TIP)	11.616	502,263
Various	11.RD	37,920
Basic and Applied Scientific Research	12.300	1,078,802
Military Medical Research and Development	12.420	4,766,325
Basic Scientific Research	12.431	170,608
Basic, Applied, and Advanced Research in Science and Engineering	12.630	(10,178)
Research and Technology Development	12.910	204,681
Various	12.RD	440,162
Sustainable Communities Regional Planning Grant Program	14.703	863,152
Various	14.RD	6,873
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423	221,676
Assistance to State Water Resources Research Institutes	15.805	10,359
Various	15.RD	9,897

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
(A Component Unit of the State of New Jersey)

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

Program title	Federal CFDA numbers	Amount provided to subrecipients
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	$ 25,709
Various	16.RD	21,942
Occupational Safety and Health Susan Harwood Training Grants	17.502	105,477
Various	17.UNK	7,994
Highway Research and Development Program	20.200	69,216
Railroad Research and Development	20.313	1,342
Public Transportation Research	20.514	1,118,314
State and Community Highway Safety	20.600	35,289
University Transportation Centers Program	20.701	1,113,485
Various	20.RD	3,293,176
Science	43.001	68,160
Various	43.RD	235,443
Promotion of the Humanities Research	45.161	27,692
National Leadership Grants	45.312	22,969
Engineering Grants	47.041	1,844,502
Mathematical and Physical Sciences	47.049	6,301
Geosciences	47.050	1,895,589
Computer and Information Science and Engineering	47.070	145,752
Biological Sciences	47.074	2,485,816
Social, Behavioral, and Economic Sciences	47.075	100,523
Education and Human Resources	47.076	1,242,628
Polar Programs	47.078	2,217
ARRA-Trans-NSF Recovery Act Research Support	47.082	65,737
Various	47.RD	73,037
Various	47.UNK	40,412
Small Business Development Center	59.037	799,638
Entrepreneurial Development Disaster Assistance (Disaster Relief Appropriations Act)	59.064	555,723
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	34,000
Nonpoint Source Implementation Grants	66.460	2,861
Science To Achieve Results (STAR) Research Program	66.509	144,149
Performance Partnership Grants	66.605	8,534
Various	66.RD	7,872
Office of Science Financial Assistance Program	81.049	260,255
Stewardship Science Grant Program	81.112	541,085
Various	81.RD	314,561

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
(A Component Unit of the State of New Jersey)

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

Program title	Federal CFDA numbers	Amount provided to subrecipients
National Institute on Disability and Rehabilitation	84.133	$ 113,557
Various	84.215P	30,564
Various	84.283B	683,145
Education Research, Development and Dissemination	84.305	21,965
Various	84.374A	29,683
U.S. Election Assistance Commission Research Grants	90.403	14,527
Environmental Health	93.113	199,832
Oral Diseases and Disorders Research	93.121	239,116
Grants to Increase Organ Donations	93.134	225,405
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	1,697,728
AIDS Education and Training Centers	93.145	39,812
Human Genome Research	93.172	218,849
Research Related to Deafness and Communication Disorders	93.173	70,097
Research and Training in Alternative Medicine	93.213	182,547
Research and Training in Complementary and Alternative Medicine	93.213	(8,108)
Research on Healthcare Costs, Quality and Outcomes	93.226	119,951
Mental Health Research Grants	93.242	2,169,137
Projects of Regional and National Significance Nursing Education Grant Program	93.243	43,103
Occupational Safety and Health Program	93.262	658,831
Alcohol Research Programs	93.273	68,675
Drug Abuse and Addiction Research Programs	93.279	114,585
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	292,011
Teenage Pregnancy Prevention Program	93.297	40,302
Trans-NIH Research Support	93.310	390,497
Cancer Cause and Prevention Research	93.393	333,548
Cancer Treatment Research	93.395	697,173
Cancer Biology Research	93.396	224,439
Cancer Centers Support	93.397	109,557
Cancer Research Manpower	93.398	16,269
Cancer Control	93.399	99,848
Affordable Care Act (ACA) Public Health Training Centers	93.516	36,687
Health Care Innovation Awards (HCIA)	93.610	3,928,807
ARRA-Recovery Act – Comparative Effectiveness Research – AHRQ	93.715	390,795
Cardiovascular Diseases Research	93.837	371,753

(Continued)

Program title	Federal CFDA numbers	Amount provided to subrecipients
Lung Diseases Research	93.838	$ 345,531
Arthritis Musculoskeletal and Skin Diseases Research	93.846	1,075,821
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	71,532
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	2,597,481
Allergy, Immunology and Transplantation Research	93.855	3,583,972
Biomedical Research and Research Training	93.859	4,678,145
Child Health and Human Development Extramural Research	93.865	829,905
Aging Research	93.866	37,528
Vision Research	93.867	38,303
Medical Library Assistance	93.879	186,489
HIV Care Formula Grants	93.917	123,931
Ryan White HIV/AIDS Dental Reimbursement and Community B	93.924	25,000
Project Grants and Cooperative Agreements for Tuberculosis	93.947	10,313
International Research and Research Training	93.989	49,798
Various	93.RD	343,680
Various	93.UNK	98,899
Centers for Homeland Security	97.061	890,224
Various	97.RD	58,000
USAID Foreign Assistance for Programs Overseas	98.001	20,546
Various	98.RD	74,294
Various	98.UNK	218,494
Various	99.999	195,215
		$ 57,987,758

(3) Federal Direct Student Loan Program

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program and, accordingly, these loans are not included in the University's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the University under this program at June 30, 2014.

(4) Federal Perkins Loan Program, Nursing Student Loan Program, and Income Contingent Loan Program

The balance of loans outstanding under the Federal Perkins Loan Program, Nursing Student Loan Program, and Income Contingent Loan Program (CFDA # 84.226) at June 30, 2014 were as follows:

Year ended June 30, 2014

		Federal Perkins Loan Program	Nursing Student Loan Program	Income Contingent Loan Program
Beginning balance (1)	$	54,516,077	1,086,808	54,308
New loans issued		7,469,075	344,037	—
Payments		(8,304,855)	(76,061)	—
Adjustments		(22,189)	—	(27,944)
Cancellations		(139,726)	(8,394)	—
Ending balance	$	53,518,382	1,346,390	26,364

(1) Includes the beginning balances of the respective loan program that was administered by RBHS prior to the Act as of July 1, 2013.

KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

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

The Board of Governors
The Board of Trustees
Rutgers, the State University of New Jersey:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Rutgers, The State University of New Jersey (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 6, 2014. Our report contained a modified opinion on the financial statements of the aggregate discretely presented component units regarding a departure of accounting from U.S. generally accepted accounting principles related to the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate (UPA) which are prepared on a modified basis of cash receipts and disbursements. Our report also contained emphasis of matter paragraphs regarding the University's change in its reporting entity and the adoption of Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*. The financial statements of UPA and Rutgers University Foundation, discretely presented component units were not audited in accordance with *Governmental Auditing Standards*. Our report includes a reference to other auditors who audited the financial statements of UPA, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Short Hills, New Jersey
November 6, 2014

KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

The Board of Governors
The Board of Trustees
Rutgers, The State University of New Jersey:

Report on Compliance for Each Major Federal Program

We have audited Rutgers, The State University of New Jersey's (the University) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major Federal programs for the year ended June 30, 2014. The University's major Federal 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 programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and modified audit opinions on compliance. However, our audit does not provide a legal determination of the University's compliance.

Basis for Qualified Opinion on the Cooperative Extension Service Program

As described in the accompanying schedule of findings and questioned costs, the University did not comply with requirements regarding CFDA 10.500 Cooperative Extension Service as described in finding 2014-001 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the University to comply with the requirements applicable to that program.

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Qualified Opinion on the Cooperative Extension Service Program

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Cooperative Extension Service program for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major Federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as 2014-002 and 2014-003. Our opinion on each major Federal program is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-002 and 2014-003 to be significant deficiencies.

The University's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated November 6, 2014, which contained a modified opinion on the financial statements of the aggregate discretely presented component units regarding a departure of accounting from U.S. generally accepted accounting principles related to the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate which are prepared on a modified basis of cash receipts and disbursements. Our report also contained emphasis of matter paragraphs regarding the University's change in its reporting entity and the adoption of Governmental Accounting Standards Board Statement No. 69, *Government Combinations and Disposals of Government Operations*. Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KPMG LLP

Short Hills, New Jersey
March 27, 2015

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
(A Component Unit of the State of New Jersey)

Schedule of Findings and Questioned Costs

June 30, 2014

(1) Summary of Auditors' Results

(a) An unmodified opinion was issued on the financial statements of the business-type activities of Rutgers, The State University of New Jersey, a component unit of the State of New Jersey (the University), as of and for the year ended June 30, 2014. A modified opinion was issued on the financial statements of the aggregate discretely presented component units of the University regarding a departure of accounting from U.S. generally accepted accounting principles related to the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate which are prepared on a modified basis of cash receipts and disbursements. Our reports also contained emphasis of matter paragraphs regarding the University's change in its reporting entity and the adoption of Governmental Accounting Standards Board Statement No. 69, *Government Combinations and Disposals of Government Operations.*

(b) Significant deficiencies in internal control disclosed by the audit of the basic financial statements of the University as of and for the year ended June 30, 2014: **none reported** Material weaknesses: **no**

(c) The audit disclosed no instances of noncompliance which are material to the basic financial statements of the University as of and for the year ended June 30, 2014.

(d) Significant deficiencies in internal control over the major Federal programs of the University for the year ended June 30, 2014: two findings were reported **(2014-002 and 2014-003)** Material weaknesses: one finding was reported **(2014-001).**

(e) A qualified opinion was issued on the University's compliance with the Cooperative Extension Service program for the year ended June 30, 2014. An unmodified opinion was issued on the University's compliance with the following programs for the year ended June 30, 2014: Research and Development Cluster, Student Financial Aid Cluster, Education and Human Resources, HIV Emergency Relief Project Grants, Veterans State Hospital Care, Sharing Specialized Medical Resources, and State Administrative Matching Grants for the Supplemental Nutrition Assistance Program.

(f) There were three audit findings **(2014-001, 2014-002, and 2014-003)** which was required to be reported under Section 510(a) of Federal OMB Circular A-133 for the year ended June 30, 2014.

(g) The major Federal programs of the University for the year ended June 30, 2014 were as follows:

- Research and Development Cluster (various CFDA numbers)
- Student Financial Aid Cluster (various CFDA numbers)
- Cooperative Extension Service (10.500)
- State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10.561)
- Education and Human Resources (47.076)

- Sharing Specialized Medical Resources (64.018)
- Ophthalmology Services for Beneficiaries of Department of Veterans' Affairs New Jersey Health Care System (64.UNK)
- HIV Emergency Relief Project Grants (93.914)

(h) The dollar threshold used to distinguish between type A and type B programs was $3,048,355 for Federal awards for the year ended June 30, 2014.

(i) The University qualified as a low-risk auditee for Federal awards for the year ended June 30, 2014.

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

No findings which are required to be reported.

(3) Findings and Questioned Costs Related to Federal Awards

2014-001 Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Time and Effort Reporting

U.S. Department of Agriculture:
Cooperative Extension Service (CFDA #10.500)

Federal Grant Numbers

2013-41100-03000 (10/1/12 – 9/30/13)
2010-41520-20735 (10/1/12 – 9/30/13)
2009-41520-05390 (10/1/12 – 9/30/13)

Criteria

Time and Effort Reporting

OMB Circular A-21.J10.c.2 requires that "after-the-fact activity reports will reasonably reflect the activities for which employees are compensated by the institution. Further, for professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate arrangements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods."

Condition

The University maintains a time and effort reporting system where all employees working on Federal grant programs and their principal investigator are required to certify the time worked by an individual on a semi-annual basis. For fiscal year ended June 30, 2014, the total personal services expenditures charged to the program were $4,017,284. For twenty out of the forty employees selected for testwork for the Cooperative Extension Service Program (the Program), the University did not ensure that periodic time and effort reports were completed by the employee to validate that the distribution of activity represents a reasonable estimate of the actual work performed by the employee. These twenty employees worked solely on the Program. The other twenty employees selected for testwork had certified time and effort reports as they did not solely work on the Program as their time is allocated to other Federal grants.

Cause

The University did not have a process in place to ensure that required time and effort reporting for employees working solely on the Program was being performed.

Effect

Personal service expenditures charged to the Program were not appropriately supported by certifications of actual time and effort.

Questioned Costs

Total personal services expenditures for the twenty employees included in our sample that did not have time and effort certifications were $23,050. Total personal services expenditures for all employees that did not have time and effort certifications for the year ended June 30, 2014 were $571,982.

Recommendation

We recommend that the University implement a process to ensure that all employees who work on the Program prepare the required time and effort certifications and there is appropriate supervisory review of the certifications.

View of Responsible Official

All employees who worked solely on the Program have been certified. Modifications have already been implemented to the University's time and effort reporting system to now allow for the certification of all employees working on the Program by a responsible official.

2014-002 Special Tests and Provisions – Enrollment Reporting

U.S. Department of Education:
Student Financial Assistance Cluster:
Federal Direct Student Loan Program (CFDA #84.268)

Federal Grant Numbers

P268K140272 (7/1/13 – 6/30/14)

Criteria

Under the Pell grant and loan programs, institutions must complete and return within 30 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) (OMB No. 1845-0002) mailboxes sent by ED via NSLDS (OMB No. 1845-0035). The institution determines how often it receives the Enrollment Reporting roster file with the default set at every 2 months, but the minimum is twice a year. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS website. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

A student's enrollment status determines eligibility for in-school status, deferment, and grace periods, as well as for the payment of interest subsidies to FFEL Program loan holders by ED. Enrollment Reporting in a timely and accurate manner is critical for effective management of the programs. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. These changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves-of-absence.

Condition

The University utilizes the National Student Clearinghouse (the Clearinghouse) as a service provider for transmissions of their enrollment reporting requirements to the National Student Loan Data System (NSLDS). The University receives the Enrollment Reporting Roster every 60 days and updates it for changes in student status. The file is sent to the Clearinghouse who transmits the updated information to NSLDS. For three out of eighty students selected for testwork, the students' changes in status were reported to NSLDS after the required 60 day timeframe. The students' changes in status were reported 64, 221, and 357 days late, respectively.

Cause

The University did not check the NSLDS to ensure the Clearinghouse was transmitting the data in a timely manner.

Effect

Student status changes not reported in a timely manner may not enter into a repayment status on a timely basis.

Questioned Costs

There are no known questioned costs related to this finding.

Recommendation

We recommend that the University ensure that the proper student status change information is being sent to and received by the NSLDS from the Clearinghouse within the required timeframe and if any discrepancies are noted that proper follow-up procedures with both the NSLDS and Clearinghouse are implemented.

View of Responsible Official

Due to retroactive adjustments made after the last file was sent to the Clearinghouse, two students' changes in status were reported late. In one instance, the student's degree was awarded retroactively and another was officially withdrawn retroactively after the semester was over. To address this deficit, the date of degree actually awarded will be added to the University's data audit file. A report will be generated reflecting any degrees posted after the last graduation file is sent to the Clearinghouse. This information will be forwarded to the Financial Aid Office to alert NSLDS of the awarded degree. Another report will be produced reflecting any retroactive withdrawals from the University's data audit file to update the student's record on the Clearinghouse file.

The third student's change in status was reported late due to manual error in identifying the change in status. University staff will be reminded of current policies and procedures for processing student status changes.

2014-003 Equipment and Real Property Management

U.S. Department of Health and Human Services, National Institute of Health:
Research and Development Cluster:

Extramural Research Programs in the Neurosciences	(CFDA #93.853)
Cardiovascular Diseases Research	(CFDA #93.837)

Federal Grant Numbers

RHL069000B (2/15/07 – 1/31/12)
RNS064303B (1/15/10 – 12/31/12)

Criteria

Equipment Management

A State shall use, manage, and dispose of equipment acquired under a Federal grant in accordance with State laws and procedures. Subrecipients of States who are local governments or Indian tribes shall use State laws and procedures for equipment acquired under a subgrant from a State.

Local governments and Indian tribes shall follow the A-102 Common Rule for equipment acquired under Federal awards received directly from a Federal awarding agency. Institutions of higher education, hospitals, and other nonprofit organizations shall follow the provisions of OMB Circular A-110. Basically, the A-102 Common Rule and OMB Circular A-110 require that equipment be used in the program for which it was acquired or, when appropriate, other Federal programs. Equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every 2 years and reconciled to the equipment records, an appropriate control system

shall be used to safeguard equipment, and equipment shall be adequately maintained. When equipment with a current per unit fair market value of $5,000 or more is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate (percent of Federal participation in the cost of the original project) amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.

Condition

The University uses Federal funds to purchase certain pieces of equipment to support its research and development activities. In accordance with OMB Circular A-110, all equipment purchased with Federal funds must be maintained on an asset inventory record, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. When equipment is acquired by the University, it is tagged with a barcode and included in the inventory which is conducted every two years. When it is disposed of or transferred, it is removed from the asset management system and the University's general ledger. For two out of the twenty-five pieces of equipment selected for testwork from the asset inventory records, the equipment could not be located by the respective department. In addition, for one of the two items, a physical inventory of that piece of equipment was not completed.

Cause

Of the two pieces of equipment not found in the respective department, one was traded in and not disposed of within the University's asset inventory record. A physical inventory taken within the last two years did not result in the removal of this piece of equipment from the asset inventory records. The other piece of equipment was transferred to another university and was not removed from the asset inventory record when transferred.

Effect

Equipment purchased with Federal funds may not be properly accounted for or reported in accordance with Federal requirements and, in the event a piece of equipment is sold or disposed of, the University may be unaware of additional Federal requirements related to any program income generated from such transactions.

Questioned Costs

There are no known questioned costs related to this finding.

Recommendation

We recommend that the University strengthen its policies and procedures over the identification, reporting and tracking of equipment purchased with Federal funds.

View of Responsible Official

Both pieces of equipment have been removed from our asset records and the general ledger. We are in the process of having a full audit of all RBHS (legacy UMDNJ units) equipment performed. All University records will be appropriately adjusted based on the results of the audit.