



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

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

June 30, 2004

(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 on Basic Financial Statements and Schedule of Expenditures of Federal Awards**

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

We have audited the accompanying statements of net assets of Rutgers, The State University of New Jersey (the University), a component unit of the State of New Jersey, as of June 30, 2004 and 2003, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rutgers, The State University of New Jersey as of June 30, 2004 and 2003, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2004 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* and should be considered in assessing the results of our audits.



The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2004 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2004 basic financial statements taken as a whole.

KPMG LLP

October 19, 2004

# Rutgers, The State University of New Jersey

## Management's Discussion and Analysis

JUNE 30, 2004 and 2003

The following management 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, 2004 and 2003, and its results of operations for the years then ended. Management has prepared the 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.

The University's financial report includes three basic financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, 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 as a whole rather than the accountability of funds.

The financial reporting entity of Rutgers includes its 29 degree granting schools, of which 16 offer graduate programs of study. These schools are located on three regional campuses in New Brunswick (Piscataway), Newark and Camden. The financial statements also include the financial activity of the Rutgers University Foundation, which administers the fundraising activities for the University.

### Statement of Net Assets

The Statement of Net Assets presents the financial position of the University at the end of the fiscal year and includes all assets (current and noncurrent), liabilities (current and noncurrent) and net assets (the difference between total assets and total liabilities) of the University. Net assets is one indicator of the financial condition of the University, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year.

Current assets include unrestricted cash and cash equivalents, investments that mature within a year, receivables and pledges due within a year, inventories and other short-term assets. Non-current assets include unrestricted investments that mature in more than a year as well as all cash and cash equivalents and investments that are restricted by donors or external parties as to their use. Receivables and pledges deemed to be collectable in more than a year are also included as noncurrent.

Current liabilities include all liabilities that are payable within the next fiscal year. Deferred revenues, principally from summer programs, are also presented as current liabilities. Liabilities that are due to be paid beyond the next fiscal year are reported as noncurrent liabilities.

Net assets consist of three major categories. The first category, invested in capital assets, net of debt, represents the institution's equity in property, plant and equipment. The next category is restricted net assets, which is divided into two categories, non-expendable and expendable. Nonexpendable net assets 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 entity at the time the resources are received. Expendable restricted net assets are available for expenditure by the University but must be spent for purposes as specified by external entities. The final category is unrestricted net assets. Unrestricted net assets are available to the institution for any lawful purpose. Substantially all of the University's unrestricted net assets have 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.

A summarized comparison of the University's assets, liabilities and net assets at June 30, 2004 and 2003 is as follows (dollars in thousands):

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Assets			
Current assets	\$425,950	\$356,803	\$345,378
Noncurrent assets:			
Endowment, restricted and other noncurrent cash and investments	666,601	666,463	557,177
Capital assets, net	1,481,862	1,439,879	1,396,470
Other assets	53,277	42,204	34,830
Total assets	<u>2,627,690</u>	<u>2,505,349</u>	<u>2,333,855</u>

Liabilities			
Current liabilities	175,784	166,923	163,179
Noncurrent liabilities	<u>572,332</u>	<u>543,291</u>	<u>483,369</u>
Total liabilities	<u>748,116</u>	<u>710,214</u>	<u>646,548</u>
Net assets (assets less liabilities)			
Invested in capital assets, net of debt	1,001,582	970,139	927,679
Restricted - expendable	336,962	347,259	311,502
Restricted - nonexpendable	220,131	191,882	183,582
Unrestricted	<u>320,899</u>	<u>285,855</u>	<u>264,544</u>
Total net assets	<u>\$1,879,574</u>	<u>\$1,795,135</u>	<u>\$1,687,307</u>

A review of the University's statement of net assets at June 30, 2004 reflects an increase in total assets of \$122.3 million in 2004. This increase was primarily due to an increase of \$64.6 million in the University's cash and investments resulting primarily from an increase in market value of \$45.4 million. Capital assets also increased by \$42.0 million. Included in this increase was the capitalization of improvements to the Hale Center, improvements at the Wright-Rieman Chemistry Building, and Neilson Dining Hall.

In 2003, total assets increased by \$171.5 million primarily due to an increase of \$109.3 million in the University's noncurrent cash and investments. This increase was a result of additional Higher Education Capital Improvement Program bonds issued by the state in 2003 which provided \$94.0 million and the proceeds from Series 2002B bonds issued by the University which provided \$43.4 million. The proceeds of these bonds will be used to finance capital expenditures.

Total liabilities for the year 2004 increased by \$37.9 million. The primary cause for the increase was due to the issuance of Series 2003D bonds in the amount of \$24.8 million and the issuance of Certificates of Participation Series 2004 resulting in an additional \$30.6 million liability to the University. The University also refinanced several of its general obligation bonds, Series 93-1, Series 93-A and Series 93-B, and several revenue bonds, Series S and Series T, in 2004. This refinancing resulted in a reduction of \$18.5 million to the University's debt obligation. The net effect of these new issues resulted in a net increase of \$37.0 million to our outstanding debt obligation. This was offset by payments to our existing debt totaling \$26.9 million. The University's compensated absence liability was also increased by \$3.4 million to meet the University's potential obligation for unused sick time for its employees. Deferred revenues also increased by \$2.3 million as a result of an increase in the tuition rates on summer programs and an increase in the enrollments in those programs.

In 2003, total liabilities increased by \$63.6 million. The primary cause for the increase was due to the issuance of Series 2002B bonds in the amount of \$50.0 million and the issuance of additional Higher Education Capital Improvement bonds resulting in an additional \$31.3 million liability to the University. These programs resulted in a total increase of \$46.3 million to our outstanding debt obligation. This was offset by payments to our existing debt totaling \$23.3 million. Deferred revenues also increased by \$2.5 million as a result of an increase in the tuition rates on summer programs and an increase in the enrollments in those programs.

Net assets increased by \$84.4 million in 2004 primarily as a result of the \$31.4 million increase in the University's invested in capital assets. This increase is a result of a number of Higher Education Capital Improvement Program (HECIP) projects, such as the construction of the Genetics Research Laboratory facility, renovations at the Mabel Smith Library, and the Wright-Rieman Chemistry Laboratories. The University's unrestricted net assets increased by \$35.0 million. The University set aside \$10.0 million for academic and student aid initiatives for fiscal 2005 accounting for a major part of this increase. The University's restricted nonexpendable net assets also increased by \$28.2 million primarily as a result of an increase in market values. These increases were offset by a reduction in the University's restricted expendable assets resulting primarily from the use of state funds appropriated for capital projects in prior years.

In 2003, net assets increased by \$107.8 million primarily as a result of the \$42.4 million increase in the University's invested in capital assets. This increase was a result of a number of Higher Education Capital Improvement Program (HECIP) projects, such as the renovations at the Wright-Rieman Chemistry Building, the Engineering Building, Lipman Hall, and the relocation of underground utilities. The University's restricted expendable net assets increased \$35.7 million in 2003 primarily as a result of the grant portion of the Higher Education Capital Improvement Program received from the State restricted for use on deferred maintenance projects throughout the University.

#### Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and the expenses incurred during the year. Activities are classified as either operating or nonoperating. Revenues received and expenses incurred as a result of the University providing goods and services to its customers are considered operating. Nonoperating 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 revenue.

A summarized comparison of the University's revenues, expenses, and changes in net assets for the years ended June 30, 2004 and 2003 is as follows (dollars in thousands):

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operating revenues			
Student tuition and fees (net of scholarship allowance)	\$338,445	\$311,711	\$273,842
Grants and contracts	328,347	308,209	287,246
Auxiliary enterprises	161,351	157,444	152,124
Other operating revenues	<u>46,134</u>	<u>43,617</u>	<u>35,654</u>
Total operating revenues	874,277	820,981	748,866
Operating expenses	<u>1,319,923</u>	<u>1,248,265</u>	<u>1,181,313</u>
Operating loss	<u>(445,646)</u>	<u>(427,284)</u>	<u>(432,447)</u>
Nonoperating revenues and expenses			
State appropriations (including fringe benefits paid directly by the state)	435,347	436,122	436,602
Gifts	36,941	25,139	35,067
Endowment and investment income	13,332	17,947	25,755
Unrealized and realized gain (loss) on marketable securities	45,403	8,553	(29,179)
Interest on capital asset related debt	(21,486)	(22,419)	(23,577)
Net other nonoperating revenues and (expenses)	<u>4,030</u>	<u>(22,969)</u>	<u>1,107</u>
Net nonoperating revenues and (expenses)	<u>513,567</u>	<u>442,373</u>	<u>445,775</u>
Income before other revenues, expenses, gains and losses	67,921	15,089	13,328
Other revenues, expenses, gains and losses	<u>16,518</u>	<u>92,739</u>	<u>90,895</u>
Increase in net assets	84,439	107,828	104,223
Net assets at beginning of year	<u>1,795,135</u>	<u>1,687,307</u>	<u>1,583,084</u>
Net assets at end of year	<u><u>\$1,879,574</u></u>	<u><u>\$1,795,135</u></u>	<u><u>\$1,687,307</u></u>

The University's net assets increased by \$84.4 million in 2004. A major part of that increase resulted from an increase in market value of the University's investments of \$45.4 million. Another \$9.0 million of this increase was attributable to capital appropriations, grants and gifts that were used to construct, renovate or acquire capital assets. In addition, \$7.5 million was received from donors to be added to the University's permanent endowment to generate income that the University will be able to use for specific programs.

Tuition and fees are reflected net of scholarship allowances. Scholarship allowances 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 \$106.5 million of a total \$136.3 million of student aid directly to student accounts. The remaining \$29.8 million was paid to students and is reflected as scholarship and fellowship expense. Scholarship allowances allocated to tuition and fees amounted to \$85.0 million. Another \$21.5 million was allocated to residence fees, which are included in auxiliary revenues. Tuition and fees, net of scholarship allowances, increased \$26.7 million in 2004. The increase resulted primarily from an increase in tuition rates that averaged 9.35% offset by an increase of 11.1% in the scholarship allowance for additional aid awarded to students. In 2003, tuition and fees net of scholarship allowances, increased \$37.9 million. The increase in 2003 resulted from a 9.8% increase in tuition rates and a 2.3% increase in enrollment.

Grant and contract activity continues to grow with an increase of \$20.1 million in 2004. Federal and State funds received as support for student aid are included as grant revenue. The University received an increase of \$1.0 million in federal support and an increase of \$0.2 million in state support for student aid in 2004. The federal support increased primarily as a result of an increase in the maximum amounts authorized under the Pell Grant Program as well as an increase in the number of awards that provided an additional \$1.0 million to the University. The State support increased primarily due to an increase in Tuition Aid Grant awards this year.

In 2003, federal support for student aid increased \$3.8 million and state support for student aid increased \$1.4 million. As in 2004, federal support increased in 2003 primarily as a result of an increase in the maximum amounts authorized under the Pell Grant Program that provided an additional \$3.9 million to the University. Also in 2003, state support increased primarily due to an increase in Tuition Aid Grant awards.

Federal grants for research increased by \$28.3 million. This increase resulted primarily from increased grant activity from two federal agencies, the National Institute of Health (NIH) and the National Science Foundation (NSF). Grants from NIH increased this year by \$15.2 million and grants from NSF increased \$11.2 million.

State support for research decreased by \$3.0 million this year. This decrease is primarily attributed to a decrease in grant activity from the Commission on Science and Technology (CST). The State of New Jersey significantly reduced funding of this agency last year as a result of the State's budgetary difficulties. As a result, CST was forced to reduce its awards to the University by \$3.9 million.

Finally, non-governmental grants and contracts decreased by \$6.4 million. A significant cause of this decrease is the result of decrease in awards from other institutions, particularly a \$3.0 million grant from Washington University of St. Louis. This grant was actually funded by the National Institute of Health (NIH) to Washington University of St. Louis who in turn "passed through" this award to Rutgers. The University is now receiving this grant directly from NIH, and it is, therefore, now included as federal grant revenue. Total grant and contract revenue from all three sources, federal, state and non-governmental, for research increased therefore by \$20.1 million. As a result of this increase in revenue, total expenses for research increased by \$16.3 million.

In 2003, Grant and contract revenue increased \$21.0 million. The University received an increase of \$3.8 million in federal support and \$1.4 million in state support for student aid. The federal support increased primarily as a result of an increase in the maximum amounts authorized under the Pell Grant Program that provided an additional \$3.9 million to the University. The State support increased primarily due to an increase in Tuition Aid Grant awards that year.

Federal grants for research increased by \$17.1 million in 2003. This increase resulted primarily from several large grants received in 2003; in particular, the University's National Transit Institute received an increase of \$4.0 million in their award from the Federal Transit Administration, \$4.1 million was received from the National Science Foundation for the Macromolecular Structural Database project, and \$2.4 million from the Healthcare Financing Administration for a National Technical Assistance Exchange.

In 2003, State support for research increased by \$1.6 million. This increase was primarily attributed to an increase in grant activity from two State agencies. The State of New Jersey Department of Health and Senior Services grant revenue increased by \$1.7 million and the State of New Jersey Department of Law increased by \$1.4 million. These increases were offset by a decrease from the Commission on Higher Education of \$1.9 million resulting from the discontinuation of the Capacity Building Funds Program.

Finally, non-governmental grants and contracts decreased by \$2.9 million in 2003. Therefore, total grant and contract revenue from all three sources, federal, state and non-governmental, for research increased by \$15.8 million in 2003. As a result of this increase in revenue, total expenses for research increased by \$22.3 million.

Auxiliary revenue, net of scholarship allowances, increased this year by \$3.9 million while expenditures increased by \$9.0 million in 2004. The increase in revenue resulted primarily from an increase in housing and dining rates. These increases were offset by a decrease in the numbers of students provided housing on campus. Expenses increased due to additional staff hired, increasing utility costs, increased food costs due to an increased participation in the meal plans by students as well as rising food costs.

In 2003, Auxiliary revenue, net of scholarship allowances, increased \$5.3 million while expenditures increased only \$5.0 million. The increase in revenue resulted primarily from an increase in housing and dining rates.

Total state appropriations, including fringe benefits paid directly by the state, decreased \$0.8 million in 2004. The appropriation by the state for University operations actually decreased \$3.8 million. While the state had maintained the University's appropriation at the same level as fiscal 2003, a portion of the appropriation was to be used for expenditures associated with the implementation of the New Jersey Commission on Health, Science, Education and Training recommendation to create a single research university system. On December 12, 2003 these activities were suspended and the State retained any unspent funds allocated for this project. This decrease was offset by an increase in the state payments on behalf of the University for fringe benefits of \$3.0 million. This increase in benefits was primarily attributable to an increase in the cost of health and prescription plan coverage as well as an increase in the number of employees enrolled in the plans.

In 2003, state appropriations, including fringe benefits paid directly by the state, decreased \$0.5 million. The appropriation by the state for University operations actually decreased \$13.9 million as a result of the State's budget imbalance that year. This decrease was offset by an increase in the state payments on behalf of the University for fringe benefits of \$13.4 million. As in 2004, this increase was primarily due to health and prescription plan cost increases as well as an increase in the number of employees enrolled in the plan.

Student service expenditures increased by \$2.9 million in 2004. This increase is attributable primarily to an increase in student basic insurance cost as a result of rising healthcare costs and the addition of services covered. The University also implemented a new student undergraduate communication system to provide on-line email communication between the University and its undergraduates.

In 2003, student service expenditures increased by \$3.8 million. This increase was attributable to an increase in wages and benefits due to contractual salary increases and increasing health care costs, as well as the hiring of support staff for computing services in the University's residence halls. In addition, there was an increase in insurance costs for major medical coverage for students and additional costs for coverage extended to international students.



Expenditures for operation and maintenance of plant increased by \$4.0 million in 2004. This increase is attributable to an increase of \$5.0 million in fuel and utility costs. This increase was offset by a reduction in insurance costs of \$1.3 million as a result of favorable settlement of workers compensation claims.

In 2003, expenditures for operation and maintenance of plant increased by \$9.4 million. Insurance costs were responsible for much of this increase. Self insurance reserves were increased as a result of an increase in claims and the occurrence of several significant claims in 2003. In addition, insurance premiums increased by approximately 52.0% in 2003 as a result of the difficult insurance market.

The University's endowment and investment income decreased by \$4.6 million this year. This decrease is the result of the continuing decline in interest rates, the maturity of several long term investments that were reinvested at significantly lower rates, and the continuing movement into alternative investments.

In 2003, the University's endowment and investment income decreased by \$7.8 million. This decrease was also the result of the continuing decline in interest rates, the maturity of several long term investments that were reinvested at significantly lower rates, and the movement into alternative investments.

In 2003, the University established a policy on the valuation of patents that only the actual cash received and the fair market value of any tangible property received in connection with the patent will be recorded. A value will only be assigned to the intellectual property if there are licenses in place that will generate a clear and convincing revenue stream of royalty income that will exceed the expenditures required to manage and market the technology. In that case, the patent will be valued at the present value of the estimated net revenues expected. A review of the existing patent recorded has determined that there are no clear and convincing revenues at this time, and therefore, the value was written down to reflect only the tangible assets received. This resulted in a write down of \$25.5 million which appears as loss/disposal on capital assets in the Statement of Revenues, Expenses, and Changes in Net Assets during 2003. No similar write off occurred in 2004.

Other revenues, expenses, gains and losses declined this year by \$76.2 million. The University received a total of \$67.2 million in additional appropriations from the state for the construction, renovation or acquisition of capital assets in fiscal 2003 as a part of the Higher Education Capital Improvement Program (HECIP). This year the University only received \$2.7 million from the State for the expansion of the Hale Center. This decrease of \$64.5 in capital appropriations is the primary cause of the decrease in this category.

### **Capital and Debt Activities**

In order to meet the needs of the University's academic and research activities, the University must continually reinvest resources in its capital assets to maintain adequate facilities for these programs. The University has implemented a capital planning process to identify and prioritize our capital needs.

Capital asset increases totaled \$42.0 million in 2004, as compared to \$43.4 million in 2003. 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 2004 include:

- Expansion of the Hale Center to provide additional training and academic support facilities for the University's athletic programs.
- Several deferred maintenance projects to upgrade and improve existing facilities, such as the Wright-Rieman Laboratories, Mabel Smith Douglass Library, Nelson Biology Laboratories, and Olson Hall.
- Renovations of the Nielson Dining Hall on the Cook/Douglass Campus.

These additions were funded primarily with the proceeds of bonds and capital appropriations from the State under the Higher Education Capital Improvement Program, the Dormitory Safety Trust Fund and the Equipment Leasing Fund. As of June 30, 2004, the University had various projects under construction or in the design stage. Significant projects include:

- A new facility to provide laboratory space for the Department of Genetics and the New Jersey Center for Biomaterials to be constructed on the Busch Campus. The project will also include a multi purpose atrium to provide a central meeting place for the Division of Life Sciences.
- A new facility on the Busch Campus for Biomedical Engineering. This facility will provide conference and classroom space, research laboratories, laboratory support facilities, teaching laboratories, faculty office and computer facilities.
- A new student housing facility on the Newark Campus. This facility will provide housing units from small efficiency units for graduate students to four bedroom units for undergraduates. In addition, space will be available for student use and retail space will also be provided.
- The renovation and expansion of the existing Law building on the Camden campus.

In 2004, the University issued general obligation bonds, 2003 Series D, in the amount of \$24.8 million. The proceeds of this debt issue will be used primarily for the deferred maintenance project throughout the University. In addition, under the terms of an agreement between the University and the Lower George Street University Redevelopment Associates, Certificates of Participation, Series 2004, were issued in the amount of \$30.6 million. The proceeds from these Certificates will be used to acquire property and construct a facility that will serve as the headquarters for the University's Division of Public Safety, provide additional office space and a parking garage to support the University's educational functions. The University also issued general obligation refunding

bonds, 2003 Series C, to refinance its general obligation bonds, Series 93-1, Series 93-A, and Series 93-B, and its revenue bonds, Series S and Series T.

### **Economic Outlook**

As the State University of New Jersey, the appropriation from the State represents a vital part of University's funding. The continuing economic problems experienced by the State resulted in a reduction of the appropriation to the University for fiscal year 2004 of \$3.8 million. The University addressed this shortfall through various means such as reduction of other costs, increases in tuition and fee charges, reallocation of University reserves, fundraising and the use of debt financing. The base state appropriation to the University for 2005 has increased by 1.0%. While this is an improvement, increasing costs, particularly resulting from contractual obligations with faculty and staff, have necessitated an increase in tuition and fee charges again this year.

Current indications are that the state economy is improving. The unemployment rate in New Jersey has improved this year and continues to remain below the national average.

In April 2000, the Boards of the University endorsed a major capital campaign. The goal of this campaign was to raise \$500.0 million by June 2004. The Foundation exceeded this goal and closed the campaign with a total of \$615.3 million in cash and pledges.

On July 1, 2004 the University issued General Obligation Bonds, 2004 Series E in the amount of \$86.7 million to finance the cost of construction of facilities on the New Brunswick, Newark and Camden campuses. These projects include a new student-housing facility on the Newark Campus, the expansion and renovation of the Camden Law School, reconstruction of the Administrative Services Building on the New Brunswick Campus, the construction of a new College of Nursing Building in New Brunswick that will include academic, administrative offices and teaching laboratories, and finally to complete the fit-out and equipping of the Public Safety Building currently under construction on the New Brunswick campus. Both Moody's and Standard & Poor's maintained their bond ratings for the University during their reviews of this new debt offering.

# Rutgers, The State University of New Jersey

## STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

(dollars in thousands)

	2004	2003
<b>ASSETS:</b>		
Current Assets		
Cash and Cash Equivalents	\$35,222	\$27,416
Short-Term Investments	289,683	233,021
Accounts Receivable, net	67,794	61,200
Student Notes Receivable, net - Current Portion	7,369	7,340
Contributions Receivable, net - Current Portion	15,071	12,830
Inventories	3,729	3,702
Prepaid Expenses and Deferred Charges	6,644	6,196
Construction Costs Reimbursable	438	5,098
Total Current Assets	425,950	356,803
Noncurrent Assets		
Cash and Cash Equivalents	89,204	170,784
Endowment Investments	397,987	359,879
Other Investments	179,410	135,800
Student Notes Receivable, net	30,548	30,074
Contributions Receivable, net	11,846	6,581
Bond Issuance Costs, net	10,883	5,549
Capital Assets, net	1,481,862	1,439,879
Total Noncurrent Assets	2,201,740	2,148,546
<b>TOTAL ASSETS</b>	<b>2,627,690</b>	<b>2,505,349</b>
<b>LIABILITIES:</b>		
Current Liabilities		
Accounts Payable and Accrued Expenses - Current Portion	98,898	98,697
Deferred Revenue	37,095	34,807
Payroll Withholdings	8,492	6,623
Other Payables	1,274	1,208
Annuities Payable - Current Portion	966	904
Long-Term Liabilities - Current Portion	29,059	24,684
Total Current Liabilities	175,784	166,923
Noncurrent Liabilities		
Accounts Payable and Accrued Expenses	12,088	6,800
Annuities Payable	6,396	5,668
Long-Term Liabilities	553,848	530,823
Total Noncurrent Liabilities	572,332	543,291
<b>TOTAL LIABILITIES</b>	<b>748,116</b>	<b>710,214</b>
<b>NET ASSETS:</b>		
Invested in Capital Assets, Net of Related Debt	1,001,582	970,139
Restricted for		
Nonexpendable		
Instruction	99,347	87,091
Scholarships and Fellowships	107,049	92,494
Libraries	6,537	5,819
Other	7,198	6,478
Expendable		
Instruction	55,875	45,102
Research	38,078	39,699
Scholarships and Fellowships	65,542	53,109
Libraries	9,216	8,639
Loans	38,577	38,316
Capital Projects	42,857	69,650
Debt Service Reserve	12,122	24,175
Renewal and Replacement Reserve	7,393	8,854
Other	67,302	59,715
Unrestricted	320,899	285,855
<b>TOTAL NET ASSETS</b>	<b>\$1,879,574</b>	<b>\$1,795,135</b>

See accompanying notes to the financial statements.

# Rutgers, The State University of New Jersey

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2004 and 2003

(dollars in thousands)

	<u>2004</u>	<u>2003</u>
<b>OPERATING REVENUES</b>		
Student Tuition and Fees (net of scholarship allowances of \$84,999 in 2004 and \$76,510 in 2003)	\$338,445	\$311,711
Federal Appropriations	6,799	6,918
Federal Grants & Contracts	196,665	167,293
State & Municipal Grants & Contracts	85,457	88,288
Nongovernmental Grants & Contracts	46,225	52,628
Auxiliary Enterprises (net of scholarship allowances of \$21,540 in 2004 and \$20,473 in 2003)	161,351	157,444
Other Operating Revenues	39,335	36,699
<b>Total Operating Revenues</b>	<u>874,277</u>	<u>820,981</u>
<b>OPERATING EXPENSES</b>		
Educational and General		
Instruction	439,715	425,434
Sponsored Research	149,754	133,327
Other Separately Budgeted Research	63,094	65,030
Other Sponsored Programs	66,288	66,411
Extension and Public Service	27,162	27,038
Libraries	34,486	33,816
Student Services	53,268	50,328
Operations and Maintenance of Plant	107,905	103,865
General Administration and Institutional	91,487	92,724
Scholarships and Fellowships	29,750	26,763
Depreciation	97,265	73,622
Auxiliary Enterprises	157,656	148,585
Other Operating Expenses	2,093	1,322
<b>Total Operating Expenses</b>	<u>1,319,923</u>	<u>1,248,265</u>
<b>Operating Loss</b>	<u>(445,646)</u>	<u>(427,284)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Appropriations	318,580	322,412
State Paid Fringe Benefits	116,767	113,710
Contributions	36,941	25,139
Endowment and Investment Income (net of investment management fees of \$1,907 in 2004 and \$2,069 in 2003)	13,332	17,947
Unrealized and Realized Gain on Marketable Securities	45,403	8,553
Interest on Capital Asset Related Debt	(21,486)	(22,419)
Loss on Disposal of Capital Assets	(833)	(26,401)
Other Nonoperating Revenues	4,863	3,432
<b>Net Nonoperating Revenues</b>	<u>513,567</u>	<u>442,373</u>
<b>Income before Other Revenues and Expenses</b>	67,921	15,089
Capital Appropriations	2,688	67,163
Capital Grants and Gifts	6,341	14,689
Additions to Permanent Endowments	7,489	10,887
<b>Increase in Net Assets</b>	84,439	107,828
<b>Net Assets - Beginning of the Year</b>	<u>1,795,135</u>	<u>1,687,307</u>
<b>Net Assets - End of the Year</b>	<u>\$1,879,574</u>	<u>\$1,795,135</u>

See accompanying notes to the financial statements.

# Rutgers, The State University of New Jersey

## STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003  
(dollars in thousands)

	<u>2004</u>	<u>2003</u>
<b>Cash Flows from Operating Activities</b>		
Student Tuition and Fees	\$382,677	\$351,776
Research Grants and Contracts	331,496	313,179
Federal Appropriations	6,980	4,663
Payments to Employees and for Benefits	(662,871)	(660,044)
Payments to Suppliers	(343,568)	(319,462)
Payments for Utilities	(52,566)	(46,062)
Payments for Scholarships and Fellowships	(77,305)	(49,216)
Collection of Loans to Students and Employees	8,805	9,326
Auxiliary Enterprise Receipts:		
Housing	69,337	65,243
Dining	39,022	38,600
Athletics	8,437	9,486
Parking	5,766	5,591
Other	19,103	17,782
Other Receipts	34,454	25,590
Net Cash Used by Operating Activities	<u>(230,233)</u>	<u>(233,548)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
State Appropriations	317,351	322,066
Contributions for other than Capital Purposes	40,382	27,914
Contributions for Endowment Purposes	8,408	12,565
Federal Direct Loan Program Receipts	144,887	131,868
Federal Direct Loan Program Disbursements	(144,887)	(131,868)
NJ Class Loan Program Receipts	14,234	10,576
NJ Class Loan Program Disbursements	(14,234)	(10,576)
Net Cash Provided by Noncapital Financing Activities	<u>366,141</u>	<u>362,545</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Capital Debt and Leases	191,740	81,502
Capital Appropriations	6,142	64,331
Capital Grants and Gifts Received	1,910	3,644
Purchases of Capital Assets and Construction	(135,753)	(145,344)
Principal Paid on Capital Debt and Leases	(26,228)	(22,774)
Interest Paid on Capital Debt and Leases	(24,713)	(24,039)
Debt Defeasance	(146,804)	
Bond Issuance Costs	(2,438)	(707)
Other Receipts	2,480	1,841
Net Cash Used by Financing Activities	<u>(133,664)</u>	<u>(41,546)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sales and Maturities of Investments	4,020,631	4,411,780
Investment Income	15,668	19,249
Purchases of Investments	(4,112,317)	(4,428,588)
Net Cash Provided (Used) by Investing Activities	<u>(76,018)</u>	<u>2,441</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(73,774)	89,892
Cash and Cash Equivalents - Beginning of the Year	<u>198,200</u>	<u>108,308</u>
Cash and Cash Equivalents - End of the Year	<u>\$124,426</u>	<u>\$198,200</u>

See accompanying notes to the financial statements.

# Rutgers, The State University of New Jersey

## STATEMENTS OF CASH FLOWS (cont'd)

For the Years Ended June 30, 2004 and 2003

(dollars in thousands)

	<u>2004</u>	<u>2003</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating Loss	(\$445,646)	(\$427,284)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
State Paid Fringe Benefits	116,767	113,710
Depreciation	97,265	73,622
Payment in Lieu of Taxes	700	700
Adjustment of Actuarial Liability for Annuities Payable	791	86
Changes in Assets and Liabilities:		
Receivables, net	(7,274)	(2,916)
Inventories	(27)	313
Prepaid Expenses and Deferred Charges	(529)	(437)
Accounts Payable and Accrued Expenses	3,033	6,607
Deferred Revenue	2,288	2,482
Payroll Withholdings	1,869	(335)
Other Payables	530	(96)
Net Cash Used by Operating Activities	<u>(\$230,233)</u>	<u>(\$233,548)</u>

See accompanying notes to the financial statements.

# Rutgers, The State University of New Jersey

## Notes to the Financial Statements

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JUNE 30, 2004 and 2003

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

#### Basis of Accounting

The financial statements of Rutgers, the State University of New Jersey (the "University") have been prepared on the accrual basis of accounting 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 Statement's – and Management's Discussion and Analysis – Public Colleges and Universities".

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

The University has the option to apply all Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date.

#### Reporting Entity

The University's financial statements and notes thereto include the financial statements of the Rutgers University Foundation (the "Foundation"). 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. Although the Foundation is a legally separate, not-for-profit organization, it exists for the benefit of the University and is considered a component unit of the University. The balances and transactions of the Foundation were blended with those of the University for reporting purposes, in accordance with GASB Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units". 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, Attention: Chief Financial Officer.

Under GASB Statement No. 14, as amended by GASB Statement No. 39, 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.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, and all highly liquid investments with an original maturity of three months or less (cash on deposit with money market funds, treasury bills and repurchase agreements). Cash and cash equivalents that are externally restricted to maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets are classified as noncurrent assets in the Statements of Net Assets.

#### Investments

Investments are recorded at fair value in the Statements of Net Assets. The year-to-year change in the fair value of investments is reported in the Statements of Revenues, Expenses, and Changes in Net Assets.

The fair value of 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 with a maturity greater than one year and investments externally restricted for endowment purposes and to maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets are classified as noncurrent assets in the Statements of Net Assets.

#### Funds Held in Trust

Funds held in trust by others and not in the possession of, nor under the control of, the University are not included in the University's cash and investments. The market value of such funds aggregated approximately \$68.0 million at June 30, 2004 (\$62.7 million in 2003). Income derived from such irrevocable trust funds held by others, aggregating approximately \$1.8 million in 2004 and \$3.4 million in 2003, is reported in the accompanying financial statements as nonoperating revenues.

#### Inventories

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

#### Bond Issuance Costs

The University capitalizes costs incurred in connection with its bond issues and amortizes these costs over the life of the respective obligations.

## **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 5.0 million (4.9 million in 2003) volumes have not been capitalized.

## **Deferred Revenue and Deferred Charges**

Deferred revenue and deferred charges include summer session activity which will be recognized as revenue and expense in the following fiscal year.

## **Net Assets**

Net assets is the difference between the University's assets and its liabilities. GASB Statement No. 34 requires that these resources be classified for accounting and reporting purposes into four categories as follows:

Invested in capital assets, net of related debt represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Restricted net assets – nonexpendable consist 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 assets – 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 U.S. Government grants refundable.

Unrestricted net assets represent 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, 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 assets are available.

## **Revenue Recognition**

Revenues from student tuition and fees and auxiliary enterprises are presented net of scholarships 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 the Federal, State of New Jersey and municipal and other nongovernmental sources and is recognized as the related expenses are incurred.

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, including pledges other than endowment, are recognized as revenues 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 Statements of Revenues, Expenses, and Changes in Net Assets 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, and (3) most Federal, State and municipal and other nongovernmental grants and contracts. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as operating appropriations from the State, endowment and investment income and contributions.

## **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 operating 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 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, 2004, the University disbursed \$144.9 million (\$131.5 million in 2003) under the Federal Direct Loan Program. Direct student loans receivable are not included in the University's Statements of Net Assets 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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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## **NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

### **Cash**

The cash and cash equivalents balance at June 30, 2004 includes a cash book balance of \$19.9 million (\$3.1 million in 2003). The actual amount of cash on deposit in the University's bank accounts at June 30, 2004 was \$34.5 million (\$24.4 million in 2003). Of this amount, \$0.7 million (\$0.6 million in 2003) was insured by the Federal Deposit Insurance Corporation at June 30, 2004, \$18.8 million (\$21.9 million in 2003) was collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes at June 30, 2004, and \$15.0 million (\$1.9 million in 2003) was uninsured and uncollateralized at June 30, 2004.

### **Cash Equivalents and Investments**

The Board of Governors and the Board of Trustees, through a Joint Investment Committee, have authority over the investment of University funds. Professional investment managers are engaged by the University to manage the investment of funds in accordance with the investment policies and objectives established by the Joint Investment Committee. In addition, 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 University's investments at June 30, 2004 and 2003 are categorized by custodial credit risk in the table below. Credit risk pertains to custodial risk, which is the risk that the University will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment transaction fails. Custodial credit risk should not be confused with market risk, which is the risk that the market value of a security may decline. There are three categories of custodial credit risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Category 1 includes investments that are insured or registered or for which the securities are held by the University or its agent in the University's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the University's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the University's name. GASB Statement No. 3 also states that investments in pools managed by other governments or in mutual funds should be disclosed but not categorized, because they are not evidenced by securities that exist in physical or book entry form.

Investments by custodial credit risk at June 30, 2004 are as follows (dollars in thousands):

	<u>Category 1 Insured or Registered</u>	<u>Category 2 Uninsured or Unregistered in University's Name</u>	<u>Category 3 Uninsured or Unregistered not in University's Name</u>	<u>Non- Categorized</u>	<u>Total</u>
Cash Equivalents:					
Money Market Funds	\$15,389	\$5,834	\$63,640		\$84,863
Repurchase Agreements		19,596			19,596
<b>Total Cash Equivalents</b>	<b>\$15,389</b>	<b>\$25,430</b>	<b>\$63,640</b>		<b>\$104,459</b>
Investments:					
Commercial Paper	\$57,881	\$172,081			\$229,962
US Government Direct Securities	22,922	55,958			78,880
US Government Agency Securities	14,316	150,582	\$87,070		251,968
Mutual Funds				\$2,286	2,286
US Corporate Debt Securities	1,542	6,814			8,356
Foreign Corporate Debt Securities	515	17			532
US Corporate Equities	133,843	9,620	72,948		216,411
Foreign Corporate Equities	56,819				56,819
Asset-backed Securities	75	3,319			3,394
Real Estate		441	18,031		18,472
<b>Total Investments</b>	<b>\$287,913</b>	<b>\$398,832</b>	<b>\$178,049</b>	<b>\$2,286</b>	<b>\$867,080</b>
<b>Total Cash Equivalents and Investments</b>					<b>\$971,539</b>

Investments by custodial credit risk at June 30, 2003 are as follows (dollars in thousands):

	<u>Category 1 Insured or Registered</u>	<u>Category 2 Uninsured or Unregistered in University's Name</u>	<u>Category 3 Uninsured or Unregistered not in University's Name</u>	<u>Non- Categorized</u>	<u>Total</u>
Cash Equivalents:					
Money Market Funds	\$6,140	\$40,545	\$125,013		\$171,698
Repurchase Agreements		23,453			23,453
<b>Total Cash Equivalents</b>	<b>\$6,140</b>	<b>\$63,998</b>	<b>\$125,013</b>		<b>\$195,151</b>
Investments:					
Commercial Paper	\$58,678	\$125,935			\$184,613
US Government Direct Securities	59,272	55,818	\$17,105		132,195
US Government Agency Securities	25,222	95,883			121,105
Mutual Funds				\$713	713
US Corporate Debt Securities	34,292	10,698			44,990
Foreign Corporate Debt Securities	4,414				4,414
US Corporate Equities	124,538	8,991	53,916		187,445
Foreign Corporate Equities	38,504				38,504
Asset-backed Securities	1,295	33			1,328
Real Estate		490	12,903		13,393
<b>Total Investments</b>	<b>\$346,215</b>	<b>\$297,848</b>	<b>\$83,924</b>	<b>\$713</b>	<b>\$728,700</b>
<b>Total Cash Equivalents and Investments</b>					<b>\$923,851</b>

#### Alternative Investments

As part of its investment strategy, the University has committed to invest a total of \$54.0 million in eight commingled funds. As of June 30, 2004, the University has remaining commitments of approximately \$51.0 million to the fund groups.

### Investments - Endowment Funds

The majority of endowment funds assets are combined into two separate investment pools. 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, 2004, the pooled cash, receivables and investments had a total market value of \$351.1 million (\$305.4 million in 2003). In addition, the aggregate market value of endowment funds, cash, receivables and investments separately invested was \$59.0 million at June 30, 2004 (\$55.6 million in 2003). The investment appreciation was \$40.7 million at June 30, 2004 (appreciation of \$10.1 million in 2003). These amounts are included in restricted nonexpendable, restricted expendable and unrestricted net assets.

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.

### NOTE 3 - 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, 2004 and 2003 (dollars in thousands):

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net 2004</u>	<u>Net 2003</u>
Government Grants Receivable and Other Sponsored Programs	\$48,046	\$430	\$47,616	\$43,160
Student Accounts Receivable	3,599	1,399	2,200	2,793
Other	<u>18,579</u>	<u>601</u>	<u>17,978</u>	<u>15,247</u>
Total	<u>\$70,224</u>	<u>\$2,430</u>	<u>\$67,794</u>	<u>\$61,200</u>

Students' notes receivable in the Statements of Net Assets are also shown net of the allowance for doubtful notes which amounted to \$3.7 million at June 30, 2004 (\$3.8 million in 2003).

The allowances for doubtful accounts and notes are based upon management's best estimate of uncollectible accounts and notes at June 30, 2004 and 2003, considering type, age, collection history and other appropriate factors.

### NOTE 4 - CONTRIBUTIONS RECEIVABLE

The anticipated receipt of contributions receivable is as follows (dollars in thousands):

<u>Year</u>	<u>Amount</u>
2005	\$16,068
2006-2009	<u>11,853</u>
	27,921
Less allowance for uncollectible receivables	<u>(1,004)</u>
	<u>\$26,917</u>

Contributions receivable related to permanent endowments and term endowments do not meet the recognition criteria of GASB Statement No. 33. These contributions receivable, which approximated \$22.7 million at June 30, 2004 (\$11.4 million in 2003) have not been included in the accompanying Statements of Net Assets.

## NOTE 5 – CAPITAL ASSETS

The detail of Capital Assets activity for the years ended June 30, 2004 and 2003 is as follows (dollars in thousands):

	<u>Balance 2003</u>	<u>Additions</u>	<u>Retirements/ Capitalization</u>	<u>Balance 2004</u>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$40,121	\$4,967		\$45,088
Capitalized Collections	42,299	2,097		44,396
Construction in Progress	<u>73,709</u>	<u>95,324</u>	<u>\$94,596</u>	<u>74,437</u>
Total	<u>156,129</u>	<u>102,388</u>	<u>94,596</u>	<u>163,921</u>
<b>Capital Assets Being Depreciated:</b>				
Land Improvements	175,794	12,129		187,923
Buildings	1,448,302	90,882	286	1,538,898
Equipment	<u>526,388</u>	<u>29,278</u>	<u>120,212</u>	<u>435,454</u>
Total	<u>2,150,484</u>	<u>132,289</u>	<u>120,498</u>	<u>2,162,275</u>
<b>Less Accumulated Depreciation:</b>				
Land Improvements	57,310	15,320		72,630
Buildings	446,027	40,419	57	486,389
Equipment	<u>363,397</u>	<u>41,526</u>	<u>119,608</u>	<u>285,315</u>
Total	<u>866,734</u>	<u>97,265</u>	<u>119,665</u>	<u>844,334</u>
Net Capital Assets Being Depreciated	<u>1,283,750</u>	<u>35,024</u>	<u>833</u>	<u>1,317,941</u>
Total Capital Assets (net)	<u>\$1,439,879</u>	<u>\$137,412</u>	<u>\$95,429</u>	<u>\$1,481,862</u>

During 2004, the University has capitalized interest income of \$596 thousand and interest expense of \$2,814 thousand in construction in progress in the accompanying Statements of Net Assets.

	<u>Balance 2002</u>	<u>Additions</u>	<u>Retirements/ Capitalization</u>	<u>Balance 2003</u>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$38,608	\$1,513		\$40,121
Capitalized Collections	38,666	3,633		42,299
Construction in Progress	<u>97,071</u>	<u>91,522</u>	<u>\$114,884</u>	<u>73,709</u>
Total	<u>174,345</u>	<u>96,668</u>	<u>114,884</u>	<u>156,129</u>
<b>Capital Assets Being Depreciated:</b>				
Land Improvements	157,970	17,824		175,794
Buildings	1,349,156	99,146		1,448,302
Equipment	489,947	44,678	8,237	526,388
Intangible Assets - Patents	<u>28,525</u>	<u>          </u>	<u>28,525</u>	<u>          </u>
Total	<u>2,025,598</u>	<u>161,648</u>	<u>36,762</u>	<u>2,150,484</u>
<b>Less Accumulated Depreciation:</b>				
Land Improvements	43,420	13,890		57,310
Buildings	416,994	29,033		446,027
Equipment	340,056	30,699	7,358	363,397
Intangible Assets - Patents	<u>3,003</u>	<u>          </u>	<u>3,003</u>	<u>          </u>
Total	<u>803,473</u>	<u>73,622</u>	<u>10,361</u>	<u>866,734</u>
Net Capital Assets Being Depreciated	<u>1,222,125</u>	<u>88,026</u>	<u>26,401</u>	<u>1,283,750</u>
Total Capital Assets (net)	<u>\$1,396,470</u>	<u>\$184,694</u>	<u>\$141,285</u>	<u>\$1,439,879</u>

During 2003, the University had capitalized interest income of \$217 thousand and interest expense of \$974 thousand in construction in progress in the accompanying Statements of Net Assets.

**NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consist of the following at June 30, 2004 and 2003 (dollars in thousands):

	<u>2004</u>	<u>2003</u>
Vendors	\$30,895	\$31,598
Compensated Absences	33,654	32,613
Accrued Salaries and Benefits	22,701	16,686
Retainage	5,890	4,561
Workers Compensation	8,963	10,203
Interest Payable	3,570	3,420
Other Accrued Expenses	<u>5,313</u>	<u>6,416</u>
Total	<u>\$110,986</u>	<u>\$105,497</u>

**NOTE 7 – NONCURRENT LIABILITIES**

Noncurrent liabilities activity for the years ended June 30, 2004 and 2003 is as follows (dollars in thousands):

	<u>Balance 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 2004</u>	<u>Current Portion</u>
Accounts Payable and Accrued Expenses	\$105,497	\$5,489		\$110,986	\$98,898
Annuities Payable	6,572	790		7,362	966
Long-Term Liabilities	<u>555,507</u>	<u>186,750</u>	<u>\$159,350</u>	<u>582,907</u>	<u>29,059</u>
Total	<u>\$667,576</u>	<u>\$193,029</u>	<u>\$159,350</u>	<u>\$701,255</u>	<u>\$128,923</u>

  

	<u>Balance 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 2003</u>	<u>Current Portion</u>
Accounts Payable and Accrued Expenses	\$103,870	\$1,627		\$105,497	\$98,697
Annuities Payable	6,486	86		6,572	904
Long-Term Liabilities	<u>498,283</u>	<u>81,957</u>	<u>\$24,733</u>	<u>555,507</u>	<u>24,684</u>
Total	<u>\$608,639</u>	<u>\$83,670</u>	<u>\$24,733</u>	<u>\$667,576</u>	<u>\$124,285</u>

**NOTE 8 - LONG-TERM LIABILITIES**

Long-term liability activity for the years ended June 30, 2004 and 2003 is as follows (dollars in thousands):

	<u>Balance 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 2004</u>	<u>Current Portion</u>
General Obligation Bonds Payable	\$334,321	\$146,383	\$106,974	\$373,730	\$18,441
Revenue Bonds Payable	77,702	416	44,595	33,523	2,251
Lease Obligations	141,909	39,006	7,637	173,278	8,267
Notes Payable	1,575	945	144	<u>2,376</u>	100
Total Long-Term Liabilities	<u>\$555,507</u>	<u>\$186,750</u>	<u>\$159,350</u>	<u>\$582,907</u>	<u>\$29,059</u>

  

	<u>Balance 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 2003</u>	<u>Current Portion</u>
General Obligation Bonds Payable	\$296,491	\$50,171	\$12,341	\$334,321	\$12,642
Revenue Bonds Payable	83,240	42	5,580	77,702	5,818
Lease Obligations	116,925	31,744	6,760	141,909	6,168
Notes Payable	1,627		52	1,575	56
Total Long-Term Liabilities	<u>\$498,283</u>	<u>\$81,957</u>	<u>\$24,733</u>	<u>\$555,507</u>	<u>\$24,684</u>

## **OTHER OBLIGATIONS OF THE UNIVERSITY**

### **Notes Payable**

Notes payable at June 30, 2004 and 2003 consist of an unsecured note payable to the U.S. Department of Education with interest at 5.5%, final installment due January 1, 2021.

The University has an unsecured \$20.0 million line of credit with a bank to be used for interim financing requirements for construction projects. The amount available under the line of credit is reduced by a \$0.1 million letter of credit which is collateral for a lease obligation. No portion of the line of credit is in use, and no funds have been drawn on the letter of credit at June 30, 2004 or 2003.

### **Rutgers Community Park**

In 1999, the University and the City of Camden entered into a joint venture for the acquisition, development and construction of an outdoor recreational complex designated the "Rutgers Community Park" which will be 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, dated June 26, 2002, between the University and the City of Camden. The University received payment from the City of Camden on November 3, 2003 related to the Green Acres Program. 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, 2004, the outstanding amount due on the loans was \$0.9 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.

### **College Hall Student Housing Project**

The University has entered into a Limited Minimum Revenue Guaranty, dated January 22, 2004, pursuant to which the University has agreed to pay the debt service payable for a two-year period on, and thereafter to replenish the debt service reserve account established in connection with, the Middlesex County Improvement Authority's (the "MCIA") \$4.2 million aggregate principal amount of Revenue Bonds (George Street Student Housing Project), 2003 Series B. The 2004 Series B Bonds mature on August 15, 2011 and were issued, together with the MCIA's \$49.9 million Revenue Bonds (George Street Student Housing Project), 2004 Series A, to finance the cost of the planning, design, development, supervision, construction, furnishing, equipping and opening of a student housing facility for use primarily by the University's students. The University's obligations under the Limited Revenue Guaranty are a general obligation of the University secured by the full faith and credit of the University.

## Bonds Payable

A summary of bonds issued and outstanding at June 30, 2004 and 2003 is as follows (dollars in thousands):

	Date Of Series	Original Amount	Outstanding June 30,	
			2004	2003
<b>Revenue Refunding Bonds:</b>				
Series S, 5.11% effective, due serially to May 1, 2014	Apr. 15, 1993	\$35,170		\$17,030
Series T, 5.34% effective, due serially to May 1, 2016	Apr. 15, 1993	36,270		25,430
Series U, 4.89% effective, due serially to May 1, 2021	Dec. 1, 1997	40,015	\$ 30,560	32,115
<b>Total Revenue Refunding Bonds</b>		<b>111,455</b>	<b>30,560</b>	<b>74,575</b>
<b>Revenue Bonds:</b>				
Series E, 3.75%, due serially to May 1, 2016	May 1, 1967	1,200	520	555
Series F, 3.00%, due serially to May 1, 2016	Nov. 1, 1967	2,350	940	1,000
Series H, 5.90% effective, due serially to May 1, 2007	Nov. 1, 1970	8,300	1,655	2,140
<b>Total Revenue Bonds</b>		<b>11,850</b>	<b>3,115</b>	<b>3,695</b>
<b>General Obligation Refunding Bonds:</b>				
1992 Series A, 6.51% effective, due serially to May 1, 2007 and term bonds due May 1, 2013 and 2018	Feb. 1, 1992	94,370	26,605	26,605
1993 Series 1, 5.32% effective, due serially to May 1, 2015 and term bonds due May 1, 2014 and 2019	Apr. 15, 1993	10,275		6,910
2002 Series A, 3.96% effective, due serially to May 1, 2018	Feb. 1, 2002	110,000	96,700	103,000
2003 Series C, 3.41% effective, due serially to May 1, 2019	July 15, 2003	111,320	102,150	
<b>Total General Obligation Refunding Bonds</b>		<b>407,565</b>	<b>225,455</b>	<b>196,375</b>
<b>General Obligation Bonds:</b>				
1993 Series B, 5.37% effective, due serially to May 1, 2012 and term bonds due May 1, 2016	Apr. 15, 1993	28,020		20,560
1997 Series A, 5.34% effective, due serially to May 1, 2017 and term bonds due May 1, 2002 and 2027	June 1, 1997	25,385	22,320	22,820
1998 Series A, 4.89% effective, due serially to May 1, 2018 and term bonds due May 1, 2020, 2023 and 2029	Nov. 1, 1998	50,000	45,470	46,450
2002 Series B, 4.60% effective, due serially to May 1, 2023 and term bonds due May 1, 2027, 2032 and 2034	Nov. 1, 2002	50,000	49,130	50,000
2003 Series D, 3.74% effective, due serially to May 1, 2019	Dec. 1, 2003	24,805	23,525	
<b>Total General Obligation Bonds</b>		<b>178,210</b>	<b>140,445</b>	<b>139,830</b>
<b>Total Bonds</b>		<b>\$709,080</b>	<b>\$ 399,575</b>	<b>\$414,475</b>

The General Obligation Bonds Payable includes premium on bonds, net of bond discounts, of \$7.8 million at June 30, 2004 (\$1.9 million in 2003, discount on bonds, net of bond premium) related to Series 1992 A, Series 1997 A, Series 1998 A, Series 2002 B, Series 2003 C and Series 2003 D.

The Revenue Refunding Bonds Payable are net of \$152 thousand at June 30, 2004 (\$568 thousand in 2003) of unamortized bond discounts related to Series U.

The Revenue Refunding Bonds, Series S-U, and the Revenue Bonds, Series E, F and H, were issued under an open-ended Indenture of Trust dated May 1, 1967 to finance the construction of auxiliary enterprise facilities and to consolidate previously outstanding bond indebtedness. Under the terms of the indenture, all bonds issued are direct and general obligations of the University and are in no way an obligation of the State of New Jersey. All revenues from auxiliary enterprise facilities constructed from the proceeds of the bonds, together with revenues from certain other such facilities, are pledged to secure the indebtedness and must be applied to (1) annual interest and amortization payments, (2) debt service reserve deficiencies, if any, (3) operating and maintenance expenses and (4) the funding of repair and replacement reserves. The excess of funds, after satisfying these requirements, is available to the University. The University has covenanted that so long as the bonds are outstanding it will not incur any other indebtedness secured by a pledge of the facility revenues, nor sell, mortgage or otherwise dispose of such facilities.

The General Obligation Refunding Bonds, 1992 and 1993 Series A, and General Obligation Bonds, 1993 Series B, 1997 and 1998 Series A, were issued under an open-ended Indenture of Trust, dated May 1, 1987, as supplemented; the General Obligation Refunding Bonds, 1993 Series 1, were issued under an Indenture of Trust, dated May 1, 1986, and 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.

In September 2001, the University entered into an interest rate swap agreement, effective February 4, 2002, with the intention of lowering its effective interest rate related to the \$110.0 million of its 2002 Series A General Obligation Refunding Bonds. The swap's notional amount is \$109.1 million. Based on the swap agreement, the University owes interest calculated at a fixed rate of 3.96% to the counterparty to the swap. In return, the counterparty owes the University floating rate interest based on the BMA Municipal Swap Index. Only the net difference in interest payments is actually exchanged with the counterparty. The \$110.0 million in bond principal is not exchanged; it is only the basis on which the interest payments are calculated.

Because interest rates have declined since execution of the swap, the swap had a negative fair value of \$3.5 million at June 30, 2004 (negative \$9.6 million in 2003). The swap's negative fair value may be countered by a reduction in total interest payments required under the floating-rate bonds, creating a lower synthetic rate. Because the coupons on the University's floating-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was provided by the counterparty and derived from proprietary models based upon well recognized financial principles and reasonable estimates about relevant future market conditions.

At June 30, 2004 and June 30, 2003, the University was not exposed to credit risk, because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the University would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated AA+ by Standard & Poor's at June 30, 2004 (AA- by Standard & Poor's in 2003).

The swap exposes the University to basis risk should the relationship between the floating rate and the BMA converge, changing the synthetic rate of the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate of 3.96% and the synthetic rate at June 30, 2004 of 3.89% (3.68% in 2003). If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized. At June 30, 2004, the BMA rate was 1.06% (1.05% in 2003).

The swap terminates on February 4, 2018, but is cancelable at the option of the counterparty under certain circumstances. Beginning on May 1, 2005, the counterparty may terminate the swap on each day that the average of the BMA index for the immediately preceding 180 day period exceeds 7.0%. In the unlikely event that the counterparty fails to perform under the contract, the University bears the credit risk that payments due to the University may not be collected. If at the time of termination the swap has a negative fair value, the University would be liable to the counterparty for a payment equal to the swap's fair value.

Using rates as of June 30, 2004, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows (dollars in thousands). As rates vary, floating-rate bond interest payments and net swap payments will vary.

Year	Floating Rate Bonds		Interest Rate	Total
	Principal	Interest	Swap, Net	
2005	\$6,600	\$959	\$2,802	\$10,361
2006	6,800	894	2,611	10,305
2007	7,000	826	2,414	10,240
2008	3,500	757	2,211	6,468
2009	3,700	722	2,110	6,532
2010-2014	25,900	3,038	8,873	37,811
2015-2018	43,200	1,091	3,187	47,478
Total	<u>\$96,700</u>	<u>\$8,287</u>	<u>\$24,208</u>	<u>\$129,195</u>

The General Obligation Bonds, 2002 Series B, were issued in the amount of \$50.0 million and dated November 1, 2002. The 2002 Series B Bonds are secured under the provisions of an Indenture of Trust, dated as of February 1, 2002, as supplemented by a First Supplemental Indenture of Trust, dated as of February 1, 2002, each between the University and First Union National Bank (now known as Wachovia Bank, National Association), as trustee and a Second Supplemental Indenture of Trust, dated as of November 1, 2002, between the University and the Trustee. The proceeds of the 2002 Series B Bonds, together with certain other monies available to the University, are being used to finance, in part, the costs of the construction of new buildings for the Department of Biomedical Engineering and the Department of Human Genetics on the Busch Campus; the renovation of Olson Hall on the Newark Campus to upgrade and expand laboratory space, conference room space, classroom space and faculty offices for the Biological Sciences and Chemistry Departments; implementation of the Housing Fire Safety Program mandating installation of automatic fire suspension systems in all student residences and certain environmental remediation, health and safety and infrastructure support in accordance with State regulations; and the financing of certain deferred maintenance and other capital improvements in accordance with the State Higher Education Capital Improvement Fund Act of 1999.

The General Obligation Refunding Bonds, 2003 Series C, were issued in the amount of \$111.3 million and dated July 15, 2003. The bonds were issued under the terms of an Indenture of Trust, dated February 1, 2002, as supplemented, and a Third Supplemental Indenture of Trust, dated as of July 1, 2003. The 2003 Series C Bonds were issued to refund in whole the



University's outstanding (i) Revenue Refunding Bonds, Series S, (ii) Revenue Refunding Bonds, Series T, (iii) General Obligation Refunding Bonds, 1993 Series 1, (iv) General Obligation Refunding Bonds, 1993 Series A, and (v) General Obligation Bonds, 1993 Series B. The proceeds of the 2003 Series C Bonds, along with certain other monies provided, will be used to (i) redeem the above mentioned bonds prior to maturity, in whole on July 31, 2003, at their appropriate respective principal amounts plus the applicable redemption premium, if any and interest, and (ii) to pay certain administrative, legal, financing and incidental expenses relating to the issuance of the 2003 Series C Bonds. The University completed the advance refunding to reduce its total debt service payments over the next 16 years by \$33.8 million and to obtain an economic gain (difference between the present values of the old and new debt service payments less escrow funds used) of \$12.0 million. The difference between the reacquisition price and the net carrying amount of the old debt, \$3.5 million, is being deferred and amortized as interest expense through the year 2019 using the effective interest method. In 2004, \$0.2 million has been expensed leaving \$3.3 million as deferred charges.

The General Obligation Bonds, 2003 Series D, were issued in the amount of \$24.8 million and dated November 1, 2003. The Series 2003 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 Wachovia Bank, National Association), as trustee and a Fourth Supplemental Indenture of Trust, dated as of December 1, 2003, between the University and the Trustee. The proceeds of the 2003 Series D Bonds are 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.

Debt service payments to maturity at June 30, 2004 are as follows (dollars in thousands):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$20,170	\$18,122	\$38,292
2006	19,835	17,396	37,231
2007	20,635	16,541	37,176
2008	20,915	15,648	36,563
2009	21,810	14,835	36,645
2010-2014	119,425	57,430	176,855
2015-2019	105,120	29,695	134,815
2020-2024	29,170	14,341	43,511
2025-2029	29,005	7,275	36,280
2030-2034	<u>13,490</u>	<u>1,985</u>	<u>15,475</u>
Total	<u>\$399,575</u>	<u>\$193,268</u>	<u>\$592,843</u>

## CAPITALIZED LEASE OBLIGATIONS

### Facilities Authority

**Dormitories** — Pursuant to the terms of a lease and agreement dated September 1, 1971 between the University and the New Jersey Educational Facilities Authority (the "Facilities Authority"), the University transferred to the Facilities Authority title to certain land, upon which dormitories have been constructed. In 1974, the Facilities Authority issued bonds in the aggregate amount of \$6.7 million at an effective interest cost of 5.95% per annum, for the purpose of providing long-term financing for the aforementioned facilities. Such bonds mature serially through 2008. In accordance with the agreement, the University is required to pay an annual rental to the Facilities Authority over the life of the agreement in amounts necessary to retire the bonds, including interest, provide sinking fund and reserve account requirements and reimburse the Facilities Authority for its administrative costs. As security for its obligation under the agreement, the University has pledged the revenues arising from the financed facilities. Upon retirement of the bonds, title to the land and facilities will revert to the University. Accordingly, the land and facilities have been capitalized with a corresponding liability classified as a capitalized lease obligation. At June 30, 2004, this liability was \$1.6 million (\$1.9 million in 2003).

**Higher Education Capital Improvement Fund (HECIP)** — Under the provisions of the State of New Jersey Higher Education Capital Improvement Fund Act (the "HECIP Act") of 1999 (P.L. 1999, c. 217), the University has been allocated \$169.0 million to help finance certain of its deferred maintenance and other capital needs. The funds are provided through bonds issued by the Facilities Authority. The University is obligated to pay one-third of the debt service on the bonds. On December 20, 2000, the Facilities Authority issued bonds, the University's portion of which amounted to \$75.0 million. The bonds bear an effective interest rate of 5.06% per annum and mature on September 1, 2020. Additional bonds, Series 2002 A, were issued by the Facilities Authority on November 21, 2002. The University's portion and remaining balance of the \$169.0 million amounted to \$94.0 million. The bonds bear an effective interest rate of 3.47% per annum and mature on September 1, 2022. In accordance with the act, the University is required to make annual lease payments to retire 33.3% of the bonds, representing the University's portion, including interest. The State of New Jersey is obligated to pay the remaining 66.7% of the annual debt service. At June 30, 2004, the University had a capital lease obligation of \$54.1 million (\$54.9 million in 2003).

**Equipment Leasing Fund (ELF)** - Under the terms of the Higher Education Equipment Leasing Fund Act of 1993 (ELF), the State issued bonds to finance additional equipment for laboratory and instructional facilities at state institutions of higher education. The

University received \$22.3 million from this bond issue. The bonds were issued on October 11, 2001 and bear interest at a rate of 3.089%. In accordance with this act, the University is required to make annual lease payments to retire 25% of the University's portion of the bonds, including interest. The State of New Jersey is obligated to pay the remaining 75% of the annual debt service. Title to all equipment purchased under this lease agreement will be transferred to the University at the conclusion of the lease. At June 30, 2004, the University had a capital lease obligation of \$4.1 million for equipment purchased under the terms of this agreement (\$4.9 million in 2003).

**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, 2004, the University had a capital lease obligation of \$24.9 million (\$26.9 million in 2003).

#### **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. Such bonds mature serially through 2024. 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, 2004, this liability was \$43.3 million (\$44.8 million in 2003). 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, 2004, the estimated present value of the Hospital sublease over the full lease term, including renewal periods, amounted to \$7.7 million (\$7.9 million in 2003). 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.

#### **Development Authority**

Pursuant to the terms of a lease and agreement dated September 1, 1993 between the University and the New Jersey Economic Development Authority (the "Development Authority"), the University transferred to the Development Authority title to certain land, upon which a facility was constructed to house the Visual Arts Department of the Mason Gross School of the Arts, the Edward J. Bloustein School of Planning and Public Policy and the Center for Urban Policy Research. On May 1, 1994, the Development Authority issued bonds in the aggregate amount of \$17.6 million, maturing serially through July 1, 2024, at an effective interest rate of 6.138% per annum. The bonds were issued for the purpose of providing long-term financing for the construction of the aforementioned facility. Additional financing of approximately \$20.0 million was also provided by grants from The Port Authority of New York and New Jersey and the State of New Jersey. In accordance with the lease and agreement, the University is required to pay an annual rental to the Development Authority over the life of the agreement in amounts necessary to retire the bonds, including interest, and reimburse the Development Authority for its administrative costs. Upon retirement of the bonds, title to the land and facility will revert to the University. Accordingly, the University has recorded a capitalized lease obligation for the debt financed portion of the project. At June 30, 2004, the outstanding balance of this obligation was \$14.6 million (\$15.0 million in 2003).

#### **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, 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 are being 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 are to provide 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, 2004, the University had a capital lease obligation of \$30.6 million.

Future lease payments (receipts) applicable to the aforementioned capital leases at June 30, 2004 are as follows (dollars in thousands):

Year	Facilities Authority					Housing Authority	Hospital Sublease	Development Authority	Certificates of Participation	Total
	Dorms	HECIP	ELF	DSTF (2001A)	DSTF (2001B)					
2005	\$461	\$3,598	\$939	\$2,040	\$33	\$3,664	(\$652)	\$1,286	\$1,449	\$12,818
2006	464	3,598	940	2,040	33	3,659	(652)	1,282	1,866	13,230
2007	461	4,486	939	2,040	33	3,667	(653)	1,282	1,863	14,118
2008	461	4,488	939	2,040	32	3,660	(652)	1,281	1,865	14,114
2009		4,488	939	2,040	32	3,663	(652)	1,283	1,862	13,655
2010-2014		22,450		10,199	162	18,320	(3,262)	6,416	9,302	63,587
2015-2019		22,452		4,079	65	18,329	(3,262)	6,456	9,299	57,418
2020-2024		21,162				14,652	(2,611)	6,498	9,270	48,971
2025-2029									9,250	9,250
2030-2034									9,204	9,204
2035-2038									7,330	7,330
Total Lease Payments	1,847	86,722	4,696	24,478	390	69,614	(12,396)	25,784	62,560	263,695
Less Amount Representing Interest	247	32,608	540			26,283	(4,704)	11,139	31,925	98,038
Present Value of Lease Payments	\$1,600	\$54,114	\$4,156	\$24,478	\$390	\$43,331	(\$7,692)	\$14,645	\$30,635	\$165,657

#### 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 payments of these agreements include a charge for interest at various rates depending on each agreement. At June 30, 2004, the aggregate capitalized lease obligation associated with these agreements, which excludes future interest payments, is approximately \$6.8 million (\$1.4 million in 2003). The annual rentals for these capitalized lease obligations are provided for in the University's operating budget and in the aggregate are not considered material.

#### NOTE 9 - COMMITMENTS

At June 30, 2004, 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 \$280.8 million. Anticipated sources of funding for these projects are summarized as follows (dollars in thousands):

	Total Project Funding		
	Received at June 30, 2004	Additional Funding Required at June 30, 2004	Estimated Total Cost
Borrowing	\$99,506	\$83,600	\$183,106
State Bond Issues and Capital Appropriations	34,210	1,747	35,957
Gifts and Other Sources	39,379	22,383	61,762
Total	\$173,095	\$107,730	\$280,825

The University leases certain space used in general operations. Rental expense was approximately \$2.8 million in 2004 (\$2.9 million in 2003). The leases are non-cancelable and have been classified as operating leases which are expected to expire through 2034. Minimum annual rental commitments approximate the following (dollar in thousands):

<u>Year</u>	<u>Amount</u>
2005	\$2,523
2006	2,352
2007	1,676
2008	1,379
2009	1,067
2010-2014	4,612
2015-2019	711
2020-2024	305
2025-2029	305
2030-2034	52
Total	<u>\$14,982</u>

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## NOTE 10 - 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. 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 2004 aggregated \$29.2 million (\$28.7 and \$27.8 million in 2003 and 2002, respectively) of which \$3.3 million (\$3.6 and \$5.3 million in 2003 and 2002, respectively) 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 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. The payroll for employees covered by PERS for the year ended June 30, 2004 was \$145.9 million (\$144.0 million in 2003).

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 are eligible for retirement at age 60 with no minimum years of service required. Members who have 25 years or more of credited service may also select early retirement without penalty at or after age 55 and receive full retirement benefits. PERS also provides death and disability benefits. Benefits are established by State statute.

**Contributions** — Covered University employees were required by PERS to contribute 3.0% of their annual compensation during fiscal year 2004 and 2003. 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.

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.

Financial statements for the PERS are included in the State of New Jersey's Comprehensive Annual Financial Report, which may be obtained by writing to the State of New Jersey, Department of the Treasury, Office of Management and Budget, CN 221, Trenton, NJ 08625-0221.

### Alternate Benefit Program ("ABP")

**Plan Description** — ABP is a multiple-employer, State retirement plan established as an alternative to PERS. The payroll for employees covered by ABP for the year ended June 30, 2004 was \$368.4 million (\$363.1 million in 2003).

Faculty, 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 six investment carriers available under the plan for fiscal year 2004. On April 1, 2004, the NJ Division of Pensions and Benefits discontinued MetLife and Lincoln National as state-authorized investment

carriers and replaced them with Equitable and The Hartford. Additional voluntary contributions may be made on a tax-deferred basis, subject to limits within the Internal Revenue Code.

#### **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 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. Participation in all of these plans is limited, and the associated amounts are not significant.

#### **Post-Retirement Health Care Benefits**

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 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.

Additional detailed information about these programs is provided in the State of New Jersey's Comprehensive Annual Financial Report.

#### **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 tax defer and 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 the State of New Jersey. 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.

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#### **NOTE 11 - COMPENSATED ABSENCES**

The University recorded a liability for accumulated vacation time in the amount of \$27.2 million at June 30, 2004 (\$26.7 million in 2003). The liability is calculated based upon employees' accrued vacation time as of the Statements of Net Assets date. The University also recorded a liability for the Early Retirement Incentive (ERI) program which was offered to regular full time employees who are eligible for the State Health Benefits Program and meet certain eligibility criteria based upon age and years of service. The amount recorded was \$0.1 million at June 30, 2004 (\$2.4 million in 2003). The liabilities above were recorded in accounts payable and accrued expenses in the accompanying Statements of Net Assets.

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 \$6.3 million at June 30, 2004 (\$3.5 million in 2003) which is included in accounts payable and accrued expenses in the accompanying Statements of Net Assets.

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#### **NOTE 12 - RISK MANAGEMENT**

The University manages property and liability risks through the purchase of insurance policies which have deductibles that vary by policy, the most significant of which provides for the payment of general liability and workers compensation benefits.

The University has accrued expenses for deductibles and incurred but not reported liabilities in the Statements of Net Assets. 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.

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#### **NOTE 13 - 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.

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## NOTE 14 – SUBSEQUENT EVENTS

### General Obligation Bonds, 2004 Series E

On July 1, 2004, the University issued General Obligation Refunding Bonds, 2004 Series E, in the aggregate amount of \$86.7 million. The bonds were issued under the terms of an Indenture of Trust, dated as of February 1, 2002, as supplemented, between the University and the First Union National Bank (now known as Wachovia Bank, National Association), as trustee, and a Fifth Supplemental Indenture of Trust, dated July 1, 2004, between the University and the Trustee. The 2004 Series E Bonds are authorized to be issued pursuant to the terms of the Fifth Supplemental Indenture, supplemental to and amendatory of the Master Indenture. The 2004 Series E 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 2004 Series E Projects were issued to fund capital projects for sites and buildings located at the New Brunswick, Newark and Camden campuses of the University, which include: (i) the construction of a student-housing facility with ancillary student-related and retail space on the Newark Campus; (ii) the expansion to and renovation of the Camden Law School; (iii) the complete interior and exterior reconstruction of the Administrative Services Building II located on the New Brunswick Campus; (iv) the fit-out and equipping of the Public Safety Building being constructed on the New Brunswick Campus; and (v) the construction of a new College of Nursing Building for academic and administrative offices and teaching laboratories.

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
Bureau of Alcohol, Tobacco & Firearms		
Various	21.RD	\$1,625
<b>Subtotal</b>		1,625
Department of Agriculture		
Agricultural Research Basic and Applied Research	10.001	59,377
Biotechnology Risk Assessment Research	10.219	66,311
Community Food Projects	10.225	81,015
Cooperative Forestry Assistance	10.664	60,653
Crop Insurance	10.450	192,259
Forestry Research	10.652	81,253
Grants for Agricultural Research Competitive Research Grants	10.206	1,009,972
Grants for Agricultural Research, Special Research Grants	10.200	3,869,647
Higher Education Challenge Grants	10.217	22,969
Initiative for Future Agriculture and Food Systems	10.302	1,236,586
Integrated Programs	10.303	1,039,301
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	2,887,971
Scientific Cooperation and Research	10.961	23,366
Various	10.RD	273,455
Wildlife Services	10.028	10,195
<b>Subtotal</b>		10,914,330
Department of Commerce-EDA		
Economic Development Technical Assistance	11.303	39,210
Research and Evaluation Program	11.312	2,464
Various	11.RD	38
<b>Subtotal</b>		41,712

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
Department of Commerce-NIST		
Measurement and Engineering Research and Standards	11.609	24,805
Various	11.RD	79,662
<b>Subtotal</b>		104,467
Department of Commerce-NOAA		
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	147,490
Climate and Atmospheric Research	11.431	407,220
Coastal Zone Management Administration Awards	11.419	26,834
Coastal Zone Management Estuarine Research Reserves	11.420	374,565
Cooperative Science and Education Program	11.455	836,888
Undersea Research	11.430	1,355,977
Various	11.RD	10,613
<b>Subtotal</b>		3,159,587
Department of Defense		
Basic and Applied Scientific Research	12.300	83,611
Basic, Applied, and Advanced Research in Science and Engineering	12.630	192,369
Military Medical Research and Development	12.420	169,529
Various	12.RD	1,646,686
<b>Subtotal</b>		2,092,195
Department of Education		
International Research and Studies	84.017	18,598
Undergraduate International Studies and Foreign Language Programs	84.016	24,434
<b>Subtotal</b>		43,032

(Continued)



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
Department of Energy		
Office of Science Financial Assistance Program	81.049	1,384,416
Various	81.RD	2,749,366
<b>Subtotal</b>		4,133,782
Department of Health and Human Services		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	941,684
Various	93.RD	164,309
<b>Subtotal</b>		1,105,993
Department of Housing and Urban Development		
Community Development Work-Study Program	14.512	59,535
Community Outreach Partnership Center Program	14.511	43,306
Doctoral Dissertation Research Grants	14.516	36,637
<b>Subtotal</b>		139,478
Department of Justice		
Community Prosecution and Project Safe Neighborhoods	16.609	61,402
<b>Subtotal</b>		61,402
Department of the Interior		
Various	15.RD	112,883
<b>Subtotal</b>		112,883
Department of the Interior-NPS		
Various	15.RD	99,965
<b>Subtotal</b>		99,965
Department of the Interior-USGS		
Assistance to State Water Resources Research Institutes	15.805	51,493
Various	15.RD	66,245

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
Department of the Interior-USGS		117,738
<b>Subtotal</b>		<b>117,738</b>
Department of Transportation-FAA		
Aviation Research Grants	20.108	112,852
Various	20.RD	61,497
<b>Subtotal</b>		<b>174,349</b>
Department of Transportation-FTA		
Federal Transit Metropolitan Planning Grants	20.505	101,350
Various	20.RD	242,933
<b>Subtotal</b>		<b>344,283</b>
DHHS-Agency for Healthcare Research and Quality		
Research on Healthcare Costs, Quality and Outcomes	93.226	544,350
<b>Subtotal</b>		<b>544,350</b>
DHHS-PHS-CDC		
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	479,191
<b>Subtotal</b>		<b>479,191</b>
DHHS-PHS-CMS		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	118,820
<b>Subtotal</b>		<b>118,820</b>
DHHS-PHS-FDA		
Food and Drug Administration Research	93.103	26,483
<b>Subtotal</b>		<b>26,483</b>
DHHS-PHS-NIH		
Aging Research	93.866	595,961

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
DHHS-PHS-NIH		
Biological Basis Research in the Neurosciences	93.854	516,187
Biological Response to Environmental Health Hazards	93.113	525,788
Biomedical Imaging Research	93.286	140,501
Cancer Biology Research	93.396	477,026
Cancer Cause and Prevention Research	93.393	134,800
Cancer Detection and Diagnosis Research	93.394	416,053
Cancer Treatment Research	93.395	231,715
Cell Biology and Biophysics Research	93.821	3,287,394
Center for Medical Rehabilitation Research	93.929	34,951
Center for Research for Mothers and Children	93.865	56,541
Clinical Research	93.333	27,200
Diabetes, Endocrinology and Metabolism Research	93.847	378,387
Digestive Diseases and Nutrition Research	93.848	381,476
Drug Abuse Research Programs	93.279	(2,881)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	618,961
Fogarty International Research Collaboration Award	93.934	29,080
Genetics and Developmental Biology Research and Research Training	93.862	617,084
Heart and Vascular Diseases Research	93.837	91,500
Human Genome Research	93.172	73,847
Mental Health Research Grants	93.242	1,006,390
Microbiology and Infectious Diseases Research	93.856	637,656
Oral Diseases and Disorders Research	93.121	168,907
Pharmacology, Physiology, and Biological Chemistry Research	93.859	1,459,695
Research on Healthcare Costs, Quality and Outcomes	93.226	164,827
Research Related to Deafness and Communication Disorders	93.173	160,205

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
DHHS-PHS-NIH		
Senior International Fellowships	93.989	377,267
Various	93.RD	570,974
Vision Research	93.867	315,881
<b>Subtotal</b>		13,493,373
DHHS-PHS-NIH-NCI		
Blood Diseases and Resources Research	93.839	179,686
Cancer Biology Research	93.396	599,974
Cancer Cause and Prevention Research	93.393	2,199,793
Cancer Control	93.399	1,759,600
Cancer Research Manpower	93.398	123,241
Cancer Treatment Research	93.395	35,897
Various	93.RD	331,735
<b>Subtotal</b>		5,229,926
DHHS-PHS-NIH-NCRR		
Bioengineering Research	93.287	630,602
Research Infrastructure	93.389	143,038
<b>Subtotal</b>		773,640
DHHS-PHS-NIH-NEI		
Vision Research	93.867	630,253
<b>Subtotal</b>		630,253
DHHS-PHS-NIH-NHLBI		
Heart and Vascular Diseases Research	93.837	178,226
<b>Subtotal</b>		178,226
DHHS-PHS-NIH-NIA		
Aging Research	93.866	647,883

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
DHHS-PHS-NIH-NIA		
<b>Subtotal</b>		647,883
DHHS-PHS-NIH-NIAAAA		
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	101,686
Alcohol Research Programs	93.273	1,500,307
Career Development Awards	93.277	92,932
Various	93.RD	11,029
<b>Subtotal</b>		1,705,954
DHHS-PHS-NIH-NIAID		
Allergy, Immunology and Transplantation Research	93.855	708,936
Microbiology and Infectious Diseases Research	93.856	499,267
<b>Subtotal</b>		1,208,203
DHHS-PHS-NIH-NIBIB		
Biomedical Imaging Research	93.286	178,613
<b>Subtotal</b>		178,613
DHHS-PHS-NIH-NICHD		
Center for Medical Rehabilitation Research	93.929	68,569
Center for Research for Mothers and Children	93.865	1,107,045
<b>Subtotal</b>		1,175,614
DHHS-PHS-NIH-NIDA		
Drug Abuse Research Programs	93.279	981,447
Various	93.RD	3,800,965
<b>Subtotal</b>		4,782,412
DHHS-PHS-NIH-NIDCD		
Research Related to Deafness and Communication Disorders	93.173	593,956

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
DHHS-PHS-NIH-NIDCD		
<b>Subtotal</b>		593,956
DHHS-PHS-NIH-NIDDKD		
Diabetes, Endocrinology and Metabolism Research	93.847	168,750
Digestive Diseases and Nutrition Research	93.848	152,297
Kidney Diseases, Urology and Hematology Research	93.849	640,675
Various	93.RD	432,893
<b>Subtotal</b>		1,394,615
DHHS-PHS-NIH-NIEHS		
Biological Response to Environmental Health Hazards	93.113	215,387
<b>Subtotal</b>		215,387
DHHS-PHS-NIH-NIGMS		
Bioinformatics and Computational Biology Research	93.309	616,832
Cell Biology and Biophysics Research	93.821	243,769
Genetics and Developmental Biology Research and Research Training	93.862	73,330
Pharmacology, Physiology, and Biological Chemistry Research	93.859	10,169,478
Various	93.RD	116,486
<b>Subtotal</b>		11,219,895
DHHS-PHS-NIH-NIMH		
Biological Basis Research in the Neurosciences	93.854	62,637
Mental Health Research Career/Scientist Development Awards	93.281	65,807
Mental Health Research Grants	93.242	6,945,627
<b>Subtotal</b>		7,074,071
DHHS-PHS-NIH-NINCDS		
Biological Basis Research in the Neurosciences	93.854	(117,688)

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
DHHS-PHS-NIH-NINCDS		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	3,556,955
<b>Subtotal</b>		3,439,267
DHHS-PHS-SAMHSA-CSAP		
Consolidated Knowledge Development and Application (KD&A) Program	93.230	505,453
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	35,965
<b>Subtotal</b>		541,418
DOD-Army Medical Research Command		
Various	12.RD	462,129
<b>Subtotal</b>		462,129
DOD-DAF-Air Force Office of Scientific Research		
Air Force Defense Research Sciences Program	12.800	397,363
Basic, Applied, and Advanced Research in Science and Engineering	12.630	204,342
Various	12.RD	310,011
<b>Subtotal</b>		911,716
DOD-DAF-Air Force Research Laboratory		
Research and Technology Development	12.910	20,414
<b>Subtotal</b>		20,414
DOD-DARPA		
Research and Technology Development	12.910	228,786
Various	12.RD	568,067
<b>Subtotal</b>		796,853

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
DOD-Defense Logistics Agency		
Various	12.RD	656,055
<b>Subtotal</b>		656,055
DOD-Department of the Navy		
Research and Technology Development	12.910	175,431
<b>Subtotal</b>		175,431
DOD-Department of Veterans Affairs		
Various	12.RD	109,985
<b>Subtotal</b>		109,985
DOD-DOA-Army Corps of Engineers		
Various	12.RD	12,160
<b>Subtotal</b>		12,160
DOD-DOA-Army Medical Research Acquisition Activity		
Military Medical Research and Development	12.420	81,036
<b>Subtotal</b>		81,036
DOD-DOA-Army Research Office		
Various	12.RD	840,903
<b>Subtotal</b>		840,903
DOD-DOA-Army TACOM-ARDEC		
Various	12.RD	154,168
<b>Subtotal</b>		154,168
DOD-DOA-CECOM		
Various	12.RD	22,281
<b>Subtotal</b>		22,281

(Continued)



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
DOD-DON-Naval Air Warfare Center		
Research and Technology Development	12.910	16,938
<b>Subtotal</b>		16,938
DOD-DON-Office of Naval Research		
Basic and Applied Scientific Research	12.300	4,788,489
Various	12.RD	192,073
<b>Subtotal</b>		4,980,562
DOD-National Security Agency		
Mathematical Sciences Grants Program	12.901	116,632
Various	12.RD	71,530
<b>Subtotal</b>		188,162
DOD-Technical Support Working Group		
Various	12.RD	481,298
<b>Subtotal</b>		481,298
Environmental Protection Agency		
Environmental Protectiononn Consolidated Research	66.500	144,679
Pesticide Environmental Stewardship Regional Grants	66.714	14,756
Pollution Prevention Grants Program	66.708	155,535
Science To Achieve Results (STAR) Program	66.509	60,258
Solid Waste Management Assistance	66.808	47,437
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	29,234
Surveys, Studies, Investigations and Special Purpose Grants	66.606	30,366
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	66.716	1,562
Various	66.RD	53,493
<b>Subtotal</b>		537,320

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Direct:		
Institute of Museum and Library Services		
National Leadership Grants	45.312	4,047
<b>Subtotal</b>		4,047
National Aeronautics and Space Administration		
Various	43.RD	2,916,501
<b>Subtotal</b>		2,916,501
National Archives and Records Administration		
National Historical Publications and Records Grants	89.003	52,353
<b>Subtotal</b>		52,353
National Endowment for the Humanities		
Promotion of the Humanities Research	45.161	47,597
Various	45.RD	216,683
<b>Subtotal</b>		264,280
National Science Foundation		
Biological Sciences	47.074	8,626,842
Computer and Information Science and Engineering	47.070	8,133,382
Education and Human Resources	47.076	2,065,641
Engineering Grants	47.041	3,773,682
Geosciences	47.050	4,765,704
Mathematical and Physical Sciences	47.049	7,422,929
Polar Programs	47.078	46,772
Social, Behavioral, and Economic Sciences	47.075	1,449,977
Various	47.RD	1,308,739
<b>Subtotal</b>		37,593,668
<b>Subtotal Direct Research and Development</b>		\$129,576,631

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Advanced Animal Diagnostics		
Various	10.RD	\$7,000
		<hr/>
<b>Subtotal</b>		7,000
Advanced Information Engineering Services		
Various	12.RD	48,787
		<hr/>
<b>Subtotal</b>		48,787
Albert Einstein College of Medicine		
Cancer Control	93.399	26,815
Microbiology and Infectious Diseases Research	93.856	71,528
		<hr/>
<b>Subtotal</b>		98,343
Allied-Signal Corporation		
Various	12.RD	(4,432)
		<hr/>
<b>Subtotal</b>		(4,432)
Arizona State University		
Research and Technology Development	12.910	103,015
		<hr/>
<b>Subtotal</b>		103,015
Boston University		
Computer and Information Science and Engineering	47.070	44,824
		<hr/>
<b>Subtotal</b>		44,824

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Brookhaven National Labs		
AIDS Education and Training Centers	93.145	37,247
Various	81.RD	8,341
<b>Subtotal</b>		45,588
CACI Technologies International, Inc		
Various	12.RD	92,690
<b>Subtotal</b>		92,690
California Institute of Technology		
Various	12.RD	86,742
Various	47.RD	8,012
Various	81.RD	224,229
<b>Subtotal</b>		318,983
California Polytechnic State University		
National Institute on Student Achievement, Curriculum, and Assessment	84.305	21,507
<b>Subtotal</b>		21,507
Carnegie Mellon University		
Engineering Grants	47.041	104,999
Various	81.RD	72,709
<b>Subtotal</b>		177,708
Catholic Community Services		
Basic/Core Area Health Education Centers	93.824	(1,897)

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Catholic Community Services		(1,897)
<b>Subtotal</b>		<b>(1,897)</b>
Ceramare Corporation		
Engineering Grants	47.041	27,030
Various	47.RD	7,425
<b>Subtotal</b>		<b>34,455</b>
Children's Hospital of Philadelphia		
Blood Diseases and Resources Research	93.839	75,001
Mental Health Research Grants	93.242	(8,570)
<b>Subtotal</b>		<b>66,431</b>
Clemson University		
Biological Sciences	47.074	28,414
<b>Subtotal</b>		<b>28,414</b>
College of William and Mary		
Various	12.RD	125,435
<b>Subtotal</b>		<b>125,435</b>
Colorado State University		
Various	93.RD	47,381
<b>Subtotal</b>		<b>47,381</b>
Columbia University		
Computer and Information Science and Engineering	47.070	58,506

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Columbia University		
Social Services Research and Demonstration	93.647	(32,175)
<b>Subtotal</b>		26,331
Commonwealth of Massachusetts		
Unallied Science Program	11.472	43,191
<b>Subtotal</b>		43,191
Cornell University		
Grants for Agricultural Research, Special Research Grants	10.200	222,805
Integrated Programs	10.303	129,952
<b>Subtotal</b>		352,757
CUNY-Research Foundation		
Federal Transit Grants for University Research and Training	20.502	4,783
<b>Subtotal</b>		4,783
Delaware River Basin Commission		
Various	15.RD	134,137
<b>Subtotal</b>		134,137
Dragoon Technologies		
Various	12.RD	82,435
<b>Subtotal</b>		82,435
Electricore Consortium		
Various	12.RD	(3,013)

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Electricore Consortium		
Various	20.RD	2,779
<b>Subtotal</b>		(234)
Electro Energy, Inc.		
Various	81.RD	9,044
<b>Subtotal</b>		9,044
Energy Research Company		
Various	81.RD	(479)
<b>Subtotal</b>		(479)
George Washington University		
Education and Human Resources	47.076	5,990
<b>Subtotal</b>		5,990
Georgia Institute of Technology		
Engineering Grants	47.041	49,353
<b>Subtotal</b>		49,353
Harvard University		
Education and Human Resources	47.076	121,173
Eisenhower Professional Development State Grants	84.281	92,814
Various	66.RD	3,302
Various	84.RD	373,371
<b>Subtotal</b>		590,660

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Health Research Inc.		
Microbiology and Infectious Diseases Research	93.856	49,148
<b>Subtotal</b>		49,148
Hospital for Special Surgery		
Aging Research	93.866	25,634
Various	93.RD	27,504
<b>Subtotal</b>		53,138
Institute for Responsible Management, Inc.		
Office of Science and Technology for Environmental Management	81.104	415,496
Various	81.RD	554,254
<b>Subtotal</b>		969,750
Integra Life Sciences		
Various	11.RD	4,335
<b>Subtotal</b>		4,335
ITT Industries		
Various	12.RD	(2,544)
<b>Subtotal</b>		(2,544)
Jefferson Lab		
Various	81.RD	56,580
<b>Subtotal</b>		56,580

(Continued)



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Layered Manufacturing, Inc.		
Various	12.RD	(10,316)
<b>Subtotal</b>		<u>(10,316)</u>
Lear Siegler Services, Inc.		
Various	12.RD	19,778
<b>Subtotal</b>		<u>19,778</u>
Los Alamos National Laboratory		
Various	81.RD	24,393
<b>Subtotal</b>		<u>24,393</u>
Massachusetts Institute of Technology		
Basic and Applied Scientific Research	12.300	(67,075)
Engineering Grants	47.041	57,876
Mathematical and Physical Sciences	47.049	82,239
<b>Subtotal</b>		<u>73,040</u>
Mayflower Communications Company, Inc		
Various	12.RD	35,250
<b>Subtotal</b>		<u>35,250</u>
McKessonHBOC Bioservices		
Various	93.RD	4,089
<b>Subtotal</b>		<u>4,089</u>

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Michigan State University		
Integrated Programs	10.303	49,375
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	117,395
<b>Subtotal</b>		<u>166,770</u>
Middlesex County Public Health Department		
Ryan White HIV/AIDS Dental Reimbursements	93.924	152,608
<b>Subtotal</b>		<u>152,608</u>
Montefiore Medical Center		
Microbiology and Infectious Diseases Research	93.856	23,284
<b>Subtotal</b>		<u>23,284</u>
Mote Marine Laboratory		
Biological Sciences	47.074	114,619
<b>Subtotal</b>		<u>114,619</u>
Mount Sinai Medical Center		
Diabetes, Endocrinology and Metabolism Research	93.847	92,940
<b>Subtotal</b>		<u>92,940</u>
Mt. Sinai School of Medicine		
Various	93.RD	(652)
<b>Subtotal</b>		<u>(652)</u>

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Nanopowder Enterprises, Inc.		
Various	12.RD	(305)
<b>Subtotal</b>		(305)
Nanoprobes, Inc.		
Various	93.RD	13,467
<b>Subtotal</b>		13,467
National Alliance for Autism Research		
Various	93.RD	58,346
<b>Subtotal</b>		58,346
National Governors' Association		
Various	17.RD	40,000
<b>Subtotal</b>		40,000
National Trust for Historic Preservation		
General Research and Technology Activity	14.506	72,992
<b>Subtotal</b>		72,992
NAVSYS Corporation		
Various	12.RD	21,005
<b>Subtotal</b>		21,005
NEI Corporation		
Various	81.RD	83,437

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
NEI Corporation		
<b>Subtotal</b>		83,437
New Brunswick Tomorrow		
Temporary Assistance for Needy Families	93.558	(663)
<b>Subtotal</b>		(663)
New England Small Farm Institute, Inc.		
Various	10.RD	833
<b>Subtotal</b>		833
New Jersey Higher Education Consortium		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2,643
<b>Subtotal</b>		2,643
New Jersey Institute of Technology		
Highway Planning and Construction	20.205	71,534
Various	47.RD	(2,720)
<b>Subtotal</b>		68,814
New Jersey Marine Sciences Consortium		
Sea Grant Support	11.417	426,633
Undersea Research	11.430	82,103
Various	11.RD	5,000
<b>Subtotal</b>		513,736

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
New Jersey Space Grant Consortium		
Various	43.RD	26,136
		<hr/>
<b>Subtotal</b>		26,136
New York Blood Center		
Various	93.RD	37,643
		<hr/>
<b>Subtotal</b>		37,643
New York University		
Basic/Core Area Health Education Centers	93.824	781
Various	93.RD	6,685
		<hr/>
<b>Subtotal</b>		7,466
New York University School of Medicine		
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	158,597
		<hr/>
<b>Subtotal</b>		158,597
Nian-Crae, Inc.		
Various	93.RD	5,632
		<hr/>
<b>Subtotal</b>		5,632
North Carolina State University		
Polar Programs	47.078	(630)
Various	47.RD	(7,848)
		<hr/>
<b>Subtotal</b>		(8,478)

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Northeastern University		
Engineering Grants	47.041	10,511
Mathematical and Physical Sciences	47.049	66,646
		77,157
<b>Subtotal</b>		
Oak Ridge National Laboratory		
Various	81.RD	50,391
		50,391
<b>Subtotal</b>		
Ocean County		
National Estuary Program	66.456	76,270
		76,270
<b>Subtotal</b>		
Ohio State University		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	13,746
Initiative for Future Agriculture and Food Systems	10.302	12,796
Mathematical and Physical Sciences	47.049	68,894
Social, Behavioral, and Economic Sciences	47.075	26,233
Various	93.RD	78,035
		199,704
<b>Subtotal</b>		
OLI Systems, Inc.		
Various	12.RD	(586)
		(586)
<b>Subtotal</b>		

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Oregon Health & Science University		
Research Related to Deafness and Communication Disorders	93.173	74,936
<b>Subtotal</b>		74,936
Penn State University		
Basic and Applied Scientific Research	12.300	12,306
Grants for Agricultural Research Competitive Research Grants	10.206	14,677
Mathematical and Physical Sciences	47.049	53,330
<b>Subtotal</b>		80,313
Philadelphia University		
Various	11.RD	(23,904)
<b>Subtotal</b>		(23,904)
Princeton University		
Mathematical and Physical Sciences	47.049	274,160
Mental Health Research Grants	93.242	79,555
<b>Subtotal</b>		353,715
Process Technology Optimization, Inc		
Engineering Grants	47.041	3,602
<b>Subtotal</b>		3,602
Purdue University		
Research and Training in Complementary and Alternative Medicine	93.213	72,460

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Purdue University		
<b>Subtotal</b>		72,460
Quantum Leap Innovations		
Various	12.RD	85,703
<b>Subtotal</b>		85,703
Rensselaer Polytechnic Institute		
Various	20.RD	165,750
<b>Subtotal</b>		165,750
Reva Medical		
Heart and Vascular Diseases Research	93.837	789
<b>Subtotal</b>		789
Rowan University		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	23,650
<b>Subtotal</b>		23,650
SAIC		
Various	93.RD	95,568
<b>Subtotal</b>		95,568
Sarnoff Corporation		
Various	12.RD	261,607
<b>Subtotal</b>		261,607

(Continued)



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Sensors Unlimited, Inc.		
Various	43.RD	(1,935)
<b>Subtotal</b>		(1,935)
Slattery-Skanska		
Various	20.RD	11,003
<b>Subtotal</b>		11,003
Sleepy Hollow Farm		
Various	10.RD	27,419
<b>Subtotal</b>		27,419
Smithsonian Astrophysical Observatory		
Various	43.RD	187,338
<b>Subtotal</b>		187,338
Smithsonian Institution		
Biological Sciences	47.074	16,643
Social, Behavioral, and Economic Sciences	47.075	37,601
Various	43.RD	7,464
<b>Subtotal</b>		61,708
SNJ-Board of Public Utilities		
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Trai	81.117	17,862
Various	81.RD	38,296

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
SNJ-Board of Public Utilities		
<b>Subtotal</b>		56,158
SNJ-DCA-Council on Affordable Housing		
Various	14.RD	27,711
<b>Subtotal</b>		27,711
SNJ-Department of Agriculture		
Federal-State Marketing Improvement Program	10.156	22,963
Various	10.RD	7,595
<b>Subtotal</b>		30,558
SNJ-Department of Education		
Various	84.RD	9,170
<b>Subtotal</b>		9,170
SNJ-Department of Environmental Protection		
Clean Vessel Act	15.616	260
Grants for Mining and Mineral Resources and Research Institutes	15.308	1,102
Nonpoint Source Implementation Grants	66.460	138,943
Performance Partnership Grants	66.605	30,502
Various	66.RD	75,235
<b>Subtotal</b>		246,042
SNJ-Department of Health		
Various	93.RD	184,741

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# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
SNJ-Department of Health		
<b>Subtotal</b>		184,741
SNJ-Department of Health and Senior Services		
Center for Research for Mothers and Children	93.865	69,197
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studie	93.238	605,549
HIV Prevention Activities Health Department Based	93.940	638,454
Policy Research and Evaluation Grants	93.239	59,145
Various	93.RD	66,898
<b>Subtotal</b>		1,439,243
SNJ-Department of Human Services		
State Planning Grant Health Care Access for the Uninsured	93.256	427,196
Various	93.RD	140,989
<b>Subtotal</b>		568,185
SNJ-Department of Labor		
WIA Adult Program	17.258	243,094
Work Incentives Grant	17.266	25,762
<b>Subtotal</b>		268,856
SNJ-Department of Transportation		
Federal Transit Grants for University Research and Training	20.502	52,883
Highway Planning and Construction	20.205	(3,044)
University Transportation Centers Program	20.701	17,192
Various	20.NJ80X0210	54,576

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
SNJ-Department of Transportation		
Various	20.RD	2,964,340
<b>Subtotal</b>		3,085,947
Space Telescope Science Institute		
Various	43.RD	201,771
<b>Subtotal</b>		201,771
Spectrum Consulting Associates, Inc.		
Various	93.RD	4,680
<b>Subtotal</b>		4,680
Stanford University		
Various	47.RD	187,443
Various	93.RD	17,878
<b>Subtotal</b>		205,321
SUNY-Albany		
Various	12.RD	250,209
<b>Subtotal</b>		250,209
SUNY-Stony Brook		
Cancer Cause and Prevention Research	93.393	140,955
<b>Subtotal</b>		140,955
SUNY-The Research Foundation		
Various	93.RD	400,643

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
SUNY-The Research Foundation		
<b>Subtotal</b>		400,643
Syracuse University		
Geosciences	47.050	32,985
<b>Subtotal</b>		32,985
Texas A&M Research Foundation		
Geosciences	47.050	13,161
<b>Subtotal</b>		13,161
Texas Tech University		
Grants for Agricultural Research Competitive Research Grants	10.206	17,165
<b>Subtotal</b>		17,165
The PMK Group		
Various	66.RD	6,820
<b>Subtotal</b>		6,820
Titan Systems Corporation		
Various	20.RD	88,251
<b>Subtotal</b>		88,251
UMDNJ		
Biological Response to Environmental Health Hazards	93.113	(1,834)
Center for Research for Mothers and Children	93.865	758
Military Medical Research and Development	12.420	30,568

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
UMDNJ		
Resource and Manpower Development in the Environmental Health Sciences	93.894	11,456
Various	93.RD	797,207
<b>Subtotal</b>		838,155
UMDNJ-New Jersey Medical School		
Various	66.RD	16,871
Various	93.RD	37,228
<b>Subtotal</b>		54,099
UMDNJ-Robert Wood Johnson Medical School		
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	38,829
Center for Research for Mothers and Children	93.865	128,727
Various	66.RD	293,455
Various	93.RD	487,030
<b>Subtotal</b>		948,041
Universities Space Research Association		
Various	43.RD	1,408
<b>Subtotal</b>		1,408
University Corporation for Atmospheric Research		
Climate and Atmospheric Research	11.431	43,344
Cooperative Science and Education Program	11.455	1,141
<b>Subtotal</b>		44,485

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
University of Alaska		
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institute	11.432	9,957
Undersea Research	11.430	63,347
<b>Subtotal</b>		73,304
University of California		
Mathematical Sciences Grants Program	12.901	18,563
Microbiology and Infectious Diseases Research	93.856	23,266
<b>Subtotal</b>		41,829
University of California-Lawrence Livermore National Lab		
Various	81.RD	99,373
<b>Subtotal</b>		99,373
University of California-San Diego		
Education and Human Resources	47.076	32,529
Various	47.RD	128,556
<b>Subtotal</b>		161,085
University of Florida		
Biological Sciences	47.074	178,110
<b>Subtotal</b>		178,110
University of Georgia		
Various	93.RD	1,014

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
University of Georgia		1,014
<b>Subtotal</b>		<b>1,014</b>
University of Illinois		
Geosciences	47.050	115,556
Various	96.RD	793,425
<b>Subtotal</b>		<b>908,981</b>
University of Maine		
Grants for Agricultural Research, Special Research Grants	10.200	8,910
<b>Subtotal</b>		<b>8,910</b>
University of Maryland		
Air Force Defense Research Sciences Program	12.800	38,879
Computer and Information Science and Engineering	47.070	37,969
Diabetes, Endocrinology and Metabolism Research	93.847	49,232
National Motor Carrier Safety	20.218	133
Various	11.RD	33,095
Various	43.RD	66,410
Various	47.RD	96,986
<b>Subtotal</b>		<b>322,704</b>
University of Massachusetts		
Grants for Agricultural Research, Special Research Grants	10.200	18,473
Integrated Programs	10.303	16,194
Mental Health Research Grants	93.242	21,607

(Continued)



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
University of Massachusetts		
<b>Subtotal</b>		56,274
University of Minnesota		
Various	12.RD	57,133
<b>Subtotal</b>		57,133
University of Missouri		
Various	12.RD	58,824
Various	81.RD	13,378
<b>Subtotal</b>		72,202
University of New Hampshire		
Coastal Zone Management Estuarine Research Reserves	11.420	11,629
Unallied Science Program	11.472	6,373
<b>Subtotal</b>		18,002
University of Pennsylvania		
Basic Scientific Research	12.431	57,349
Computer and Information Science and Engineering	47.070	179,993
Cooperative Extension Service	10.500	1,529
Various	84.RD	15,429
<b>Subtotal</b>		254,300
University of Pittsburgh		
Biological Basis Research in the Neurosciences	93.854	(865)

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
University of Pittsburgh		
<b>Subtotal</b>		(865)
University of Puerto Rico		
Mental Health Research Grants	93.242	26,360
<b>Subtotal</b>		26,360
University of Rhode Island		
Undersea Research	11.430	44,046
<b>Subtotal</b>		44,046
University of Richmond		
Various	96.RD	5,422
<b>Subtotal</b>		5,422
University of Rochester		
Basic and Applied Scientific Research	12.300	60,303
<b>Subtotal</b>		60,303
University of South Carolina		
Undersea Research	11.430	96,593
<b>Subtotal</b>		96,593
University of Tennessee		
Education and Human Resources	47.076	43,520
Various	12.RD	3,215

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
University of Tennessee		
<b>Subtotal</b>		46,735
University of Vermont		
Grants for Agricultural Research, Special Research Grants	10.200	34,289
Various	10.RD	51,756
<b>Subtotal</b>		86,045
University of Wisconsin		
Aging Research	93.866	74,837
Grants for Agricultural Research Competitive Research Grants	10.206	14,519
Various	47.RD	117,402
Various	93.RD	13,009
<b>Subtotal</b>		219,767
US Civilian Research and Development Foundation		
Various	96.RD	5,408
<b>Subtotal</b>		5,408
Virginia Institute of Marine Science		
Cooperative Science and Education Program	11.455	47,182
Sea Grant Support	11.417	14,793
Various	11.RD	19,910
<b>Subtotal</b>		81,885

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Washington State University		
Population Research	93.864	49,385
<b>Subtotal</b>		49,385
Washington University - St. Louis		
Research and Training in Complementary and Alternative Medicine	93.213	14,976
Various	93.RD	3,558,311
<b>Subtotal</b>		3,573,287
Water Environment Research Foundation		
Environmental Protection Consolidated Research	66.500	31,270
<b>Subtotal</b>		31,270
Wayne Machine & Die Company		
Various	43.RD	11,772
<b>Subtotal</b>		11,772
Western Massachusetts Training Consortium, Inc.		
Substance Abuse and Mental Health Services-Access to Recovery	93.275	2,325
Various	93.RD	71,645
<b>Subtotal</b>		73,970
Woods Hole Oceanographic Institution		
Geosciences	47.050	3,865
<b>Subtotal</b>		3,865

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER:		
Pass-Through:		
Yale University		
Geosciences	47.050	13,539
Office of Science Financial Assistance Program	81.049	158,044
		<hr/>
<b>Subtotal</b>		171,583
ZN Technology		
Various	12.RD	42,714
		<hr/>
<b>Subtotal</b>		42,714
		<hr/>
<b>Subtotal Pass-Through Research and Development</b>		23,409,895
		<hr/>
<b>Subtotal Research and Development</b>		\$152,986,526
		<hr/>

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
STUDENT FINANCIAL AID CLUSTER:		
Direct:		
Department of Education		
Federal Supplemental Educational Opportunity Grant Program	84.007	\$2,503,804
Federal Work Study Program (Including Administrative Cost of \$ 5,484)	84.033	5,187,271
Perkins Loan Program (Including Administrative Cost of \$ 572,529)	84.038	9,321,609
Federal Pell Grant Program	84.063	29,702,456
Federal Direct Loan Program	84.268	144,877,172
Department of Health and Human Services-Public Health Service		
Nursing Faculty Loan Program	93.264	60,036
Scholarships for Disadvantaged Students	93.925	134,888
<b>Subtotal Student Financial Aid</b>		<u>\$191,787,236</u>

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
Department of Agriculture		
Cooperative Extension Service	10.500	\$3,617,909
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	43,167
Various	10.UNK	883
<b>Subtotal</b>		3,661,959
Department of Commerce-EDA		
Various	11.01-06-02764-95	(509)
<b>Subtotal</b>		(509)
Department of Commerce-NOAA		
Coastal Zone Management Estuarine Research Reserves	11.420	312,487
Cooperative Science and Education Program	11.455	235,890
Various	11.NA.56AB0558	1,468,036
Various	11.NA97OR0150	9,953
<b>Subtotal</b>		2,026,366
Department of Defense		
Various	12.UNK	53,364
<b>Subtotal</b>		53,364
Department of Education		
Charter Schools	84.282	134,566
Fund for the Improvement of Education	84.215	2,144,751
Fund for the Improvement of Postsecondary Education	84.116	36,253
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	348,731
Graduate Assistance in Areas of National Need	84.200	648,147
International: Overseas Doctoral Dissertation	84.021	66,555
International: Overseas Doctoral Dissertation	84.022	87,529

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
Department of Education		
Javits Fellowships	84.170	33,951
Preparing Tomorrow's Teachers to Use Technology	84.342	35,742
TRIO Dissemination Partnership Grants	84.344	71,032
TRIO McNair Post-Baccalaureate Achievement	84.217	346,595
TRIO Student Support Services	84.042	596,456
TRIO Upward Bound	84.047	588,361
Various	84.P200A000107	106,135
<b>Subtotal</b>		5,244,804
Department of Energy		
Various	81.UNK	24,923
<b>Subtotal</b>		24,923
Department of Health and Human Services		
Child Welfare Services Training Grants	93.648	139,122
Various	93.UNK	792,088
<b>Subtotal</b>		931,210
Department of Housing and Urban Development		
Doctoral Dissertation Research Grants	14.516	4,034
Housing Subsidy - NJEFA Bonds	14.UNK	135,364
Housing Subsidy - Series H Bonds	14.UNK	69,381
Various	14.CDWS-NJ-0011	(3,324)
<b>Subtotal</b>		205,455
Department of Justice		
Various	16.UNK	180,429
<b>Subtotal</b>		180,429

(Continued)



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
Department of Labor		
Various	17.K-6826-8-00-80-30	(6,528)
<b>Subtotal</b>		<u>(6,528)</u>
Department of Labor-OSHA		
Occupational Safety and Health Susan Harwood Training Grants	17.502	141,181
Various	17.UNK	67,005
<b>Subtotal</b>		<u>208,186</u>
Department of State		
College and University Partnerships Program	19.405	136,906
Various	19.UNK	8,726
<b>Subtotal</b>		<u>145,632</u>
Department of the Interior-NPS		
Various	15.UNK	13,369
<b>Subtotal</b>		<u>13,369</u>
Department of the Interior-USGS		
Assistance to State Water Resources Research Institutes	15.805	1,619
<b>Subtotal</b>		<u>1,619</u>
Department of Transportation		
University Transportation Centers Program	20.701	461,651
<b>Subtotal</b>		<u>461,651</u>
Department of Transportation-FAA		
Aviation Research Grants	20.108	123,715
<b>Subtotal</b>		<u>123,715</u>

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
Department of Transportation-FHA		
Various	20.UNK	30,374
<b>Subtotal</b>		30,374
Department of Transportation-FTA		
Federal Transit Grants for University Research and Training	20.502	165,907
Human Resource Programs	20.511	(2,265)
Transit Planning and Research	20.514	65,705
University Transportation Centers Program	20.701	24,709
Various	20.NJ-26-2901	205,928
Various	20.UNK	4,424,859
<b>Subtotal</b>		4,884,843
DHHS-PHS-HRSA		
Health Care and Other Facilities	93.887	786,854
<b>Subtotal</b>		786,854
DHHS-PHS-HRSA-BHP		
Advanced Education Nursing Traineeships	93.358	78,004
<b>Subtotal</b>		78,004
DHHS-PHS-HRSA-BHP-NUR		
Advanced Education Nursing Grant Program	93.247	388,171
Advanced Education Nursing Traineeships	93.358	16,156
<b>Subtotal</b>		404,327
DHHS-PHS-NIH		
Cell Biology and Biophysics Research	93.821	14,767
Clinical Research	93.333	214,407

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# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
DHHS-PHS-NIH		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	33,980
Heart and Vascular Diseases Research	93.837	(11,097)
Minority Access to Research Careers	93.880	6,438
Pharmacology, Physiology, and Biological Chemistry Research	93.859	3,439
Resource and Manpower Development in the Environmental Health Sciences	93.894	38,042
Special Minority Initiatives	93.859	28,176
Special Minority Initiatives	93.960	206,386
<b>Subtotal</b>		534,538
DHHS-PHS-NIH-FIC		
Senior International Fellowships	93.989	(1,987)
<b>Subtotal</b>		(1,987)
DHHS-PHS-NIH-NCI		
Cancer Research Manpower	93.398	25,525
<b>Subtotal</b>		25,525
DHHS-PHS-NIH-NIAAA		
Alcohol National Research Service Awards for Research Training	93.272	216,596
<b>Subtotal</b>		216,596
DHHS-PHS-NIH-NIAID		
Microbiology and Infectious Diseases Research	93.856	58,176
<b>Subtotal</b>		58,176
DHHS-PHS-NIH-NIBIB		

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# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
DHHS-PHS-NIH-NIBIB		
Heart and Vascular Diseases Research	93.837	38,440
<b>Subtotal</b>		38,440
DHHS-PHS-NIH-NIDA		
Drug Abuse National Research Service Awards for Research Training	93.278	24,977
<b>Subtotal</b>		24,977
DHHS-PHS-NIH-NIEHS		
Resource and Manpower Development in the Environmental Health Sciences	93.894	354,789
<b>Subtotal</b>		354,789
DHHS-PHS-NIH-NIGMS		
Cell Biology and Biophysics Research	93.821	168,970
Minority Biomedical Research Support	93.375	499,394
Pharmacology, Physiology, and Biological Chemistry Research	93.859	283,578
Special Minority Initiatives	93.960	100,237
<b>Subtotal</b>		1,052,179
DHHS-PHS-NIH-NIMH		
Mental Health National Research Service Awards for Research Training	93.282	510,728
Mental Health Research Grants	93.242	(3,187)
<b>Subtotal</b>		507,541
DHHS-PHS-NIH-NINCDS		
Biological Basis Research in the Neurosciences	93.854	22,313
<b>Subtotal</b>		22,313

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# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
DHHS-PHS-NIH-NINR		
Nursing Research	93.361	83,396
<b>Subtotal</b>		83,396
DOD-DARPA		
Research and Technology Development	12.910	250,535
<b>Subtotal</b>		250,535
DOD-Department of Veterans Affairs		
Various	64.UNK	17,504
<b>Subtotal</b>		17,504
DOD-DOA-Army Research Office		
Basic Scientific Research	12.431	8,210
Various	12.UNK	174,687
<b>Subtotal</b>		182,897
DOD-DOA-Army TACOM-ARDEC		
Various	12.UNK	53,611
<b>Subtotal</b>		53,611
DOD-DON-Office of Naval Research		
Basic and Applied Scientific Research	12.300	1,446
<b>Subtotal</b>		1,446
Environmental Protection Agency		
Pollution Prevention Grants Program	66.708	33,905
State Indoor Radon Grants	66.032	34,958
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	47,326

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# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
Environmental Protection Agency		
Surveys, Studies, Investigations and Special Purpose Grants	66.606	43,908
Training and Fellowships for the Environmental Protection Agency	66.607	396,618
Various	66.UNK	(1,373)
<b>Subtotal</b>		555,342
Institute of Museum and Library Services		
Museum for America Grants	45.301	105,978
National Leadership Grants	45.312	177,814
<b>Subtotal</b>		283,792
Internal Revenue Service		
Low-Income Taxpayer Clinics	21.008	84,343
<b>Subtotal</b>		84,343
National Aeronautics and Space Administration		
Various	43.UNK	409,782
<b>Subtotal</b>		409,782
National Endowment for the Arts		
Promotion of the Arts Grants to Organizations and Individuals	45.024	33,206
Promotion of the Arts Partnership Agreements	45.025	16,259
<b>Subtotal</b>		49,465
National Endowment for the Humanities		
Promotion of the Humanities Division of Preservation and Access	45.149	93,556
<b>Subtotal</b>		93,556

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
National Historical Publications and Records Commission		
National Historical Publications and Records Grants	89.003	57,473
<b>Subtotal</b>		<b>57,473</b>
National Science Foundation		
Biological Sciences	47.074	2,506,274
Computer and Information Science and Engineering	47.070	28,694
Education and Human Resources	47.076	3,464,911
Engineering Grants	47.041	177,873
Geosciences	47.050	34,338
Mathematical and Physical Sciences	47.049	9,006
Social, Behavioral, and Economic Sciences	47.075	49,612
Various	47.DGE 9616173	48,826
Various	47.ESR 9810311	8,523
Various	47.UNK	17,558
<b>Subtotal</b>		<b>6,345,615</b>
Small Business Administration		
Small Business Development Center	59.037	2,142,448
<b>Subtotal</b>		<b>2,142,448</b>
Smithsonian Institution		
Various	60.UNK	(888)
<b>Subtotal</b>		<b>(888)</b>
US Information Agency		
Various	19.IA-ASJL-G8190210	14,218
<b>Subtotal</b>		<b>14,218</b>

(Continued)

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2004**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Direct:		
Subtotal Direct Other Programs		<hr/> \$32,917,669 <hr/>



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
Academy of Applied Science		
Various	12.UNK	\$639
<b>Subtotal</b>		639
Agency for International Development Pass Through to Department of Agriculture		
International Training Foreign Participant	10.962	107,783
<b>Subtotal</b>		107,783
Airpark Sales and Service, Inc.		
Basic and Applied Scientific Research	12.300	350,000
<b>Subtotal</b>		350,000
Association of Universities for Research in Astronomy, Inc.		
Various	47.UNK	19,394
<b>Subtotal</b>		19,394
California State University		
Fund for the Improvement of Postsecondary Education	84.116	20,042
<b>Subtotal</b>		20,042
Camden Empowerment Zone Corporation		
Social Services Block Grant	93.667	4,998
<b>Subtotal</b>		4,998
Center for Civic Education		
Various	84.929	34,280

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
Center for Civic Education		
<b>Subtotal</b>		34,280
Center for Problem-Oriented Policing, Inc.		
Various	16.UNK	8,110
<b>Subtotal</b>		8,110
Columbia University		
Various	93.UNK	164,467
<b>Subtotal</b>		164,467
Consortium for Oceanographic Research and Education		
Coastal Zone Management Estuarine Research Reserves	11.420	17,045
<b>Subtotal</b>		17,045
Cornell University		
Homeland Security Agricultural	10.304	29,797
<b>Subtotal</b>		29,797
Cumberland County Empowerment Zone Corporation		
Various	14.UNK	95,752
Various	15.UNK	36,388
<b>Subtotal</b>		132,140
CUNY-Transportation Research Center		
Federal Transit Grants for University Research and Training	20.502	7,471
University Transportation Centers Program	20.701	(1,798)

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
CUNY-Transportation Research Center		
<b>Subtotal</b>		5,673
East Carolina University		
Various	47.UNK	31,071
<b>Subtotal</b>		31,071
Fordham University		
Various	15.UNK	2,131
<b>Subtotal</b>		2,131
Institute for International Education		
Various	19.UNK	146,050
<b>Subtotal</b>		146,050
Institute of Electrical & Electronics Engineers, Inc.		
Engineering Grants	47.041	434
<b>Subtotal</b>		434
Kansas State University		
Cooperative Extension Service	10.500	8,468
<b>Subtotal</b>		8,468
LEAP Academy Charter School		
Various	84.UNK	209,281
<b>Subtotal</b>		209,281

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
Lockheed Martin Corporation		
Various	81.DE-AC05-96OR22464	(1,389)
<b>Subtotal</b>		<u>(1,389)</u>
Michigan State University		
Cooperative Extension Service	10.500	5,786
<b>Subtotal</b>		<u>5,786</u>
Mississippi State University		
Wildlife Services	10.028	7,658
<b>Subtotal</b>		<u>7,658</u>
Nanopowder Enterprises, Inc.		
Various	12.UNK	11,566
Various	43.UNK	7,232
Various	81.UNK	4,107
<b>Subtotal</b>		<u>22,905</u>
National Conference of State Legislatures		
Various	84.UNK	27,186
<b>Subtotal</b>		<u>27,186</u>
National Research Council		
Various	47.UNK	909
<b>Subtotal</b>		<u>909</u>

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
National Writing Project		
Various	84.UNK	36,712
<b>Subtotal</b>		<u>36,712</u>
National Youth Sports Corporation		
Community Services Block Grant Discretionary Awards	93.570	54,500
<b>Subtotal</b>		<u>54,500</u>
New Jersey Space Grant Consortium		
Various	43.UNK	10,865
<b>Subtotal</b>		<u>10,865</u>
New York University		
Civil Rights Training and Advisory Services	84.004	104,922
<b>Subtotal</b>		<u>104,922</u>
Newark Public Schools		
Education and Human Resources	47.076	209,435
<b>Subtotal</b>		<u>209,435</u>
NJ Council for the Humanities		
Promotion of the Humanities Public Programs	45.164	7,000
Promotion of the Humanities Research	45.161	1,500
Various	45.UNK	782
<b>Subtotal</b>		<u>9,282</u>

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
North Star Academy Charter School of Newark		
Various	84.UNK	21,143
<b>Subtotal</b>		<u>21,143</u>
Occidental College		
Various	10.UNK	50,822
<b>Subtotal</b>		<u>50,822</u>
Ohio State University		
Education and Human Resources	47.076	2,028
<b>Subtotal</b>		<u>2,028</u>
Penn State University		
Cooperative Extension Service	10.500	17,004
Integrated Programs	10.303	34,202
<b>Subtotal</b>		<u>51,206</u>
Philadelphia University		
Various	11.UNK	60,000
<b>Subtotal</b>		<u>60,000</u>
Princeton University		
Various	81.UNK	21,101
<b>Subtotal</b>		<u>21,101</u>
Q-Chem, Inc.		
Cell Biology and Biophysics Research	93.821	20,656

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
Q-Chem, Inc.		
<b>Subtotal</b>		20,656
Research for Better Schools, Inc.		
Eisenhower Regional Mathematics and Science Education Consortia	84.319	21,464
<b>Subtotal</b>		21,464
Sandia National Laboratory		
Various	11.UNK	24,361
<b>Subtotal</b>		24,361
Smithsonian Astrophysical Observatory		
Various	43.UNK	5,552
<b>Subtotal</b>		5,552
SNJ-Department of Agriculture		
Crop Insurance	10.450	118,067
Team Nutrition Grants	10.574	72,428
<b>Subtotal</b>		190,495
SNJ-Department of Community Affairs		
Preventive Health and Health Services Block Grant	93.991	103,040
Temporary Assistance for Needy Families	93.558	67,836
Various	93.UNK	82,669
<b>Subtotal</b>		253,545

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
SNJ-Department of Education		
Eisenhower Professional Development State Grants	84.281	(3,087)
Improving Teacher Quality State Grants	84.367	161,054
National Institute on Postsecondary Education, Libraries, and Lifelong Learning	84.309	40,054
Teacher Quality Enhancement Grants	84.336	10,380
Various	84.UNK	614,747
Various	93.UNK	28,681
<b>Subtotal</b>		851,829
SNJ-Department of Environmental Protection		
Alcohol, Tobacco, and Firearms Training Assistance	21.052	35,462
Capitalization Grants for Drinking Water State Revolving Funds	66.468	32,184
Nonpoint Source Implementation Grants	66.460	195,730
Various	66.UNK	104,120
<b>Subtotal</b>		367,496
SNJ-Department of Health		
Centers for Disease Control and Prevention Investigations and Technical Assistan	93.283	533,400
<b>Subtotal</b>		533,400
SNJ-Department of Health and Senior Services		
Substance Abuse and Mental Health Services Projects of Regional and National Sig	93.243	195,562
<b>Subtotal</b>		195,562

(Continued)



# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
SNJ-Department of Higher Education		
Teacher Quality Enhancement Grants	84.336	1,076
<b>Subtotal</b>		1,076
SNJ-Department of Human Services		
Food Stamps	10.551	1,463,995
Various	10.RNE00C	(153)
Various	10.UNK	588,653
<b>Subtotal</b>		2,052,495
SNJ-Department of Law and Public Safety		
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	42,226
Byrne Formula Grant Program	16.579	86,694
Crime Victim Assistance	16.575	(4,098)
Enforcing Underage Drinking Laws Program	16.727	10,899
Various	16.UNK	59,684
Various	20.UNK	33,006
Violence Against Women Formula Grants	16.588	643
<b>Subtotal</b>		229,054
SNJ-Department of Transportation		
Various	20.99R001	424,271
Various	20.99R001 TASK 13	1,703
Various	20.UNK	352,741
<b>Subtotal</b>		778,715

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
SNJ-DLPS-Juvenile Justice Commission		
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	9,265
Part E State Challenge Activities	16.549	29,137
<b>Subtotal</b>		38,402
SNJ-Office of Victim Witness Advocacy		
Violence Against Women Formula Grants	16.588	96,820
<b>Subtotal</b>		96,820
Telcordia		
Various	12.UNK	20,000
<b>Subtotal</b>		20,000
Temple University		
Various	84.UNK	81,746
<b>Subtotal</b>		81,746
The Sharing Network		
Grants to Increase Organ Donations	93.134	176,707
<b>Subtotal</b>		176,707
UMDNJ		
Various	93.R25	18,645
<b>Subtotal</b>		18,645
University of Illinois		
Various	96.UNK	229,705

(Continued)

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other I.D. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
University of Illinois		
<b>Subtotal</b>		229,705
University of Nebraska		
Agricultural and Rural Economic Research	10.250	8,488
<b>Subtotal</b>		8,488
University of Nevada		
Small Business Development Center	59.037	39,980
<b>Subtotal</b>		39,980
University of Notre Dame		
Various	47.UNK	4,197
<b>Subtotal</b>		4,197
University of Vermont		
Cooperative Extension Service	10.500	9,659
<b>Subtotal</b>		9,659

(Continued)

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2004**

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<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Numbers or Other LD. Numbers</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS:		
Pass-Through:		
		<hr/>
<b>Subtotal Pass-Through Other Programs</b>		8,236,923
<b>Subtotal Other Programs</b>		<hr/> 41,154,592
<b>Total Expenditures of Federal Awards</b>		<hr/> <b>\$385,928,354</b> <hr/>

See accompanying notes to Schedule of Expenditures of Federal Awards.

# RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

## Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

### (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, 2004, 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 2004 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 expenditures in the statements of revenues, expenses, and changes in net assets. Credit disbursement amounts typically result from grant or contract closing adjustments or transfers.

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

**(2) Subrecipients**

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

<u>Program Title</u>	<u>Federal CFDA Numbers</u>	<u>Amount Provided to Subrecipients</u>
Crop Insurance	10.450	\$ 47,939
Grants for Agricultural Research Competitive Research Grants	10.206	73,126
Higher Education Challenge Grants	10.217	11,605
Initiative for Future Agricultural and Food Systems	10.302	352,796
Integrated Programs	10.303	729,779
Various	10.RD	61,285
Coastal Zone Management Estuarine Research Reserves	11.420	16,184
Cooperative Science and Education Program	11.455	453,238
Undersea Research	11.430	241,082
Basic and Applied Scientific Research	12.300	1,039,051
Basic, Applied, and Advanced Research in Science and Engineering	12.630	55,163
Various	12.RD	753,218
Office of Science Financial Assistance Program	81.049	191,947
Various	81.RD	352,478
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779	502,552
Various	93.RD	362,878
Various	15.RD	7,957
Aviation Research Grants	20.108	7,342
Federal Transit Metropolitan Planning Grants	20.505	57,655
Research on Healthcare Costs, Quality and Outcomes	93.226	32,696
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	(100,774)
Aging Research	93.866	48,593
Biological Basis Research in the Neurosciences	93.854	54,818
Cancer Cause and Prevention Research	93.393	224,939
Cancer Detection and Diagnosis Research	93.394	28,800
Cell Biology and Biophysics Research	93.821	1,675,197
Clinical Research	93.333	15,000
Digestive Diseases and Nutrition Research	93.848	125,733
Drug Abuse Research Programs	93.279	54,066
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	42,940
Heart and Vascular Diseases Research	93.837	23,190
Mental Health Research Grants	93.242	536,306

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

<u>Program Title</u>	<u>Federal CFDA Numbers</u>	<u>Amount Provided to Subrecipients</u>
Oral Diseases and Disorders Research	93.121	\$ 4,249
Pharmacology, Physiology, and Biological Chemistry Research	93.859	3,142,401
Senior International Fellowships	93.989	69,061
Blood Diseases and Resources Research	93.839	177,176
Bioengineering Research	93.287	235,178
Allergy, Immunology, and Transplantation Research	93.855	4,069
Bioinformatics and Computational Biology Research	93.309	52,914
Consolidated Knowledge Development and Application (KD&A) Program	93.230	166,701
Air Force Defense Research Sciences Program	12.800	796
Environmental Protection Consolidated Research	66.500	65,386
Pollution Prevention Grants Program	66.708	3,168
Biological Sciences	47.074	4,253,062
Computer and Information Science and Engineering	47.070	1,191,627
Education and Human Resources	47.076	1,204,482
Engineering Grants	47.041	230,381
Geosciences	47.050	381,874
Mathematical and Physical Sciences	47.049	113,582
Social, Behavioral, and Economic Sciences	47.075	47,760
Various	47.RD	90,079
Federal Transit Grants for University Research and Training	20.502	126,719
Highway Planning and Construction	20.205	(5,000)
Sea Grant Support	11.417	26,813
Nonpoint Source Implementation Grants	66.460	45,923
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies	93.238	22,066
State Planning Grant Health Care Access for the Uninsured	93.256	182,006
WIA Adult Program	17.258	140,488
University Transportation Centers Program	20.701	24,396
Various	96.RD	10,670
Child Welfare Services Training Grants	93.648	63,750
Occupational Safety and Health Susan Harwood Training Grants	17.502	66,683
Various	20.UNK	1,210,925
Transit Planning and Research	20.514	45,072
Special Minority Initiatives	93.960	90,603
Various	66.UNK	38,090
Various	43.UNK	203,417
Small Business Development Center	59.037	962,351
International Training Foreign Participant	10.962	73,499
Eisenhower Regional Mathematics and Science Education Consortia	84.319	16,810

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

**(3) Federal Direct Loan Program**

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct 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, 2004.

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

The balance of loans outstanding under the Federal Perkins Loan Program, Nursing Faculty Loan Program, and Income Contingent Loan Program (CFDA # 84.226) at June 30, 2004 was \$39,194,902, \$60,036, and \$443,799, respectively.





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**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 the financial statements 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, 2004, and have issued our report thereon dated October 19, 2004. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the University in a separate letter dated October 19, 2004.



This report is intended solely for the information and use of the board of governors, the board of trustees and management of the University and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

October 19, 2004



**KPMG LLP**  
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Princeton, NJ 08534-7348

**Independent Auditors' Report on Compliance With Requirements Applicable  
to Each Major Program and on Internal Control Over Compliance in Accordance  
With Federal OMB Circular A-133**

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

**Compliance**

We have audited the compliance of Rutgers, The State University of New Jersey (the University) with the types of compliance requirements described in the U.S. Office of Management and Budget (Federal OMB) *Circular A-133 Compliance Supplement* (the Compliance Supplement) that are applicable to each of its major Federal programs for the year ended June 30, 2004 except those requirements discussed in the third following paragraph. The University's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

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 Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Federal 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 consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, Rutgers, The State University of New Jersey complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2004, other than those requirements discussed in the following paragraph. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with Federal OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 04-1.



We did not audit the University's compliance with requirements governing student loan repayments of the Federal Perkins Loan Program. Those requirements govern functions that are performed by Educational Computer Systems, Inc. Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements.

Educational Computer Systems, Inc.'s compliance with the requirements governing the functions that it performs for the University was examined by other accountants whose report has been furnished to us. The report of the other accountants indicates that compliance with those requirements was examined in accordance with the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Based on our review of the service organization accountants' report, we have determined that all of the compliance requirements included in the Compliance Supplement that are applicable to the major Federal programs in which the University participates are addressed in either our report or the report of the service organization accountants. Further, based on our review of the service organization accountants' report, we have determined that it does not contain any findings of noncompliance that would have a direct and material effect on the University's major Federal programs.

### **Internal Control Over Compliance**

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Federal OMB Circular A-133.

Requirements governing student loan repayments of the Federal Perkins Loan Program are performed by Educational Computer Systems, Inc. Internal control over compliance relating to such functions was reported on by other accountants in accordance with the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. A copy of the service organization accountants' report has been furnished to us. However, the scope of our work did not extend to internal control maintained at Educational Computer Systems, Inc.

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of governors, the board of trustees and management of the University and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

March 9, 2005

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

Schedule of Findings and Questioned Costs

Year ended June 30, 2004

**(1) Summary of Auditors' Results:**

- (a) An unqualified opinion was issued on the financial statements of Rutgers, The State University of New Jersey (the University) as of and for the year ended June 30, 2004.
- (b) The audit disclosed no material weaknesses and no reportable conditions were reported in connection with the financial statements of the University as of and for the year ended June 30, 2004.
- (c) The audit disclosed no instances of noncompliance which are material to the financial statements of the University as of and for the year ended June 30, 2004.
- (d) The audit disclosed no material weaknesses and no reportable conditions were reported in connection with major Federal programs of the University for the year ended June 30, 2004.
- (e) An unqualified opinion was issued on the University's compliance with its major Federal programs for the year ended June 30, 2004.
- (f) There was one audit finding (04-1) which is required to be reported under Section 510(a) of Federal OMB Circular A-133 for the year ended June 30, 2004.
- (g) The major Federal programs of the University for the year ended June 30, 2004 were as follows:
  - Student Financial Aid Cluster (CFDA #84.007, 84.268, 84.033, 84.038, 84.063, 84.226, 93.264, and 93.925)
  - Other Programs: Education and Human Resources (CFDA #47.076)
- (h) The dollar threshold used to distinguish between type A and type B programs was \$3,000,000 for Federal awards for the year ended June 30, 2004.
- (i) The University qualified as a low risk auditee for Federal awards for the year ended June 30, 2004.

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

No findings which are required to be reported.

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

Schedule of Findings and Questioned Costs

Year ended June 30, 2004

**(3) Findings and Questioned Costs Relating to Federal Awards:**

***04-1 – Student Status Changes***

Student Financial Aid Cluster:

Federal Direct Loan Program (CFDA #84.268)

**Criteria:**

The Federal Direct Loan Program requires institutions to complete and return within 30 days of receipt, student status confirmation reports sent by the National Student Loan Data System (NSLDS). Unless the institution expects to complete its next student status report within 60 days, the institution must notify NSLDS within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis.

**Condition:**

For three of twenty-five students selected for testwork, the University did not notify NSLDS of the student status change. The three students were graduates that defaulted to withdrawn status per NSLDS records and did not affect the students' timeframe for entering repayment status.

For six out of the twenty-five students submitted to NSLDS, the status change was not reported within the required 30/60 day timeframe. The range of days these students were reported late was 21 to 66 days.

**Questioned Costs:**

There are no known questioned costs related to this finding.

**Cause:**

According to the University, the person responsible for compliance with regard to student status confirmation reports retired during the audit period. Although the position vacancy was not filled, the job responsibilities were distributed to other staff members. As a result, there were a few timing delays in student status follow-up reporting with the NSLDS.

**Recommendation:**

We recommend that the University transmit student status change information within the required timeframe.

**View of Responsible Official:**

The University was pleased to learn that no significant errors, irregularities or material weaknesses in internal accounting controls were revealed during the review. The University has changed administrative procedures and will transmit the files of University graduates to the National Student Clearinghouse (NSC) three times annually in July, November and February. The University has revised administrative procedures and will transmit files to the NSC more frequently during each semester to insure that the NSC transmits and updates the information to the NSLDS on a timely basis and within the 60 day timeframe.

# **RUTGERS**

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## **RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY Corrective Action Plan/Summary Schedule of Prior Audit Findings**

### **Corrective Action Plan For The Year Ended June 30, 2004**

#### **04-1 – Student Status Changes**

The University recognizes the need to transmit student status change information and to transmit it within the required timeframe to the appropriate parties. As a result, the University has changed administrative procedures and will transmit the files of graduates to the clearinghouse three times annually in July, November and February. In addition, the University has revised administrative procedures and is transmitting student files to the clearinghouse more frequently during each semester to insure that the clearinghouse transmits and updates the information to the NSLDS on a timely basis and within the required 60 day timeframe. These changes were implemented in March 2005.

Responsible University Official: Kenneth J. Iuso, University Registrar

### **Summary Schedule of Prior Audit Findings For The Year Ended June 30, 2003**

#### **03-1 – Reportable Condition – Subrecipient Monitoring**

The University recognized that with its increased grant and contract volume the informal subrecipient monitoring procedures needed to be upgraded with a more formal and written policy/procedure. A written policy/procedure has been developed.

Responsible University Official: Ronald S. Thompson, Assistant Controller

#### **03-2 – Reportable Condition – Suspension and Debarment**

The two isolated instances (a vendor on a Federal award and a subrecipient of the University), where the University failed to obtain the appropriate suspension and debarment certifications, was corrected when the appropriate certifications were obtained from the vendor and the subrecipient.

Responsible University Official: Ronald S. Thompson, Assistant Controller

