



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

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

June 30, 2005

(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, 2005 and 2004, 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. The financial statements of Rutgers University Foundation, a component unit of Rutgers, The State University of New Jersey, were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2005 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 U.S. generally accepted accounting principles. 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 2005 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2005 basic financial statements taken as a whole.

KPMG LLP

November 11, 2005

Rutgers, The State University of New Jersey

Management's Discussion and Analysis

JUNE 30, 2005 and 2004

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, 2005 and 2004, 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 related 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, 2005, 2004 and 2003 is as follows (dollars in thousands):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assets			
Current assets	\$481,884	\$425,950	\$356,803
Noncurrent assets:			
Endowment, restricted and other noncurrent cash and investments	690,390	666,601	666,463
Capital assets, net	1,546,964	1,481,862	1,439,879
Other assets	54,818	53,277	42,204
Total assets	<u>2,774,056</u>	<u>2,627,690</u>	<u>2,505,349</u>

Liabilities			
Current liabilities	190,056	175,784	166,923
Noncurrent liabilities	637,665	572,332	543,291
Total liabilities	<u>827,721</u>	<u>748,116</u>	<u>710,214</u>
Net assets (assets less liabilities)			
Invested in capital assets, net of debt	1,012,432	1,001,582	970,139
Restricted - expendable	333,853	327,554	347,259
Restricted - nonexpendable	243,581	220,131	191,882
Unrestricted	<u>356,469</u>	<u>330,307</u>	<u>285,855</u>
Total net assets	<u>\$1,946,335</u>	<u>\$1,879,574</u>	<u>\$1,795,135</u>

A review of the University's statement of net assets at June 30, 2005 reflects an increase in total assets of \$146.4 million in 2005. This increase was primarily due to an increase of \$74.7 million in the University's cash and investments resulting primarily from an increase in market value of \$29.3 million and increases to the University's permanent endowments of \$12.0 million. Capital assets also increased by \$65.1 million. Included in this increase was the capitalization of the new Life Sciences Building, improvements at the Sociology Building in Camden, and the Loree Building on the Douglass Campus.

In 2004, total assets increased by \$122.3 million. 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.

Total liabilities for the year 2005 increased by \$79.6 million. The primary cause for the increase was due to the issuance of Series 2004E bonds in the amount of \$86.7 million. The New Jersey Economic Development Authority (NJEDA) also refinanced general obligation bonds, Series 1994 Civic Square resulting in an increase of \$0.6 million to the University's debt obligation. The net effect of these new issues resulted in a net increase of \$87.3 million to our outstanding debt obligation. This was offset by payments to our existing debt totaling \$25.6 million. In addition, Accounts Payable increased by \$11.9 million primarily as a result of outstanding payments due on several construction projects, particularly University Square Housing on the Newark Campus, Olson Hall Life Science facility on the Newark Campus and Modular Classrooms on the New Brunswick Campus. The University's compensated absence liability was also increased by \$2.0 million to meet the University's potential obligation for unused vacation time for its employees.

In 2004, total liabilities 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.

Net assets increased by \$66.8 million in 2005 primarily as a result of the \$26.2 million increase in the University's unrestricted net assets and \$23.5 million increase in permanent endowments. The increase in unrestricted funds partially resulted from additional funds provided to researchers to assist in obtaining new grants for their projects. The University also set aside \$3.8 million for academic and student aid initiatives to be use in fiscal 2006. The increase in endowments resulted from the addition of \$12.0 million from fundraising efforts and the increase in market value.

In 2004, net assets increased by \$84.4 million 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 \$44.5 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.

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, 2005, 2004 and 2003 is as follows (dollars in thousands):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Operating revenues			
Student tuition and fees (net of scholarship allowance)	\$361,123	\$338,445	\$311,711
Grants and contracts	344,689	328,347	308,209
Auxiliary enterprises	170,123	161,351	157,444
Other operating revenues	50,660	46,134	43,617
Total operating revenues	<u>926,595</u>	<u>874,277</u>	<u>820,981</u>
Operating expenses	<u>1,394,052</u>	<u>1,319,923</u>	<u>1,248,265</u>
Operating loss	<u>(467,457)</u>	<u>(445,646)</u>	<u>(427,284)</u>
Nonoperating revenues and (expenses)			
State appropriations (including fringe benefits paid directly by the state)	455,033	435,347	436,122
Contributions	27,659	36,941	25,139
Endowment and investment income	22,426	13,332	17,947
Unrealized and realized gain on marketable securities	29,265	45,403	8,553
Interest on capital asset related debt	(22,423)	(21,486)	(22,419)
Net other nonoperating revenues and (expenses)	<u>3,455</u>	<u>4,030</u>	<u>(22,969)</u>
Net nonoperating revenues	<u>515,415</u>	<u>513,567</u>	<u>442,373</u>
Income before other revenues, expenses, gains and losses	47,958	67,921	15,089
Other revenues, expenses, gains and losses	<u>18,803</u>	<u>16,518</u>	<u>92,739</u>
Increase in net assets	<u>66,761</u>	<u>84,439</u>	<u>107,828</u>
Net assets at beginning of year	<u>1,879,574</u>	<u>1,795,135</u>	<u>1,687,307</u>
Net assets at end of year	<u><u>\$1,946,335</u></u>	<u><u>\$1,879,574</u></u>	<u><u>\$1,795,135</u></u>

The University's net assets increased by \$66.8 million in 2005. A major part of that increase resulted from an increase in market value of the University's investments of \$29.3 million. Another \$6.8 million of this increase was attributable to grants and gifts that were used to construct, renovate or acquire capital assets. In addition, \$12.0 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 \$111.7 million of a total \$142.3 million of student aid directly to student accounts. The remaining \$30.6 million was paid to students and is reflected as scholarship and fellowship expense. Scholarship allowances allocated to tuition and fees amounted to \$89.0 million. Another \$22.7 million was allocated to residence fees, which are included in auxiliary revenues. Tuition and fees, net of scholarship allowances, increased \$22.7 million in 2005. The increase resulted primarily from an increase in tuition rates of 8.00% offset by a slight decrease in enrollment and an increase of 4.7% in the scholarship allowance for additional aid awarded to students. In 2004, tuition and fees net of scholarship allowances, increased \$26.7 million. The increase in 2004 resulted from a 9.4% increase in tuition rates offset by an 11.1% increase in the scholarship allowance.

Grant and contract activity continues to grow with an increase of \$16.3 million in 2005. Federal and State funds received as support for student aid are included as grant revenue. Federal support for student aid decreased by \$1.4 million while state support increased by \$3.9 million in 2005. The federal support decreased primarily as a result of a decrease in the number of Pell grants awarded in 2005. The State support increased primarily due to an increase in the maximum amount of the Tuition Aid Grant award offset by a decline in the number of awards made this year.

In 2004, federal support for student aid increased \$1.0 million and state support for student aid increased \$0.2 million. Federal support increased in 2004 primarily as a result of an increase in the maximum amounts authorized under the Pell Grant Program and an increase in the number of awards made. Also in 2004, state support increased primarily due to an increase in Tuition Aid Grant awards.

Federal grants for research increased by \$6.2 million in 2005. This increase resulted primarily from increased grant activity from the National Institute of Health (NIH). Grants from NIH increased this year by \$12.9 million. This increase was offset by decreases in grants from other federal agencies, in particular, the Department of Education decreased \$2.5 million, the Department of Defense decreased \$1.1 million and grants from NASA decreased \$0.9 million.

State support for research increased by \$2.0 million this year. This increase is primarily attributed to an increase in grant activity from the Department of Education. The University received a \$0.5 million grant from the Department of Education for the evaluation of career and technical education programs and a grant of \$0.4 million for the statewide systemic initiative to assist elementary schools in improving the math and science skills of their students.

Finally, non-governmental grants and contracts increased by \$5.5 million. A significant cause of this increase is the result of an increase in awards from foundations, particularly a \$5.1 million grant from the Robert Wood Johnson Foundation. Total grant and contract revenue from all three sources, federal, state and non-governmental, for research increased therefore by \$13.7 million. As a result of this increase in revenue, total expenses for research increased by \$4.7 million.

In 2004, 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 in 2004. 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 in 2004. 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.

Auxiliary revenue, net of scholarship allowances, increased this year by \$8.8 million while expenditures increased by \$13.7 million in 2005. The increase in revenue resulted primarily from an increase in housing rates of between 6 to 7% and dining rates of 3.5%. Expenses increased due to salary increases and an increase in the fringe benefit cost on those salaries, increasing utility costs, increased food costs due to an increased participation in the meal plans by students as well as rising food costs and an increase in repair and maintenance costs.

In 2004, Auxiliary revenue, net of scholarship allowances, increased \$3.9 million while expenditures increased by \$9.0 million. 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, and as in the current year, increasing utility costs and increased food costs.

Total state appropriations, including fringe benefits paid directly by the state, increased \$19.7 million in 2005. The appropriation by the state for University operations increased \$13.7 million primarily as a result of increased funding of University salaries, as well as funding for the Food Innovation Research and Extension Center and the Camden Law School. State payments on behalf of the University for fringe benefits also increased by \$6.0 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 2004, state appropriations, including fringe benefits paid directly by the state, decreased \$0.8 million. The appropriation by the state for University operations actually decreased \$3.8 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 \$3.0 million. As in 2005, 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 \$6.7 million in 2005. This increase is primarily due to salary increases and increased fringe benefits costs on those salaries totaling \$3.2 million. In addition, \$0.8 million was incurred to produce new brochures to improve student recruitment.

In 2004, student service expenditures increased by \$2.9 million. 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.

Expenditures for operation and maintenance of plant increased by \$12.9 million in 2005. This increase is primarily attributable to an increase of \$5.9 million in fuel and utilities. Salary increases and increased fringe benefits costs on those salaries accounted for an increase of \$4.4 million. Insurance costs increased \$0.6 million as a result of losses sustained from the fire in the Brower Commons Dining Hall and a flood at the Wright-Rieman Chemistry Lab.

In 2004, expenditures for operation and maintenance of plant increased by \$4.0 million. 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.

The University's endowment and investment income increased by \$9.1 million this year. This increase is the result of increasing interest rates.

In 2004, the University's endowment and investment income decreased by \$4.6 million. This decrease was 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.

Other revenues, expenses, gains and losses increased this year by \$2.3 million. This increase is primarily due to an increase of \$4.5 million in additions to permanent endowments resulting from the recent capital campaign. This increase was offset by the lack of any capital appropriations this year resulting in a decrease of \$2.7 million.

Other revenues, expenses, gains and losses decreased in 2004 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 \$65.1 million in 2005, as compared to \$42.0 million in 2004. 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 2005 include:

- Construction of the Life Sciences Building, a new facility for the Department of Genetics and the New Jersey Center for Biomaterials on the Busch Campus.
- Several deferred maintenance projects to upgrade and improve existing facilities, such as the Sociology Building in Camden, Loree Building on the Douglass Campus, and Van Dyck Hall on the College Avenue Campus.
- Renovations of the Nichols Apartments on the Busch 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, 2005, the University had various projects under construction or in the design stage. Significant projects include:

- 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.
- A renovation at Olson Hall on the Newark Campus to house Life Sciences.
- The renovation and expansion of the existing Law building on the Camden campus.

In 2005, the University issued general obligation bonds, 2004 Series E, in the amount of \$86.7 million. The proceeds of this debt issue will be used 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.

Economic Outlook

As the State University of New Jersey, the appropriation from the State represents a vital part of University's funding. In 2005, the University received a 1.0% increase in the base appropriation. In addition, the state provided \$10.0 million for salary program costs in 2005. The base state appropriation to the University for 2006 has increased by 2.6%. 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. The University has also received a separate appropriation this year from the State of \$18.0 million for the construction of a facility for the Business School on the Newark Campus.

Rutgers, The State University of New Jersey

STATEMENTS OF NET ASSETS

June 30, 2005 and 2004

(dollars in thousands)

	2005	2004
ASSETS:		
Current Assets		
Cash and Cash Equivalents	\$52,394	\$35,222
Short-Term Investments	323,466	289,683
Accounts Receivable, net	70,679	67,794
Student Notes Receivable, net - Current Portion	7,697	7,369
Contributions Receivable, net - Current Portion	16,061	15,071
Inventories	3,676	3,729
Prepaid Expenses and Deferred Charges	7,431	6,644
Construction Costs Reimbursable	480	438
Total Current Assets	<u>481,884</u>	<u>425,950</u>
Noncurrent Assets		
Cash and Cash Equivalents	47,784	89,204
Endowment Investments	440,371	397,987
Other Investments	202,235	179,410
Student Notes Receivable, net	29,519	30,548
Contributions Receivable, net	13,603	11,846
Bond Issuance Costs, net	11,696	10,883
Capital Assets, net	1,546,964	1,481,862
Total Noncurrent Assets	<u>2,292,172</u>	<u>2,201,740</u>
TOTAL ASSETS	<u>2,774,056</u>	<u>2,627,690</u>
LIABILITIES:		
Current Liabilities		
Accounts Payable and Accrued Expenses - Current Portion	113,885	98,898
Deferred Revenue	37,195	37,095
Payroll Withholdings	8,254	8,492
Other Payables	1,259	1,274
Annuities Payable - Current Portion	947	966
Long-Term Liabilities - Current Portion	28,516	29,059
Total Current Liabilities	<u>190,056</u>	<u>175,784</u>
Noncurrent Liabilities		
Accounts Payable and Accrued Expenses	15,757	12,088
Annuities Payable	6,328	6,396
Long-Term Liabilities	615,580	553,848
Total Noncurrent Liabilities	<u>637,665</u>	<u>572,332</u>
TOTAL LIABILITIES	<u>827,721</u>	<u>748,116</u>
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	1,012,432	1,001,582
Restricted for		
Nonexpendable		
Instruction	110,430	99,347
Scholarships and Fellowships	118,725	107,049
Libraries	6,883	6,537
Other	7,543	7,198
Expendable		
Instruction	127,869	107,169
Research	43,571	38,078
Scholarships and Fellowships	61,615	61,282
Libraries	10,870	9,403
Loans	38,813	38,577
Capital Projects	19,934	42,857
Debt Service Reserve	12,107	12,122
Renewal and Replacement Reserve	7,393	7,393
Other	11,681	10,673
Unrestricted	356,469	330,307
TOTAL NET ASSETS	<u>\$1,946,335</u>	<u>\$1,879,574</u>

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, 2005 and 2004

(dollars in thousands)

	2005	2004
OPERATING REVENUES		
Student Tuition and Fees (net of scholarship allowances of \$88,898 in 2005 and \$84,999 in 2004)	\$361,123	\$338,445
Federal Appropriations	7,106	6,799
Federal Grants & Contracts	201,537	196,665
State & Municipal Grants & Contracts	91,389	85,457
Nongovernmental Grants & Contracts	51,763	46,225
Auxiliary Enterprises (net of scholarship allowances of \$22,653 in 2005 and \$21,540 in 2004)	170,123	161,351
Other Operating Revenues	43,554	39,335
Total Operating Revenues	<u>926,595</u>	<u>874,277</u>
OPERATING EXPENSES		
Educational and General		
Instruction	477,546	439,715
Sponsored Research	154,575	149,754
Other Separately Budgeted Research	65,800	63,094
Other Sponsored Programs	66,176	66,288
Extension and Public Service	29,045	27,162
Libraries	34,864	34,486
Student Services	59,968	53,268
Operations and Maintenance of Plant	120,846	107,905
General Administration and Institutional	93,755	91,487
Scholarships and Fellowships	30,644	29,750
Depreciation	88,160	97,265
Auxiliary Enterprises	171,341	157,656
Other Operating Expenses	1,332	2,093
Total Operating Expenses	<u>1,394,052</u>	<u>1,319,923</u>
Operating Loss	<u>(467,457)</u>	<u>(445,646)</u>
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	332,300	318,580
State Paid Fringe Benefits	122,733	116,767
Contributions	27,659	36,941
Endowment and Investment Income (net of investment management fees of \$2,206 in 2005 and \$1,907 in 2004)	22,426	13,332
Unrealized and Realized Gain on Marketable Securities	29,265	45,403
Interest on Capital Asset Related Debt	(22,423)	(21,486)
Loss on Disposal of Capital Assets	(621)	(833)
Other Nonoperating Revenues	4,076	4,863
Net Nonoperating Revenues	<u>515,415</u>	<u>513,567</u>
Income before Other Revenues and Expenses	47,958	67,921
Capital Appropriations		2,688
Capital Grants and Gifts	6,762	6,341
Additions to Permanent Endowments	12,041	7,489
Increase in Net Assets	66,761	84,439
Net Assets - Beginning of the Year	<u>1,879,574</u>	<u>1,795,135</u>
Net Assets - End of the Year	<u>\$1,946,335</u>	<u>\$1,879,574</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, 2005 and 2004
(dollars in thousands)

	2005	2004
Cash Flows from Operating Activities		
Student Tuition and Fees	\$403,117	\$382,677
Research Grants and Contracts	359,451	331,496
Federal Appropriations	9,057	6,980
Payments to Employees and for Benefits	(709,944)	(662,871)
Payments to Suppliers	(384,162)	(343,568)
Payments for Utilities	(57,604)	(52,566)
Payments for Scholarships and Fellowships	(64,998)	(77,305)
Collection of Loans to Students and Employees	9,294	8,805
Auxiliary Enterprise Receipts:		
Housing	71,902	69,337
Dining	41,036	39,022
Athletics	9,628	8,437
Parking	5,643	5,766
Other	18,912	19,103
Other Receipts	40,161	34,454
Net Cash Used by Operating Activities	<u>(248,507)</u>	<u>(230,233)</u>
Cash Flows from Noncapital Financing Activities		
State Appropriations	330,780	317,351
Contributions for other than Capital Purposes	23,322	40,382
Contributions for Endowment Purposes	16,751	8,408
Net Cash Provided by Noncapital Financing Activities	<u>370,853</u>	<u>366,141</u>
Cash Flows from Financing Activities		
Proceeds from Capital Debt and Leases	103,820	191,740
Capital Appropriations		6,142
Capital Grants and Gifts Received	4,745	1,910
Purchases of Capital Assets and Construction	(137,648)	(135,753)
Principal Paid on Capital Debt and Leases	(24,908)	(26,228)
Interest Paid on Capital Debt and Leases	(29,187)	(24,713)
Debt Defeasance	(15,233)	(146,804)
Bond Issuance Costs	(1,274)	(2,438)
Other Receipts	1,299	2,480
Net Cash Used by Financing Activities	<u>(98,386)</u>	<u>(133,664)</u>
Cash Flows from Investing Activities		
Proceeds from Sales and Maturities of Investments	4,482,321	4,020,631
Investment Income	22,770	15,668
Purchases of Investments	(4,553,299)	(4,112,317)
Net Cash Used by Investing Activities	<u>(48,208)</u>	<u>(76,018)</u>
Net Decrease in Cash and Cash Equivalents	(24,248)	(73,774)
Cash and Cash Equivalents - Beginning of the Year	124,426	198,200
Cash and Cash Equivalents - End of the Year	<u>\$100,178</u>	<u>\$124,426</u>

Continued on next page.

Rutgers, The State University of New Jersey

STATEMENTS OF CASH FLOWS (cont'd)

For the Years Ended June 30, 2005 and 2004

(dollars in thousands)

	<u>2005</u>	<u>2004</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating Loss	(\$467,457)	(\$445,646)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
State Paid Fringe Benefits	122,733	116,767
Depreciation	88,160	97,265
Payment in Lieu of Taxes	700	700
Adjustment of Actuarial Liability for Annuities Payable		791
Changes in Assets and Liabilities:		
Receivables, net	22	(7,274)
Inventories	53	(27)
Prepaid Expenses and Deferred Charges	(1,112)	(529)
Accounts Payable and Accrued Expenses	8,951	3,033
Deferred Revenue	100	2,288
Payroll Withholdings	(238)	1,869
Other Payables	(419)	530
Net Cash Used by Operating Activities	<u>(\$248,507)</u>	<u>(\$230,233)</u>

See accompanying notes to the financial statements.

Rutgers, The State University of New Jersey

Notes to the Financial Statements

JUNE 30, 2005 and 2004

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.

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. The University reports as a business type activity, as defined by GASB Statement No. 34. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

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 \$69.0 million at June 30, 2005 (\$68.0 million in 2004). Income derived from such irrevocable trust funds held by others, aggregating approximately \$2.8 million in 2005 and \$1.8 million in 2004, 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 5.1 million (5.0 million in 2004) 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, 2005, the University disbursed \$151.3 million (\$144.9 million in 2004) 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.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Effective July 1, 2004, the University and Foundation adopted Statement No. 40 of the Governmental Accounting Standards Board (GASB), "Deposit and Investment Risk Disclosures", an amendment of GASB Statement No. 3. This statement establishes and modifies disclosure requirements related to investment and deposit risks. Comparative information at June 30, 2004 is not presented in the accompanying notes to the financial statements.

University Only Cash and Cash Equivalents

The University's cash and cash equivalents balance at June 30, 2005 includes a cash book balance of \$1.0 million (\$2.4 million in 2004). The actual amount of cash on deposit in the University's bank accounts at June 30, 2005 was \$19.0 million (\$19.2 million in 2004). Of this amount, \$0.4 million (\$0.4 million in 2004) was insured by the Federal Deposit Insurance Corporation at June 30, 2005. \$18.5 million (\$18.8 million in 2004) was collateralized in accordance with Chapter 64 of Title 18A of New Jersey Statutes at June 30, 2005, and \$0.1 million (\$0.0 million in 2004) was uninsured and uncollateralized at June 30, 2005.

The University's cash and cash equivalents are carried in the financial statements at fair value, consist of the following as of June 30, 2005 and 2004 (dollars in thousands):

	<u>2005</u>	<u>2004</u>
Money Market Funds	\$75,536	\$80,351
Repurchase Agreements	4,894	19,596
Cash and Deposits	<u>656</u>	<u>2,382</u>
Total Cash and Cash Equivalents	<u>\$81,086</u>	<u>\$102,329</u>

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 primary financial objective of the investment management of the University's endowment is to preserve and enhance the endowment's real purchasing power while providing a relatively constant stream of earnings for current use. The long-term investment objective for the endowment is to attain an average annual real total return of at least 5%, as measured over rolling five-year periods and current income adjusted for inflation. The University's annual spending policy is to spend an amount not to exceed 4.5% of a trailing 13-quarter average of the endowment's market values. Current earned income will be used for ongoing spending requirements. The endowment's assets are divided into an Equity fund, a Fixed Income Fund and other investment classes. The endowment's investments are diversified by asset class. The Equity Fund, the Fixed Income Fund and other asset classes are placed with professional managers with different investment philosophies to ensure that no single security or class of securities will have a disproportionate impact on the endowment's aggregate results.

The University's investments at June 30, 2005 and 2004 are as follows (dollars in thousands):

	<u>2005</u>	<u>2004</u>
Commercial Paper	\$232,144	\$229,962
US Government Direct Securities	85,393	78,880
US Government Agency Securities	214,235	248,283
Commodities	18,924	
US Corporate Debt Securities	675	3,061
Foreign Corporate Debt Securities	397	515
US Corporate Equities	204,884	206,471
Foreign Corporate Equities	88,042	56,819
Asset-backed Securities		75
Real Estate	98,474	18,030
	<u>98,474</u>	<u>18,030</u>
Total Investments	<u>\$943,168</u>	<u>\$842,096</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The operating funds of the University are managed against the expected cash requirements of these funds. The University projects its cash requirements and arranges investment maturities accordingly. Special attention is given to the interest rate environment in times of economic growth or downturns. The table below reflects the operation of this process. Endowment funds have a much longer outlook and are invested by professional managers against an index as provided in the University's investment guidelines. The following table summarizes the maturities as of June 30, 2005 (dollars in thousands):

Investment Type	Market Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
US Treasury	\$85,394	\$53,197	\$31,159		\$1,038
US Agencies	100,866	53,142	47,202		522
Corporate Bonds	1,072		789	\$107	176
Commercial Paper	345,513	345,513			
Total	532,845	<u>\$451,852</u>	<u>\$79,150</u>	<u>\$107</u>	<u>\$1,736</u>
Common Stock	290,967				
Other Investments	119,356				
Total	<u>\$943,168</u>				

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's Investment Policy states that individual bonds shall be rated investment grade by at least two of the three rating agencies (Moody's, Fitch, and Standard & Poor's). The average credit quality of the Core Fixed Income Fund shall be maintained at "AA" (by S&P or equivalent rating by Moody's or Fitch) or higher. The prospect of credit risk or risk of permanent loss shall be avoided in the Core Fixed Income Fund. Issues of state or municipal agencies shall not be purchased except in unusual circumstances. A fixed income manager may invest in foreign securities up to a limit of 20% of the portfolio. At June 30, 2005, the University's investment quality ratings as rated by Standard & Poor's were as follows (dollars in thousands):

<u>Investment Type</u>	<u>Quality Rating</u>	<u>Market Value</u>
US Government Agencies	AAA	\$186,260
Corporate Bonds	AA+	81
Corporate Bonds	AA	317
Corporate Bonds	A-	558
Corporate Bonds	BBB+	107
Corporate Bonds	BB+	9
Commercial Paper	A-1+	221,326
Commercial Paper	A-1	124,187
Total		<u>\$532,845</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the University will not be able to recover the value of the investments that are in the possession of an outside party. Custodial credit risk should not be confused with market risk, which is the risk that the market value of a security may decline. The University's investment securities are exposed to custodial credit risk if the securities are uninsured and unregistered and held by the counterparty, or by its trust department or agent but not in the University's name. Money market and mutual funds are subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. At June 30, 2005, the University had \$247.2 million of investments that were uninsured or unregistered but not in the University's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The University limits the concentration of credit risk by placing a limit on the amount the investment managers may invest in any one issuer. No single transaction may exceed 5% of the portfolio nor shall a single security exceed 10% of the market value of the equity fund at purchase. Additionally, no single industry shall represent more than 25% of the market value of the Equity Fund.

Rutgers University Foundation

Cash and Cash Equivalents

The Foundation's cash and cash equivalents are carried in the financial statements at fair value and consist of the following as of June 20, 2005 and 2004 (dollars in thousands):

	<u>2005</u>	<u>2004</u>
Money Market Funds	\$3,899	\$4,512
Cash and Deposits	<u>15,193</u>	<u>17,585</u>
Total Cash and Cash Equivalents	<u>\$19,092</u>	<u>\$22,097</u>

Investments

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

The primary financial objective of the Foundation's investment management of assets is to maximize long-term total return through a combination of income and capital appreciation in a prudent manner. To achieve the goals of growth and income, the Foundation's assets within General Endowment Fund and Planned Giving Portfolio are divided into an Equity Portion (equities including convertibles and cash devoted to equities) and a Fixed Income Portion (bonds, notes, non-convertible preferred stock and cash devoted to fixed income).

Investments are carried in the financial statements at fair value, based on quoted market values and consist of the following as of June 30, 2005 and 2004 (dollars in thousands):

	<u>2005</u>	<u>2004</u>
US Treasury Securities	\$1,591	\$1,587
US Agency Securities	2,103	2,098
Corporate Bonds	4,334	5,295
Mortgage-backed Securities	3,075	3,320
Common Stock	10,638	9,939
Other Investments	<u>1,163</u>	<u>2,744</u>
Total Investments	<u>\$22,904</u>	<u>\$24,983</u>

Custodial Credit Risk

The custodial credit risk associated with the Foundation's cash and cash equivalents includes uncollateralized deposits, including any bank balance that is collateralized with securities held by a pledging financial institution, or by its trust department or agent but not in the Foundation's name. As of June 30, 2005 and 2004, the Foundation had insured deposits up to the Federal Deposit Insurance Corporation ("FDIC") coverage limits totaling \$0.3 million and \$0.4 million, respectively. Cash and cash equivalents in excess of those balances are uncollateralized.

Concentration of Credit Risk

The Foundation limits the concentration of credit risk by placing a limit on the amount the investment managers may invest in any one issuer. No initial purchase of an equity security in any one issuer should exceed 5% of the equity portion of the Foundation's

assets under management by each investment manager. In addition, no single equity security should be greater than 10% of the market value of the Foundation's assets under management.

Credit Risk

The Foundation's Investment Policy states that individual bonds shall be rated investment grade by at least two rating agencies (Moody's and Standard & Poor's). The average credit quality of the Fixed Income Securities must be maintained at a class "BBB/Baa" or higher as rated by both standard services (Moody's and Standard & Poor's). Up to 10% of the investment manager's portfolio may be invested in securities rated "BBB/Baa" or higher as rated by both standard services (Moody's and Standard & Poor's). The dollar-weighted average rating of the fixed income portfolio for each manager of marketable bonds shall be "A/A" or better.

As of June 30, 2005, the Foundation's investment quality ratings as rated by Standards & Poors were as follows (dollars in thousands):

<u>Investment Type</u>	<u>Quality Rating</u>	<u>Market Value</u>
US Government Agencies	AAA	\$3,694
Mortgage-backed Securities	AAA	3,075
Corporate Bonds	AA	2,929
Corporate Bonds	A	884
Corporate Bonds	A1	316
Corporate Bonds	BBB+	137
Corporate Bonds	BB+	68
Total		<u>\$11,103</u>

Interest Rate Risk

The Foundation does not have a provision in the investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. While the general provisions of the investment strategy should be implemented with a long-term prospective, all holdings must be sufficiently liquid so as to allow liquidation of the entire portfolio on one month's notice. In addition, annuity pooled investments in the planned giving portion of the portfolio are governed by the New Jersey Prudent Investor Act. The required reserves for this pool are reviewed utilizing actuarial assumptions of the charitable gift annuity assets. The following table summarizes the maturities as of June 30, 2005 (dollars in thousands):

<u>Investment Type</u>	<u>Market Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
US Treasury	\$1,591	\$424	\$424	\$352	\$391
US Agencies	2,103		336	708	1,059
Corporate Bonds	4,334	275	1,035	1,264	1,760
Mortgage-backed Securities	3,075		278	346	2,451
Total	<u>\$11,103</u>	<u>\$699</u>	<u>\$2,073</u>	<u>\$2,670</u>	<u>\$5,661</u>

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, 2005 and 2004 (dollars in thousands):

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net 2005</u>	<u>Net 2004</u>
Government Grants Receivable and Other Sponsored Programs	\$50,544	\$430	\$50,114	\$47,616
Student Accounts Receivable	4,034	1,516	2,518	2,200
Other	18,531	484	18,047	17,978
Total	<u>\$73,109</u>	<u>\$2,430</u>	<u>\$70,679</u>	<u>\$67,794</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, 2005 (\$3.7 million in 2004).

The allowances for doubtful accounts and notes are based upon management's best estimate of uncollectible accounts and notes at June 30, 2005 and 2004, 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>
2006	\$18,248
2007-2010	13,603
	<u>31,851</u>
Less allowance for uncollectible receivables	<u>(2,187)</u>
Total	<u>\$29,664</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 \$34.8 million at June 30, 2005 (\$22.7 million in 2004) 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, 2005 and 2004 is as follows (dollars in thousands):

	<u>Balance</u> <u>2004</u>	<u>Additions</u>	<u>Retirements/ Capitalization</u>	<u>Balance</u> <u>2005</u>
Capital Assets Not Being Depreciated:				
Land	\$45,088	\$6,549		\$51,637
Capitalized Collections	44,396	602		44,998
Construction in Progress	74,437	121,797	\$77,647	118,587
Total	<u>163,921</u>	<u>128,948</u>	<u>77,647</u>	<u>215,222</u>
Capital Assets Being Depreciated:				
Land Improvements	187,923	12,663		200,586
Buildings	1,538,898	69,256		1,608,154
Equipment	435,454	20,664	30,062	426,056
Total	<u>2,162,275</u>	<u>102,583</u>	<u>30,062</u>	<u>2,234,796</u>
Less Accumulated Depreciation:				
Land Improvements	72,630	15,511		88,141
Buildings	486,389	38,870		525,259
Equipment	285,315	33,779	29,440	289,654
Total	<u>844,334</u>	<u>88,160</u>	<u>29,440</u>	<u>903,054</u>
Net Capital Assets Being Depreciated	<u>1,317,941</u>	<u>14,423</u>	<u>622</u>	<u>1,331,742</u>
Total Capital Assets (net)	<u>\$1,481,862</u>	<u>\$143,371</u>	<u>\$78,269</u>	<u>\$1,546,964</u>

During 2005, the University has capitalized interest income of \$1,920 thousand and interest expense of \$5,894 thousand in construction in progress in the accompanying Statement of Net Assets.

	Balance 2003	Additions	Retirements/ Capitalization	Balance 2004
Capital Assets Not Being Depreciated:				
Land	\$40,121	\$4,967		\$45,088
Capitalized Collections	42,299	2,097		44,396
Construction in Progress	73,709	95,324	\$94,596	74,437
Total	<u>156,129</u>	<u>102,388</u>	<u>94,596</u>	<u>163,921</u>
Capital Assets Being Depreciated:				
Land Improvements	175,794	12,129		187,923
Buildings	1,448,302	90,882	286	1,538,898
Equipment	526,388	29,278	120,212	435,454
Total	<u>2,150,484</u>	<u>132,289</u>	<u>120,498</u>	<u>2,162,275</u>
Less Accumulated Depreciation:				
Land Improvements	57,310	15,320		72,630
Buildings	446,027	40,419	57	486,389
Equipment	363,397	41,526	119,608	285,315
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 Statement of Net Assets.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following at June 30, 2005 and 2004 (dollars in thousands):

	2005	2004
Vendors	\$37,716	\$30,895
Compensated Absences	38,074	33,654
Accrued Salaries and Benefits	28,188	22,701
Retainage	6,513	5,890
Workers Compensation	9,076	8,963
Interest Payable	3,499	3,570
Other Accrued Expenses	6,576	5,313
Total	<u>\$129,642</u>	<u>\$110,986</u>

NOTE 7 – NONCURRENT LIABILITIES

Noncurrent liabilities activity for the years ended June 30, 2005 and 2004 is as follows (dollars in thousands):

	Balance 2004	Additions	Reductions	Balance 2005	Current Portion
Accounts Payable and Accrued Expenses	\$110,986	\$18,656		\$129,642	\$113,885
Annuities Payable	7,362		\$87	7,275	947
Long-Term Liabilities	582,907	104,142	42,953	644,096	28,516
Total	<u>\$701,255</u>	<u>\$122,798</u>	<u>\$43,040</u>	<u>\$781,013</u>	<u>\$143,348</u>

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

NOTE 8 - LONG-TERM LIABILITIES

Long-term liability activity for the years ended June 30, 2005 and 2004 is as follows (dollars in thousands):

	Balance 2004	Additions	Retirements	Balance 2005	Current Portion
General Obligation Bonds Payable	\$373,730	\$88,053	\$18,551	\$443,232	\$18,291
Revenue Bonds Payable	33,523	9	2,260	31,272	2,283
Lease Obligations	173,278	16,080	22,042	167,316	7,838
Notes Payable	2,376		100	2,276	104
Total Long-Term Liabilities	<u>\$582,907</u>	<u>\$104,142</u>	<u>\$42,953</u>	<u>\$644,096</u>	<u>\$28,516</u>

	Balance 2003	Additions	Retirements	Balance 2004	Current Portion
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	2,376	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>

OTHER OBLIGATIONS OF THE UNIVERSITY

Notes Payable

Notes payable at June 30, 2005 and 2004 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, 2005 or 2004.

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. 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, 2005, the outstanding amount due on the loans was \$0.8 million (\$0.9 million in 2004).

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 entered into a Limited Minimum Revenue Guaranty, dated January 22, 2004, pursuant to which the University 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, 2005 and 2004 is as follows (dollars in thousands):

	Date Of Series	Original Amount	Outstanding June 30,	
			2005	2004
Revenue Refunding Bonds:				
Series U, 4.89% effective, due serially to May 1, 2021	Dec. 1, 1997	\$40,015	\$28,920	\$30,560
Total Revenue Refunding Bonds		40,015	28,920	30,560
Revenue Bonds:				
Series E, 3.75%, due serially to May 1, 2016	May 1, 1967	1,200	485	520
Series F, 3.00%, due serially to May 1, 2016	Nov. 1, 1967	2,350	870	940
Series H, 5.90% effective, due serially to May 1, 2007	Nov. 1, 1970	8,300	1,140	1,655
Total Revenue Bonds		11,850	2,495	3,115
General Obligation Refunding Bonds:				
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
2002 Series A, 3.96% effective, due serially to May 1, 2018	Feb. 1, 2002	110,000	90,100	96,700
2003 Series C, 3.41% effective, due serially to May 1, 2019	July 15, 2003	111,320	94,540	102,150
Total General Obligation Refunding Bonds		315,690	211,245	225,455
General Obligation Bonds:				
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	21,795	22,320
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	44,455	45,470
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	48,245	49,130
2003 Series D, 3.74% effective, due serially to May 1, 2019	Dec. 1, 2003	24,805	22,250	23,525
2004 Series E, 4.69% effective, due serially to May 1, 2029 and term bonds due May 1, 2031 and 2034	July 1, 2004	86,725	86,725	
Total General Obligation Bonds		236,915	223,470	140,445
Total Bonds		\$604,470	\$466,130	\$399,575

The General Obligation Bonds Payable includes premium on bonds, net of bond discounts, of \$8.5 million at June 30, 2005 (\$7.8 million in 2004, discount on bonds, net of bond premium) related to Series 1992 A, Series 1997 A, Series 1998 A, Series 2002 B, Series 2003 C, Series 2003 D and Series 2004 E.

The Revenue Refunding Bonds Payable are net of \$143 thousand at June 30, 2005 (\$152 thousand in 2004) of unamortized bond discounts related to Series U.

The Revenue Refunding Bonds, Series 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 Series A, and General Obligation Bonds, 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, 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 \$90.1 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 \$4.6 million at June 30, 2005 (negative \$3.5 million in 2004). 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 on estimates about relevant future market conditions.

At June 30, 2005 and June 30, 2004, 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, 2005 (AA+ by Standard & Poor's in 2004).

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, 2005 of 3.75% (3.89% in 2004). If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized. At June 30, 2005, the BMA rate was 2.43% (1.06% in 2004).

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. At June 30, 2005, the average of the BMA index did not exceed 7.0%, therefore, the counterparty has not terminated the swap.

Using rates as of June 30, 2005, 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	
2006	\$6,800	\$2,000	\$1,379	\$10,179
2007	7,000	1,849	1,274	10,123
2008	3,500	1,694	1,167	6,361
2009	3,700	1,616	1,114	6,430
2010	3,800	1,534	1,057	6,391
2011-2015	32,300	6,223	4,289	42,812
2016-2018	33,000	1,483	1,022	35,505
Total	<u>\$90,100</u>	<u>\$16,399</u>	<u>\$11,302</u>	<u>\$117,801</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, were 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, \$4.4 million, is being deferred and amortized as interest expense through the year 2019 using the effective interest method. In 2005, \$0.3 million has been expensed leaving \$3.9 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.

The General Obligation Bonds, 2004 Series E, were issued in the amount of \$86.7 million on July 1, 2004. 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 Bonds 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.

Debt service payments to maturity at June 30, 2005 are as follows (dollars in thousands):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$20,010	\$21,436	\$41,446
2007	20,995	20,575	41,570
2008	22,655	19,671	42,326
2009	23,640	18,771	42,411
2010	24,765	17,623	42,388
2011-2015	132,130	69,878	202,008
2016-2020	99,545	41,029	140,574
2021-2025	44,810	25,554	70,364
2026-2030	46,095	14,145	60,240
2031-2034	31,485	3,962	35,447
Total	<u>\$466,130</u>	<u>\$252,644</u>	<u>\$718,774</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, 2005, this liability was \$1.2 million (\$1.6 million in 2004).

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, 2005, the University had a capital lease obligation of \$53.3 million (\$54.1 million in 2004).

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, 2005, the University had a capital lease obligation of \$3.4 million for equipment purchased under the terms of this agreement (\$4.1 million in 2004).

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, 2005, the University had a capital lease obligation of \$22.8 million (\$24.9 million in 2004).

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, 2005, this liability was \$41.8 million (\$43.3 million in 2004). 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, 2005, the estimated present value of the Hospital sublease over the full lease term, including renewal periods, amounted to \$7.4 million (\$7.7 million in 2004). 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

In April 2005, the New Jersey Economic Development Authority offered \$15.3 million of its Revenue Refunding Bonds (Rutgers, The State University – Civic Square Project), 2005 series (the "Bonds"). The Bonds are being issued to refund the Authority's outstanding Revenue Bonds (Rutgers, The State University-Civic Square Project), 1994 Series (the "Refunded Bonds") which were issued to finance a redevelopment project located in City of New Brunswick. 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 and is leased to the University pursuant to a Lease and Agreement dated as of September 1, 1993

between the Authority and the University, as amended and supplemented (the "Lease Agreement"). The Bonds were initially issued as Auction Rate Certificates ("ARCs") bearing interest at an Auction Rate. The interest rate on the Bonds may be converted from time to time at the option of the University to a Daily Rate, a Weekly Rate, a Short-Term Rate, a Long-Term Rate or a Fixed Rate. The Bonds are being issued to provide funds that will be used, together with other available funds of the University, to (i) pay at maturity the Refunded Bonds maturing on July 1, 2005 and currently refund, on July 1, 2005, the Refunded Bonds maturing on and after July 1, 2006 and (ii) pay certain costs of issuance. At June 30, 2005, the outstanding balance of this obligation was \$15.3 million.

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, 2005, the University had a capital lease obligation of \$30.6 million (\$30.6 million in 2004).

Future lease payments (receipts) applicable to the aforementioned capital leases at June 30, 2005 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)						
2006	\$464	\$3,598	\$940	\$2,040	\$33	\$3,659	(\$652)	\$806	\$1,866	\$12,754	
2007	461	4,486	939	2,040	33	3,667	(653)	821	1,863	13,657	
2008	461	4,488	939	2,040	32	3,660	(652)	835	1,865	13,668	
2009		4,488	939	2,040	32	3,663	(652)	874	1,862	13,246	
2010		4,488		2,040	32	3,665	(653)	861	1,861	12,294	
2011-2015		22,452		10,199	162	18,325	(3,262)	4,702	9,305	61,883	
2016-2020		22,451		2,039	33	18,322	(3,261)	5,331	9,290	54,205	
2021-2025		16,673				10,991	(1,959)	4,882	9,268	39,855	
2026-2030									9,239	9,239	
2031-2035									9,196	9,196	
2036-2039									5,496	5,496	
Total Lease Payments	1,386	83,124	3,757	22,438	357	65,952	(11,744)	19,112	61,111	245,493	
Less Amount Representing Interest	151	29,871	351			24,120	(4,317)	3,837	30,476	84,489	
Present Value of Lease Payments	\$1,235	\$53,253	\$3,406	\$22,438	\$357	\$41,832	(\$7,427)	\$15,275	\$30,635	\$161,004	

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, 2005, the aggregate capitalized lease obligation associated with these agreements, which excludes future interest payments, is approximately \$5.4 million (\$6.8 million in 2004). 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, 2005, 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 \$277.0 million. Anticipated sources of funding for these projects are summarized as follows (dollars in thousands):

	<u>Total Project Funding</u>		
	<u>Received at June 30, 2005</u>	<u>Additional Funding Required at June 30, 2005</u>	<u>Estimated Total Cost</u>
Borrowing	\$168,075		\$168,075
State Bond Issues and Capital Appropriations	34,667	\$11,000	45,667
Gifts and Other Sources	52,782	10,502	63,284
Total	<u>\$255,524</u>	<u>\$21,502</u>	<u>\$277,026</u>

The University leases certain space used in general operations. Rental expense was approximately \$2.9 million in 2005 (\$2.8 million in 2004). The leases are non-cancelable and have been classified as operating leases which are expected to expire through 2035. Minimum annual rental commitments approximate the following (dollar in thousands):

<u>Year</u>	<u>Amount</u>
2006	\$2,978
2007	1,672
2008	1,367
2009	1,067
2010	1,040
2011-2015	4,227
2016-2020	305
2021-2025	305
2026-2030	258
2031-2035	48
Total	<u>\$13,267</u>

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 2005 aggregated \$31.5 million (\$29.2 and \$28.7 million in 2004 and 2003, respectively) of which \$4.1 million (\$3.3 and \$3.6 million in 2004 and 2003, 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, 2005 was \$150.4 million (\$145.9 million in 2004).

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 5.0% of their annual compensation during fiscal year 2005 and 3.0% in fiscal year 2004. 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, 2005 was \$396.0 million (\$368.4 million in 2004).

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 2005. 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.

NOTE 11 - COMPENSATED ABSENCES

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

The University recorded a liability for accumulated vacation time in the amount of \$29.3 million at June 30, 2005 (\$27.2 million in 2004). 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, 2005 (\$0.1 million in 2004). 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 \$8.7 million at June 30, 2005 (\$6.3 million in 2004) which is included in accounts payable and accrued expenses in the accompanying Statements of Net Assets.

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.

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.

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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 Agriculture		
Agricultural Research Basic and Applied Research	10.001	\$129,583
Biotechnology Risk Assessment Research	10.219	94,674
Community Food Projects	10.225	69,388
Cooperative Forestry Assistance	10.664	63,238
Crop Insurance	10.450	139,298
Forest Stewardship Program	10.678	21,993
Forestry Research	10.652	140,996
Grants for Agricultural Research Competitive Research Grants	10.206	850,272
Grants for Agricultural Research, Special Research Grants	10.200	3,712,241
Higher Education Challenge Grants	10.217	64,496
Initiative for Future Agriculture and Food Systems	10.302	1,079,716
Integrated Programs	10.303	943,341
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	2,905,611
Scientific Cooperation and Research	10.961	25,584
Various	10.RD	642,971
Subtotal		10,883,402
Department of Commerce-EDA		
Economic Development Technical Assistance	11.303	9,686
Research and Evaluation Program	11.312	15,298
Subtotal		24,984
Department of Commerce-NIST		
Measurement and Engineering Research and Standards	11.609	101,260
Various	11.RD	4,337
Subtotal		105,597

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-NOAA		
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	193,344
Chesapeake Bay Studies	11.457	72,695
Climate and Atmospheric Research	11.431	196,316
Coastal Zone Management Administration Awards	11.419	34,692
Coastal Zone Management Estuarine Research Reserves	11.420	456,769
Cooperative Science and Education Program	11.455	1,002,373
Undersea Research	11.430	1,172,591
Various	11.RD	128,730
Subtotal		3,257,510
Department of Commerce-NOAA-Nat'l Marine Fisheries Ser (DNU)		
Cooperative Science and Education Program	11.455	32,043
Subtotal		32,043
Department of Defense		
Basic and Applied Scientific Research	12.300	18,653
Military Medical Research and Development	12.420	815,984
Various	12.RD	1,409,917
Subtotal		2,244,554
Department of Education		
International Research and Studies	84.017	(1,194)
International: Overseas Group Projects Abroad	84.021	65,353
National Assessment of Educational Progress	84.902	6,899
Undergraduate International Studies and Foreign Language Programs	84.016	1,534
Subtotal		72,592

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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	665,670
Various	81.RD	3,585,975
Weatherization Assistance for Low-Income Persons	81.042	162,405
Subtotal		4,414,050
Department of Health and Human Services		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	1,050,578
Research on Healthcare Costs, Quality and Outcomes	93.226	236,427
Various	93.RD	179,601
Subtotal		1,466,606
Department of Housing and Urban Development		
Community Development Work-Study Program	14.512	100,448
Community Outreach Partnership Center Program	14.511	82,023
Doctoral Dissertation Research Grants	14.516	53,446
Subtotal		235,917
Department of Justice		
Community Prosecution and Project Safe Neighborhoods	16.609	85,398
Subtotal		85,398
Department of the Interior		
Various	15.RD	16,238
Subtotal		16,238
Department of the Interior-FWS		
Conservation Grants Private Stewardship for Imperiled Species	15.632	18,540
Tribally Controlled Community College Endowments	15.028	4,017
Subtotal		22,557

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-NPS		
Various	15.RD	232,001
Subtotal		232,001
Department of the Interior-USGS		
Assistance to State Water Resources Research Institutes	15.805	7,168
Various	15.RD	118,624
Subtotal		125,792
Department of Transportation		
Federal Transit Technical Assistance	20.512	90,454
Various	20.RD	110,248
Subtotal		200,702
Department of Transportation-FAA		
Aviation Research Grants	20.108	69,672
Various	20.RD	77,481
Subtotal		147,153
Department of Transportation-FTA		
Federal Transit Metropolitan Planning Grants	20.505	70,363
Various	20.RD	(1,247)
Subtotal		69,116
DHHS-Agency for Healthcare Research and Quality		
Research on Healthcare Costs, Quality and Outcomes	93.226	386,642
Subtotal		386,642
DHHS-PHS-CDC		
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	272,021

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-CDC		
Injury Prevention and Control Research and State and Community Based Programs	93.136	55,215
Subtotal		327,236
DHHS-PHS-CDC-NIOSH		
Occupational Safety and Health Research Grants	93.262	185,829
Subtotal		185,829
DHHS-PHS-CMS		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	1,339,112
Subtotal		1,339,112
DHHS-PHS-FDA		
Food and Drug Administration Research	93.103	(910)
Various	93.RD	33,078
Subtotal		32,168
DHHS-PHS-NIH		
Aging Research	93.866	707,821
Biological Basis Research in the Neurosciences	93.854	(2,702)
Biological Response to Environmental Health Hazards	93.113	208,116
Biomedical Imaging Research	93.286	84,760
Biomedical Research and Research Training	93.859	1,573,135
Cancer Biology Research	93.396	(959)
Cancer Cause and Prevention Research	93.393	376,677
Cancer Detection and Diagnosis Research	93.394	132,984
Cell Biology and Biophysics Research	93.821	96,686
Center for Research for Mothers and Children	93.865	405,421
Clinical Research	93.333	8,602

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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		
Diabetes, Endocrinology and Metabolism Research	93.847	33,707
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	256,963
Fogarty International Research Collaboration Award	93.934	7,256
Genetics and Developmental Biology Research and Research Training	93.862	15,170
Heart and Vascular Diseases Research	93.837	183,490
Human Genome Research	93.172	(14,744)
Mental Health Research Grants	93.242	133,799
Microbiology and Infectious Diseases Research	93.856	120,600
Oral Diseases and Disorders Research	93.121	3,397
Research and Training in Complementary and Alternative Medicine	93.213	92,526
Research on Healthcare Costs, Quality and Outcomes	93.226	4,553
Senior International Fellowships	93.989	463,645
Various	93.RD	243,200
Vision Research	93.867	268,587
Subtotal		5,402,690
DHHS-PHS-NIH-FIC		
Fogarty International Research Collaboration Award	93.934	9,450
Senior International Fellowships	93.989	487,214
Subtotal		496,664
DHHS-PHS-NIH-NCI		
Blood Diseases and Resources Research	93.839	75,415
Cancer Biology Research	93.396	424,730
Cancer Cause and Prevention Research	93.393	2,754,490
Cancer Control	93.399	2,739,611

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-NCI		
Cancer Research Manpower	93.398	160,516
Cancer Treatment Research	93.395	810,896
Various	93.RD	106,873
Subtotal		7,072,531
DHHS-PHS-NIH-NCRR		
Bioengineering Research	93.287	5,318
Research Infrastructure	93.389	175,695
Subtotal		181,013
DHHS-PHS-NIH-NEI		
Vision Research	93.867	881,585
Subtotal		881,585
DHHS-PHS-NIH-NHLBI		
Heart and Vascular Diseases Research	93.837	261,587
Subtotal		261,587
DHHS-PHS-NIH-NIA		
Aging Research	93.866	422,285
Subtotal		422,285
DHHS-PHS-NIH-NIAAA		
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	114,737
Alcohol Research Programs	93.273	1,927,027
Career Development Awards	93.277	17,132
Various	93.RD	12,458
Subtotal		2,071,354

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-NIAID		
Allergy, Immunology and Transplantation Research	93.855	643,017
Microbiology and Infectious Diseases Research	93.856	1,237,350
Subtotal		1,880,367
DHHS-PHS-NIH-NIBIB		
Biomedical Imaging Research	93.286	1,651,859
Subtotal		1,651,859
DHHS-PHS-NIH-NICHD		
Center for Medical Rehabilitation Research	93.929	101,915
Center for Research for Mothers and Children	93.865	468,855
Subtotal		570,770
DHHS-PHS-NIH-NIDA		
Drug Abuse Research Programs	93.279	1,654,143
Various	93.RD	2,144,527
Subtotal		3,798,670
DHHS-PHS-NIH-NIDCD		
Research Related to Deafness and Communication Disorders	93.173	795,051
Subtotal		795,051
DHHS-PHS-NIH-NIDDKD		
Diabetes, Endocrinology and Metabolism Research	93.847	351,597
Digestive Diseases and Nutrition Research	93.848	352,704
Kidney Diseases, Urology and Hematology Research	93.849	268,169
Various	93.RD	1,273,844
Subtotal		2,246,314
DHHS-PHS-NIH-NIEHS		
Biological Response to Environmental Health Hazards	93.113	1,083,234

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-NIEHS		
Subtotal		1,083,234
DHHS-PHS-NIH-NIGMS		
Bioinformatics and Computational Biology Research	93.309	222,074
Biomedical Research and Research Training	93.859	15,957,738
Cell Biology and Biophysics Research	93.821	214,009
Genetics and Developmental Biology Research and Research Training	93.862	11,598
Various	93.RD	272,967
Subtotal		16,678,386
DHHS-PHS-NIH-NIMH		
Biological Basis Research in the Neurosciences	93.854	44,317
Mental Health Research Career/Scientist Development Awards	93.281	117,588
Mental Health Research Grants	93.242	14,334,301
Subtotal		14,496,206
DHHS-PHS-NIH-NINCDS		
Biological Basis Research in the Neurosciences	93.854	(638)
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	3,834,475
Subtotal		3,833,837
DHHS-PHS-NIH-NINR		
Nursing Research	93.361	117,706
Subtotal		117,706
DHHS-PHS-SAMHSA-CSAP		
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	91,215
Various	93.RD	346,448

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-SAMHSA-CSAP		
Subtotal		437,663
DOD-Army Medical Research Command		
Various	12.RD	480,904
Subtotal		480,904
DOD-DAF-Air Force Office of Scientific Research		
Air Force Defense Research Sciences Program	12.800	652,893
Subtotal		652,893
DOD-DAF-Air Force Research Laboratory		
Research and Technology Development	12.910	79,586
Subtotal		79,586
DOD-DARPA		
Research and Technology Development	12.910	721,303
Subtotal		721,303
DOD-Defense Logistics Agency		
Various	12.RD	244,292
Subtotal		244,292
DOD-Department of the Navy		
Research and Technology Development	12.910	86,759
Various	12.RD	9,178
Subtotal		95,937
DOD-Department of Veterans Affairs		
Various	64.RD	108,801
Subtotal		108,801

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-DOA-Army Corps of Engineers		
Various	12.RD	398,501
Subtotal		398,501
DOD-DOA-Army Medical Research Acquisition Activity		
Military Medical Research and Development	12.420	17,874
Subtotal		17,874
DOD-DOA-Army Research Office		
Basic and Applied Scientific Research	12.300	64,648
Various	12.RD	35,791
Subtotal		100,439
DOD-DOA-Army TACOM-ARDEC		
Various	12.RD	546,282
Subtotal		546,282
DOD-DON-Naval Air Warfare Center		
Research and Technology Development	12.910	36,835
Subtotal		36,835
DOD-DON-Naval Surface Warfare Center		
Various	12.RD	82,046
Subtotal		82,046
DOD-DON-Office of Naval Research		
Basic and Applied Scientific Research	12.300	3,328,338
Various	12.RD	102,802
Subtotal		3,431,140
DOD-National Security Agency		
Mathematical Sciences Grants Program	12.901	133,339

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-National Security Agency		133,339
Subtotal		133,339
DOD-Technical Support Working Group		
Various	12.RD	140,522
Subtotal		140,522
Environmental Protection Agency		
Environmental Protection Consolidated Research	66.500	123,642
P3 Award: National Student Design Competition for Sustainability	66.516	3,743
Pollution Prevention Grants Program	66.708	242,670
Science To Achieve Results (STAR) Program	66.509	155,749
Solid Waste Management Assistance	66.808	3,511
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	25,465
Surveys, Studies, Investigations and Special Purpose Grants	66.606	22,092
Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach	66.716	40,688
Various	66.RD	87,357
Subtotal		704,917
Institute of Museum and Library Services		
Institute of Museum and Library Services National Leadership Grants	45.312	94,459
Subtotal		94,459
National Aeronautics and Space Administration		
Various	43.NAG5-1	88,686
Various	43.RD	2,257,411
Subtotal		2,346,097

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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:		
National Archives and Records Administration		
National Historical Publications and Records Grants	89.003	104,916
Subtotal		<u>104,916</u>
National Endowment for the Arts		
Promotion of the Arts Grants to Organizations and Individuals	45.024	15,487
Subtotal		<u>15,487</u>
National Endowment for the Humanities		
Promotion of the Humanities Research	45.161	155,587
Various	45.RD	79,478
Subtotal		<u>235,065</u>
National Science Foundation		
Biological Sciences	47.074	11,013,318
Computer and Information Science and Engineering	47.070	10,684,383
Education and Human Resources	47.076	1,100,637
Engineering Grants	47.041	1,677,457
Geosciences	47.050	4,683,382
Mathematical and Physical Sciences	47.049	6,531,832
Polar Programs	47.078	178,277
Social, Behavioral, and Economic Sciences	47.075	1,024,314
Various	47.RD	877,305
Subtotal		<u>37,770,905</u>
U.S. Election Assistance Commission		
Various	90.RD	33,332
Subtotal		<u>33,332</u>
Subtotal Direct Research and Development		<u>\$138,862,843</u>

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Abt Associates, Inc.		
Various	93.RD	\$43,094
Subtotal		43,094
Advanced Animal Diagnostics		
Various	10.RD	24,875
Subtotal		24,875
Advanced Information Engineering Services		
Various	12.RD	33,554
Subtotal		33,554
Advanced Projects Research, Inc.		
Various	43.RD	43,233
Subtotal		43,233
Albert Einstein College of Medicine		
Cancer Control	93.399	18,459
Microbiology and Infectious Diseases Research	93.856	89,133
Subtotal		107,592
Altair Nanomaterials, Inc.		
Various	47.RD	30,450
Subtotal		30,450

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Association Liaison Office		
Various	98.RD	173,774
Subtotal		173,774
Atlantic States Marine Fisheries Commission		
Atlantic Coastal Fisheries Cooperative Management Act	11.474	734
Subtotal		734
Auburn University		
Grants for Agricultural Research Competitive Research Grants	10.206	35,840
Social, Behavioral, and Economic Sciences	47.075	17,881
Subtotal		53,721
Baylor College		
Research Infrastructure	93.389	40,073
Subtotal		40,073
Boston University		
Computer and Information Science and Engineering	47.070	60,119
Subtotal		60,119
California Institute of Technology		
Various	12.RD	49,475
Various	81.RD	170,297
Subtotal		219,772

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
California Polytechnic State University		
National Institute on Student Achievement, Curriculum, and Assessment	84.305	26,878
Subtotal		26,878
Cambridge Health Alliance		
Mental Health Research Grants	93.242	10,835
Subtotal		10,835
Carnegie Mellon University		
Engineering Grants	47.041	(2,142)
Various	81.RD	76,425
Subtotal		74,283
Ceramatec, Inc		
Various	12.RD	8,858
Subtotal		8,858
Children's Hospital of Philadelphia		
Blood Diseases and Resources Research	93.839	75,256
Subtotal		75,256
City of Newark, NJ		
Demolition and Revitalization of Severely Distressed Public Housing	14.866	19,998
Subtotal		19,998

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Clemson University		
Biological Sciences	47.074	50,581
Subtotal		<hr/> 50,581
College of William and Mary		
Various	12.RD	88,220
Subtotal		<hr/> 88,220
Colorado State University		
Various	93.RD	14,092
Subtotal		<hr/> 14,092
Columbia University		
Computer and Information Science and Engineering	47.070	69,485
Subtotal		<hr/> 69,485
Community Options, Inc.		
National Institute on Disability and Rehabilitation Research	84.133	(26,858)
Subtotal		<hr/> (26,858)
Consortium for Oceanographic Research and Education		
Marine Sanctuary Program	11.429	9,458
Subtotal		<hr/> 9,458
Cornell University		
Grants for Agricultural Research, Special Research Grants	10.200	132,093
Integrated Programs	10.303	143,110

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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:		
Cornell University		
Subtotal		275,203
CUNY-Research Foundation		
Federal Transit Grants for University Research and Training	20.502	44,355
Subtotal		44,355
CUNY-Transportation Research Center		
Federal Transit Grants for University Research and Training	20.502	2,510
Subtotal		2,510
Dartmouth College		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	42,857
Subtotal		42,857
Delaware River Basin Commission		
Various	66.RD	96,963
Subtotal		96,963
Department of Commerce-NOAA		
Various	81.RD	41,137
Subtotal		41,137
Diamond Materials Incorporated		
Various	43.RD	42,392
Subtotal		42,392

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

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<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:		
Disability Research Consortium		
Social Security Research and Demonstration	96.007	30,856
Subtotal		30,856
Dragoon Technologies		
Various	12.RD	39,792
Subtotal		39,792
EEI		
Various	13.RD	25,350
Subtotal		25,350
Florida State University		
Office of Science Financial Assistance Program	81.049	46,868
Subtotal		46,868
Garden State Engineering, LLC		
Various	66.RD	9,015
Subtotal		9,015
Georgia Institute of Technology		
Computer and Information Science and Engineering	47.070	53,128
Various	47.RD	51,107
Subtotal		104,235
Harvard University		
Education and Human Resources	47.076	91,138

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

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YEAR ENDED JUNE 30, 2005

<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:		
Harvard University		
Various	84.RD	523,219

Subtotal		614,357
Health Research Inc.		
Microbiology and Infectious Diseases Research	93.856	46,796

Subtotal		46,796
Hospital for Special Surgery		
Aging Research	93.866	83,409

Subtotal		83,409
Institute for Responsible Management at RWJMS		
Office of Science and Technology for Environmental Management	81.104	377,532
Various	81.RD	512,892

Subtotal		890,424
Institute of Ecosystem Studies		
Various	93.RD	1,149

Subtotal		1,149
Integra Life Sciences		
Various	11.RD	1,055

Subtotal		1,055

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Iowa State University		
National Institute on Disability and Rehabilitation Research	84.133	26,857
		26,857
Subtotal		26,857
ITT Industries		
Various	12.RD	203,581
		203,581
Subtotal		203,581
Jefferson Lab		
Various	81.RD	61,538
		61,538
Subtotal		61,538
Johns Hopkins University		
Various	12.RD	63,873
		63,873
Subtotal		63,873
Lawrence Berkeley National Laboratory		
Various	81.RD	2,645
		2,645
Subtotal		2,645
Layered Manufacturing, Inc.		
Various	93.RD	569
		569
Subtotal		569
Massachusetts General Hospital		
Cancer Centers Support Grants	93.397	1,059

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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:		
Massachusetts General Hospital		1,059
Subtotal		1,059
Massachusetts Institute of Technology		
Engineering Grants	47.041	14,100
Mathematical and Physical Sciences	47.049	110,941
Various	43.RD	10,000
Subtotal		135,041
MaxPower Inc.		
Various	12.RD	4,667
Subtotal		4,667
McKessonHBOC Bioservices		
Various	93.RD	22,535
Subtotal		22,535
Michigan State University		
Integrated Programs	10.303	(2,976)
Various	93.RD	96,538
Subtotal		93,562
Mississippi State University		
Undersea Research	11.430	91,153
Subtotal		91,153

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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:		
Montefiore Medical Center		
Microbiology and Infectious Diseases Research	93.856	68,631
Subtotal		68,631
Mote Marine Laboratory		
Biological Sciences	47.074	(10,424)
Subtotal		(10,424)
Mt. Sinai School of Medicine		
Diabetes, Endocrinology and Metabolism Research	93.847	35,406
Various	93.RD	86,311
Subtotal		121,717
Multi-Phase Technologies, LLC		
Weatherization Assistance for Low-Income Persons	81.042	7,124
Subtotal		7,124
Nano Engineered Innovation Corporation		
Various	12.RD	18,305
Subtotal		18,305
Nanopowder Enterprises, Inc.		
Various	81.RD	100,407
Subtotal		100,407
National Academy of Sciences		
Various	20.RD	102,685

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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:		
National Academy of Sciences		102,685
Subtotal		102,685
National Alliance for Autism Research		
Various	93.RD	24,504
Subtotal		24,504
National Opinion Research Center		
Various	93.RD	18,554
Subtotal		18,554
National Renewable Energy Laboratory		
Various	81.RD	5,311
Subtotal		5,311
National Trust for Historic Preservation		
General Research and Technology Activity	14.506	14,308
Subtotal		14,308
NESCAUM		
Various	66.RD	1,087
Subtotal		1,087
New England Small Farm Institute, Inc.		
Various	10.RD	658
Subtotal		658

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

<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 Higher Education Consortium		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10,265
Subtotal		10,265
New Jersey Institute of Technology		
Development and Promotion of Ports and Intermodal Transportation	20.801	21,127
Highway Planning and Construction	20.205	49,817
State Planning and Research	20.515	32,500
Various	20.RD	34,545
Subtotal		137,989
New Jersey Marine Sciences Consortium		
Sea Grant Support	11.417	347,246
Undersea Research	11.430	26,913
Various	11.RD	16,818
Subtotal		390,977
New Jersey Space Grant Consortium		
Various	43.RD	35,216
Subtotal		35,216
New York Blood Center		
Various	93.RD	67,445
Subtotal		67,445

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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 York University School of Medicine		
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	180,305
Subtotal		180,305
Nian-Crae, Inc.		
National Institute on Disability and Rehabilitation Research	84.133	30,005
Various	93.RD	1,289
Subtotal		31,294
NJ Council for the Humanities		
Various	45.UNK	8,512
Subtotal		8,512
Northeastern University		
Computer and Information Science and Engineering	47.070	54,574
Various	43.RD	37,594
Various	47.RD	120,981
Subtotal		213,149
Oak Ridge National Laboratory		
Various	81.RD	(567)
Subtotal		(567)
Ocean County		
Various	66.RD	5,380

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Ocean County		5,380
Subtotal		5,380
Ohio State University		
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	9,503
Initiative for Future Agriculture and Food Systems	10.302	11,351
Mathematical and Physical Sciences	47.049	1,632
Various	93.RD	138,400
Subtotal		160,886
Old Dominion University		
Various	11.RD	21,485
Subtotal		21,485
Oregon Health & Science University		
Research Related to Deafness and Communication Disorders	93.173	74,134
Subtotal		74,134
Penn State University		
Grants for Agricultural Research Competitive Research Grants	10.206	19,656
Integrated Programs	10.303	39,822
Various	47.RD	76,625
Subtotal		136,103

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

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<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:		
Pliant Corporation		
Various	12.RD	51,000
Subtotal		51,000
PnP Networks		
Various	12.RD	5,000
Subtotal		5,000
Princeton University		
Mathematical and Physical Sciences	47.049	306,639
Office of Science Financial Assistance Program	81.049	28,559
Various	81.RD	42,036
Various	93.RD	74,177
Subtotal		451,411
Purdue University		
Biological Sciences	47.074	30,777
Research and Training in Complementary and Alternative Medicine	93.213	113,227
Subtotal		144,004
Rensselaer Polytechnic Institute		
Various	20.RD	120,901
Subtotal		120,901
Research Foundation for Mental Hygiene, Inc.		
Drug Abuse Research Programs	93.279	13,335

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<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:		
Research Foundation for Mental Hygiene, Inc.		13,335
Subtotal		13,335
Reva Medical		
Heart and Vascular Diseases Research	93.837	48,711
Subtotal		48,711
SAIC		
Various	93.RD	(2,436)
Subtotal		(2,436)
Sarnoff Corporation		
Various	12.RD	99,628
Subtotal		99,628
Simquest International LLC		
Military Medical Research and Development	12.420	14,697
Subtotal		14,697
Slattery-Skanska		
Various	20.RD	24,159
Subtotal		24,159
Sleepy Hollow Farm		
Various	10.RD	21,992
Subtotal		21,992

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YEAR ENDED JUNE 30, 2005

<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:		
Smithsonian Astrophysical Observatory		
Various	43.RD	270,025
Subtotal		270,025
Smithsonian Institution		
Biological Sciences	47.074	12,207
Social, Behavioral, and Economic Sciences	47.075	95,976
Subtotal		108,183
SNJ-Board of Public Utilities		
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	32,138
State Energy Program	81.041	48,150
Various	81.RD	(10,526)
Subtotal		69,762
SNJ-Department of Agriculture		
Federal-State Marketing Improvement Program	10.156	5,500
Various	10.RD	53,120
Subtotal		58,620
SNJ-Department of Education		
Teacher Quality Enhancement Grants	84.336	14,654
Various	84.RD	47,130
Various	93.RD	126,985

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

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<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 Education		188,769
Subtotal		188,769
SNJ-Department of Environmental Protection		
Clean Vessel Act	15.616	9,841
Nonpoint Source Implementation Grants	66.460	344,379
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Re	66.034	48,697
Various	66.RD	104,026
Subtotal		506,943
SNJ-Department of Health		
Various	93.RD	4,693
Subtotal		4,693
SNJ-Department of Health and Senior Services		
Center for Research for Mothers and Children	93.865	74,090
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238	427,367
HIV Prevention Activities Health Department Based	93.940	334,713
Various	93.RD	421,680
Subtotal		1,257,850
SNJ-Department of Human Services		
State Planning Grant Health Care Access for the Uninsured	93.256	98,176
Various	93.RD	155,024

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Human Services		
Subtotal		253,200
SNJ-Department of Labor		
Various	17.RD	265,002
Work Incentives Grant	17.266	8,651
Subtotal		273,653
SNJ-Department of Transportation		
Federal Transit Grants for University Research and Training	20.502	131,771
Highway Planning and Construction	20.205	5,000
Various	20.RD	2,276,484
Subtotal		2,413,255
Space Telescope Science Institute		
Various	43.RD	158,186
Subtotal		158,186
Spectrum Consulting Associates, Inc.		
Various	93.RD	27,212
Subtotal		27,212
Stanford University		
Biomedical Research and Research Training	93.859	45,884
Geosciences	47.050	36,353
Various	47.RD	139,359

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Stanford University		221,596
Subtotal		221,596
State of Maryland-Maryland Energy Administration		
Various	81.RD	904
Subtotal		904
Stevens Institute of Technology		
Basic and Applied Scientific Research	12.300	25,000
Subtotal		25,000
SUNY-Albany		
Various	15.RD	306,008
Subtotal		306,008
SUNY-Stony Brook		
Cancer Cause and Prevention Research	93.393	179,417
Subtotal		179,417
SUNY-The Research Foundation		
Alcohol Research Programs	93.273	148,743
Cancer Cause and Prevention Research	93.393	29,934
Various	12.RD	(58,189)
Various	93.RD	158,035
Subtotal		278,523

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Syracuse University		
Geosciences	47.050	91,650
Subtotal		91,650
Temple University		
Microbiology and Infectious Diseases Research	93.856	41,428
Subtotal		41,428
Texas A&M Research Foundation		
Geosciences	47.050	13,199
Subtotal		13,199
Texas Tech University		
Grants for Agricultural Research Competitive Research Grants	10.206	45,120
Subtotal		45,120
The Public Health Research Institute		
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	147,691
Subtotal		147,691
The Sharing Network		
Grants to Increase Organ Donations	93.134	178,725
Subtotal		178,725
The Urban Institute		
Various	93.RD	(10,340)

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
The Urban Institute		(10,340)
Subtotal		(10,340)
Titan Systems Corporation		
Various	20.RD	157,348
Subtotal		157,348
University of Alaska		
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institute	11.432	38,816
Subtotal		38,816
University of Arizona		
Various	15.RD	346,985
Subtotal		346,985
University of California		
Cancer Control	93.399	2,239
Various	81.RD	61,047
Subtotal		63,286
University of California-Lawrence Livermore National Lab		
Various	81.RD	(1,556)
Subtotal		(1,556)
University of California-San Diego		
Social, Behavioral, and Economic Sciences	47.075	31,514

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 California-San Diego		
Various	47.RD	56,832
		<hr/>
Subtotal		88,346
University of Connecticut		
Office of Science Financial Assistance Program	81.049	4,350
		<hr/>
Subtotal		4,350
University of Delaware		
Cooperative Extension Service	10.500	3,920
		<hr/>
Subtotal		3,920
University of Florida		
Biological Sciences	47.074	355,516
		<hr/>
Subtotal		355,516
University of Georgia		
Center for Research for Mothers and Children	93.865	39,609
		<hr/>
Subtotal		39,609
University of Hawaii		
Cancer Biology Research	93.396	81,566
		<hr/>
Subtotal		81,566
University of Illinois		
Geosciences	47.050	36,656
Social Security Research and Demonstration	96.007	346,563

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Illinois		
Various	93.RD	16,812
Various	96.RD	184,108
		584,139
Subtotal		
University of Maine		
Grants for Agricultural Research, Special Research Grants	10.200	12,088
		12,088
Subtotal		
University of Maryland		
Air Force Defense Research Sciences Program	12.800	6,101
Computer and Information Science and Engineering	47.070	2,942
Diabetes, Endocrinology and Metabolism Research	93.847	11,967
National Motor Carrier Safety	20.218	7,251
Various	43.RD	28,496
Various	47.RD	260,509
		317,266
Subtotal		
University of Massachusetts		
Grants for Agricultural Research, Special Research Grants	10.200	36,319
Integrated Programs	10.303	52,688
Mental Health Research Grants	93.242	867
		89,874
Subtotal		
University of Medicine and Dentistry of New Jersey		
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	11,138

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Medicine and Dentistry of New Jersey		
Center for Research for Mothers and Children	93.865	149,290
Drug Abuse Research Programs	93.279	38,177
Military Medical Research and Development	12.420	651
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	299,599
Resource and Manpower Development in the Environmental Health Sciences	93.894	8,793
Various	12.RD	13,383
Various	66.RD	(1,321)
Various	93.NPGCNO	6,209
Various	93.RD	1,351,916
Subtotal		1,877,835
University of Miami		
Basic and Applied Scientific Research	12.300	17,017
Subtotal		17,017
University of Missouri		
State Energy Program Special Projects	81.119	8,283
Subtotal		8,283
University of Nebraska		
Cancer Treatment Research	93.395	9,921
Subtotal		9,921

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 New Hampshire		
Various	43.RD	1,657
Subtotal		1,657
University of New Hampshire-CICEET		
Coastal Zone Management Administration Awards	11.419	8,025
Subtotal		8,025
University of Pennsylvania		
Basic Scientific Research	12.431	17,250
Biomedical Imaging Research	93.286	59,911
Computer and Information Science and Engineering	47.070	(60,919)
Subtotal		16,242
University of Pittsburgh		
Various	93.RD	179,311
Subtotal		179,311
University of Rhode Island		
Basic and Applied Scientific Research	12.300	24,820
Subtotal		24,820
University of Richmond		
Various	93.RD	628
Subtotal		628

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Rochester		
Basic and Applied Scientific Research	12.300	11,601
Subtotal		<u>11,601</u>
University of South Carolina		
Various	43.RD	(20,884)
Subtotal		<u>(20,884)</u>
University of Southern California		
Geosciences	47.050	2,314
Subtotal		<u>2,314</u>
University of Tennessee		
Education and Human Resources	47.076	23,951
Various	12.RD	1,785
Subtotal		<u>25,736</u>
University of Vermont		
Various	10.RD	9,347
Subtotal		<u>9,347</u>
University of Washington		
Cancer Cause and Prevention Research	93.393	63,668
Mathematical and Physical Sciences	47.049	2,298
Subtotal		<u>65,966</u>

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Wisconsin		
Aging Research	93.866	313,914
Grants for Agricultural Research Competitive Research Grants	10.206	15,117
Various	47.RD	51,374
Subtotal		380,405
US Civilian Research and Development Foundation		
Various	93.RD	14,592
Subtotal		14,592
Virginia Institute of Marine Science		
Cooperative Science and Education Program	11.455	6,287
Sea Grant Support	11.417	20,394
Subtotal		26,681
Washington State University		
Biological Sciences	47.074	5,391
Subtotal		5,391
Washington University - St. Louis		
Research and Training in Complementary and Alternative Medicine	93.213	165,016
Various	93.RD	(165,646)
Subtotal		(630)

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Wayne Machine & Die Company		
Various	43.RD	7,428
Subtotal		7,428
Western Massachusetts Training Consortium, Inc.		
Substance Abuse and Mental Health Services-Access to Recovery	93.275	13,738
Subtotal		13,738
Woods Hole Oceanographic Institution		
Geosciences	47.050	70,920
Various	43.RD	11,910
Subtotal		82,830
Yale University		
Office of Science Financial Assistance Program	81.049	120,502
Research and Training in Complementary and Alternative Medicine	93.213	54,982
Subtotal		175,484
ZN Technology		
Various	12.RD	21,856
Subtotal		21,856

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
		<hr/>
Subtotal Pass-Through Research and Development		19,592,141
		<hr/>
Subtotal Research and Development		\$158,454,984
		<hr/>

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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 (Including Administrative Cost of \$40,634)	84.007	\$2,432,690
Federal Work Study Program (Including Administrative Cost of \$64,118)	84.033	5,305,071
Perkins Loan Program (Including Administrative Cost of \$95,248)	84.038	8,070,970
Federal Pell Grant Program	84.063	28,755,228
Federal Direct Loan Program	84.268	151,318,021
Department of Health and Human Services-Public Health Service		
Nursing Faculty Loan Program	93.264	113,022
Scholarships for Disadvantaged Students	93.925	205,566
Subtotal Student Financial Aid		\$196,200,568

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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	\$3,869,102
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	29,663
Higher Education Challenge Grants	10.217	8,281
International Training Foreign Participant	10.962	1,360
Various	10.UNK	45,250
Subtotal		3,953,656
Department of Commerce-EDA		
Economic Development Technical Assistance	11.303	142,158
Subtotal		142,158
Department of Commerce-NIST		
Measurement and Engineering Research and Standards	11.609	5,050
Subtotal		5,050
Department of Commerce-NOAA		
Coastal Zone Management Estuarine Research Reserves	11.420	264,138
Cooperative Science and Education Program	11.455	10,266
Various	11.NA56AB	1,822,663
Subtotal		2,097,067
Department of Defense		
Various	12.UNK	58,676
Subtotal		58,676
Department of Education		
Fund for the Improvement of Postsecondary Education	84.116	229,228
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	340,810
Graduate Assistance in Areas of National Need	84.200	531,069

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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		
International: Overseas Doctoral Dissertation	84.022	64,883
International: Overseas Faculty Research Abroad	84.019	14,400
International: Overseas Group Projects Abroad	84.021	76,097
Javits Fellowships	84.170	3,611
TRIO Dissemination Partnership Grants	84.344	215,560
TRIO McNair Post-Baccalaureate Achievement	84.217	187,834
TRIO Student Support Services	84.042	488,519
Various	84.P200A00	931
Various	84.UNK	735,934
Subtotal		2,888,876
Department of Education-IES		
Graduate Assistance in Areas of National Need	84.200	234,900
Subtotal		234,900
Department of Health and Human Services		
Child Welfare Services Training Grants	93.648	23,585
Various	93.UNK	(40,272)
Subtotal		(16,687)
Department of Housing and Urban Development		
Housing Subsidy - NJEFA Bonds	14.UNK	69,381
Housing Subsidy - Series H Bonds	14.UNK	135,364
Various	14.UNK	93,297
Subtotal		298,042
Department of Justice		
Various	16.UNK	136,650
Subtotal		136,650

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-OSHA		
Occupational Safety and Health Susan Harwood Training Grants	17.502	169,624
Various	17.UNK	99,731
Subtotal		269,355
Department of State		
College and University Partnerships Program	19.405	137,373
Subtotal		137,373
Department of Transportation		
University Transportation Centers Program	20.701	566,838
Subtotal		566,838
Department of Transportation-FAA		
Aviation Research Grants	20.108	184,433
Subtotal		184,433
Department of Transportation-FHA		
Various	20.UNK	35,216
Subtotal		35,216
Department of Transportation-FTA		
Federal Transit Grants for University Research and Training	20.502	(29,492)
Transit Planning and Research	20.514	4,446,502
Various	20.NJ-26-29	(733)
Various	20.UNK	110,151
Subtotal		4,526,428
DHHS-PHS-HRSA		
Health Care and Other Facilities	93.887	604,155
Subtotal		604,155

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-HRSA-BHP		
Advanced Education Nursing Traineeships	93.358	70,026
Subtotal		70,026
DHHS-PHS-HRSA-BHP-NUR		
Advanced Education Nursing Grant Program	93.247	3,973
Subtotal		3,973
DHHS-PHS-NIH		
Biomedical Research and Research Training	93.859	33,278
Clinical Research	93.333	75,296
Diabetes, Endocrinology and Metabolism Research	93.847	23,437
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	15,813
Special Minority Initiatives	93.960	115,343
Various	93.UNK	7,000
Subtotal		270,167
DHHS-PHS-NIH-NCI		
Cancer Research Manpower	93.398	32,911
Subtotal		32,911
DHHS-PHS-NIH-NHLBI		
Heart and Vascular Diseases Research	93.837	67,887
Subtotal		67,887
DHHS-PHS-NIH-NIAAA		
Alcohol National Research Service Awards for Research Training	93.272	212,279
Subtotal		212,279

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-NIAID		
Microbiology and Infectious Diseases Research	93.856	61,302
Subtotal		61,302
DHHS-PHS-NIH-NIBIB		
Heart and Vascular Diseases Research	93.837	77,077
Subtotal		77,077
DHHS-PHS-NIH-NIDA		
Drug Abuse National Research Service Awards for Research Training	93.278	3,590
Drug Abuse Research Programs	93.279	71,153
Subtotal		74,743
DHHS-PHS-NIH-NIDDKD		
Diabetes, Endocrinology and Metabolism Research	93.847	44,461
Subtotal		44,461
DHHS-PHS-NIH-NIEHS		
Resource and Manpower Development in the Environmental Health Sciences	93.894	427,936
Subtotal		427,936
DHHS-PHS-NIH-NIGMS		
Biomedical Research and Research Training	93.859	37,694
Cell Biology and Biophysics Research	93.821	11,614
Minority Biomedical Research Support	93.375	287,551
Special Minority Initiatives	93.960	119,374
Various	93.UNK	39,814
Subtotal		496,047

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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-NIMH		
Mental Health National Research Service Awards for Research Training	93.282	567,405
Mental Health Research Grants	93.242	9,389
Subtotal		576,794
DHHS-PHS-NIH-NINR		
Nursing Research	93.361	90,515
Subtotal		90,515
DOD-DARPA		
Research and Technology Development	12.910	232,540
Subtotal		232,540
DOD-Department of Veterans Affairs		
Various	64.UNK	2,116
Subtotal		2,116
DOD-DOA-Army Research Office		
Basic Scientific Research	12.431	20,111
Various	12.UNK	116,491
Subtotal		136,602
DOD-DOA-Army TACOM-ARDEC		
Various	12.UNK	23,056
Subtotal		23,056
DOD-DON-Naval Research Laboratory		
Various	12.300	20,000
Subtotal		20,000
DOD-DON-Office of Naval Research		
Basic and Applied Scientific Research	12.300	341,421

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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:		
DOD-DON-Office of Naval Research		
Subtotal		341,421
Environmental Protection Agency		
Pollution Prevention Grants Program	66.708	47,198
Science To Achieve Results (STAR) Fellowship Program	66.514	12,363
State Indoor Radon Grants	66.032	8,093
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	45,523
Surveys, Studies, Investigations and Special Purpose Grants	66.606	(1,106)
Training and Fellowships for the Environmental Protection Agency	66.607	67,647
Various	66.UNK	341,944
Subtotal		521,662
Institute of Museum and Library Services		
Institute of Museum and Library Services	45.301	16,024
Institute of Museum and Library Services National Leadership Grants	45.312	119,105
Institute of Museum and Library Services Recruiting and Educating Librarians for the 21st Century	45.313	85,549
Various	45.UNK	4,165
Subtotal		224,843
Internal Revenue Service		
Low-Income Taxpayer Clinics	21.008	90,747
Subtotal		90,747
National Aeronautics and Space Administration		
Various	43.UNK	241,884
Subtotal		241,884

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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 Archives and Records Administration		
National Historical Publications and Records Grants	89.003	8,029
Subtotal		8,029
National Endowment for the Arts		
Promotion of the Arts Grants to Organizations and Individuals	45.024	1,875
Subtotal		1,875
National Endowment for the Humanities		
Promotion of the Humanities Division of Preservation and Access	45.149	88,632
Subtotal		88,632
National Science Foundation		
Biological Sciences	47.074	1,258,209
Computer and Information Science and Engineering	47.070	28,882
Education and Human Resources	47.076	6,356,006
Engineering Grants	47.041	95,290
Grad Teaching Fellows in Teaching Fellows in K-12	47.046	499,764
Mathematical and Physical Sciences	47.049	50,591
Social, Behavioral, and Economic Sciences	47.075	26,487
Various	47.ESR 981	3,472
Various	47.UNK	14,333
Subtotal		8,333,034
Peace Corps		
Various	08.UNK	6,601
Subtotal		6,601
Small Business Administration		
Small Business Development Center	59.037	2,236,364

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

<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:		
Small Business Administration		
Subtotal		<u>2,236,364</u>
Subtotal Direct Other Programs		<u>\$31,137,710</u>

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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	\$28,870
Subtotal		28,870
Association of Universities for Research in Astronomy, Inc.		
Various	47.UNK	2,519
Subtotal		2,519
California State University		
Fund for the Improvement of Postsecondary Education	84.116	4,578
Subtotal		4,578
Camden Empowerment Zone Corporation		
Social Services Block Grant	93.667	5,002
Subtotal		5,002
City of Camden		
Community Development Block Grants/Entitlement Grants	14.218	31,754
Subtotal		31,754
Consortium for Oceanographic Research and Education		
Coastal Zone Management Estuarine Research Reserves	11.420	1,111
Subtotal		1,111
Cornell University		
Homeland Security Agricultural	10.304	14,680
National Institute on Disability and Rehabilitation Research	84.133	35,368

(Continued)

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Cornell University		
Subtotal		50,048
Creative Recovery Systems, Inc.		
Conference Grant (Substance Abuse)	93.174	11,223
Subtotal		11,223
Cumberland County Empowerment Zone Corporation		
Various	14.UNK	51,886
Subtotal		51,886
CUNY-Transportation Research Center		
Federal Transit Grants for University Research and Training	20.502	2,529
Subtotal		2,529
Fordham University		
Wildlife Restoration	15.611	8,112
Subtotal		8,112
Institute for International Education		
Various	19.UNK	193,943
Subtotal		193,943
Joint Oceanographic Institutions, Inc.		
Various	47.UNK	3,350
Subtotal		3,350

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
Kansas State University		
Cooperative Extension Service	10.500	22,321
Subtotal		22,321
LEAP Academy Charter School		
Various	84.UNK	18,740
Subtotal		18,740
Mississippi State University		
Wildlife Services	10.028	18,097
Subtotal		18,097
MTC Technologies		
Various	12.UNK	93,951
Subtotal		93,951
Nanopowder Enterprises, Inc.		
Various	43.UNK	7,585
Subtotal		7,585
National Conference of State Legislatures		
Various	84.UNK	12,416
Subtotal		12,416
National Council for Eurasian and East European Research		
Various	19.UNK	7,989
Subtotal		7,989

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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		
National Writing Project	84.928	50,259
Subtotal		50,259
National Youth Sports Corporation		
Community Services Block Grant Discretionary Awards	93.570	50,524
Subtotal		50,524
NEI Corporation		
Various	12.UNK	19,000
Subtotal		19,000
New England Small Farm Institute, Inc.		
Various	10.UNK	4,909
Subtotal		4,909
New York University		
Civil Rights Training and Advisory Services	84.004	114,347
Various	84.UNK	2,887
Subtotal		117,234
Newark Public Schools		
Education and Human Resources	47.076	253,866
Subtotal		253,866
NJ Council for the Humanities		
Various	45.UNK	2,644

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
NJ Council for the Humanities		
Subtotal		2,644
North Star Academy Charter School of Newark		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	21,270
Subtotal		21,270
Nucycle Therapy, Inc.		
Various	47.UNK	28,995
Subtotal		28,995
Occidental College		
Various	10.UNK	55,998
Subtotal		55,998
Penn State University		
Cooperative Extension Service	10.500	644
Integrated Programs	10.303	12,142
Subtotal		12,786
Sandia National Laboratory		
Epidemiology and Other Health Studies Financial Assistance Program	81.108	52,594
Subtotal		52,594
SNJ-Board of Public Utilities		
Weatherization Assistance for Low-Income Persons	81.042	16,155

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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-Board of Public Utilities		
Subtotal		16,155
SNJ-Commerce and Economic Growth Commission		
Small Business Development Center	59.037	129,192
Subtotal		129,192
SNJ-Department of Agriculture		
Crop Insurance	10.450	66,498
Various	10.UNK	120,872
Subtotal		187,370
SNJ-Department of Community Affairs		
Preventive Health and Health Services Block Grant	93.991	(3,115)
State and Tribal Response Program Grants	66.817	18,000
Temporary Assistance for Needy Families	93.558	51,947
Various	93.UNK	82,479
Subtotal		149,311
SNJ-Department of Education		
Even Start State Educational Agencies	84.213	95,555
Improving Teacher Quality State Grants	84.367	287,537
Mathematics and Science Partnerships	84.366	225,387
Special Education Grants to States	84.027	134,483
Teacher Quality Enhancement Grants	84.336	172,143
Various	84.UNK	660,180
Subtotal		1,575,285

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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Environmental Protection		
Alcohol, Tobacco, and Firearms Training Assistance	21.052	23,379
Capitalization Grants for Drinking Water State Revolving Funds	66.468	21,300
Nonpoint Source Implementation Grants	66.460	104,223
Various	66.UNK	37,078
Subtotal		185,980
SNJ-Department of Health		
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	1,290,324
Subtotal		1,290,324
SNJ-Department of Health and Senior Services		
Various	66.UNK	72,235
Various	93.UNK	135,756
Subtotal		207,991
SNJ-Department of Higher Education		
Teacher Quality Enhancement Grants	84.336	7,174
Subtotal		7,174
SNJ-Department of Highway Traffic & Safety		
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	43,755
State and Community Highway Safety	20.600	72,654
Various	20.UNK	84,792
Subtotal		201,201

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Human Services		
Food Stamps	10.551	819,689
Various	93.UNK	227,814
Subtotal		1,047,503
SNJ-Department of Law and Public Safety		
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	7,791
Enforcing Underage Drinking Laws Program	16.727	12,512
State Domestic Preparedness Equipment Support Program	16.007	13,553
Various	16.UNK	50,740
Various	20.UNK	8,178
Subtotal		92,774
SNJ-Department of Transportation		
Various	20.UNK	1,206,736
Subtotal		1,206,736
SNJ-DHS-Division of Disability Services		
Various	93.UNK	27,701
Subtotal		27,701
SNJ-DHS-Division of Family Development		
Various	10.UNK	1,880,518
Subtotal		1,880,518
SNJ-DLPS-Juvenile Justice Commission		
Part E State Challenge Activities	16.549	4,173

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2005

<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		
Subtotal		4,173
SNJ-New Jersey Turnpike Authority		
Highway Training and Education	20.215	70,351
Subtotal		70,351
SNJ-Office of Victim Witness Advocacy		
Violence Against Women Formula Grants	16.588	102,619
Subtotal		102,619
Telcordia		
Various	12.UNK	83,839
Subtotal		83,839
Temple University		
Various	84.UNK	120,949
Subtotal		120,949
The Center to Protect Workers' Rights		
Health and Safety Programs for Construction Work	93.955	117,444
Subtotal		117,444
The Sharing Network		
Grants to Increase Organ Donations	93.134	181,619
Subtotal		181,619

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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:		
UMDNJ		
Biological Response to Environmental Health Hazards	93.113	20,367
Maternal and Child Health Federal Consolidated Programs	93.110	130,625
Resource and Manpower Development in the Environmental Health Sciences	93.894	17,053
Various	93.UNK	152,197
Subtotal		320,242
University of Delaware		
Mathematical and Physical Sciences	47.049	7,848
Subtotal		7,848
University of Illinois		
Social Security Research and Demonstration	96.007	43,210
Various	93.UNK	91,509
Subtotal		134,719
University of Massachusetts		
Education and Human Resources	47.076	134,925
Subtotal		134,925
University of Nebraska		
Agricultural and Rural Economic Research	10.250	1,387
Subtotal		1,387
University of Notre Dame		
Various	47.UNK	703

(Continued)
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RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

<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 Notre Dame		703
Subtotal		703
University of Vermont		
Cooperative Extension Service	10.500	29,532
Subtotal		29,532
Subtotal Pass-Through Other Programs		10,761,668
Subtotal Other Programs		41,899,378
Total Expenditures of Federal Awards		\$396,554,930

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, 2005

(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, 2005, 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 2005 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, 2005

(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>
Grants for Agricultural Research, Special Research Grants	10.200	\$ 15,134
Grants for Agricultural Research Competitive Research Grants	10.206	89,595
Higher Education Challenge Grants	10.217	38,414
Initiative for Future Agricultural and Food Systems	10.302	373,885
Integrated Programs	10.303	575,810
Crop Insurance	10.450	29,451
Various	10.RD	32,464
Coastal Zone Management Estuarine Research Reserves	11.420	5,487
Undersea Research	11.430	123,702
Cooperative Science and Education Program	11.455	448,974
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	40
Various	11.RD	22,961
Basic and Applied Scientific Research	12.300	134,045
Military Medical Research and Development	12.420	69,333
Air Force Defense Research Sciences Program	12.800	108,644
Research and Technology Development	12.910	90,482
Various	12.RD	608,130
Community Outreach Partnership Center Program	14.511	10,000
Various	15.RD	15,681
Occupational Safety and Health Susan Harwood Training Grants	17.502	24,567
Various	17.RD	196,231
Various	17.UNK	36,502
College and University Partnerships Program	19.405	30,280
Highway Planning and Construction	20.205	5,000
Federal Transit Grants for University Research and Training	20.502	(27,988)
Federal Transit Metropolitan Planning Grants	20.505	63,503
Federal Transit Technical Assistance	20.512	68,860
Transit Planning and Research	20.514	1,449,735
University Transportation Centers Program	20.701	45,718
Development and Promotion of Ports and Intermodal Transportation	20.801	16,781
Various	20.RD	747,420
Various	20.UNK	247,078
Various	43.RD	104,421

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2005

<u>Program Title</u>	<u>Federal CFDA Numbers</u>	<u>Amount Provided to Subrecipients</u>
Promotion of the Humanities Division of Preservation and Access	45.149	\$ 69,150
Institute of Museum and Library Services	45.301	35,544
Engineering Grants	47.041	88,623
Mathematical and Physical Sciences	47.049	96,337
Geosciences	47.050	481,661
Computer and Information Science and Engineering	47.070	1,186,661
Biological Sciences	47.074	3,615,343
Social, Behavioral, and Economic Sciences	47.075	64,724
Education and Human Resources	47.076	1,729,656
Small Business Development Center	59.037	1,079,137
Nonpoint Source Implementation Grants	66.460	115,422
Environmental Protection Consolidated Research	66.500	46,992
Pollution Prevention Grants Program	66.708	11,560
Various	66.RD	28,657
Various	66.UNK	21,097
Various	81.RD	1,126,484
Mathematics and Science Partnerships	84.366	42,083
Oral Diseases and Disorders Research	93.121	1,558
Research and Training in Complementary and Alternative Medicine	93.213	6,121
Research on Healthcare Costs, Quality and Outcomes	93.226	7,775
Cooperative Agreements for State Treatment Outcomes and Performance	93.238	3,304
Mental Health Research Grants	93.242	1,212,670
State Planning Grant Health Care Access for the Uninsured	93.256	16,271
Occupational Safety and Health Research Grants	93.262	24,140
Drug Abuse Research Programs	93.279	181,776
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	287,135
Biomedical Imaging Research	93.286	401,200
Bioinformatics and Computational Biology Research	93.309	2,475
Cancer Cause and Prevention Research	93.393	532,764
Cancer Detection and Diagnosis Research	93.394	28,800
Cancer Control	93.399	69,477
Child Welfare Services Training Grants	93.648	21,250
Centers for Medicare and Medicaid Services (CMS) Research, Demonstration	93.779	1,615,125
Heart and Vascular Diseases Research	93.837	63,902
Blood Diseases and Resources Research	93.839	71,614

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2005

<u>Program Title</u>	<u>Federal CFDA Numbers</u>	<u>Amount Provided to Subrecipients</u>
Digestive Diseases and Nutrition Research	93.848	\$ 45,786
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	14,030
Allergy, Immunology and Transplantation Research	93.855	51,417
Biomedical Research and Research Training	93.859	5,534,511
Aging Research	93.866	283,193
Vision Research	93.867	15,218
Health and Safety Programs for Construction Work	93.955	49,745
Special Minority Initiatives	93.960	105,228
Senior International Fellowships	93.989	217,074
Various	93.RD	514,150
Various	96.RD	41,134
Various	98.RD	120,000
		<u>\$ 27,178,314</u>

(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, 2005.

(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, 2005 was \$38,303,783, \$113,022 and \$466,912, 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, 2005, and have issued our report thereon dated November 11, 2005. 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. The financial statements of Rutgers University Foundation, a component unit of Rutgers, The State University of New Jersey, were not audited in accordance with *Government Auditing Standards*.

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 November 11, 2005.

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

November 11, 2005



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**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* that are applicable to each of its major Federal programs for the year ended June 30, 2005. 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, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with Federal OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 05-1 and 05-2.

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.

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

February 10, 2006

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

(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, 2005.
- (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, 2005.
- (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, 2005.
- (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, 2005.
- (e) An unqualified opinion was issued on the University's compliance with its major Federal programs for the year ended June 30, 2005.
- (f) There were two audit findings (05-1 and 05-2) which are required to be reported under Section 510(a) of Federal OMB Circular A-133 for the year ended June 30, 2005.
- (g) The major Federal programs of the University for the year ended June 30, 2005 were as follows:
 - Research and Development Cluster (various CFDA numbers)
 - Department of Transportation – FTA: Transit Planning and Research (CFDA #20.514)
- (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, 2005.
- (i) The University qualified as a low risk auditee for Federal awards for the year ended June 30, 2005.

(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, 2005

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

05-1 – Activities Allowed or Unallowed

Department of Transportation – FTA: Transit Planning and Research
(CFDA #20.514)

Criteria:

To be allowable under Federal awards, costs must meet the following general criteria:

- Be reasonable and necessary for the performance and administration of Federal awards (A-21, section C.3).
- Conform with the allocability provisions of A-21 (A-21, section C.4) or Cost Accounting Standards (CAS) Board for educational institutions, as applicable (see 48 CFR part 9905). See “Allowable Costs - Special Requirements - Cost Accounting Standards and Disclosure Statements” in this section for additional guidance on CAS).
- Be given consistent accounting treatment within and between accounting periods. Consistency in accounting requires that costs incurred for the same purpose, in like circumstances, be treated as either direct costs only or indirect costs only with respect to final cost objectives (A-21, sections C.10 and C.11).

Condition:

For two out of thirty disbursement transactions selected for testwork, the expenditure was charged to the wrong fiscal year.

For one out of thirty pass through transactions selected for testwork, the expenditure was charged to the wrong fiscal year.

Questioned Costs:

\$44,389

Cause:

The University has reviewed the three transactions in question. One was a prepayment for the next fiscal year and two were expenses for the prior year. As background, the Federal Transit Administration (FTA) had a Financial Management Oversight (FMO) Review of the National Transit Institute (NTI) at the University between November 30, 2004 and February 4, 2005. The University had a number of discussions with the FTA on their findings and report. The University’s final response and acceptance of their findings was issued on August 1, 2005. Prior to then, the University was on the cash basis except for items paid during the ninety day award close out period that pertained to products or services delivered during the award period (modified cash basis). The modified cash basis normally includes prepaid items for the NTI’s off campus facility such as rent and supplies. It also included a membership fee for \$1,050 which was billed and paid in June 2004 for a membership that started in August 2004. One of the expenses for a prior

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

year was for \$1,845 for sign language interpreters. This work was done in June 2004 but was paid in December 2004 which was past the deadline for including in the award financial report for the year ended June 30, 2004. As a result, it was included in the award financial report for the year ended June 30, 2005. The other expense for a prior year was for \$41,494 for subcontract work completed in June 2004 that was paid for in September 2004 and incorrectly charged to the award year ended June 30, 2005.

Recommendation:

We recommend that the University charge grant expenditures to the correct fiscal year in accordance with Federal regulations.

View of Responsible Official:

After the University accepted the findings and recommendations in the FMO Review in August 2005 it took steps to train the appropriate staff involved so that the situations that occurred above would not be repeated. In addition, the FTA will be contacted on these findings to resolve the amounts incorrectly charged and to correct the reporting involved.

05-2 – Reporting

Department of Transportation – FTA: Transit Planning and Research
(CFDA #20.514)

Criteria:

Each recipient must report program outlays and program income on a cash or accrual basis, as prescribed by the Federal awarding agency. If the Federal awarding agency requires accrual information and the recipient's accounting records are not normally maintained on the accrual basis, the recipient is not required to convert its accounting system to an accrual basis but may develop such accrual information through analysis.

The Federal awarding agency shall determine the frequency of the Financial Status Report for each project or program, considering the size and complexity of the particular project or program. However, the report shall not be required more frequently than quarterly or less frequently than annually.

Condition:

The University did not prepare quarterly financial reports on an accrual basis as required by the Federal Transit Administration. Additionally, the first report submitted included expenditures for four months rather than three months. Finally, the budget and the actual expenditures reported in the quarterly milestone/progress reports submitted to the Federal Transit Administration do not agree to the final financial report submitted to the Federal Transit Administration or to the University's general ledger system at June 30, 2005.

Questioned Costs:

There are no known questioned costs associated with this finding.

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

Schedule of Findings and Questioned Costs

Year ended June 30, 2005

Cause:

As background, the Federal Transit Administration (FTA) had a Financial Management Oversight (FMO) Review of the National Transit Institute (NTI) at the University between November 30, 2004 and February 4, 2005. The University had a number of discussions with the FTA on their findings and report. One of the discussions centered on the possibility of the FTA allowing the University an exception to doing the financial reporting on an accrual basis since all other University sponsors, including all other Federal agencies, are done on the modified cash basis. The University's final response and acceptance of their findings was issued on August 1, 2005. This timing made it impossible to be on the accrual basis for the FY 05 quarterly financial reports unless all were restated.

The University has always filed quarterly reports for awards with the FTA based on the award year. What the FTA is now requiring is quarterly reporting based on the calendar year. In transitioning to calendar year quarterly reporting one award was reported for its first four months when the second calendar quarterly report was filed.

Milestone/progress reports do not always agree with the general ledger because the data is not always collected in sufficient detail on the general ledger to report by milestone. In addition, milestones/progress reports are generally completed by the Principal Investigator to report on the program's progress and generally not the award's financial condition. The post award is responsible for financial reports. For any award that ends June 30th, the general ledger and the final financial report may not agree. This is because invoices for products and services delivered prior to June 30th may be received after June 30th and not be reflected in the general ledger because they were too small to accrue. However, the final financial report must agree to the general ledger when the account is finally closed, typically September 30th. In the current case, the award, which was scheduled to close June 30, 2005, was granted a one-year no-cost-extension until June 30, 2006.

Recommendation:

We recommend that the University prepare the reports of grant expenditures on an accrual basis as required by the Federal Transit Administration. In addition, the University should submit the report of grant expenditures on a quarterly basis. Lastly, when preparing the quarterly milestone/progress reports that are submitted to the Federal Transit Administration, the University should ensure that the budget and expenditure amounts included in the report agree to the University's general ledger system.

View of Responsible Official:

After the University accepted the findings and recommendations in the FMO Review in August 2005 it took steps to train the appropriate staff involved so that the financial reports would be done on a calendar quarter and accrual basis.

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
Corrective Action Plan/Responses to A-133 Audit Findings
For The Year Ended June 30, 2005

05-1 – Activities Allowed or Unallowed

The appropriate staff has been informed to use the accrual method for awards from the Federal Transit Administration. In addition, the staff has been informed to be especially vigilant for expenditures that might be improperly charged to the wrong year. The manager of the area is reviewing transactions to insure compliance and proper training of the staff.

Responsible University Official: Ronald S. Thompson, Assistant Controller

05-2 – Reporting

The appropriate staff has been informed to use the accrual method and calendar year quarterly reporting for awards from the Federal Transit Administration. The manager of the area is reviewing all reporting to insure compliance and proper training of the staff.

Responsible University Official: Ronald S. Thompson, Assistant Controller

Summary Schedule of Prior Audit Findings 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