



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

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

June 30, 2016

(With Independent Auditors' Reports Thereon)

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

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Rutgers, The State University of New Jersey (the University), a component unit of the State of New Jersey, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate (UPA), which represent approximately 35%, 17%, and 48%, as of June 30, 2016, and 29%, 11%, and 46%, as of June 30, 2015, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for UPA, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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



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

### ***Summary of Opinions***

#### ***Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units***

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

#### ***Qualified Opinion***

In our opinion, based on our audit and the report of the other auditors, except for the effects of the matter described in the Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the University, as of June 30, 2016 and 2015, and the changes in financial position thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

#### ***Unmodified Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the University as of June 30, 2016 and 2015, and the changes in financial position and cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

### ***Emphasis of Matter***

#### ***Adoption of New Accounting Pronouncements***

As discussed in note 2 to the basic financial statements, as of July 1, 2014, the University adopted Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedules of employer contributions and schedules of proportionate share of the net pension liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Short Hills, New Jersey  
November 28, 2016

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**Management's Discussion and Analysis (unaudited)**

June 30, 2016

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Rutgers, The State University of New Jersey (the university) at June 30, 2016 and 2015, and its changes in financial position for the fiscal year then ended with fiscal year 2014 data presented for comparative purposes. Management has prepared the basic financial statements and related footnote disclosures along with this MD&A in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board for public colleges and universities. This MD&A should be read in conjunction with the audited financial statements and related footnotes of the university, which directly follow the MD&A.

In fiscal 2016, the financial reporting entity of Rutgers included 34 degree granting schools, of which 25 offered graduate programs of study with over 67,000 students enrolled in these programs. These schools are located at Rutgers University–New Brunswick, Rutgers University–Newark, and Rutgers University–Camden. Rutgers Biomedical and Health Sciences, a division within Rutgers, is closely aligned with Rutgers University–New Brunswick. The university also maintains educational services in many other communities throughout the State of New Jersey. The university operates research and institutional facilities on 6,088 acres in all 21 counties and 78 municipalities.

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

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

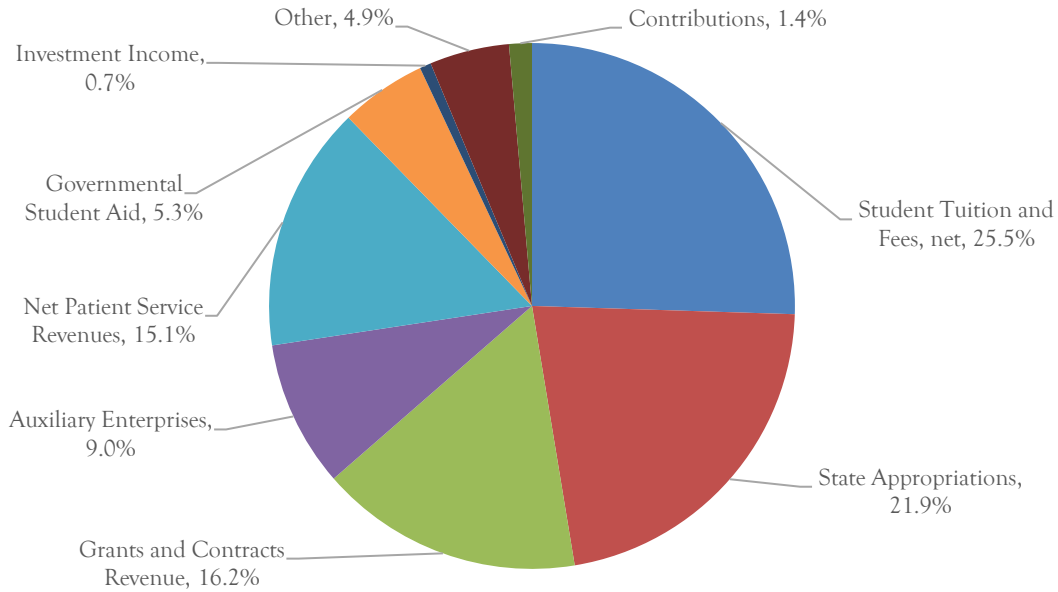
***Financial Highlights***

The university's financial condition at June 30, 2016 improved modestly with an increase in net position of \$101.0 million. Total operating revenues increased by \$93.3 million, or 3.9%, with increases of 5.0% in net student tuition and fees, 3.7% in auxiliary net revenues, 3.1% in net patient service revenues, 25.5% in other operating revenues, and a decrease of 1.7% in grant and contract revenue. Operating expense increased by \$102.4 million, or 3.0%, while net non-operating revenues decreased by \$42.2 million, or 4.2%, primarily as a result of a decrease in fair value of investments.

The university was required to reduce its beginning balance in net position by \$1,280.5 million to reflect the cumulative effect of the pension liability through 2014. Total net position was therefore restated as of July 1, 2014, to \$1,787.9 million. As a result, the university's net position increased through fiscal 2015 by \$126.6 million to \$1,914.5 million as of June 30, 2015. The university's total operating revenues amounted to \$2,402.6 million in fiscal 2015. The major components of operating revenues are student tuition and fees (net of scholarship allowances) of \$863.1 million, grant and contracts revenues of \$584.9 million, and net patient service revenues of \$518.0 million.

As the State University of New Jersey, the appropriation from the State represents a vital part of the university's funding. In fiscal 2016, the State appropriations, including fringe benefits paid directly by the state, decreased slightly. In fiscal 2015, the state maintained the base appropriation as constant. Tuition revenue is another significant source of funding for the university. In fiscal 2016, in addition to an increase in tuition rates averaging 3.6% (3.0% in 2015), enrollment was at its highest with 67,556 students (66,013 students in 2015). State appropriations, as well as contributions, investment income, and governmental student aid, are shown as non-operating revenue.

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



***Statement of Net Position***

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



A summarized comparison of the university's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2016, 2015, and 2014 is as follows (dollars in thousands):

	2016	GASB 68 Adjustment	2016 Net of GASB 68	2015	GASB 68 Adjustment	2015 Net of GASB 68	2014
<b>Assets</b>							
Current assets	\$1,191,125	\$ —	\$1,191,125	\$1,240,318	\$ —	\$1,240,318	\$1,274,310
Noncurrent assets							
Endowment, restricted and other noncurrent cash and investments	1,319,456	—	1,319,456	1,350,224	—	1,350,224	1,415,327
Capital assets, net	3,439,243	—	3,439,243	3,235,141	—	3,235,141	3,051,175
Other assets	117,161	—	117,161	126,989	—	126,989	128,957
<b>Total Assets</b>	<b>6,066,985</b>	<b>—</b>	<b>6,066,985</b>	<b>5,952,672</b>	<b>—</b>	<b>5,952,672</b>	<b>5,869,769</b>
<b>Deferred Outflows of Resources</b>							
	379,367	(245,778)	133,589	171,594	(73,845)	97,749	97,582
<b>Total Assets and Deferred Outflows of Resources</b>	<b>6,446,352</b>	<b>(245,778)</b>	<b>6,200,574</b>	<b>6,124,266</b>	<b>(73,845)</b>	<b>6,050,421</b>	<b>5,967,351</b>
<b>Liabilities</b>							
Current liabilities	633,296	—	633,296	598,164	—	598,164	653,819
Noncurrent liabilities	3,752,206	(1,644,741)	2,107,465	3,543,956	(1,354,656)	2,189,300	2,245,178
<b>Total Liabilities</b>	<b>4,385,502</b>	<b>(1,644,741)</b>	<b>2,740,761</b>	<b>4,142,120</b>	<b>(1,354,656)</b>	<b>2,787,464</b>	<b>2,898,997</b>
<b>Deferred Inflows of Resources</b>							
	45,342	(45,342)	—	67,660	(67,660)	—	—
<b>Net Position</b>							
Net investment in capital assets	1,601,474	—	1,601,474	1,457,539	—	1,457,539	1,351,416
Restricted - nonexpendable	582,007	—	582,007	563,890	—	563,890	548,115
Restricted - expendable	471,944	—	471,944	470,931	—	470,931	460,048
Unrestricted	(639,917)	1,444,305	804,388	(577,874)	1,348,471	770,597	708,775
<b>Total Net Position (Deficit)</b>	<b>\$2,015,508</b>	<b>\$1,444,305</b>	<b>\$3,459,813</b>	<b>\$1,914,486</b>	<b>\$1,348,471</b>	<b>\$3,262,957</b>	<b>\$3,068,354</b>

#### *Current Assets and Current Liabilities*

Current assets include unrestricted and restricted cash and cash equivalents, investments that mature within one year, receivables, inventories and other short-term assets. Noncurrent assets include unrestricted investments that mature in more than a year, as well as cash and cash equivalents and investments that are restricted by donors or external parties as to their use. Receivables deemed to be collectible in more than a year are also included as noncurrent. Current assets decreased \$49.2 million in 2016 and \$34.0 million in 2015, primarily as a result of investments held by trustees decreasing in both years.

Deferred outflows of resources are the consumption of net position that is applicable to a future reporting period. In 2016 and 2015, deferred outflows of resources increased \$207.8 million and \$74.0 million, respectively, primarily as a result of the adjustment for GASB 68. Without this adjustment, deferred outflows of resources decreased \$38.0 million in 2016 and only \$0.2 million in 2015.

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

Current liabilities, in fiscal 2016, increased \$35.1 million primarily as a result of an increase in year-end payables to the State of New Jersey for employee benefits due to an increase in the fringe benefit rate, an increase in salaries payable year end accrual due to an additional two days of salary expense accrued at year end, and finally, an increase in outstanding payments due to contractors for capital related projects. Current liabilities decreased \$55.7 million in fiscal 2015 primarily as a result of a reduction in the current portion of university debt issues. The university's current assets cover current liabilities by a factor of 1.9 times in 2016 and 2.1 times in 2015, an indicator of good liquidity and the ability to bear short term demands on working capital. The university's current assets also cover over four months of its total operating expenses, excluding depreciation in 2016 and 2015.

### *Endowment and Other Investments*

The primary financial objective of the investment management of the endowment is to preserve and enhance its real (inflation-adjusted) purchasing power while providing a relatively predictable, stable, and constant (in real terms) stream of earnings for current use. The long term investment goal of the endowment is to attain a total return of at least 4.0% plus inflation, fees, and costs. The investment objectives of the endowment are based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. A major portion of the university's endowment is maintained in the long term investment pool managed by the university's Joint Investment Committee. The total annual return for the long-term investment pool was 0.9% and 2.9% in fiscal years 2016 and 2015, respectively. The average annual return over the 5 year period ending June 30, 2016 and 2015, was 5.6% and 9.4%, respectively.

The university distributes endowment earnings in a way that balances the annual support needed for operational purposes against the requirement to preserve the future purchasing power of the endowment. The endowment spending-rate policy is based on total return, not just cash earnings. The total distribution for the endowment was \$38.1 million in fiscal 2016 and \$33.2 million in 2015.

The university's endowments consist of permanent (true), term and quasi endowments. Permanent or true endowments are funds received from donors stipulating that the principal gift remain inviolate and be invested in perpetuity with the income generated from the investment to be expended for a specific purpose as designated by the donor. These permanent endowments increased \$19.4 million to \$582.0 million for fiscal 2016 and increased \$14.8 million to \$562.6 million for fiscal 2015. Term endowments are those funds received from donors that function as endowments until a specified event occurs. The university's term endowments decreased by \$2.4 million to \$47.5 million in fiscal 2016 and increased \$1.2 million to \$49.9 million in fiscal 2015. Quasi endowments consist of restricted expendable gifts and unrestricted funds that have been designated by the university for long-term investment purposes, and therefore, act as endowments. The university's quasi endowments increased by \$67.6 million in fiscal 2016 to \$370.0 million and increased \$22.1 million in fiscal 2015 to \$302.4 million.

From a net position perspective, earnings from the endowment, while expendable, are mostly restricted in use by the donors. It is important to note that of the university's endowment funds, only \$230.7 million, or 23.1%, can be classified as unrestricted net position in 2016 and \$152.2 million, or 16.6% in 2015. From this unrestricted endowment, a significant portion of the income is internally designated by the university for scholarships, fellowships, professorships, and research efforts.

### *Capital Assets and Debt Activities*

The University Physical Master Plan, Rutgers 2030, envisions development at Rutgers over a 15 year time frame and is comprehensive in its scope taking into account buildings, the natural and constructed landscape, transportation and infrastructure. While our physical master plan provides guidance and vision for capital projects over the next 15 years, many projects are now under way that will dramatically improve the student experience on our campuses, support our strengths in arts and sciences, and grow critical disciplines. These projects have been made possible by the generosity of

our private donors, by creative partnerships with the public sector, and by funds made available through the historic Building Our Future Bond Act approved by New Jersey voters in November 2012, as well as other state bond programs.

The Building Our Future Bond Act authorized the state to issue bonds totaling \$750.0 million to help increase academic capacity at New Jersey institutions of higher education. In May 2013, the state issued general obligation bonds totaling \$350.0 million of which \$100.0 million was for the Building Our Future Program. The university will receive a total of \$173.9 million from this program. The university recorded \$45.7 million in revenue from this program in 2016 and \$54.4 million in revenue in 2015.

In addition to the Building Our Future Bond Act, the state has also authorized the issuance of bonds to fund several higher education initiatives. In September of 2014, the New Jersey Educational Facilities Authority (NJFEA) issued series 2014A bonds pursuant to the Higher Education Facilities Trust Fund Act (HEFT) in the amount of \$199.9 million. This program authorizes the state to issue bonds for institutions of higher education in New Jersey for the purpose of the construction, reconstruction, development, extension, and improvement of instructional, laboratory, communication and research facilities. The university will receive \$69.0 million from this program. In 2016, the university recorded \$23.6 million in revenue from the HEFT program. In 2015, the university recorded \$23.3 million from this program.

NJFEA also issued \$203.3 million in Series 2014A-D bonds under the Higher Education Capital Improvement Fund Act (HECIF) in April 2014. HECIF provides funds to certain public and private institutions of higher education in the State for the purpose of paying the costs, or a portion of the costs, of certain capital improvements authorized in accordance with the Capital Improvement Fund Act. The university has been awarded \$97.3 million from this program. In 2016, the university recorded \$32.5 million, and \$8.4 million in revenue from these bonds in 2016 and 2015, respectively.

The university will also receive funds under the Technology Infrastructure Fund Act which created the Higher Education Technology Infrastructure Fund (HETI). HETI funds are required to be used to develop technology infrastructure within and among New Jersey's institutions of higher education in order to provide access effectively and efficiently to information, educational opportunities and workforce training, and to enhance the connectivity of higher education institutions to libraries and elementary and secondary schools. NJFEA issued Series 2014 in the amount of \$38.1 million in January 2014. Rutgers will receive a total of \$3.3 million for several technology projects. The university recorded \$0.5 million, and \$2.4 million in revenue from this program in 2016 and 2015, respectively.

Finally, the state authorized NJFEA to issue Series 2014 Higher Education Equipment Leasing Fund bonds in the amount of \$89.3 million under the Higher Education Equipment Leasing Fund Act (ELF). This act authorizes NJFEA to issue bonds to finance the purchase of any property consisting of, or relating to, scientific, engineering, technical, computer, communications, and instructional equipment for lease to public and private institutions of higher education in the State. The university has been awarded \$43.8 million from this bond issue for the purchase of this type of equipment. The university recorded \$10.6 million, and \$17.3 million in revenue from this program in 2016 and 2015, respectively.

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

In 2016, the university issued 2016 Series M in the amount of \$164.6 million and commercial paper in the amount of \$3.0 million to refund Series 2003D and Series 2004 Certificates of Participation (COP). In 2015, the university issued commercial paper in the amount of \$30.7 million to refund Series 2003D and 2004 COP.

The funds received from these state programs, university bonds and other funds received by the university have resulted in the \$204.1 million increase in fiscal 2016 (\$184.0 million in 2015) in capital assets, net. Capital additions primarily comprise replacement, renovation and new construction of academic and research facilities as well as significant investments in equipment, including information technology. Several major projects completed during fiscal 2016 include:

- Construction of an approximately 500 bed residence hall in New Brunswick for honors students including programming space, office space, common space and other amenities to enhance undergraduate honors research work. The Honors College will create an environment for our brightest students to share space with faculty and deans in order to foster mentorships, cultural exchanges and academic engagement.

- Construction of a 78,000 square foot facility for the Institute of Food, Nutrition and Health on the Cook Campus that will contain state-of-the-art laboratories, community clinics, a children's nutrition center and preschool as well as a dining facility offering health food options
- Renovation of 305 Cooper Street, the Genet Taylor House, includes renovation of the existing 6,685 square feet as well as an addition to the building that will include stairs, elevator and offices for the Department of English on the Camden Campus.
- Construction of a new Nursing and Science Building in Camden which will include state-of-the-art teaching spaces consistent with the current pedagogical trends in Nursing and Science education.
- Expansion of the Life Sciences Center in Newark that will physically link existing facilities and provide opportunities for synergy among all life sciences departments by creating shared core functions, flexible research space for both existing and potential future programs and academic support spaces for all disciplines.

Several major projects completed during fiscal 2015 include:

- Conversion of 15 Washington Street Newark into a mixed use 260,000 sq. ft. residence to house 175 graduate and 185 undergraduate students on the Newark Campus.
- Upgrades of Wessels, Leupp, Pell, Hegeman Halls on the College Avenue Campus to meet current buildings codes and address function efficiencies.

In addition, at June 30, 2016 and 2015, the university had various projects under construction or in the design stage. Significant projects include:

- Construction of a new facility for the Department of Chemistry and Chemical Biology on the Busch Campus that will feature 145,000 square feet of flexible research space and classrooms designed to facilitate collaborative research and learning, providing a state-of-the-art facility to train the next generation of globally engaged scientists and support the needs of the chemical industry in New Jersey and beyond.
- Construction of the first new academic building on College Avenue in more than 50 years. The Rutgers Academic Building is an approximately 175,000 square foot academic building for the Rutgers University School of Arts and Sciences consisting of approximately 2,500 seats of classroom space in the form of modern lecture halls as well as departmental office space.

At June 30, 2015, the university had additional projects under construction or in the design stage. These significant projects included:

- Construction of an approximately 500 bed residence hall in New Brunswick for honors students including programming space, office space, common space and other amenities to enhance undergraduate honors research work. The Honors College will create an environment for our brightest students to share space with faculty and deans in order to foster mentorships, cultural exchanges and academic engagement.
- Construction of a 78,000 square foot facility for the Institute for Food, Nutrition and Health on the Cook Campus that will contain state-of-the-art laboratories, community clinics, a children's nutrition center and preschool as well as a dining facility offering health food options.
- Renovation of 305 Cooper Street, the Genet Taylor House, includes renovation of the existing 6,685 sq. ft. as well as an addition to the building that will include stairs, elevator and offices for the Department of English on the Camden Campus.

### *Net Pension Liability*

In June 2012, GASB issued Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68). This statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The university participates in the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), both defined benefit cost-sharing multiple-employer pension plans. GASB 68 requires that the proportionate share of the net pension liability be recognized by each participating employer in the plan. The net pension liability is the portion of the actuarial present value of projected benefit payments attributed to past periods of employee service net of the pension plan's fiduciary net position. A cost-sharing employer is also required to recognize its proportionate share of pension expense and report deferred outflows and deferred inflows of resources for its proportionate share. The changes in net pension liability adjusted for the deferred inflows and deferred outflows of resources result in pension expense. Prior to 2015, the university only recognized pension expense for these plans up to the amount contributed to the plan by the state as indicated within the fringe benefit rate provided by the state. In 2016, this contribution amounted to \$22.9 million, and

in 2015, this contribution amounted to \$16.2 million. Under GASB 68, the pension expense recorded was \$122.3 million and \$80.6 million in 2016 and 2015, respectively. Historically, the state has directly covered pension contributions on behalf of the university and has no current plans to change that. GASB 68 also required the recording of the deferred outflow of resources of \$245.8 million and \$73.8 million, a net pension liability of \$1,644.7 million and \$1,354.7 million and a deferred inflow of resources of \$45.3 million and \$67.7 million in 2016 and 2015, respectively. The university was also required to adjust the beginning net unrestricted position by (\$1,280.5) million in 2015 to reflect the cumulative effect of implementation from prior years.

In order to provide a comparison of 2016 and 2015 to 2014, the amounts recorded as a result of GASB 68 have been shown separately.

### *Net Position*

Net Position represents the residual interest in the university's assets and deferred outflows of resources after the deduction of its liabilities and deferred inflows of resources. The change in net position measures whether the overall financial condition has improved or deteriorated during the year. Net position consists of four major categories; net investment in capital assets, restricted net position (nonexpendable and expendable), and unrestricted net position. Prior to the pension adjustment required by GASB 68, the university's net position increased by \$196.9 million in 2016 (\$194.6 million in 2015). As a result of the amounts recorded for pension expense under GASB 68, the July 1, 2014 net position was restated by \$1,280.5 million. The fiscal year 2016 activity recorded was \$37.4 million (\$68.0 million in 2015).

The first category, net investment in capital assets, represents the university's capital assets of land, buildings and equipment net of accumulated depreciation and net of outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The increase of \$143.9 million in fiscal 2016, and \$106.1 million in fiscal 2015, resulted primarily from the various construction projects listed above.

The next category is restricted net position, which is divided into two categories, nonexpendable and expendable. Nonexpendable restricted net position are those resources that have been set aside and invested as required by the provider of the resources. These funds are not available for expenditures, but rather must be invested in perpetuity with the earnings on those investments to be used as specified by the external donor at the time the resources are received. The nonexpendable net position includes the permanent and term endowments mentioned previously under the Endowment and Other Investments section. The restricted nonexpendable net position increased by \$18.1 million and \$15.8 million in fiscal 2016 and 2015, respectively.

Expendable restricted net position is available for expenditure by the university but must be spent for purposes as specified by external donors. This category includes contributions received from donors and unspent income from endowed funds. There was an increase of \$1.0 million and \$10.9 million in fiscal 2016 and 2015, respectively.

The final category is unrestricted net position. Unrestricted net position is available to the institution for any lawful purpose. Substantially all of the university's unrestricted net position has been designated by the governing boards or management to support specific programs such as student activities, research projects, continuing education and summer programs, agricultural experiment station activities, junior year abroad programs, auxiliary enterprises and other self-supporting organized activities relating to educational departments as well as capital projects. Many of these designations result from the funds being earned through special purpose fees charged for the specific purposes. The university, therefore, has an obligation to its students to maintain these funds for the purposes that they were received. Prior to the adjustments for GASB 68, there was an increase of \$33.7 million and \$61.8 million in unrestricted net assets for 2016 and 2015, respectively. The pension expense increased \$95.1 million in fiscal 2016 resulting in a deficit unrestricted net position of (\$639.9) million. The unrestricted net position beginning balance was adjusted by \$1,280.5 million at July 1, 2014 with the implementation of GASB 68 and the pension expense was increased by \$68.0 million in 2015 resulting in a deficit unrestricted net position of (\$577.9) million. This deficit, in both years, is due to recording the university's full pension expense under GASB 68. The state is expected to cover this cost.

*Statement of Revenues, Expenses, and Changes in Net Position*

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

A summary of the university's revenues, expenses, and changes in net position for the years ended June 30, 2016, 2015, and 2014 is as follows (dollars in thousands).

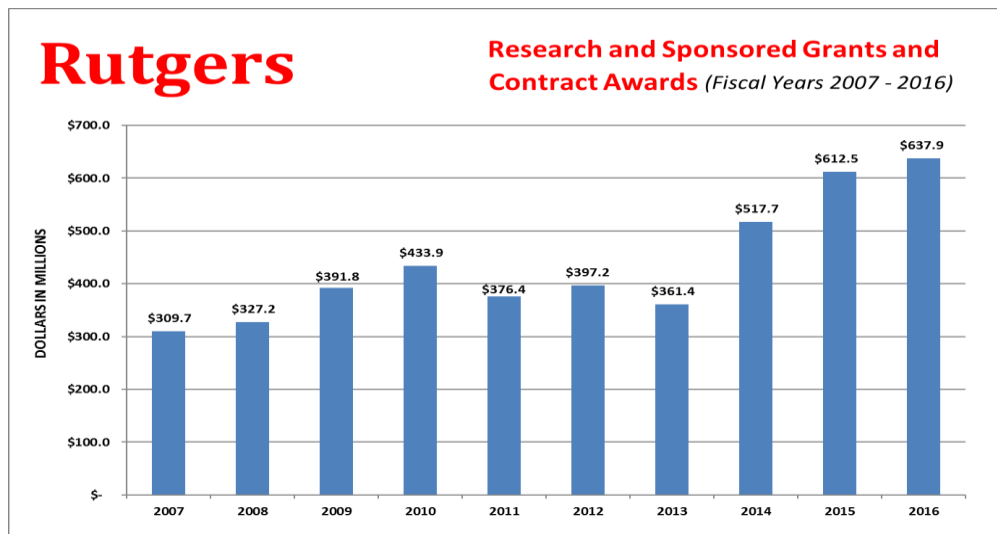
	2016	GASB 68 Adjustment	2016 net of GASB 68 Adjustment	2015	GASB 68 Adjustment	2015 net of GASB 68 Adjustment	2014
Operating revenues							
Student tuition and fees (net of scholarship allowances)	\$905,762	\$ —	\$905,762	\$863,051	\$ —	\$863,051	\$820,229
Grants and contracts	575,198	—	575,198	584,867	—	584,867	579,695
Auxiliary enterprises (net of scholarship allowances)	317,429	—	317,429	306,260	—	306,260	291,460
Net patient service revenues	533,932	—	533,932	518,019	—	518,019	487,578
Other operating revenues	163,661	—	163,661	130,439	—	130,439	126,880
Total operating revenues	2,495,982	—	2,495,982	2,402,636	—	2,402,636	2,305,842
Operating expenses	3,514,152	(95,834)	3,418,318	3,411,728	(67,973)	3,343,755	3,324,016
Operating loss	(1,018,170)	95,834	(922,336)	(1,009,092)	67,973	(941,119)	(1,018,174)
Non-operating revenues (expenses)							
State appropriations (including fringe benefits paid directly by the state)	775,666	—	775,666	781,884	—	781,884	777,393
Contributions	51,367	—	51,367	52,416	—	52,416	40,625
Endowment and investment income	23,539	—	23,539	23,287	—	23,287	15,678
Net increase/(decrease) in fair value of investments	(4,159)	—	(4,159)	24,212	—	24,212	102,931
Governmental Student Aid	188,625	—	188,625	188,707	—	188,707	174,104
Interest on capital asset related debt	(83,866)	—	(83,866)	(80,214)	—	(80,214)	(83,053)
Net other non-operating revenues	8,609	—	8,609	11,715	—	11,715	17,760
Net non-operating revenues	959,781	—	959,781	1,002,007	—	1,002,007	1,045,438
(Loss)/Income before other revenues	(58,389)	95,834	37,445	(7,085)	67,973	60,888	27,264
Other revenues	159,411	—	159,411	133,715	—	133,715	40,977
Increase in net position	101,022	95,834	196,856	126,630	67,973	194,603	68,241
Net position at beginning of year	1,914,486	1,348,471	3,262,957	1,787,856	1,280,498	3,068,354	3,000,113
Net position at end of year	\$2,015,508	\$1,444,305	\$3,459,813	\$1,914,486	\$1,348,471	\$3,262,957	\$3,068,354

Operating revenues represent 70.4% and 68.9% of total revenues in 2016 and 2015, respectively. Significant components of operating revenues include the following:

*Student tuition and fees, net of scholarship allowances* are the largest component of operating revenues. Tuition and fees are reflected net of scholarship allowances, which represent scholarships and fellowships applied to student accounts for tuition and residence fees. These scholarships and fellowships are funded through federal and state grant programs and gifts raised by the university. The university provided \$261.3 million of a total \$319.9 million of student aid directly to student accounts. The remaining \$58.6 million was paid to students and is reflected as scholarships and fellowships expense. Scholarship allowances allocated to tuition and fees amounted to \$215.2 million. Another \$46.1 million was allocated to residence fees, which are included in auxiliary revenues. Tuition and fees, net of scholarship allowances, increased \$42.7 million in 2016. The increase resulted primarily from an average increase in tuition rates of 3.6% for undergraduate students, an increase of 2.3% in student fees and an enrollment peak of 67,556 for 2016. In 2015, tuition and fees, net of scholarship allowances increased \$42.9 million. Tuition rates were increased in fiscal 2015 by an average of 3.0%, while student fees increased an average of 2.8% in New Brunswick and 3.8% in Camden. Enrollment reached a peak of 66,013 in 2015. In 2015, the university also changed its procedures for recognizing tuition revenue from its summer session programs. The university now recognizes the revenue earned from summer programs run prior to June 30 in the current year and defers revenue for courses held after June 30. In the past, all summer session revenue was deferred to the following year. This change has resulted in an increase in revenue of approximately \$20.0 million in 2015.

*Grants and Contracts* includes revenues for sponsored programs from federal, state and nongovernmental grants and contracts that normally provide for the recovery of direct and indirect costs, or expenses. While the university experienced significant challenges in novating awards after the merger and additional delays in awards as a result of sequestration in 2014, all awards from the former UMDNJ were novated in 2015. Renewals and new awards continue to be received. In 2016, new research grants and sponsored programs totaled \$637.9 million, an increase of 4.1%. In 2015, the university succeeded in obtaining new grants with over 2,800 new awards totaling over \$612.5 million representing an 18.3% increase in awards. Federal awards for research reached \$335.5 million and \$303.2 million in 2016 and 2015, respectively, a 10.7% increase. Awards from the National Science Foundation (NSF) accounted for \$55.3 million and \$55.5 million in 2016 and 2015, respectively, or a 0.4% decrease from this agency. Awards received from the State of New Jersey for research and sponsored programs decreased by 16.3% in 2016, but increased by 36.8% in 2015 to a total of \$148.9 million and \$177.8 million, respectively. Awards from nongovernmental sources amounted to \$153.5 million and \$131.7 million in 2016 and 2015, respectively.

The following table summarizes the research awards received by the university over the last 10 years.





In fiscal 2016, *Federal Grants and Contracts* revenue amounted to \$301.7 million or 52.4% of total grants and contracts revenue. This year the university was awarded grants from various federal agencies including:

- The National Institute of Neurological Disorders and Stroke (NINDS) awarded to Jay Tischfield, founding director of Rutgers University Cell and DNA Repository, RUCDR Infinite Biologics, \$1.2 million to manage the NINDS stem cell repository and provide a comprehensive range of stem cell related services to researchers worldwide investigating diseases such as Parkinson's and ALS.
- The National Institute for Health (NIH) awarded David Perlin, professor in the Rutgers New Jersey Medical School, \$5.3 million to support the Center for Excellence in Translational Research program to develop therapeutic countermeasures to high-threat bacterial agents.
- The NIH also awarded Joachim Kohn \$1.2 million to support his project on an investigational new drug application (IND) for intravenous cP12 and pre-IND studies of intravenous topical cNP5 for limiting burn injury progression.
- Elisa Bandera at the Rutgers Cancer Institute of New Jersey for research into obesity, related comorbidities, and breast cancer outcomes in African Americans was awarded \$1.1 million from NIH.

In fiscal 2015, *Federal Grants and Contracts* revenue amounted to \$302.5 million or 51.7% of total grants and contracts revenue. In 2015, the university was awarded grants from various federal agencies including:

- Under the Defense Advanced Research Projects Agency's Pathogen Predators program, Daniel Kadouri, associate professor in the Rutgers School of Dental Medicine, Rutgers Biomedical and Health Sciences, is the principal investigator of an award with an anticipated total funding of \$7.0 million over a three year period. The university received the first \$2.1 million in 2015. This project will examine the therapeutic potential of two types of predatory bacteria that kill germs that have developed a resistance to antibiotics.
- The National Institute of Biomedical Imaging and Bioengineering awarded a grant to Prabhas Moghe, distinguished professor of Biomedical Engineering and Chemical and Biochemical Engineering, and Richard Riman, distinguished professor of Materials Science and Engineering, both in the School of Engineering, Rutgers-New Brunswick, for their project "Earth Nanocrystals and Infrared Light Reveal Cancerous Tumors and Cardiovascular Lesions." This is a four year grant with total anticipated funding of \$2.0 million, of which \$0.5 million was awarded in 2015.

In fiscal 2016, *State and Municipal Grants and Contracts* revenue amounted to \$153.8 million or 26.7% of total grants and contracts revenue. The following are some of the grants received this year from various state agencies:

- The New Jersey Department of Children and Families awarded Judy Postmus, associate professor and director, Center on Violence Against Women and Children; Sara Munson, executive director, Institute for Families; and Cassandra Simmel, associate professor, School of Social Work, an award totaling \$1.0 million. The project is titled, "Adoption Certification Program".
- The New Jersey Department of Transportation awarded Charles Brown, adjunct professor, Edward J. Bloustein School of Planning and Public Policy, and senior research specialist, Alan M. Voorhees Transportation Center, an award totaling \$0.6 million. The project is titled "New Jersey Bicycle and Pedestrian Resource Center" and is to motivate, educate and empower citizens to create safer and more accessible walking and bicycling environments through cutting edge research, education, and sharing of resources.

In fiscal 2015, *State and Municipal Grants and Contracts* was \$165.2 million or 28.2% of total grants and contracts revenue. The following are some of the grants received in 2015 from various state agencies.

- The State of New Jersey Department of Transportation awarded Ali Maher, professor in the Department of Civil and Environmental Engineering and director of the Center for Advanced Infrastructure and Transportation, Rutgers-New Brunswick, a \$4.5 million grant from for "Utilization of Pneumatic Flow Tube Mixing Technique."
- The New Jersey Department of Education awarded Cynthia Blitz, executive director of the Center for Effective School Practices and associate research professor in the Graduate School of Education, Rutgers-New Brunswick, a \$7.4 million grant for her project, "New Jersey Early Learning Training Academy."



- Distinguished professor of public policy and director of the Center for State Health Policy, Rutgers–New Brunswick, Joel Cantor, is the principal investigator of a \$3 million award from the Centers for Medicare and Medicaid Services for work on “New Jersey State Healthcare Innovation Project.”

Finally, in fiscal 2016, *Nongovernmental Grants and Contracts* revenue amounted to \$119.7 million or 20.8% of total grants and contracts revenue. Some of the awards received this year included the following:

- The Surdna Foundation awarded \$0.5 million to principal investigator, Christopher Obropta, associate professor, Department of Environmental and Biological Services, and extension specialist in water resources, Rutgers Cooperative Extension, for a project titled, “New Technical Assistance Program for Combined Sewer Overflow Communities”. The purpose of this project is to expand the statewide program that assists New Jersey communities in implementing green infrastructure solutions to stormwater challenges, targeting communities with combined sewer overflow systems.
- The Robert Wood Johnson Foundation awarded \$0.8 million to principal investigator, Joel Cantor, distinguished professor, Department of Public Policy, and director, Center for State Health Policy, for a project titled “New Jersey Perspectives on Health and Well-Being Project”. This funding will support development and implementation of polling under the New Jersey Perspectives on Health and Well-Being project.

Finally, in fiscal 2015, *Nongovernmental Grants and Contracts* was \$117.2 million or 20.0% of total grants and contracts revenue. Some of the awards received in 2015 include the following:

- The Foundation for Newark’s Future awarded Roland Anglin, director of the Joseph Cornwall Center for Metropolitan Studies, Rutgers–Newark, \$1.5 million for his project “New City of Learning Collaborative.”
- The Bill and Melinda Gates Foundation awarded Anushua Sinha, associate professor of preventive medicine and community health, Rutgers New Jersey Medical School, a \$750,000 grant to support “Maternal Pertussis Immunization Cost Effectiveness Analysis.”
- The Hunt Alternatives Fund awarded a grant of \$400,000 to Kelly Dittmar, assistant professor in the Department of Political Science, Faculty of Arts and Sciences, Rutgers–Camden, and scholar at the Center for American Women and Politics at the Eagleton Institute of Politics, Rutgers–New Brunswick, for her project “Women Representing in an Era of Party Polarization.”

*Auxiliary enterprise revenues* include revenues from the university’s housing, dining facilities and other student related services, as well as other business type activities such as the bookstore and the golf course that provide support to the university’s primary missions of education, research and public service. Auxiliary revenues of \$363.5 million were offset by scholarship allowances of \$46.1 million in 2016. Housing and dining revenues totaled \$226.8 million, or 62.4%, of total gross auxiliary revenues. Housing rates increased 2.8% while dining rate increased ranged from 2.1% to 2.4% in 2016. Auxiliary expenses totaled \$288.7 million in 2016, a decrease of \$0.2 million compared to 2015. Housing and dining expenditures totaled \$141.0 million or 48.8% of total auxiliary expenditures in 2016. In 2015, auxiliary revenues, net of scholarship allowances, increased by \$14.8 million, while expenditures decreased by \$4.1 million.

*Net patient services revenues* include revenues related to patient care services, which are generated within RBHS behavioral healthcare, faculty practice operations, community healthcare centers, cancer and contract activities, under contractual arrangements with governmental payers and private insurers. In fiscal 2016, this revenue was \$533.9 million, an increase of \$15.9 million or 3.1% over fiscal 2015 revenue of \$518.0 million, and \$487.6 million in fiscal 2014. The increases in 2016 and 2015 were primarily due to increases in patient service revenues at the Cancer Institute of New Jersey and University Behavioral Health Care.

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

**Operating Expenses by Functional Classification**  
(dollars in thousands)

	2016	GASB 68 Adjustment	2016 net of GASB 68 Adjustment	2015	GASB 68 Adjustment	2015 net of GASB 68 Adjustment	2014
Instruction	\$914,508	(\$43,016)	\$871,492	\$883,213	(\$29,334)	\$853,879	\$849,438
Sponsored Research	348,052	—	348,052	355,769	—	355,769	358,231
Other Separately Budgeted Research	105,169	(3,511)	101,658	98,331	(2,550)	95,781	76,467
Other Sponsored Programs	196,682	—	196,682	206,779	—	206,779	87,977
Extension and Public Service	51,595	(3,429)	48,166	50,395	(1,450)	48,945	146,128
Academic Support	129,483	(4,684)	124,799	125,477	(3,079)	122,398	123,342
Student Services	105,216	(3,382)	101,834	93,050	(2,333)	90,717	107,332
Operation and Maintenance of Plant	216,132	(6,485)	209,647	205,281	(4,674)	200,607	207,167
General Administration and Institutional	264,165	(10,113)	254,052	243,608	(7,314)	236,294	260,811
Scholarships and Fellowships	58,596	(280)	58,316	54,201	(215)	53,986	52,517
Depreciation	151,254	—	151,254	152,525	—	152,525	147,629
Patient Care Services	684,222	(14,955)	669,267	653,446	(12,504)	640,942	613,492
Auxiliary Enterprises	288,680	(5,979)	282,701	288,869	(4,520)	284,349	292,991
Other Operating Expenses	398	—	398	784	—	784	494
Total Operating Expenses	<u>\$3,514,152</u>	<u>(\$95,834)</u>	<u>\$3,418,318</u>	<u>\$3,411,728</u>	<u>(\$67,973)</u>	<u>\$3,343,755</u>	<u>\$3,324,016</u>

**Operating Expenses by Natural Classification**  
(dollars in thousands)

	2016	GASB 68 Adjustment	2016 net of GASB 68 Adjustment	2015	GASB 68 Adjustment	2015 net of GASB 68 Adjustment	2014
Salaries and Wages	\$1,824,819	\$ —	\$1,824,819	\$1,775,349	\$ —	\$1,775,349	\$1,752,152
Fringe Benefits	632,569	(95,834)	536,735	582,430	(67,973)	514,457	543,132
Supplies and Services	838,059	—	838,059	838,553	—	838,553	815,680
Scholarships and Fellowships	67,451	—	67,451	62,871	—	62,871	65,423
Depreciation	151,254	—	151,254	152,525	—	152,525	147,629
Total Operating Expenses	<u>\$3,514,152</u>	<u>(\$95,834)</u>	<u>\$3,418,318</u>	<u>\$3,411,728</u>	<u>(\$67,973)</u>	<u>\$3,343,755</u>	<u>\$3,324,016</u>

The natural classification of expenses demonstrates that the major expenditure of the university in 2016 is salaries and wages accounting for more than 51.9% of total operating expenses with the GASB 68 adjustment (52.0% in 2015) and 53.4% without the adjustment in 2016 (53.1% in 2015). Negotiated salary increases were implemented this year resulting in an average increase in salaries of 2.0% (a 2.0% increase in 2015). Fringe benefits also increased significantly this year primarily resulting from the changes required under GASB 68. In 2016, prior to GASB 68, the university's pension expense amounted to \$22.9 million (\$16.2 million in 2015). Pension expense under GASB 68 amounted to \$95.1 million in 2016 (\$80.6 million in 2015) resulting in an increase in pension expense of \$72.2 million (\$68.0 million in 2015).

State appropriations, including fringe benefits paid directly by the State, decreased \$6.2 million in fiscal 2016. The university's base appropriations decreased by \$15.3 million as a result of reductions in New Jersey Department of State (DOS) funding. Fringe benefits paid directly by the State increased \$9.0 million in 2016, primarily the result of increasing pension and healthcare costs. The university received an appropriation from the New Jersey Department of State (DOS) totaling \$394.0 million in 2016 and \$409.2 million in 2015 for the New Brunswick (including RBHS and the Agricultural Experiment Station), Newark and Camden Campuses. In addition, the university received an appropriation from the New Jersey Department of Health in the amount of \$28.0 million in 2016 and 2015 for the Rutgers Cancer Institute of New Jersey (CINJ). The university also received an appropriation from the New Jersey Department of Human Services (DHS) totaling \$18.0 million in 2016 and 2015 for the Rutgers University Behavioral Health Care Centers (UBHC). Total appropriations for the year amounted to \$439.9 million and \$455.2 million in 2016 and 2015, respectively. Fringe benefits are also paid directly by the State and totaled \$335.7 million and \$326.7 million in fiscal 2016 and 2015, respectively.

*Governmental Student Aid* is also a significant component of non-operating revenues. The university's students benefit from various federal programs, such as, Pell Grants and the Federal Supplemental Educational Opportunity Grants. In addition, the State provides aid through the Tuition Aid Grant (TAG) program and the Educational Opportunity Fund (EOF). The university received a total of \$83.0 million in 2016 from federal programs or a 1.5% increase over the \$81.8 million received in 2015. The university also received \$105.6 million from the state this year or a decrease of 1.3% from the \$106.9 million received in 2015.

*Other revenues and expenses* consist of grants and gifts received by the university for capital projects, as well as additions to permanent endowments. The university received a total of \$124.7 million in 2016 for capital grants and gifts. The increase from fiscal 2015 was due to \$4.5 million in gifts received for the Global Village Learning Center project and an increase of \$5.4 million received from the State of New Jersey. The university received \$34.7 million in fiscal 2016 and \$20.7 million in 2015 to add to our endowment as a result of the foundation's campaign. The increase was due to a greater number of gifts received which were \$1.0 million or greater.

#### *Economic Factors that will affect the future*

The university continues to maintain a strong financial position. After a decrease in direct state support of \$15.3 million in fiscal year 2016, direct state support for fiscal year 2017 increased by \$1.0 million, as a result of a capital appropriation for the planning of a new School of Business facility on the Camden Campus. In addition, the university increased tuition rates by only 1.7% for in-state students and out-of-state students in 2017, the lowest increase in five years. We will continue to meet our funding challenges through savings from increased efficiency and reduced administrative costs, revenue from nontraditional education programs, public-private partnerships, clinical care enterprises, increased grants and contracts, greater philanthropy and other sources.

During the past year, the university embarked on a new plan to update the institution's Enterprise Resource Planning (ERP) systems. With the implementation in October 2016, the major areas of focus include: creating a new university chart of accounts, implementing a more responsive suite of online tools for financial reporting, budgeting and planning, expanding the use of a streamlined, paperless system for procurement, and finally, to support faculty research, a new implementation of products for sponsored projects, pre-award function, integrated financial management and general research administration.

The university continues to attract a high quality, diverse population of students. Growth in the size of the first-year classes has led to an overall enrollment increase of more than 1,700 students in the fall 2016 semester. The university maintains a state, national, and global reach by attracting competitive applicants from all 50 states and over 140 countries.

As a result of the various state bond programs and other financing sources, the university has numerous construction and renovation projects underway. New capital construction in progress includes the renovation of buildings in Newark to support the Express Newark Initiative and upgraded space for the Newark Biology, Chemistry and Neuroscience departments, a new Nursing and Science Building in Camden, additions to William Levine Hall at the Ernest Mario School of Pharmacy and construction of a Chemistry and Chemical Biology facility, which will be a new academic building on the Busch Campus slated to be completed in the fall of 2017. These projects will provide additional space and resources for our growing institution.

STATEMENTS OF NET POSITION  
June 30, 2016 and 2015  
(dollars in thousands)

	Rutgers, The State University of New Jersey		Component Unit Rutgers University Foundation		Component Unit University Physician Associates of New Jersey, Inc. and Affiliates	
	2016	2015	2016	2015	2016	2015
<b>ASSETS:</b>						
Current Assets						
Cash and Cash Equivalents	\$100,885	\$167,663	\$527	\$1,649	\$25,723	\$17,235
Cash and Cash Equivalents - Restricted	183,544	131,782	18,205	22,299	4,587	5,603
Short-Term Investments	523,583	439,925	—	—	28,099	27,726
Short-Term Investments - Restricted	86	27,061	5,097	10,919	—	—
Investments Held by Trustees - Restricted	—	69,153	—	—	—	—
Accounts Receivable, net	370,687	387,589	3,951	3,605	—	—
Contributions Receivable, net – Current Portion	—	—	32,115	43,324	—	—
Inventories	4,131	3,909	—	—	—	—
Prepaid Expenses and Other Assets	8,209	13,236	311	658	44	647
<b>Total Current Assets</b>	<b>1,191,125</b>	<b>1,240,318</b>	<b>60,206</b>	<b>82,454</b>	<b>58,453</b>	<b>51,211</b>
Noncurrent Assets						
Cash and Cash Equivalents	60,347	87,957	—	—	—	—
Cash and Cash Equivalents - Restricted	256,206	318,483	—	—	—	—
Long-Term Investments	3	13,045	2,058	8,656	—	—
Long-Term Investments - Restricted	978,094	849,519	6,391	8,835	—	—
Investments Held by Trustees - Restricted	24,806	81,220	—	—	—	—
Accounts Receivable, net	115,786	124,604	—	—	—	—
Contributions Receivable, net – Noncurrent Portion	—	—	39,133	27,549	—	—
Cash Surrender Value of Whole Life Insurance Policies	—	—	699	687	—	—
Other Noncurrent Assets	1,375	2,385	—	—	—	—
Capital Assets, net	3,439,243	3,235,141	—	—	75	112
<b>Total Noncurrent Assets</b>	<b>4,875,860</b>	<b>4,712,354</b>	<b>48,281</b>	<b>45,727</b>	<b>75</b>	<b>112</b>
<b>TOTAL ASSETS</b>	<b>6,066,985</b>	<b>5,952,672</b>	<b>108,487</b>	<b>128,181</b>	<b>58,528</b>	<b>51,323</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Loss on Refunding	85,156	71,832	—	—	—	—
Pension Related	245,778	73,845	—	—	—	—
Interest Rate Swaps	48,433	25,917	—	—	—	—
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>379,367</b>	<b>171,594</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,446,352</b>	<b>6,124,266</b>	<b>108,487</b>	<b>128,181</b>	<b>58,528</b>	<b>51,323</b>

STATEMENTS OF NET POSITION  
June 30, 2016 and 2015  
(dollars in thousands)

	Rutgers, The State University of New Jersey		Component Unit Rutgers University Foundation		Component Unit University Physician Associates of New Jersey, Inc. and Affiliates	
	2016	2015	2016	2015	2016	2015
<b>LIABILITIES:</b>						
Current Liabilities						
Accounts Payable and Accrued Expenses	392,587	354,505	2,819	4,065	23,735	11,183
Payable to Rutgers, The State University of New Jersey	—	—	—	220	14,746	10,874
Unearned Revenue	93,019	92,912	25	—	—	—
Payroll Withholdings	21,834	22,797	—	—	—	—
Other Payables	2,305	2,235	—	—	—	—
Annuities Payable - Current Portion	—	—	800	854	—	—
Short-Term Liabilities	65,608	65,833	—	—	—	—
Long-Term Liabilities - Current Portion	57,943	59,882	—	—	—	—
Total Current Liabilities	633,296	598,164	3,644	5,139	38,481	22,057
Noncurrent Liabilities						
Accounts Payable and Accrued Expenses	47,201	44,590	412	425	—	14,254
Unearned Revenue	100,447	169,700	—	—	—	—
Derivative Instruments	48,433	25,917	—	—	—	—
Annuities Payable - Noncurrent Portion	—	—	6,186	6,493	—	—
Net Pension Liability	1,644,741	1,354,656	—	—	—	—
Long-Term Liabilities - Noncurrent Portion	1,911,384	1,949,093	—	—	—	—
Total Noncurrent Liabilities	3,752,206	3,543,956	6,598	6,918	—	14,254
<b>TOTAL LIABILITIES</b>	<b>4,385,502</b>	<b>4,142,120</b>	<b>10,242</b>	<b>12,057</b>	<b>38,481</b>	<b>36,311</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Pension Related	45,342	67,660	—	—	—	—
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>4,430,844</b>	<b>4,209,780</b>	<b>10,242</b>	<b>12,057</b>	<b>38,481</b>	<b>36,311</b>
<b>NET POSITION (DEFICIT):</b>						
Net Investment in Capital Assets	1,601,474	1,457,539	—	—	—	—
Restricted for						
Nonexpendable						
Instruction	240,519	231,291	654	1,615	—	—
Scholarships and Fellowships	249,718	249,401	3,938	6,514	—	—
Libraries	9,420	9,833	229	—	—	—
Other	82,350	73,365	437	333	—	—
Expendable						
Instruction	152,825	151,702	11,972	15,699	—	—
Research	65,296	65,924	20,377	28,588	—	—
Scholarships and Fellowships	83,999	83,834	8,998	9,651	—	—
Libraries	12,001	13,179	570	719	—	—
Loans	77,183	76,607	1	1	—	—
Capital Projects	24,986	23,958	25,960	27,547	—	—
Debt Service Reserve	9,009	15,639	—	—	—	—
Healthcare and Professional Services	9,841	9,676	—	—	—	—
Other	36,804	30,412	21,554	14,650	—	—
Unrestricted	(639,917)	(577,874)	3,555	10,807	20,047	15,012
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$2,015,508</b>	<b>\$1,914,486</b>	<b>\$98,245</b>	<b>\$116,124</b>	<b>\$20,047</b>	<b>\$15,012</b>

See accompanying notes to the financial statements.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the Years Ended June 30, 2016 and 2015  
(dollars in thousands)

	Rutgers, The State University of New Jersey		Component Unit Rutgers University Foundation		Component Unit University Physician Associates of New Jersey, Inc. and Affiliates	
	2016	2015	2016	2015	2016	2015
<b>OPERATING REVENUES:</b>						
Student Tuition and Fees (net of scholarship allowances of \$215,188 in 2016 and \$205,331 in 2015)	\$905,762	\$863,051	\$ -	\$ -	\$ -	\$ -
Federal Grants & Contracts	301,680	302,504	-	-	-	-
State & Municipal Grants & Contracts	153,793	165,153	-	-	-	-
Nongovernmental Grants & Contracts	119,725	117,210	42,299	57,758	-	-
Auxiliary Enterprises (net of scholarship allowances of \$46,110 in 2016 and \$43,307 in 2015)	317,429	306,260	-	-	-	-
Net Patient Service Revenues	533,932	518,019	-	-	120,469	112,707
Other Operating Revenues	163,661	130,439	6,274	5,891	2,593	91
Total Operating Revenues	<u>2,495,982</u>	<u>2,402,636</u>	<u>48,573</u>	<u>63,649</u>	<u>123,062</u>	<u>112,798</u>
<b>OPERATING EXPENSES:</b>						
Educational and General						
Instruction	914,508	883,213	-	-	-	-
Sponsored Research	348,052	355,769	-	-	-	-
Other Separately Budgeted Research	105,169	98,331	-	-	-	-
Other Sponsored Programs	196,682	206,779	-	-	-	-
Extension and Public Service	51,595	50,395	-	-	-	-
Academic Support	129,483	125,477	-	-	-	-
Student Services	105,216	93,050	-	-	-	-
Operations and Maintenance of Plant	216,132	205,281	-	-	-	-
General Administration and Institutional	264,165	243,608	30,873	27,347	20,217	20,585
Scholarships and Fellowships	58,596	54,201	-	-	-	-
Depreciation	151,254	152,525	-	-	-	-
Patient Care Services	684,222	653,446	-	-	49,070	45,392
Auxiliary Enterprises	288,680	288,869	-	-	-	-
Distributions to Rutgers, The State University of New Jersey	-	-	119,917	103,877	-	-
Distributions to Douglass Associate Alumnae	-	-	55	85	-	-
Other Operating Expenses	398	784	-	-	49,227	45,220
Total Operating Expenses	<u>3,514,152</u>	<u>3,411,728</u>	<u>150,845</u>	<u>131,309</u>	<u>118,514</u>	<u>111,197</u>
Operating (Loss)/Income	<u>(1,018,170)</u>	<u>(1,009,092)</u>	<u>(102,272)</u>	<u>(67,660)</u>	<u>4,548</u>	<u>1,601</u>

(Continued)

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Years Ended June 30, 2016 and 2015**  
(dollars in thousands)

	Rutgers, The State University of New Jersey		Component Unit Rutgers University Foundation		Component Unit University Physician Associate of New Jersey, Inc. and Affiliates	
	2016	2015	2016	2015	2016	2015
	<b>NON-OPERATING</b>					
<b>REVENUES (EXPENSES):</b>						
State Appropriations	439,930	455,194	—	—	—	—
State Paid Fringe Benefits	335,736	326,690	—	—	—	—
Administrative Fees and Support from Rutgers, The State University of New Jersey	—	—	14,576	14,560	—	—
Noncash Support from Rutgers, The State University of New Jersey	—	—	1,840	1,457	—	—
Federal Appropriations	7,429	7,346	—	—	—	—
Federal Student Aid	83,038	81,774	—	—	—	—
State Student Aid	105,587	106,933	—	—	—	—
Contributions	51,367	52,416	10,887	13,854	—	—
Endowment and Investment Income (net of investment management fees for the university of \$6,041 in 2016 and \$5,353 in 2015)	23,539	23,287	349	479	514	446
Net (Decrease)/Increase in Fair Value of Investments	(4,159)	24,212	(224)	(270)	(27)	455
Interest on Capital Asset Related Debt	(83,866)	(80,214)	—	—	—	—
Loss on Disposal of Capital Assets	(206)	(928)	—	—	—	—
Other Non-operating Revenues/(Expenses)	1,386	5,297	359	(1,086)	—	—
<b>Total Net Non-operating Revenues</b>	<b>959,781</b>	<b>1,002,007</b>	<b>27,787</b>	<b>28,994</b>	<b>487</b>	<b>901</b>
(Loss)/Income before Other Revenues (Expenses)	(58,389)	(7,085)	(74,485)	(38,666)	5,035	2,502
Capital Grants and Gifts Additions to Permanent Endowments	124,702	112,994	19,221	14,426	—	—
	34,709	20,721	37,385	27,809	—	—
<b>Increase in Net Position</b>	<b>101,022</b>	<b>126,630</b>	<b>(17,879)</b>	<b>3,569</b>	<b>5,035</b>	<b>2,502</b>
Net Position - Beginning of the Year	1,914,486	1,787,856	116,124	112,555	15,012	12,510
<b>Net Position - End of the Year</b>	<b>\$2,015,508</b>	<b>\$1,914,486</b>	<b>\$98,245</b>	<b>\$116,124</b>	<b>\$20,047</b>	<b>\$15,012</b>

See accompanying notes to the financial statements.

**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2016 and 2015**  
**(dollars in thousands)**

	Rutgers, The State University of New Jersey	
	2016	2015
<b>Cash Flows from Operating Activities:</b>		
Student Tuition and Fees	\$899,208	\$929,895
Research Grants and Contracts	574,508	637,397
Services to Patients	68,960	59,030
Professional Services and Contracts	461,945	464,011
Payments to Employees and for Benefits	(2,011,387)	(1,974,537)
Payments to Suppliers	(750,469)	(742,001)
Payments for Utilities	(82,456)	(98,673)
Payments for Scholarships and Fellowships	(67,451)	(108,383)
Collection of Loans to Students and Employees	1,107	1,331
Auxiliary Enterprises Receipts	317,794	276,280
Other Receipts	184,069	96,286
Net Cash Used by Operating Activities	<u>(404,172)</u>	<u>(459,364)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
State Appropriations	432,464	448,607
Federal Appropriations	5,059	11,718
Contributions for other than Capital Purposes	51,367	56,618
Federal and State Student Aid	204,683	186,255
Contributions for Endowment Purposes	34,709	25,038
Other Receipts (Payments)	3,410	(6,027)
Net Cash Provided by Noncapital Financing Activities	<u>731,692</u>	<u>722,209</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Capital Debt and Leases	190,333	30,713
Capital Grants and Gifts Received	78,202	110,708
Purchases of Capital Assets and Construction in Progress	(324,548)	(299,956)
Principal Paid on Capital Debt and Leases	(59,564)	(56,392)
Interest Paid on Capital Debt and Leases	(91,690)	(97,974)
Debt Defeasance	(189,118)	(31,160)
Bond Issuance Costs	(1,188)	(149)
Other Payments (Receipts)	(7,581)	9,157
Net Cash Used by Financing Activities	<u>(405,154)</u>	<u>(335,053)</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sales and Maturities of Investments	1,285,024	843,538
Investment Income	23,539	21,726
Purchase of Investments	(1,335,832)	(869,263)
Net Cash Used by Investing Activities	<u>(27,269)</u>	<u>(3,999)</u>
Net Decrease in Cash and Cash Equivalents	(104,903)	(76,207)
Cash and Cash Equivalents - Beginning of the year	<u>705,885</u>	<u>782,092</u>
Cash and Cash Equivalents - End of the year	<u><u>\$600,982</u></u>	<u><u>\$705,885</u></u>

(Continued)



**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2016 and 2015**  
(dollars in thousands)

<b>Reconciliation of Operating Loss to</b>	<u>2016</u>	<u>2015</u>
<b>Net Cash Used by Operating Activities:</b>		
Operating Loss	(\$1,018,170)	(\$1,009,092)
Adjustments to Reconcile Operating Loss to Net Cash		
Used by Operating Activities:		
State Paid Fringe Benefits	335,736	326,690
Depreciation	151,254	152,525
Amortization	810	810
Provision for Bad Debts	20,084	30,862
Changes in Assets and Liabilities:		
Receivables	(11,022)	(36,562)
Inventories	(222)	624
Prepaid Expenses and Other Assets	5,226	8,983
Accounts Payable and Accrued Expenses	17,626	11,497
Unearned Revenue	107	(13,671)
Payroll Withholdings	(963)	3,729
Other Payables	(472)	(3,732)
Net Pension Liability	95,834	67,973
Net Cash Used by Operating Activities	<u>(\$404,172)</u>	<u>(\$459,364)</u>

See accompanying notes to the financial statements.

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

### Organization

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

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

### Basis of Accounting

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

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

### Reporting Entity

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

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

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

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

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

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

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

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

#### **Cash and Cash Equivalents**

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

#### **Investments**

Investments are recorded in the statements of net position at fair value, amortized cost and net asset value depending on asset type. Investments measured at fair value are based upon quoted market prices for identical or similar assets, sometimes using observable and unobservable inputs such as exchange rates, options, etc.; while investment assets such as money market funds and commercial paper are held at amortized cost. Investments in alternative investment funds are generally reported as a practical expedient to fair value as provided by external investment managers which are reviewed and evaluated by the university's management for reasonableness. Investments with a maturity greater than one year and investments externally restricted for endowment purposes, to maintain sinking or reserve funds, and to purchase or construct capital or other noncurrent assets, including investments held by trustees, are classified as noncurrent assets in the statements of net position. The year-to-year change in the fair value of investments is reported in the statements of revenues, expenses, and changes in net position as net increase in fair value of investments.

#### **Funds Held in Trust**

Funds held in trust by others or not in the possession of, nor under the control of, the university are not included in the university's accompanying financial statements because they do not meet eligibility requirements for recognition. The market value of such funds aggregated approximately \$60.0 million at June 30, 2016 (\$63.7 million in 2015). Income derived from such irrevocable trust funds held by others, aggregating approximately \$2.2 million in 2016 (\$2.2 million in 2015), is reported in the accompanying financial statements as non-operating revenue.

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

### **Inventories**

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

### **Capital Assets**

Capital assets consist of land, buildings, land improvements and infrastructure, equipment, construction in progress and art collections. Capital assets are recorded at cost at the date of acquisition, or fair market value on the date of gift if donated, and are shown net of accumulated depreciation. Depreciation on buildings, land improvements and infrastructure, and equipment is calculated using the straight-line method over the assets' estimated useful lives, ranging from 5 to 50 years. Library books totaling approximately 6.1 million volumes in 2016 (6.0 million volumes in 2015) have not been capitalized. The capitalization threshold is \$5,000 and above. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized at the acquisition value of the item at the time of acquisition.

### **Unearned Revenue**

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

### **Net Position (Deficit)**

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

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

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

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

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

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

### **Revenue Recognition**

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

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

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

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

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

### **Classification of Revenue**

The university's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve the university's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include (1) student tuition and fees, net of scholarship allowances, (2) auxiliary enterprises, net of scholarship allowances, (3) most federal, state and municipal and other nongovernmental grants and contracts, and (4) net patient services. Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as operating appropriations from the State, student aid, endowment and investment income and contributions. Interest on capital asset related debt is reported as non-operating expenses.

### **Scholarships and Fellowships**

Scholarships, fellowships or stipends include payments made directly to students in the form of student aid. Any aid applied directly to the students' accounts in payment of tuition and fees, housing charges and dining services is reflected as a scholarship allowance and is deducted from the university's revenues. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as non-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 received \$76.3 million during the year ended June 30, 2016 (\$74.9 million in 2015), from the Federal Pell Grant program, and \$93.9 million during the year ended June 30, 2016 (\$92.7 million in 2015), from Tuition Aid Grants, from the State of New Jersey, the largest state student aid program.

The university distributes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and unsubsidized loans, through schools, directly to students. During the year ended June 30, 2016, the university disbursed \$420.3 million (\$409.6 million in 2015) under the Federal Direct Student Loan Program. Direct student loans receivable are not included in the university's statements of net position since they are repayable directly to the U.S. Department of Education.

### **Income Taxes**

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

### **Use of Estimates**

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

### **Accounting Pronouncements Applicable to the System, Issued but Not Yet Effective**

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The statement addresses accounting and financial reporting for other postemployment benefits (OPEB) that are provided to the employees of state and local governmental employers. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB in the basic financial statements, in addition to requiring more extensive note disclosures and required supplementary information. GASB 75 will be effective for periods beginning after June 15, 2017. The university is evaluating the impact of this new statement.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14* (GASB 80). This statement improves financial reporting by clarifying the financial statement presentation requirements for certain component units and amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB 39. GASB 80 will be effective for reporting periods beginning after June 30, 2016. The university is evaluating the impact of this new statement.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81). This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement and that a government recognizes revenue when the resources become applicable to the reporting period. GASB 81 will be effective for reporting periods beginning after December 15, 2016, and should be applied retroactively. The university is evaluating the impact of this new statement.

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### **NOTE 2 – ADOPTION OF ACCOUNTING PRONOUNCEMENTS**

The university adopted GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The statement addresses accounting and financial reporting issues related to fair value measurements of assets and liabilities. GASB 72 identifies various approaches to measuring fair value and levels of inputs based on the objectivity of the data used to measure fair value. It provides additional fair value application guidance and requires enhanced disclosures about fair value measurements. The impact on the financial statements is disclosures only.

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

The university's cash and cash equivalents are measured at amortized cost and consist of the following at June 30, 2016 and 2015 (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Money Market Funds	\$216,634	\$329,515
Repurchase Agreements	55,445	31,948
Cash and Deposits	<u>328,903</u>	<u>344,422</u>
Total Cash and Cash Equivalents	<u>\$600,982</u>	<u>\$705,885</u>

The university's net cash and cash equivalents balance at June 30, 2016 includes a cash book balance of \$165.5 million (\$172.0 million in 2015). The actual amount of cash on deposit in the university's bank accounts at June 30, 2016 was \$148.4 million (\$174.2 million in 2015). Of this amount, \$1.9 million was insured by the Federal Deposit Insurance Corporation at June 30, 2016 (\$2.3 million in 2015). At June 30, 2016, \$138.7 million (\$117.7 million in 2015) was collateralized, and cash and cash equivalents in excess of these balances are uncollateralized at June 30, 2016 and 2015.

**Investments**

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

The primary financial objective of the investment management of the university's Long-Term Investment Pool is to preserve and enhance the Long-Term Investment Pool's real purchasing power while providing a relatively constant stream of earnings for current use. The long-term investment objective for the Long-Term Investment Pool is to attain an average annual total return of at least 4.5%, net of inflation, fees, and costs in 2016 and 2015. In 2016 and 2015, the university's annual spending policy is to spend an amount not to exceed 4.2750% of a trailing 13-quarter average of the Long-Term Investment Pool's market values. Current earned income will be used for ongoing spending requirements.

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

The university's investments consist of the following at June 30, 2016 and 2015 (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Commercial Paper	\$40,035	\$114,696
Common Stock	121,592	102,310
Government Agencies	26,815	144,283
Government Bonds	126,311	27,406
Corporate Bonds	3,545	2,858
Mutual Funds – Common Stock	469,502	415,032
Mutual Funds – Corporate Bonds	16,383	15,220
Mutual Funds – Government Agencies	195,846	160,571
Mutual Funds – Other Fixed Income	126,256	102,931
Fixed Income Fund	26,350	24,760
Hedge Fund	199,310	209,730
Private Equity/Venture Capital	82,214	81,336
Real Estate	57,051	49,607
Real Assets	30,794	24,617
Other	4,568	4,566
Total	<u>\$1,526,572</u>	<u>\$1,479,923</u>

The hedge fund description includes: Credit, Long/Short Equity, Global Macro and Multi-Strategy and Other Hedge Funds.

#### **Fair Value Measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

*Level 1* – unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

*Level 2* – quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.

*Level 3* – unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

While the university believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following is a description of the valuation methodologies used for instruments measured at fair value:

All or a portion of the following categories were classified in Level 1 of the hierarchy as they are valued using prices quoted in active markets: Common Stock, Mutual Funds – Common Stock, Mutual Funds – Government Agencies, Mutual Funds – Other Fixed Income.



All or a portion of the following categories were classified in Level 2 of the hierarchy as they are valued using prices based on bid evaluations or quoted prices on an inactive market: Mutual Funds – Common Stock, Corporate Bonds, Mutual Funds – Corporate Bonds, Mutual Funds – Government Agencies, Mutual Funds – Other Fixed Income, Government Agencies, and Government Bonds. Included in the Fixed Income Fund category is a fund invested in senior loans, which was redeemed shortly after June 30, 2016 at a market value that was minimally different than the fiscal year end valuation and was deemed to have a readily determinable fair value.

Level 3 assets within the Real Asset category include real asset limited partnership interests where the investments are valued based on unobservable inputs such as analysis on current oil & gas reserves, future production estimates and NYMEX futures prices. Included in the Other category is a captive, pooled insurance vehicle for which the university has a long-term commitment and whose shares are not readily available, and valued based upon the university’s paid-in capital to the vehicle as well as its share of retained earnings from underwriting profits.

The university’s interests in alternative investment funds are generally reported at the net asset value or its equivalent (NAV) reported by the fund managers and assessed as reasonable by the university, which is used as a practical expedient to estimate the fair value of the university’s interest therein.

The following tables summarize the university’s investments by strategy type as of June 30, 2016 and 2015 (dollars in thousands):

Investment Type	2016			
	Fair Value	Investments Measured at Fair Value		
		Level 1	Level 2	Level 3
Common Stock	\$121,592	\$121,592	\$ –	\$ –
Government Agencies	26,815	–	26,815	–
Government Bonds	126,311	–	126,311	–
Corporate Bonds	3,545	–	3,545	–
Mutual Funds – Common Stock	469,502	214,308	255,194	–
Mutual Funds – Corporate Bonds	16,383	–	16,383	–
Mutual Funds – Government Agencies	195,846	36,305	159,541	–
Mutual Funds – Other Fixed Income	126,256	34,617	91,639	–
Fixed Income Fund	26,350	–	26,350	–
Real Assets	7,891	–	–	7,891
Other	4,568	–	–	4,568
Subtotal	<u>\$1,125,059</u>	<u>\$406,822</u>	<u>\$705,778</u>	<u>\$12,459</u>
Investment Type	Net Asset Value			
Private Equity	\$48,675			
Real Estate	57,051			
Real Assets	22,903			
Venture Capital	33,539			
Credit Hedge Funds	44,624			
Long/Short Equity Hedge Funds	47,887			
Global Macro Hedge Funds	12,823			
Multi-Strategy Hedge Funds	93,647			
Other Hedge Funds	329			
Subtotal	<u>361,478</u>			
Total	<u>\$1,486,537</u>			

2015				
Investment Type	Fair Value	Investments Measured at Fair Value		
		Level 1	Level 2	Level 3
Common Stock	\$102,310	\$102,310	\$ -	\$ -
Government Agencies	144,283	-	144,283	-
Government Bonds	27,406	-	27,406	-
Corporate Bonds	2,858	-	2,858	-
Mutual Funds - Common Stock	415,032	129,110	285,922	-
Mutual Funds - Corporate Bonds	15,220	-	15,220	-
Mutual Funds - Government Agencies	160,571	24,100	136,471	-
Mutual Funds - Other Fixed Income	102,931	31,501	71,430	-
Real Assets	3,056	-	-	3,056
Other	4,566	-	-	4,566
Subtotal	<u>\$978,233</u>	<u>\$287,021</u>	<u>\$683,590</u>	<u>\$7,622</u>

Investment Type	Net Asset Value
Fixed Income Fund	\$24,760
Private Equity	47,609
Real Estate	49,607
Real Assets	21,561
Venture Capital	33,727
Credit Hedge Funds	41,124
Long/Short Equity Hedge Funds	45,945
Global Macro Hedge Funds	27,826
Multi-Strategy Hedge Funds	94,410
Other Hedge Funds	425
Subtotal	<u>386,994</u>
Total	<u>\$1,365,227</u>

#### Investments Measured at Net Asset Value

In addition to traditional stocks and fixed-income securities, the university also holds alternative investment funds including hedge fund, private equity, venture capital, real estate and real asset strategies. Alternative investments are typically subject to restrictions that limit the university's ability to withdraw capital after such investment and, most often in hedge funds, limit the amount that may be withdrawn as of a given redemption date. The redemption terms of the university's investments in hedge fund strategies funds vary greatly (as described below). Generally, the university has no discretion to withdraw its investments in private equity, venture capital, real estate and real asset funds; distributions are made when sales of assets are made within the funds.

The university is obligated in most alternative strategies to fund investment opportunities as they arise up to specified commitment levels over a period of several years. These commitments have fixed expiration dates and other termination clauses. The following table represents the unfunded commitments, redemption frequency and redemption notice period for investments measured at NAV as of June 30, 2016 and 2015 (dollars in thousands):

Investment Type	2016 Unfunded Commitments	2015 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity	\$73,951	\$45,498	Illiquid	N/A
Real Estate	21,070	19,795	Illiquid	N/A
Real Assets	18,496	30,234	Illiquid	N/A
Venture Capital	21,450	6,389	Illiquid	N/A
Credit Hedge Funds	N/A	N/A	Quarterly, Annually	45 - 90 days
Long/Short Equity Hedge Funds	N/A	N/A	Monthly, Quarterly, Annually	45 - 60 days
Global Macro Hedge Funds	N/A	N/A	Quarterly	90 days
Multi-Strategy Hedge Funds	N/A	N/A	Quarterly, Semi- Annually, Annually, Rolling Two-years	60 - 90 days
Total	\$134,967	\$101,916		

Because of the inherent uncertainties of valuation, these net asset values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held.

Management's estimate of the lives of the funds could vary significantly depending on the investment decisions of the external fund managers, changes in the university's portfolio, and other circumstances. Furthermore, the university's obligation to fund the commitments noted above may be waived by the fund manager for a variety of reasons including market conditions and/or changes in investment strategy.

The university does have various sources of internal liquidity at its disposal, including cash and cash equivalents, which are available to fund the required commitments.

## Strategy Descriptions

*Private Equity* – Funds that typically invest in private companies or engage in buyouts of public companies with the intent of improving their portfolio companies by investing in their growth as well as implementing operational and financial best practices. These strategies are implemented through illiquid vehicles and cannot be redeemed. The investment periods of these funds typically range from 2 - 5 years with full terms of 10 - 12 years. Capital is distributed back as the fund's investments are liquidated over that time period.

*Real Estate* – This strategy includes funds that invest in the equity or debt of real estate assets or businesses related to the real estate industry. These strategies are implemented through illiquid vehicles and cannot be redeemed. The investment periods of these funds typically range from 2 - 5 years with full terms of 10 - 12 years. Capital is distributed back as the fund's investments are liquidated over that time period.

*Real Assets* – This strategy includes funds that invest in businesses or physical commodities in a wide variety of asset classes including but not limited to - energy, infrastructure, metals and mining, and other commodity-related industries. These strategies are implemented through illiquid vehicles and cannot be redeemed. The investment periods of these funds typically range from 2 - 5 years with full terms of 10 - 12 years. Capital is distributed back as the fund's investments are liquidated over that time period.

*Venture Capital* – Funds that invest in early, mid and late stage high growth companies, which are typically at the cutting edge of innovation in their specific fields. These are typically higher risk/reward opportunities in the fields of technology and medicine of which the companies will generally have negative cash flow at the start. These strategies are implemented through illiquid vehicles and cannot be redeemed. The investment periods of these funds typically range from 2 - 5 years with full terms of 10 - 12 years. Capital is distributed back as the fund's investments are liquidated over that time period.

*Credit Hedge Funds* – Strategies that typically invest both long and short in high yield and high grade bonds, structured products, and distressed debt strategies that take advantage of corporate securities in default, under bankruptcy protection, in distress, or in liquidation. Two of the current investments within the portfolio have redemption restriction mechanisms whereas once a redemption is submitted the investor can only receive 25% of its capital per quarter.

*Long/Short Equity Hedge Funds* – Strategies that typically invest in long and short positions primarily in publicly traded equities. Within this portfolio there is one position that currently has a redemption restriction until April 1, 2018 and will revert back to quarterly liquidity once that restriction has passed.

*Global Macro Hedge Funds* – Strategies which base its exposures on economic and political views and outcomes from around the world and in many markets. Funds of this nature can invest in a wide variety of securities such as equity, fixed income, currencies, commodities and futures markets.

*Multi-Strategy Hedge Funds* – Multi-strategy hedge funds consist of variety of investment strategies such as equity long/short, convertible bond arbitrage, credit, merger and statistical arbitrage, event driven, etc. in order to lower and diversify risk as well as reduce volatility.

*Other Hedge Funds* – Legacy hedge fund positions which have been redeemed from but continue to be liquidated.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The operating funds of the university are managed against the expected cash requirements of these funds. The university projects its cash requirements and arranges investment maturities accordingly. Special attention is given to the interest rate environment in times of economic growth or downturns. The table below reflects the operation of this process. Endowment funds have a much longer outlook and are invested by professional managers against an index as provided in the university's investment guidelines. For the university, the following table summarizes the maturities of investments that are subject to interest rate risk at June 30, 2016 and 2015 (dollars in thousands):

Investment Type	2016				
	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Bonds	\$126,311	\$123,584	\$ —	\$1,086	\$1,641
U.S. Government Agencies	26,815	26,808	—	7	—
Corporate Bonds	3,545	—	544	2,344	657
Mutual Funds - Corporate Bonds, Government Agencies, and Other	338,485	338,485	—	—	—
Fixed Income	338,485	338,485	—	—	—
Total	<u>\$495,156</u>	<u>\$488,877</u>	<u>\$544</u>	<u>\$3,437</u>	<u>\$2,298</u>

Investment Type	2015				
	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Bonds	\$27,406	\$24,950	\$ —	\$1,055	\$1,401
U.S. Government Agencies	144,283	110,319	33,931	33	—
Corporate Bonds	2,858	145	546	1,544	623
Mutual Funds - Corporate Bonds, Government Agencies, and Other	278,722	278,722	—	—	—
Fixed Income	278,722	278,722	—	—	—
Total	<u>\$453,269</u>	<u>\$414,136</u>	<u>\$34,477</u>	<u>\$2,632</u>	<u>\$2,024</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 with an investment grade by at least two of the three rating agencies (Moody's, Fitch, and Standard & Poor's (S&P)). The average credit quality of the Core Fixed Income Fund shall be maintained at AA (by S&P or equivalent rating by Moody's or Fitch) or higher. The prospect of credit risk or risk of permanent loss shall be avoided in the Core Fixed Income Fund. Issues of state or municipal agencies shall not be purchased except in unusual circumstances. A fixed income manager may invest in foreign securities up to a limit of 20% of the portfolio. At June 30, 2016 and 2015, the university's cash and cash equivalent and investment quality ratings as rated by Standard & Poor's were as follows (dollars in thousands):

Investment Type	Quality Rating	2016	2015
Commercial Paper	A-1+	\$17,298	\$78,512
Commercial Paper	A-1	17,737	36,184
Commercial Paper	Not Rated	5,000	—
U.S. Government Agencies and Bonds	AA+	153,126	171,689
Corporate Bonds	AAA	544	546
Corporate Bonds	AA	—	64
Corporate Bonds	AA-	657	623
Corporate Bonds	A+	—	551
Corporate Bonds	A	1,348	—
Corporate Bonds	A-	996	993
Corporate Bonds	BBB	—	81
Mutual Funds - Corporate Bonds, Government Agencies, and Other Fixed Income	Not Rated	338,485	278,722
Money Market Funds	AAA	216,634	329,515
Total		\$751,825	\$897,480

### Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the university will not be able to recover the value of the investments that are in the possession of an outside party. Custodial credit risk should not be confused with market risk, which is the risk that the market value of a security may decline. The university's investment securities are exposed to custodial credit risk if the securities are uninsured and unregistered and held by the counterparty, or by its trust department or agent but not in the university's name. Money market funds are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. At June 30, 2016 and 2015, the university's investment securities were not subject to custodial credit risk.

**Investments - Endowment Funds**

The majority of endowment funds assets are in the Long-Term Investment Pool. Each individual fund subscribes to or disposes of units in the pools on the basis of the per-unit market value at the beginning of the three-month period within which the transaction takes place. At June 30, 2016, the fair value of the Long-Term Investment Pool was \$953.7 million (\$879.4 million in 2015). In addition, the aggregate endowment market value of funds separately invested was \$45.8 million at June 30, 2016 (\$36.8 million in 2015). The investment appreciation was \$125.1 million at June 30, 2016 (\$161.3 million in 2015). These amounts are included in restricted nonexpendable, restricted expendable and unrestricted net position.

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

**NOTE 4 – ACCOUNTS RECEIVABLE 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, 2016 and 2015 (dollars in thousands):

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net 2016</u>
Government Grants and Other Sponsored Programs			
Receivable	\$127,399	\$1,690	\$125,709
Plant Receivable	90,303	–	90,303
Student Notes Receivable	75,133	6,256	68,877
Patient Accounts Receivable	62,665	13,089	49,576
Federal and State Governments Receivable	39,748	–	39,748
Student Accounts Receivable	38,755	8,833	29,922
Affiliate Receivable	66,601	8,385	58,216
Other Receivable	25,494	1,372	24,122
Total	<u>\$526,098</u>	<u>\$39,625</u>	<u>\$486,473</u>

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net 2015</u>
Government Grants and Other Sponsored Programs			
Receivable	\$130,879	\$1,714	\$129,165
Plant Receivable	88,069	—	88,069
Student Notes Receivable	75,596	6,089	69,507
Patient Accounts Receivable	59,912	12,574	47,338
Federal and State Governments Receivable	40,297	—	40,297
Student Accounts Receivable	29,412	8,211	21,201
Affiliate Receivable	84,250	6,063	78,187
Other Receivable	39,826	1,397	38,429
Total	<u>\$548,241</u>	<u>\$36,048</u>	<u>\$512,193</u>

The allowances for doubtful accounts and notes are based upon management's best estimate of uncollectible accounts and notes at June 30, 2016 and 2015, considering type, age, collection history and other appropriate factors.

#### NOTE 5 – NET PATIENT SERVICE REVENUES

Net patient service revenues include revenues related to patient care services, which are generated within RBHS behavioral healthcare, community healthcare centers, cancer and contract activities and the operations of faculty practice plans. Net revenues generated from faculty practice plans totaled \$239.0 million in 2016 (\$233.7 million in 2015), while revenues from a contract with the State of New Jersey Department of Corrections totaled \$149.4 million in 2016 (\$145.9 million in 2015), and revenues from other professional contracts and agreements totaled \$77.8 million in 2016 (\$80.0 million in 2015).

University Behavioral Health Care (UBHC) provides care to patients who meet certain criteria defined by the New Jersey Department of Health and Senior Services and the Department of Human Services without charge or at amounts less than their established rates. UBHC and other units maintain records to identify and monitor the level of charity care they provide, which includes the amount of gross charges foregone for services and supplies furnished. Patient care revenues from these units totaled \$67.7 million in 2016 (\$58.4 million in 2015).

Net patient service revenues are comprised of the following at June 30, 2016 and 2015 (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Gross Charges	\$848,760	\$820,281
Deductions from Gross Charges		
Contractual and Other Allowances	(294,744)	(271,400)
Provision for Bad Debts	(20,084)	(30,862)
Net Patient Service Revenues	<u>\$533,932</u>	<u>\$518,019</u>



## NOTE 6 - CAPITAL ASSETS

The detail of capital assets activity for the years ended June 30, 2016 and 2015 is as follows (dollars in thousands):

	July 1, 2015	Additions	Retirements/ Capitalization	June 30, 2016
Capital Assets Not Being Depreciated:				
Land	\$77,223	\$703	\$ -	\$77,926
Capitalized Art Collections	60,360	246	-	60,606
Construction in Progress	370,852	319,282	288,975	401,159
Total	<u>508,435</u>	<u>320,231</u>	<u>288,975</u>	<u>539,691</u>
Capital Assets Being Depreciated:				
Land Improvements	331,636	26,358	-	357,994
Buildings	4,058,454	297,248	37,251	4,318,451
Equipment	917,973	39,047	6,877	950,143
Total	<u>5,308,063</u>	<u>362,653</u>	<u>44,128</u>	<u>5,626,588</u>
Less Accumulated Depreciation:				
Land Improvements	255,546	12,893	-	268,439
Buildings	1,593,708	93,268	615	1,686,361
Equipment	732,103	45,093	4,960	772,236
Total	<u>2,581,357</u>	<u>151,254</u>	<u>5,575</u>	<u>2,727,036</u>
Net Capital Assets Being Depreciated	<u>2,726,706</u>	<u>211,399</u>	<u>38,553</u>	<u>2,899,552</u>
Total Capital Assets, net	<u>\$3,235,141</u>	<u>\$531,630</u>	<u>\$327,528</u>	<u>\$3,439,243</u>

During 2016, the university capitalized interest expense of \$13.2 million in construction in progress in the accompanying statements of net position.

	July 1, 2014	Additions	Retirements/ Capitalization	June 30, 2015
Capital Assets Not Being Depreciated:				
Land	\$74,088	\$3,135	\$ -	\$77,223
Capitalized Art Collections	59,795	565	-	60,360
Construction in Progress	222,478	260,806	112,432	370,852
Total	<u>356,361</u>	<u>264,506</u>	<u>112,432</u>	<u>508,435</u>
Capital Assets Being Depreciated:				
Land Improvements	321,423	10,213	-	331,636
Buildings	3,935,639	122,954	139	4,058,454
Equipment	876,268	54,209	12,504	917,973
Total	<u>5,133,330</u>	<u>187,376</u>	<u>12,643</u>	<u>5,308,063</u>
Less Accumulated Depreciation:				
Land Improvements	242,516	13,030	-	255,546
Buildings	1,499,076	94,737	105	1,593,708
Equipment	696,924	44,758	9,579	732,103
Total	<u>2,438,516</u>	<u>152,525</u>	<u>9,684</u>	<u>2,581,357</u>
Net Capital Assets Being Depreciated	<u>2,694,814</u>	<u>34,851</u>	<u>2,959</u>	<u>2,726,706</u>
Total Capital Assets, net	<u>\$3,051,175</u>	<u>\$299,357</u>	<u>\$115,391</u>	<u>\$3,235,141</u>

During 2015, the university capitalized interest expense of \$13.9 million in construction in progress in the accompanying statements of net position.

**NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consist of the following at June 30, 2016 and 2015 (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Vendors	\$125,100	\$130,560
Accrued Salaries and Benefits	131,475	101,203
Compensated Absences	88,436	89,169
Workers Compensation	32,839	35,653
Interest Payable	12,879	10,155
Retainage	11,075	8,989
Other Accrued Expenses	<u>37,984</u>	<u>23,366</u>
Total Accounts Payable and Accrued Expenses	<u>\$439,788</u>	<u>\$399,095</u>

**NOTE 8 – NONCURRENT LIABILITIES**

Noncurrent liability activity for the years ended June 30, 2016 and 2015 is as follows (dollars in thousands):

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2016</u>	<u>Current Portion</u>
Accounts Payable and Accrued Expenses	\$399,095	\$58,921	\$18,228	\$439,788	\$392,587
Net Pension Liabilities	1,354,656	412,822	122,737	1,644,741	–
Unearned Revenue	262,612	–	69,146	193,466	93,019
Long-Term Liabilities	<u>2,008,975</u>	<u>192,328</u>	<u>231,976</u>	<u>1,969,327</u>	<u>57,943</u>
Total Noncurrent Liabilities	<u>\$4,025,338</u>	<u>\$664,071</u>	<u>\$442,087</u>	<u>\$4,247,322</u>	<u>\$543,549</u>

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>	<u>Current Portion</u>
Accounts Payable and Accrued Expenses	\$393,872	\$35,669	\$30,446	\$399,095	\$354,505
Net Pension Liabilities	1,292,754	79,778	17,876	1,354,656	–
Unearned Revenue	276,348	657	14,393	262,612	92,912
Long-Term Liabilities	<u>2,138,182</u>	<u>–</u>	<u>129,207</u>	<u>2,008,975</u>	<u>59,882</u>
Total Noncurrent Liabilities	<u>\$4,101,156</u>	<u>\$116,104</u>	<u>\$191,922</u>	<u>\$4,025,338</u>	<u>\$507,299</u>

At July 1, 2014, net pension liabilities were restated due to GASB 68.

**NOTE 9 - COMMERCIAL PAPER**

The university has a combined taxable and tax-exempt commercial paper program that provides for interim or short-term financing of various capital projects, equipment, refundings and for other lawful purposes. The Board approved a maximum outstanding at any time of \$500.0 million, provided the maximum principal amount will not exceed the amount secured by a Liquidity Facility. The current Liquidity Facility is provided by Wells Fargo Bank, N.A. (the Liquidity Provider) up to \$200.0 million, through a Standby Commercial Paper Purchase Agreement, that terminates on April 10, 2018. The university has covenanted with the Liquidity Provider to maintain a Liquidity Ratio of 0.45 to 1.00 in fiscal year 2016 and 0.40 to 1.00 in fiscal year 2015. The university was in compliance with the covenant at June 30, 2016 and June 30, 2015.

Commercial paper activity as of June 30, 2016 is as follows (dollars in thousands):

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
Taxable	\$35,120	\$2,965	\$2,090	\$35,995
Tax-exempt	30,713	-	1,100	29,613
Total Short-Term Liabilities	<u>\$65,833</u>	<u>\$2,965</u>	<u>\$3,190</u>	<u>\$65,608</u>

Commercial paper activity as of June 30, 2015 is as follows (dollars in thousands):

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>
Taxable	\$48,475	\$ -	\$13,355	\$35,120
Tax-exempt	-	30,713	-	30,713
Total Short-Term Liabilities	<u>\$48,475</u>	<u>\$30,713</u>	<u>\$13,355</u>	<u>\$65,833</u>

**NOTE 10 – LONG TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2016 is as follows (dollars in thousands):

	Maturity Date	Interest Rates	July 1, 2015	Additions	Retirements and Payments	June 30, 2016	Current Portion
<b>Notes:</b>							
U.S. Department of Education	2021	5.50%	\$663	\$ –	\$106	\$557	\$112
City of Camden	2023	1.00%	348	–	52	296	53
New Jersey Department of Human Services	2018	0.00%	311	–	–	311	–
RWJ University Hospital	2016	Variable Rate	333	–	333	–	–
<b>Bonds Payable:</b>							
General Obligation Bonds:							
2002 Series A	2018	Variable Rate	33,000	–	10,600	22,400	11,000
2009 Series F	2039	2.00% - 5.00%	194,735	–	172,840	21,895	7,000
2009 Series G	2039	Variable Rate	70,490	–	1,810	68,680	1,880
2010 Series H	2040	3.776% - 5.665%	390,990	–	–	390,990	–
2010 Series I	2029	2.00% - 5.00%	30,875	–	5,145	25,730	1,310
2013 Series J	2036	1.00% - 5.00%	328,840	–	5,490	323,350	5,695
2013 Series K	2033	0.40% - 4.712%	122,370	–	5,560	116,810	5,585
2013 Series L	2043	1.00% - 5.00%	339,195	–	6,735	332,460	3,815
2016 Series M	2039	3.00% - 5.00%	–	164,610	–	164,610	–
<b>Other Long-Term Obligations:</b>							
New Jersey Educational Facilities Authority:							
Higher Education Capital Improvement Fund, Series 2002 A	2022	3.00% - 5.25%	264	–	–	264	–
Higher Education Capital Improvement Fund, Series 2005 A	2019	3.00% - 5.00%	21,790	–	4,545	17,245	4,780
Higher Education Capital Improvement Fund, Series 2006 A	2022	4.00% - 4.50%	21,125	–	96	21,029	101
Higher Education Capital Improvement Fund, Series 2014 A	2033	3.50% - 5.00%	30,179	–	1,018	29,161	1,059
Dormitory Safety Trust Fund, Series 2001 A	2016	0.00%	2,040	–	2,040	–	–
Dormitory Safety Trust Fund, Series 2001 B	2016	0.00%	32	–	32	–	–
Higher Education Equipment Leasing Fund, Series 2014 A	2023	5.00%	8,362	–	1,522	6,840	1,599
<b>Capital Lease Obligations:</b>							
Housing Authority of the City of New Brunswick	2020	3.00% - 5.00%	17,535	–	3,175	14,360	3,330
Robert Wood Johnson University Hospital Sublease	2020	3.00% - 5.00%	(3,091)	–	(559)	(2,532)	(587)
New Jersey Economic Development Authority:							
College Avenue Redevelopment Project	2046	4.00% - 5.00%	237,055	–	–	237,055	3,615
15 Washington Street Housing Project	2031	3.10%	58,330	–	1,755	56,575	2,500
University Hospital Space Leases:							
Ambulatory Care Center, 140 Bergen St.	2089	4.16% <sup>1</sup>	17,566	1,492	41	19,017	42
New Jersey Medical School, 150 Bergen St.	2089	4.16% <sup>1</sup>	14,921	1,268	35	16,154	36
Equipment Leases		Various	639	–	523	116	78
<b>Loan Payable:</b>							
New Brunswick Development Corporation:							
15 Washington Street Housing Project	2025	3.46% <sup>1</sup>	–	2,200	188	2,012	194
			1,938,897	169,570	223,082	1,885,385	53,197
<b>Unamortized Bond Discounts</b>			–	(1,080)	(11)	(1,069)	(45)
<b>Unamortized Bond Premiums</b>			70,078	23,838	8,905	85,011	4,791
<b>Total Long-Term Liabilities</b>			<u>\$2,008,975</u>	<u>\$192,328</u>	<u>\$231,976</u>	<u>\$1,969,327</u>	<u>\$57,943</u>

<sup>1</sup> Effective interest rate.

Long-term liability activity for the year ended June 30, 2015 is as follows (dollars in thousands):

	Maturity Date	Interest Rates	July 1, 2014	Additions	Retirements and Payments	June 30, 2015	Current Portion
<b>Notes:</b>							
U.S. Department of Education	2021	5.50%	\$763	\$ -	\$100	\$663	\$106
City of Camden	2023	1.00%	399	-	51	348	52
New Jersey Department of Human Services	2018	0.00%	414	-	103	311	-
RWJ University Hospital	2016	Variable Rate	700	-	367	333	333
<b>Bonds Payable:</b>							
General Obligation Bonds:							
2002 Series A	2018	Variable Rate	43,200	-	10,200	33,000	10,600
2003 Series D	2019	3.00% - 4.125%	5,415	-	5,415	-	-
2009 Series F	2039	2.00% - 5.00%	201,140	-	6,405	194,735	6,655
2009 Series G	2039	Variable Rate	72,235	-	1,745	70,490	1,810
2010 Series H	2040	3.776% - 5.665%	390,990	-	-	390,990	-
2010 Series I	2029	2.00% - 5.00%	36,090	-	5,215	30,875	5,145
2013 Series J	2036	1.00% - 5.00%	334,185	-	5,345	328,840	5,490
2013 Series K	2033	0.40% - 4.712%	127,725	-	5,355	122,370	5,560
2013 Series L	2043	1.00% - 5.00%	346,165	-	6,970	339,195	6,735
<b>Other Long-Term Obligations:</b>							
New Jersey Educational Facilities Authority:							
Higher Education Capital Improvement Fund, Series 2002 A	2022	3.00% - 5.25%	506	-	242	264	-
Higher Education Capital Improvement Fund, Series 2005 A	2019	3.00% - 5.00%	25,873	-	4,083	21,790	4,545
Higher Education Capital Improvement Fund, Series 2006 A	2022	4.00% - 4.50%	21,218	-	93	21,125	96
Higher Education Capital Improvement Fund, Series 2014 A	2033	3.50% - 5.00%	30,179	-	-	30,179	1,018
Dormitory Safety Trust Fund, Series 2001 A	2016	0.00%	4,080	-	2,040	2,040	2,040
Dormitory Safety Trust Fund, Series 2001 B	2016	0.00%	65	-	33	32	32
Higher Education Equipment Leasing Fund, Series 2014 A	2023	5.00%	9,657	-	1,295	8,362	1,522
<b>Capital Lease Obligations:</b>							
Housing Authority of the City of New Brunswick	2020	3.00% - 5.00%	20,560	-	3,025	17,535	3,175
Robert Wood Johnson University Hospital Sublease	2020	3.00% - 5.00%	(3,624)	-	(533)	(3,091)	(559)
Certificates of Participation, Series 2004	2038	3.50% - 5.00%	26,115	-	26,115	-	-
New Jersey Economic Development Authority:							
College Avenue Redevelopment Project	2046	4.00% - 5.00%	237,055	-	-	237,055	-
15 Washington Street Housing Project	2031	3.10%	58,330	-	-	58,330	-
University Hospital Space Leases:							
Ambulatory Care Center, 140 Bergen St.	2089	4.16% <sup>1</sup>	18,334	-	768	17,566	738
New Jersey Medical School, 150 Bergen St.	2089	4.16% <sup>1</sup>	15,574	-	653	14,921	627
Equipment Leases		Various	1,491	-	852	639	523
<b>Loan Payable:</b>							
New Jersey Community Capital CDE I, LLC		2.33% <sup>1</sup>	36,355	-	36,355	-	-
New Jersey Community Capital CDE II, LLC		1.45% <sup>1</sup>	2,588	-	2,588	-	-
			2,063,777	-	124,880	1,938,897	56,243
<b>Unamortized Bond Premiums</b>			74,405	-	4,327	70,078	3,639
<b>Total Long-Term Liabilities</b>			<b>\$2,138,182</b>	<b>\$ -</b>	<b>\$129,207</b>	<b>\$2,008,975</b>	<b>\$59,882</b>

<sup>1</sup> Effective interest rate.

## Bonds Payable

The university issues general obligation bonds to (i) provide financing of various capital projects, (ii) provide for the refinancing of certain outstanding commercial paper and (iii) provide for the current and/or advance refunding of all or a portion of certain outstanding bonds of the university. These bonds are payable from revenues and other legally available funds. The bonds are secured under the provisions of an Indenture of Trust dated February 1, 2002 by and between the university and U.S. Bank, N.A.

All bonds bear interest at fixed rates with the exception of 2002 Series A and 2009 Series G, which bear interest at variable rates. These bonds are secured by a Liquidity Facility through a Standby Bond Purchase Agreement. The current Liquidity Facility for the 2002 Series A and the 2009 Series G bonds are provided by TD Bank, N.A. until May 1, 2018 and by U.S. Bank, N.A. until May 4, 2018, respectively. As of June 30, 2016 and 2015, no funds have been drawn against these agreements.

Debt service to maturity for all General Obligation Bonds, using variable rates as of June 30, 2016 and using the net interest rate swap payments as of June 30, 2016 (See NOTE 11 for additional information about derivatives), are as follows (dollars in thousands):

Year	Fixed Rate Bonds		Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Principal	Interest	Swaps, Net	
2017	\$23,405	\$67,552	\$12,880	\$346	\$3,211	\$107,394
2018	24,535	66,662	13,350	366	2,682	107,595
2019	41,900	65,707	2,030	324	2,210	112,171
2020	37,570	63,938	2,110	314	2,141	106,073
2021	38,760	62,282	2,195	304	2,069	105,610
2022-2026	226,620	282,018	12,335	1,344	9,162	531,479
2027-2031	294,620	219,033	14,995	1,011	6,886	536,545
2032-2036	281,190	142,303	18,310	604	4,114	446,521
2037-2041	273,475	77,685	12,875	130	889	365,054
2042-2043	133,770	10,115	—	—	—	143,885
Total	<u>\$1,375,845</u>	<u>\$1,057,295</u>	<u>\$91,080</u>	<u>\$4,743</u>	<u>\$33,364</u>	<u>\$2,562,327</u>

## Refunding Activity

During fiscal year 2016, the university issued General Obligation Refunding Bonds, 2016 Series M for \$164.6 million and \$3.0 million of taxable commercial paper to refund a portion of General Obligation Bonds, 2009 Series F. As part of the refunding, the university reduced its total debt service over the next 24 years by \$21.9 million and obtained an economic gain (difference between the present values of the old and new debt service payments less escrow funds used) of \$17.0 million. The difference between the reacquisition price and the net carrying amount of the old debt of \$18.7 million is being deferred and amortized as a reduction to interest expense through the year 2039 using the effective interest method.

During fiscal year 2015, the university issued \$30.7 million of tax-exempt commercial paper to refund in whole General Obligation Bonds 2003 Series D and Certificates of Participation Series 2004. The difference between the reacquisition price and the net carrying amount of the old debt of \$0.4 million is being deferred and amortized as a reduction to interest expense through the year 2038 using the effective interest method.

## Other Long-Term Obligations

Under the provisions of the State of New Jersey Higher Education Capital Improvement Fund Act (CIF), the Higher Education Equipment Leasing Fund Act (ELF), and the Dormitory Safety Trust Fund Act (DSTF), the university has been allocated funds from bonds issued by the New Jersey Educational Facilities Authority to finance various capital expenditures. The university is obligated to pay amounts equal to one-third and 25% of the amount necessary to pay the principal and interest on the portion of the CIF and ELF bonds, respectively.

Principal and interest payments for other long-term obligations are as follows (dollars in thousands):

Year	Principal	Interest	Total
2017	\$7,539	\$3,323	\$10,862
2018	7,908	2,950	10,858
2019	8,292	2,566	10,858
2020	7,263	2,163	9,426
2021	7,608	1,817	9,425
2022-2026	19,895	5,039	24,934
2027-2031	9,249	2,542	11,791
2032-2034	6,785	515	7,300
Total	<u>\$74,539</u>	<u>\$20,915</u>	<u>\$95,454</u>

#### Capital Lease Obligations

##### Housing Authority of the City of New Brunswick

Pursuant to the terms of the capital lease and agreement dated July 1, 1992 between the university and the Housing Authority of the City of New Brunswick (the Housing Authority), the Housing Authority issued bonds for the purpose of providing long-term financing for the construction of a student apartment complex, parking deck, health club facility and multi-unit retail center. The bonds will mature on July 1, 2020. 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. As discussed more fully below, a portion of this capital lease obligation is being funded under a sublease agreement.

##### Robert Wood Johnson University 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. At the end of the term, title to the Hospital's portion of the parking deck will be transferred to the Hospital.

##### Certificates of Participation, Series 2004

Pursuant to the terms of the master lease agreement dated April 1, 2004 between the university and Lower George Street University Redevelopment Associates, LLC, the university issued the 2004 Certificates to finance the acquisition, construction, and equipping of the university's Division of Public Safety headquarters. During fiscal year 2015, the 2004 Certificates were refunded in whole and title to the land and improvements has been transferred to the university.

#### Economic Development Authority

##### College Avenue Redevelopment Project

On September 12, 2013, the New Jersey Economic Development Authority (the Authority) issued \$237.1 million of its General Obligation Lease Revenue Bonds, Series 2013. The proceeds of the bonds were loaned by the Authority to College Avenue Redevelopment Associates, LLC (the Company), whose sole and managing member is the New Brunswick Development Corporation (DEVCO), pursuant to a Loan Agreement dated September 1, 2013 to finance the construction of an academic building for the School of Arts and Sciences, a residence hall for honors students, a residence building, and a multistory parking structure and surface lot being undertaken and constructed by the Company on behalf of the university. The Company is leasing the entire Property to the university pursuant to the Master Lease Agreement dated September 1, 2013. At the end of the term, title to the academic building, the residence hall for honor students, the residence building and the multistory parking structure and surface lot will be transferred to the university.

##### 15 Washington Street

On May 30, 2014, the New Jersey Economic Development Authority (the Authority) issued \$58.3 million of its Revenue Notes, Series 2014. The proceeds of the notes were loaned by the Authority to Washington Street University Housing Associates, LLC (the Landlord), whose sole and managing member is the New Brunswick Development Corporation (DEVCO), pursuant to a Loan Agreement dated May 30, 2014 to finance the renovation

of the Residential Estate to provide housing for graduate and undergraduate students. The Landlord is leasing the Property to the university pursuant to the Master Lease Agreement dated May 30, 2014. At the end of the term, title to the residential estate and its improvements will be transferred to the university upon payment of the outstanding amounts due on the Authority's notes and on the Developer's equity contribution.

#### Ambulatory Care Center

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

#### New Jersey Medical School – Hospital Building

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

Principal and interest payments applicable to the aforementioned capital lease obligations are as follows (dollars in thousands):

Year	Principal	Interest	Total
2017	\$9,015	\$15,572	\$24,587
2018	9,313	15,208	24,521
2019	9,717	14,793	24,510
2020	10,124	14,361	24,485
2021	7,282	13,907	21,189
2022-2026	39,164	64,595	103,759
2027-2031	62,512	55,926	118,438
2032-2036	41,768	42,725	84,493
2037-2041	53,266	31,225	84,491
2042-2046	67,944	16,557	84,501
2047-2051	1,452	5,949	7,401
2052-2056	1,780	5,621	7,401
2057-2061	2,183	5,219	7,402
2062-2066	2,676	4,725	7,401
2067-2071	3,281	4,120	7,401
2072-2076	4,023	3,379	7,402
2077-2081	4,932	2,469	7,401
2082-2086	6,047	1,355	7,402
2087-2089	4,266	175	4,441
Total	<u>\$340,745</u>	<u>\$317,881</u>	<u>\$658,626</u>

#### Loans Payable

##### New Jersey Community Capital Community Development Entity, LLC I and II

On May 30, 2007, One Washington Park Holdings, LLC (a university controlled Qualified Active Low-Income Community Business - QALICB), entered into two loan and security agreements with subsidiaries of New Jersey Community Capital Community Development Entity, LLC I and II (NJCC CDE I LLC and NJCC CDE II LLC) in the amounts of \$36.3 million and \$2.6 million, respectively, to finance a portion of the acquisition and renovation of the property located at One Washington Park in Newark, NJ (See Note 17). These loans were structured as New Market Tax Credit transactions.



On December 1, 2014, the New Markets Tax Credit structure was liquidated through a series of Distribution Agreements and Assignment Agreements, One Washington Park Holdings, LLC acquired the membership interests and assets of NJCC CDE I LLC and NJCC CDE II LLC, including the loans. As both lender and borrower, the loans were forgiven and these loans are no longer outstanding as of June 30, 2015.

#### Miscellaneous Equipment Leases

The university has entered into certain lease-purchase agreements for equipment. The following represents the book value of the university's equipment capital leases at June 30, 2016 and 2015:

	2016	2015
Cost	\$7,022	\$7,022
Accumulated Depreciation	(6,336)	(5,075)
Net Book Value	\$686	\$1,947

#### LEAP School Bond Financing Guaranty

In 2003, the Delaware River Port Authority issued \$8.5 million of Charter School Project Bonds, Series 2003 (LEAP Academy University Charter School, Inc.) to finance the costs of the design, development, construction and equipping of the LEAP Academy University Charter School, which is adjacent to the Camden Campus. During fiscal year 2015, the New Jersey Economic Development Authority issued \$10.0 million of Charter School Revenue Bonds, Series 2014 to refund, among others, in whole the Series 2003 Bonds. As part of the university's commitment to contributing to the community of the City of Camden, the university guarantees the payment of the principal and interest on the Bonds through its maturity in 2028.

#### Bank Line of Credit

In December 2015, the university entered into a \$100.0 million revolving credit agreement with a bank to provide liquidity for working capital and to finance capital projects. This line of credit agreement has an expiration date of December 15, 2016. As of June 30, 2016, no funds have been drawn against this agreement.

#### Defeased Bonds

The university has defeased various bonds with the proceeds of new debt or with university funds. The funds are deposited to an irrevocable escrow trust account for the payment of the principal, interest, and call premiums, if any, on the refunded bonds. The defeased bonds and the related trusts are not reflected in the accompanying financial statements. As of June 30, 2016 and 2015, the university's defeased debt is as follows (dollars in thousands):

	Amount Defeased	Final Maturity/Call Date	Amount Outstanding at June 30, 2016	Amount Outstanding at June 30, 2015
NJEFA Revenue Refunding Bonds, 2009 Series B	\$214,885	6/1/2019	\$189,116	\$198,503
General Obligation Bonds, 2009 Series F	\$166,185	5/1/2019	\$166,185	—
Total	\$381,070		\$355,301	\$198,503

**NOTE 11 - DERIVATIVE FINANCIAL INSTRUMENTS**

The university has entered into four separate pay-fixed, receive-variable interest rate swaps in order to protect against adverse changes in cash flows caused by variable prices, costs, rates, or terms that cause future prices to be uncertain. These swaps are valued using a market approach that considers benchmark interest rates and, therefore, are classified in Level 2 of the fair value hierarchy.

For the years ended June 30, 2016 and 2015, the university had the following derivative instruments outstanding (dollars in thousands):

Swap #	Type	Objective	Notional Amount		Effective Date	Termination Date	Terms	Counterparty Credit Rating (Moody's/S&P)	Fair Value	
			2016	2015					2016	2015
1	Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Obligation Bond	\$22,400	\$33,200	2/4/2002	5/1/2018	Pay fixed 3.960%, receive SIFMA swap index	Aa3/A+	(\$1,062)	(\$2,129)
2	Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Obligation Bond and General Obligation Commercial Paper	100,000	100,000	5/1/2008	11/1/2038	Pay fixed 4.080%, receive 100% of 3-Month LIBOR	Aa3/AA-	(43,975)	(20,511)
3	Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Obligation Bond	13,150	14,905	5/1/2007	5/1/2027	Pay fixed 3.824%, receive SIFMA swap index	Aa2/AA-	(2,567)	(1,948)
4	Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Obligation Commercial Paper	13,500	13,500	3/1/2012	11/1/2017	Pay fixed 5.127%, receive 100% of 1-Month LIBOR	Aa2/AA-	(829)	(1,329)
			<u>\$149,050</u>	<u>\$161,605</u>					<u>(\$48,433)</u>	<u>(\$25,917)</u>

**Risk**

The use of derivatives may introduce certain risks for the university, including the following:

**Credit Risk:**

As of June 30, 2016 and 2015, the university was not exposed to credit risk with its swap counterparties because all of the swaps had negative fair values.

To mitigate credit risk, the university and the counterparties require the posting of collateral based on their respective credit rating. The amount of (i.e., value of) such collateral shall equal the market value of the swap in excess of the applicable collateral threshold based on the rating of such counterparty at such time. The table below shows when collateralization would be required or triggered.

Ratings by Moody's and S&P	Swap #1 Collateral Threshold	Swap #2, 3, 4 Collateral Threshold
Aaa/AAA	\$30.0 million	Infinite
Aa3/AA-	\$25.0 million	Infinite
A1/A+	Zero	\$20.0 million
A2/A	Zero	\$10.0 million
A3/A-	Zero	\$10.0 million
Baa1/BBB+	Zero	\$5.0 million
Baa2/BBB	Zero	\$5.0 million
Baa3/BBB-	Zero	Zero
Below Baa3/BBB- or not rated	Zero	Zero

As of June 30, 2016, the university was required to post collateral totaling to \$27.2 million. No collateral was required to be posted in 2015.

**Basis Risk:**

There is a risk that the variable payment received on interest rate swaps will not match the variable payment on the bonds or commercial paper. This risk is known as basis risk. Swaps totaling to \$149.1 million have basis risk because the interest rates on the bonds and commercial paper are reset periodically by the remarketing agent or commercial paper dealer and may not exactly match the variable receipt on the interest rate swaps which are based on a percentage of either LIBOR or SIFMA indexes.

**Rollover Risk:**

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

**Termination Risk:**

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

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

**NOTE 12 - COMMITMENTS**

At June 30, 2016, 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 \$755.6 million (\$783.3 million in 2015). Anticipated sources of funding for these projects are summarized as follows (dollars in thousands):

	<b>Total Project Funding</b>		<b>Estimated Total Cost</b>
	<b>Received at June 30, 2016</b>	<b>Additional Funding Required at June 30, 2016</b>	
Borrowing	\$141,247	\$58,200	\$199,447
State	224,153	74,823	298,976
Gifts and Other Sources	182,315	74,895	257,210
<b>Total</b>	<b>\$547,715</b>	<b>\$207,918</b>	<b>\$755,633</b>

The university leases certain space used in general operations. Rental expense was approximately \$15.3 million in 2016 (\$13.4 million in 2015). The leases are non-cancelable and have been classified as operating leases which are expected to expire through 2046. Minimum annual rental commitments approximate the following (dollars in thousands):

<b>Year</b>	<b>Amount</b>
2017	\$12,518
2018	10,993
2019	9,854
2020	8,018
2021	6,093
2022-2026	24,742
2027-2031	11,339
2032-2036	8,164
2037-2041	8,164
2042-2046	723
<b>Total</b>	<b>\$100,608</b>

**NOTE 13 – NATURAL EXPENSES BY FUNCTIONAL CLASSIFICATION**

The university reports operating expenses by functional classification. Details of these expenses by natural classification at June 30, 2016 and 2015 are as follows (dollars in thousands):

	<u>Salaries and Wages</u>	<u>Fringe Benefits</u>	<u>Supplies and Services</u>	<u>Scholarships &amp; Fellowships</u>	<u>Depreciation</u>	<u>2016 Total</u>
Instruction	\$582,735	\$210,648	\$107,259	\$13,866	\$ –	\$914,508
Sponsored Research	141,094	45,079	161,826	53	–	348,052
Other Separately Budgeted Research	58,535	18,872	26,133	1,629	–	105,169
Other Sponsored Programs	114,081	36,519	45,441	641	–	196,682
Extension and Public Service	29,647	12,426	8,840	682	–	51,595
Academic Support	70,863	25,778	31,094	1,748	–	129,483
Student Services	49,117	18,308	30,371	7,420	–	105,216
Operation & Maintenance of Plant	90,744	35,094	88,968	1,326	–	216,132
General Administrative and Institutional	149,946	59,706	52,262	2,251	–	264,165
Scholarships and Fellowships	4,464	391	30,622	23,119	–	58,596
Depreciation	–	–	–	–	151,254	151,254
Patient Care Services	425,791	127,757	130,674	–	–	684,222
Auxiliary Enterprises	107,802	41,991	124,171	14,716	–	288,680
Other Operating Expenses	–	–	398	–	–	398
<b>Total Operating Expenses</b>	<b>\$1,824,819</b>	<b>\$632,569</b>	<b>\$838,059</b>	<b>\$67,451</b>	<b>\$151,254</b>	<b>\$3,514,152</b>

	Salaries and Wages	Fringe Benefits	Supplies and Services	Scholarships & Fellowships	Depreciation	2015 Total
Instruction	\$574,345	\$189,945	\$104,994	\$13,929	\$ —	\$883,213
Sponsored Research	141,231	44,543	169,942	53	—	355,769
Other Separately Budgeted Research	51,066	16,694	29,521	1,050	—	98,331
Other Sponsored Programs	101,931	48,018	56,320	510	—	206,779
Extension and Public Service	27,771	9,452	12,532	640	—	50,395
Academic Support	70,847	21,623	32,466	541	—	125,477
Student Services	47,745	16,272	22,358	6,675	—	93,050
Operation and Maintenance of Plant	80,928	31,394	91,974	985	—	205,281
General Administration and Institutional	139,508	46,918	55,278	1,904	—	243,608
Scholarships and Fellowships	4,706	321	25,214	23,960	—	54,201
Depreciation	—	—	—	—	152,525	152,525
Patient Care Services	424,107	120,717	108,622	—	—	653,446
Auxiliary Enterprises	111,164	36,533	128,548	12,624	—	288,869
Other Operating Expenses	—	—	784	—	—	784
Total Operating Expenses	<u>\$1,775,349</u>	<u>\$582,430</u>	<u>\$838,553</u>	<u>\$62,871</u>	<u>\$152,525</u>	<u>\$3,411,728</u>

**NOTE 14 - EMPLOYEE BENEFITS**

**Retirement Plans**

The university has primarily three retirement plans available to its employees, the State of New Jersey Public Employees Retirement System, and State of New Jersey Police and Firemen’s Retirement System, defined benefit plans, and the Alternate Benefit Program, a defined contribution plan. Under these plans, participants make annual contributions, and the State of New Jersey makes employer contributions on behalf of the university for these plans. Reimbursement is based upon a composite fringe benefit rate provided by the State for all State plans. The university is charged for contributions on behalf of employees through a fringe benefits charge assessed by the State which is included within the state paid fringe benefits in the accompanying statement of revenues, expenses, and changes in net position. Summary information regarding these plans is provided below.

**Public Employees Retirement System (PERS)**

**Plan Description** – The State of New Jersey Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division’s Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

**Benefits** – The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** – Covered university employees were required by PERS to contribute 7.06% of their annual compensation during fiscal year 2016 (6.92% in 2015). The PERS contribution rate will increase by 0.14% each year until the 7.5% contribution rate is reached by July 1, 2018. The State contributes the remaining amounts necessary to pay benefits when due. The State contribution is based upon annual actuarially determined percentages of total compensation of all active members. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. A contribution on behalf of the university is included within the State's contribution. The contribution requirements of the plan members and the university are established and may be amended by the State.

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

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

#### **Police and Firemen's Retirement System (PFRS)**

**Plan Description** – The State of New Jersey Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**Benefits** – The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Contributions** – The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. A contribution on behalf of the university is included within the State's contribution. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011.

#### **Net Pension Liability, Deferred Amounts Related to Pensions and Pension Expense**

The university's respective net pension liability, deferred outflow of resources, deferred inflows of resources, and pension expense related to PERS and PFRS are calculated by the State of New Jersey Division of Pension and Benefits. At June 30, 2016, the university reported a liability of \$1,566.1 million and \$78.6 million for PERS and PFRS, respectively (\$1,292.2 million and \$62.4 million for PERS and PFRS, respectively, in 2015), for its proportionate share of the respective PERS and PFRS net pension liabilities. The total pension liability used to calculate the net pension liability at June 30, 2016 was determined by an actuarial valuation as of June 30, 2014 and rolled forward to the measurement date of June 30, 2015 for both PERS and PFRS. The total pension liability used to calculate the net pension liability at June 30, 2015 was determined by an actuarial valuation as of June 30, 2013 and rolled forward to the measurement date of June 30, 2014 for both PERS and PFRS. The university's proportionate share of the respective net pension liabilities for the fiscal year was based on actual contributions to PERS and PFRS on behalf of the university relative to the total



contributions of participating state-group employers for each plan for fiscal 2015, which was 6.6% and 1.8% for PERS and PFRS, respectively (6.4% and 1.8%, respectively, in 2015). The university's proportionate share of the respective net pension liabilities for the plan as a whole was 3.4% and 0.4% for PERS and PFRS, respectively (3.3% and 0.4%, respectively, in 2015).

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	2015	
	PERS	PFRS
Inflation Rate	3.04%	3.04%
Salary Increases: 2012-2021	2.15–4.40% based on age	2.60–9.48% based on age
Thereafter	3.15–5.40% based on age	3.60–10.48% based on age
Investment rate of return	7.90%	7.90%

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	2014	
	PERS	PFRS
Inflation Rate	3.01%	3.01%
Salary Increases: 2012-2021	2.15–4.40% based on age	3.95–6.82% based on age
Thereafter	3.15–5.40% based on age	4.95–9.62% based on age
Investment rate of return	7.90%	7.90%

Mortality Rates for PERS used in the June 30, 2015 measurement date, were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. Mortality rates for PFRS used in the June 30, 2015 measurement date, were based on the RP-2000 Combined Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB. Mortality rates for PERS and PFRS for the June 30, 2014 measurement date, were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 for PERS and 2011 for PFRS based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011 for PERS and July 1, 2010 to June 30, 2013 for PFRS. The actuarial assumptions in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011 for PERS and July 1, 2007 to June 30, 2010 for PFRS.

**Long-Term Expected Rate of Return** – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015, and June 30, 2014, are summarized in the following table:

2015		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	(0.40%)
REIT	4.25%	5.12%

2014		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**Discount Rate** – The discount rate used to measure the total pension liability for PERS was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. The discount rate used to measure the total pension liability for PFRS was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that the contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially recommended contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** – The following presents the collective net pension liability of the university, measured as of June 30, 2015, and June 30, 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (dollars in thousands):

	2015		
	At 1% Decrease	At Current Discount Rate	At 1% Increase
PERS (3.90%, 4.90%, 5.90%, respectively)	\$1,835,505	\$1,566,143	\$1,341,188
PFRS (4.79%, 5.79%, 6.79%, respectively)	94,631	78,598	65,567
Total	<u>\$1,930,136</u>	<u>\$1,644,741</u>	<u>\$1,406,755</u>

	2014		
	At 1% Decrease	At Current Discount Rate	At 1% Increase
PERS (4.39%, 5.39%, 6.39%, respectively)	\$1,526,266	\$1,292,223	\$1,095,943
PFRS (5.32%, 6.32%, 7.32%, respectively)	75,479	62,433	51,690
Total	<u>\$1,601,745</u>	<u>\$1,354,656</u>	<u>\$1,147,633</u>

**Deferred Outflows of Resources and Deferred Inflows of Resources** – The following presents a summary of the deferred outflows of resources and deferred inflows of resources reported at June 30, 2016 and 2015 (dollars in thousands):

2016	PERS	PFRS	Total
<b>Deferred Outflows of Resources</b>			
Changes of Assumptions	\$119,386	\$8,060	\$127,446
Changes in Proportionate Share	70,246	3,098	73,344
Difference Between Expected and Actual Experience	21,890	–	21,890
Difference Between Projected and Actual Earnings on Pension Plan Investments	–	212	212
Contributions Subsequent to Measurement Date	20,418	2,468	22,886
Total	<u>\$231,940</u>	<u>\$13,838</u>	<u>\$245,778</u>
<b>Deferred Inflows of Resources</b>			
Changes in Proportionate Share	\$32,102	\$4,912	\$37,014
Difference Between Expected and Actual Experience	–	596	596
Difference Between Projected and Actual Earnings on Pension Plan Investments	7,732	–	7,732
Total	<u>\$39,834</u>	<u>\$5,508</u>	<u>\$45,342</u>
<b>2015</b>			
<b>Deferred Outflows of Resources</b>			
Changes of Assumptions	\$28,498	\$1,269	\$29,767
Changes in Proportionate Share	31,441	–	31,441
Contributions Subsequent to Measurement Date	10,080	2,557	12,637
Total	<u>\$70,019</u>	<u>\$3,826</u>	<u>\$73,845</u>
<b>Deferred Inflows of Resources</b>			
Changes in Proportionate Share	\$21,989	\$4,909	\$26,898
Difference Between Projected and Actual Earnings on Pension Plan Investments	39,219	1,543	40,762
Total	<u>\$61,208</u>	<u>\$6,452</u>	<u>\$67,660</u>

Included in deferred outflows of resources related to pensions is \$22.9 million from contributions made on behalf of the university subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2017 (\$12.6 million in 2016). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows (dollars in thousands):

Years Ending June 30	PERS	PFRS	Total
2017	\$33,928	\$1,124	\$35,052
2018	33,928	1,124	35,052
2019	33,928	1,124	35,052
2020	44,010	1,525	45,535
2021	25,894	965	26,859
Total	\$171,688	\$5,862	\$177,550

**Annual Pension Expense** – The university’s annual pension expense for PERS and PFRS for the year ended June 30, 2016 was approximately \$115.9 million and \$6.4 million, respectively (\$76.7 million and \$3.9 million, respectively, in 2015).

#### Alternate Benefit Program (ABP)

**Plan Description** – ABP is an employer defined contribution State retirement plan established as an alternative to PERS. The payroll for employees covered by ABP for the year ended June 30, 2016 was \$1,039.0 million (\$1.018.8 million in 2015).

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

**Contributions** – The employee mandatory contribution rate for ABP is 5.0% of base salary and is matched by the State at 8.0% of base salary. Contributions can be invested with up to seven investment carriers available under the plan for fiscal year 2016. Additional voluntary contributions may be made on a tax-deferred basis, subject to limits within the Internal Revenue Code. Employer contributions for the year ended June 30, 2016 were \$83.1 million (\$81.5 million in 2015). Employee contributions for the year ended June 30, 2016 were \$57.8 million (\$61.4 million in 2015).

Effective July 1, 2010, Governor Christie signed Chapter 31, P.L. 2010 into law, which only allowed employer contributions to the Alternate Benefits Program (ABP) for salaries up to \$141,000. In response to this state imposed limit, the university established the Alternate Benefits Program and Trust. Through this program, the university continues to make the full 8% employer ABP contributions for salaries in excess of \$141,000, up to the Federal IRC Annual Compensation limit of \$265,000.

#### Other Retirement Plans

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

### **Deferred Compensation Plan**

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

### **Postemployment Benefits Other Than Pension**

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

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### **NOTE 15 - COMPENSATED ABSENCES**

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

The university recorded a liability for accumulated vacation time in the amount of \$66.6 million at June 30, 2016 (\$68.9 million in 2015). The liability is calculated based upon employees' accrued vacation time as of the statement of net position date and is recorded in accounts payable and accrued expenses in the accompanying statements of net position.

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payout 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 \$17.8 million at June 30, 2016 (\$16.3 million in 2015) which is included in noncurrent accounts payable and accrued expenses in the accompanying statements of net position.

The university also recorded a liability for paid leave bank days in the amount of \$4.0 million at June 30, 2016 (\$4.0 million in 2015), which is included in noncurrent accounts payable and accrued expenses in the accompanying statements of net position. Employees began using these days on July 1, 2010, and may continue for the duration of employment with the university. Once these days are exhausted, the employee will not be eligible for any additional days.

#### NOTE 16 - RISK MANAGEMENT

In 1980, the university, jointly with 15 other higher education institutions, established Genesis Ltd. (Genesis), a Class 2 reinsurer under the Insurance Act of 1978 of Bermuda. Genesis, a Captive Reinsurance Company, was formed to reinsure general liability, professional liability, and automobile liability risks of its shareholders.

In 2004, the university and its 15 partners formed a Vermont Reciprocal Risk Retention Group, Pinnacle Consortium of Higher Education (Pinnacle), to enhance and support the insurance programs and provide fronting services for Genesis. The primary purpose of this second alternate risk funding company was to reduce costs, reduce collateral requirements for Genesis and provide the flexibility to conduct business in the U.S. The insurance policies have deductibles that vary by policy, the most significant of which provides for the payment of general liability claims.

Effective January 1, 2016, in order to eliminate certain redundancies and gain further operational efficiency, the Shareholders and Subscribers of Genesis and Pinnacle, respectively, consolidated the insurance operations into Pinnacle in a two-step process by: discontinuing Genesis in Bermuda, and, immediately merging it into Pinnacle, with Pinnacle remaining as the surviving entity. Pinnacle assumed all of Genesis' obligations as reinsurer of Pinnacle, and is holding all of the assets previously held by Genesis to support such obligations. Going forward, Pinnacle will retain all of the risk that previously was ceded to Genesis.

The university is self-insured for workers compensation and retains various deductibles for general liability, automobile liability, and all risk property insurance. The total liability at June 30, 2016 for these items is \$32.8 million (\$35.6 million in 2015). The reserve balance recorded at June 30, 2016 is \$37.0 million (\$32.5 million in 2015). No discount rate is used. The self-insurance reserve represents the estimated ultimate cost of settling claims and related expenses resulting from events that have occurred. The reserve includes the amount that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not been reported (IBNR).

The university participates in the State's Medical Malpractice Self-Insurance Fund (the Fund) which is used to pay malpractice claims and insurance premiums for the university. The contributions made during the current fiscal year by the university and its affiliate hospitals, UPA, Department of Corrections (DOC), and faculty practice plans are equal to the amount established in memoranda agreements between the Department of the Treasury and the university. If the contributions are insufficient to pay claims expenditures, the State's General Fund will be used to pay remaining claims.

Payment of claims from the Fund totaled \$38.7 million in 2016 (\$50.7 million in 2015). Contributions to the Fund from the State totaled \$44.0 million in 2016 (\$38.8 million in 2015), while contributions from RBHS affiliates, DOC, and faculty practice plans totaled \$9.5 million in 2016 (\$10.7 million in 2015).

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

#### NOTE 17 - CONTINGENCIES

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

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

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

In March 2015, the university received confirmation from the Office of the Inspector General (OIG) of the United States Department of Health and Human Services that RBHS fulfilled its requirements under the Corporate Integrity Agreement (CIA) (September 2009 through September 2014), originally between the University of Medicine and Dentistry of New Jersey (UMDNJ) and the OIG and subsequently between RBHS and OIG pursuant to the integration of UMDNJ and Rutgers, The State University of New Jersey. With the expiration of the CIA, RBHS is released from its reporting requirements to the OIG but will continue to implement its robust healthcare compliance program developed over the last six years.

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#### NOTE 18 - ONE WASHINGTON PARK

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

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

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

**NOTE 19 - COMPONENT UNIT - RUTGERS UNIVERSITY FOUNDATION**

**Cash, Cash Equivalents, and Investments**

The foundation's cash and cash equivalents consist of the following as of June 30, 2016 and 2015 (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Money Market Account	\$881	\$1,753
Cash and Deposits	17,851	22,195
	<u>\$18,732</u>	<u>\$23,948</u>

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

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

**Fair Value Measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

*Level 1* - unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

*Level 2* - quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.

*Level 3* - unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

While the entity believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.



The following is a description of the valuation methodologies used for instruments measured at fair value:

U.S. Treasury Securities – The fair value of U.S. Treasury securities is the market value using quoted market prices.

Mortgage-backed Securities – The fair value of mortgage-backed securities is the market value using quoted market prices.

Preferred Stock – The fair value of preferred stock is the market value using quoted market prices (Level 1) and sensitivity analysis of the relationship between bond and equity values for preferred stock with observable inputs (Level 2) and unobservable inputs (Level 3).

Equity Securities – The fair value of equity securities is the market value based on quoted market prices.

Fixed Income Mutual Funds – The fair value of equity securities is the market value based on quoted market prices.

Real Estate – The fair value of real estate is the value based on the initial recognition of the assets when they are donated to the foundation based on a qualified appraisal or similar real estate market value.

Privately Held Securities – The fair market value of privately held securities is the value based upon the initial recognition of the asset when donated to the foundation. There are no observable markets for the assets.

The foundation’s investments are summarized in the following table by their fair value hierarchy as of June 30, 2016 (dollars in thousands):

Investment Type	2016			
	Investments by Fair Value Level			
	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$372	\$372	\$ –	\$ –
Mortgage-backed Securities	1	1	–	–
Preferred Stock	255	133	109	13
Fixed Income Mutual Funds	7,821	7,821	–	–
Equity Securities	4,897	4,897	–	–
Real Estate	140	–	140	–
Privately Held Securities	60	–	–	60
	<u>\$13,546</u>	<u>\$13,224</u>	<u>\$249</u>	<u>\$73</u>

The foundation's investments are summarized in the following table by their fair value hierarchy as of June 30, 2015 (dollars in thousands):

Investment Type	2015			
	Investments by Fair Value Level			
	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$387	\$387	\$ -	\$ -
Mortgage-backed Securities	1	1	-	-
Foreign Debt Securities	335	335	-	-
Preferred Stock	271	134	126	11
Fixed Income Mutual Funds	16,832	16,832	-	-
Equity Securities	10,510	10,510	-	-
Real Estate	15	-	15	-
Privately Held Securities	60	-	-	60
	<u>\$28,411</u>	<u>\$28,199</u>	<u>\$141</u>	<u>\$71</u>

**Custodial Credit Risk** - The foundation's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the foundation's name. The deposit risk is that, in the event of the failure of a depository financial institution, the foundation will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The foundation's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the foundation and are held by either: the counterparty or the counterparty's trust department or agent, but not in the foundation's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the foundation will not be able to recover the value of the investment of collateral securities that are in the possession of an outside party.

The custodial credit risk associated with the foundation's cash and cash equivalents includes uncollateralized deposits, including any bank balance that is collateralized with securities held by pledging financial institutions, or by its trust department or agent, but not in the foundation's name. As of June 30, 2016, the amount on deposit with the banks was \$17.9 million (\$22.1 million in 2015). As of June 30, 2016 and 2015, the foundation had insured deposits up to the Federal Deposit Insurance Corporation (FDIC) coverage limits totaling \$0.3 million. Cash and cash equivalents in excess of those balances are uncollateralized.

As of June 30, 2016 and 2015, the foundation's investments were either insured, registered, or held by the foundation's agent in the foundation's name, except for money market and mutual funds, which are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Concentration of Credit Risk** - The foundation limits the concentration of credit risk by placing a limit on the amount the investment managers may invest in any one issuer. No initial purchase of an equity or fixed income security in any one issuer should exceed 5% of the portion of the foundation's assets under management by each investment manager. In addition, no single equity security should be greater than 10% of the market value of the foundation's assets under management. As of June 30, 2016 and 2015, there are no investments in any one issuer greater than 5% of total investments.

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

As of June 30, 2016 and 2015, the foundation'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>2016</u>	<u>2015</u>
U.S. Treasury and Agency Securities	AA+	\$372	\$387
Mortgage-backed Securities	AA+	1	1
Foreign Debt Securities	A+	—	335
Preferred Stock	A+	1	1
Preferred Stock	BBB	46	82
Preferred Stock	BBB-	67	62
Preferred Stock	BB+	13	12
Preferred Stock	BB	56	94
Preferred Stock	BB-	14	20
Preferred Stock	Not Rated	58	—
Fixed Income Mutual Funds	Not Rated	7,821	16,832
Total		<u>\$8,449</u>	<u>\$17,826</u>

**Interest Rate Risk** - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The foundation does not have a provision in the investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. While the general provisions of the investment strategy should be implemented with a long term perspective, all holdings must be sufficiently liquid so as to allow liquidation of the entire portfolio on one month's notice. In addition, annuity pooled investments in the planned giving portion of the portfolio are governed by the New Jersey Prudent Investor Act. The required reserves for this pool are reviewed utilizing actuarial assumptions of the charitable gift annuity assets. The following table summarizes the maturities as of June 30, 2016 and 2015 (dollars in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>2016</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>
U.S. Treasury Securities	\$372	\$7	\$359	\$6	\$ —
Mortgage-backed Securities	1	—	—	—	1
Preferred Stock	255	27	126	27	75
Fixed Income Mutual Funds	7,821	—	5,363	2,458	—
Total	<u>\$8,449</u>	<u>\$34</u>	<u>\$5,848</u>	<u>\$2,491</u>	<u>\$76</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>2015</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>
U.S. Treasury Securities	\$387	\$10	\$285	\$92	\$ —
Mortgage-backed Securities	1	—	—	—	1
Foreign Debt Securities	335	335	—	—	—
Preferred Stock	271	20	75	24	152
Fixed Income Mutual Funds	16,832	8,039	1,950	6,843	—
Total	<u>\$17,826</u>	<u>\$8,404</u>	<u>\$2,310</u>	<u>\$6,959</u>	<u>\$153</u>

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

The foundation's operations, including certain payroll taxes and benefits, the fair rental value of space occupied, and office furnishings used by the foundation are supported extensively by the university for operating purposes. Funding sources for the years ended June 30, 2016 and 2015 were as follows (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Administrative Fees and Support:		
Endowment Administrative Fee	\$7,533	\$7,032
Athletic Development Support	—	429
University Support	7,043	7,099
	<u>\$14,576</u>	<u>\$14,560</u>
Noncash Support:		
Fair Rental Value of Space Occupied	386	\$368
University-Paid Payroll Taxes and Benefits	1,454	1,089
	<u>1,840</u>	<u>1,457</u>
Total	<u>\$16,416</u>	<u>\$16,017</u>

**Assessment Fee Income**

The foundation charges an assessment fee on all new gifts and nongovernmental grants in order to further advancement efforts on behalf of Rutgers, The State University of New Jersey. As of June 30, 2016, assessment fees totaling \$5.1 million (\$5.0 million in 2015) were recorded.

**Restricted Contributions Receivable**

The anticipated receipt of contributions receivable as of June 30, 2016 and 2015 is as follows (dollars in thousands):

	<u>2016</u>	<u>2015</u>
Year Ending June 30:		
Within One Year	\$34,791	\$46,189
Two to Five Years	40,580	28,462
	<u>75,371</u>	<u>74,651</u>
Less Allowance for Uncollectible Contributions Receivable	(4,123)	(3,778)
	<u>\$71,248</u>	<u>\$70,873</u>

Contributions receivable related to permanent endowments and term endowments do not meet the eligibility requirements for recognition of GASB Statement No. 33 until received. These contributions receivable, which approximated \$87.2 million as of June 30, 2016 (\$91.3 million in 2015), have not been included in the accompanying financial statements.

**Payable to Rutgers, The State University of New Jersey**

In August 2008, the foundation received a gift of real property, comprised of five land parcels, subject to an outstanding mortgage of \$1.2 million. Rutgers, The State University of New Jersey loaned the foundation the funds to satisfy the mortgage and the liability will be repaid to the university with the proceeds from the sale of the property. In March, 2011, two of the land parcels were sold and a portion of the proceeds was applied against the university's outstanding mortgage. In May, 2012 a third land parcel was sold and a portion of the proceeds was pending transfer to the university, to be applied against the university's outstanding mortgage, in July, 2012. In May 2015, the final two parcels of land were sold and a portion of the proceeds were remitted to the university to satisfy the remainder of the mortgage in July, 2016.

**University Receipts on Foundation Pledges**

The foundation records pledges receivables, and the associated gift income, for nonendowment related gifts and private grants based upon written commitments from these entities. From individual donors, the written support is primarily in the form of a fund agreement signed by both the donor(s) and the foundation. Private grants obtained from private corporations and foundations are recorded upon confirmation of the grant award to the university via correspondence from the private organization. Payments on these pledges are not all received at the foundation, as some payments are made directly to the university. Any payments made directly to the university are captured in the foundation's statements of revenues, expenses and changes in net position as gift revenue as well as distributions to the university. The total of these payments to the university as of June 30, 2016 was \$20.5 million (\$25.7 million in 2015).

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

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

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

**Investments and Assets Whose Use is Limited**

**Cash and Cash Equivalents – Restricted**

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

Assets limited as to use at June 30, 2016 and 2015 is set forth in the following table (dollars in thousands):

	2016	2015
Cash and Cash Equivalents – Restricted	\$4,587	\$5,603
	\$4,587	\$5,603

**Investments**

The composition of investments at June 30, 2016 and 2015 is set forth in the following table (dollars in thousands):

	2016	2015
Cash and Cash Equivalents	\$1,792	\$1,781
Marketable Equity Securities	18,392	18,121
U.S. Government Securities	4,011	3,984
Bonds	3,904	3,840
Total Short-term Investments	\$28,099	\$27,726

The fair value of UPA's financial assets that are measured on a recurring basis at June 30, 2016 and 2015 are as follows (dollars in thousands):

<u>Assets</u>	<u>Valuation Techniques<sup>(1)</sup></u>	<u>Quoted Priced in Active Markets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>	<u>2016 Total Fair Value</u>
Marketable Equity Securities	M	\$18,392	\$ –	\$ –	\$18,392
U.S. Government Securities	M	–	4,011	–	4,011
Bonds	M	–	3,904	–	3,904
<b>Total Assets</b>		<b>\$18,392</b>	<b>\$7,915</b>	<b>\$ –</b>	<b>\$26,307</b>

<u>Assets</u>	<u>Valuation Techniques<sup>(1)</sup></u>	<u>Quoted Priced in Active Markets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>	<u>2015 Total Fair Value</u>
Marketable Equity Securities	M	\$18,121	\$ –	\$ –	\$18,121
U.S. Government Securities	M	–	3,984	–	3,984
Bonds	M	–	3,840	–	3,840
<b>Total Assets</b>		<b>\$18,121</b>	<b>\$7,824</b>	<b>\$ –</b>	<b>\$25,945</b>

<sup>(1)</sup> The three valuation techniques are market approach (M), cost approach (C), and income approach (I).

At June 30, 2016, there was approximately \$1.8 million (\$1.8 million in 2015) of cash and cash equivalents in investments within the statement of net position that are excluded from the charts above as they are not considered recurring fair value measurements.

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

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

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

#### Transactions with Related Parties

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

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

- UPA participating physicians – Faculty members who are required to or permitted to participate in the faculty practice plan. Included are full time, part time, and voluntary faculty.
- Rutgers New Jersey Medical School department Funds – 7% of gross patient service on system and off system collections are paid into the Departmental Chairs Fund.

- Rutgers New Jersey Medical School Deans' Fund - 7% of gross patient service on system and off system collections are paid into the Deans' Fund.
- Participant fund - These are funds voluntarily voted on by participants through their specific departments within Rutgers New Jersey Medical School, with varying amounts allocated for each participant.
- Rutgers University medical malpractice fund - 3% of gross patient service on system and off system collections are paid into Rutgers University's self-insured pool for medical malpractice coverage per the affiliation agreement.

The payables to related parties as of June 30, 2016 and 2015, are as follows (dollars in thousands):

	2016	2015
Payable to Rutgers University Medical Malpractice Fund	\$667	\$569
Payable to New Jersey Medical School Mandatory Department Account	3,650	3,189
Payable to New Jersey Medical School Deans' Fund	6,438	7,116
Payable to Voluntary Department Account	2,004	2,048
Payable to Voluntary Division Account	1,986	1,922
Payable to Voluntary Group Account	74	90
Payable to Voluntary Inter-Departmental Account	29	(4)
Payable to Voluntary Practice Group Account	23,632	7,127
Total Current Liabilities	38,480	22,057
Payable to Voluntary Practice Group Account	-	14,254
Total Liabilities	\$38,480	\$36,311

#### Lease Commitments

UPA originally leased 47,500 square feet of rental space located in the Doctor's Office Center in Newark, New Jersey from UMDNJ. UMDNJ and UPA entered into a lease dated May 7, 2001, with four subsequent addendums to extend the terms of the lease. The fourth addendum effective January 1, 2006 has extended to lease to December 31, 2006 under the same terms and conditions set forth in the May 7, 2001 lease, which is subject to renewal. Effective July 1, 2013, the lease agreement between UPA and UMDNJ was amended to state that, as of that date, the parties to the Lease Agreement are Rutgers University and UPA. Total rental expense in fiscal year 2016 was \$1.2 million (\$1.8 million in 2015).

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**Schedules of Employer Contributions**

For the years Ended June 30, 2016 and 2015

(dollars in thousands)

<u>Public Employees' Retirement System (PERS)</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$20,418	\$14,888
Contributions in relation to the Contractually Required Contribution	20,418	14,888
Contribution Deficiency (Excess)	—	—
University Employee Covered Payroll (as of Fiscal Year End)	\$296,594	\$294,526
Contributions as a percentage of Employee Covered Payroll	6.88%	5.05%
<u>Police and Firemen's Retirement System (PFRS)</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$2,468	\$1,298
Contributions in relation to the Contractually Required Contribution	2,468	1,298
Contribution Deficiency (Excess)	—	—
University Employee Covered Payroll (as of Fiscal Year End)	\$8,091	\$8,466
Contributions as a percentage of Employee Covered Payroll	30.50%	15.33%

**Schedules of Proportionate Share of the Net Pension Liability**

For the years Ended June 30, 2016 and 2015

(dollars in thousands)

<u>Public Employees' Retirement System (PERS)</u>	<u>2016</u>	<u>2015</u>
University Proportionate Share of the Net Pension Liability - State Group	6.60%	6.42%
University Proportionate Share of the Net Pension Liability - Total Plan	3.39%	3.33%
University Proportionate Share of the Net Pension Liability	\$1,566,143	\$1,292,223
University Employee Covered-Payroll (for year ended as of measurement date)	\$294,526	\$299,132
University Proportionate Share of the Net Pension Liability as a Percentage of the Employee Covered-Payroll	531.75%	431.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.21%	42.74%
<u>Police and Firemen's Retirement System (PFRS)</u>	<u>2016</u>	<u>2015</u>
University Proportionate Share of the Net Pension Liability - State Group	1.83%	1.76%
University Proportionate Share of the Net Pension Liability - Total Plan	0.35%	0.36%
University Proportionate Share of the Net Pension Liability	\$78,598	\$62,433
University Employee Covered-Payroll (for year ended as of measurement date)	\$8,466	\$9,043
University Proportionate Share of the Net Pension Liability as a Percentage of the Employee Covered-Payroll	928.40%	690.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.84%	58.86%





**THE STATE UNIVERSITY OF NEW JERSEY**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
<b>Research And Development Cluster:</b>				
<b>Direct:</b>				
U.S. Agency for International Development:				
USAID Foreign Assistance for Programs Overseas	98.001	—	\$ 145,579	—
Subtotal U.S. Agency for International Development			<u>145,579</u>	<u>—</u>
U.S. Department of Agriculture:				
Agricultural Research Basic and Applied Research	10.001	—	1,280,018	100,481
Plant and Animal Disease, Pest Control, and Animal Care	10.025	—	412,799	178,963
Federal-State Marketing Improvement Program	10.156	—	19,961	—
Transportation Services	10.167	—	31,317	—
Grants for Agricultural Research, Special Research Grants	10.200	—	3,370,258	553,615
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	—	3,689,529	—
Agriculture and Food Research Initiative (AFRI)	10.310	—	1,793,352	457,703
Beginning Farmer and Rancher Development Program	10.311	—	82,656	—
Crop Protection and Pest Management Competitive Grants Program	10.329	—	35,148	—
Soil and Water Conservation	10.902	—	505	—
Environmental Quality Incentives Program	10.912	—	49,446	—
Technical Agricultural Assistance	10.960	—	1,118,330	644,370
Scientific Cooperation and Research	10.961	—	27,071	27,071
Various	10.RD	—	70,015	44,576
Subtotal U.S. Department of Agriculture			<u>11,980,405</u>	<u>2,006,779</u>
U.S. Department of Commerce:				
Integrated Ocean Observing System (IOOS)	11.012	—	3,029,551	2,114,689
Education Quality Award Ambassadorship	11.013	—	66,781	—
Science and Research Park Development Grants	11.030	—	24,510	—
Economic Development Technical Assistance	11.303	—	85,925	—
Coastal Zone Management Administration Awards	11.419	—	49,830	—
Coastal Zone Management Estuarine Research Reserves	11.420	—	704,638	114,570
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	—	120,451	—
Climate and Atmospheric Research	11.431	—	331,766	35,744
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483	—	412,441	141,606
Measurement and Engineering Research and Standards	11.609	—	61,493	—
Subtotal U.S. Department of Commerce			<u>4,887,386</u>	<u>2,406,609</u>
U.S. Department of Defense:				
Procurement Technical Assistance For Business Firms	12.002	—	6,798	—
Aquatic Plant Control	12.100	—	289,357	114,993
Basic and Applied Scientific Research	12.300	—	4,041,068	926,930
Military Medical Research and Development	12.420	—	4,030,548	2,561,009
Basic Scientific Research	12.431	—	3,164,987	743,819
Air Force Defense Research Sciences Program	12.800	—	411,239	63,923
Mathematical Sciences Grants Program	12.901	—	103,160	—
Research and Technology Development	12.910	—	1,683,225	456,615
Various	12.RD	—	1,500,294	—
Subtotal U.S. Department of Defense			<u>15,230,676</u>	<u>4,867,289</u>
U.S. Department of Education:				
Rehabilitation Long-Term Training	84.129	—	254,309	—
National Institute on Disability and Rehabilitation Research	84.133	—	547,169	72,534
Education Research, Development and Dissemination	84.305	—	463,987	158,147
Teacher Incentive Fund	84.374	—	5,300,215	2,000,660
Various	84.RD	—	109,800	—
Subtotal U.S. Department of Education			<u>6,675,480</u>	<u>2,231,341</u>
U.S. Department of Energy:				
Weatherization Assistance for Low-Income Persons	81.042	—	(2,288)	—
Office of Science Financial Assistance Program	81.049	—	2,773,752	140,669
Stewardship Science Grant Program	81.112	—	1,558,865	1,200,565
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	—	602,455	538
Nuclear Energy Research, Development and Demonstration	81.121	—	323,596	116,434
Subtotal U.S. Department of Energy			<u>5,256,380</u>	<u>1,458,206</u>
U.S. Department of Health and Human Services:				
Training in General, Pediatric, and Public Health Dentistry	93.059	—	29,773	—
Global AIDS	93.067	—	1,231	—
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073	—	509,058	—
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	—	57,621	—
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	—	228,113	—
Food and Drug Administration Research	93.103	—	935,320	173,252
Maternal and Child Health Federal Consolidated Programs	93.110	—	57,703	—
Environmental Health	93.113	—	4,755,074	206,102
Preventive Medicine and Public Health Residency Training Program, Integrative Medicine Program, and National	93.117	—	11,654	—
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	—	252,400	8,058
Oral Diseases and Disorders Research	93.121	—	909,366	65,238
Nurse Anesthetist Traineeships	93.124	—	30,898	—
Grants to Increase Organ Donations	93.134	—	(144,284)	—
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	—	20,331	—
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	—	1,534,031	988,785
AIDS Education and Training Centers	93.145	—	1,310,899	681,992
Centers of Excellence	93.157	—	615,044	—
Human Genome Research	93.172	—	1,249,065	466,549
Research Related to Deafness and Communication Disorders	93.173	—	1,484,637	—
Research and Training in Complementary and Alternative Medicine	93.213	—	1,854,344	237,642
Research on Healthcare Costs, Quality and Outcomes	93.226	—	2,323,104	288,608
Mental Health Research Grants	93.242	—	14,420,287	1,412,019
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	—	(506)	—
Poison Center Support and Enhancement Grant Program	93.253	—	(6,852)	—
Occupational Safety and Health Program	93.262	—	170,489	—
Alcohol Research Programs	93.273	—	4,195,559	87,919
Drug Abuse and Addiction Research Programs	93.279	—	2,230,133	12,087
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	—	44,762	—
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	—	1,922,523	434,424



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Research And Development Cluster, continued:				
Direct, continued:				
U.S. Department of Health and Human Services, continued:				
Teenage Pregnancy Prevention Program	93.297	—	\$ 421	—
Trans-NIH Research Support	93.310	—	2,304,178	273,375
Research Infrastructure Programs	93.351	—	2,120,078	—
Advanced Education Nursing Traineeships	93.358	—	350,010	—
National Center for Research Resources	93.389	—	157,420	—
Cancer Cause and Prevention Research	93.393	—	6,340,868	668,692
Cancer Detection and Diagnosis Research	93.394	—	1,081,522	191,416
Cancer Treatment Research	93.395	—	3,095,515	985,907
Cancer Biology Research	93.396	—	4,650,582	241,103
Cancer Centers Support Grants	93.397	—	3,247,786	104,809
Cancer Research Manpower	93.398	—	911,429	—
Cancer Control	93.399	—	86,805	—
Refugee and Entrant Assistance Wilson/Fish Programs	93.583	—	179,267	—
Health Care Innovation Awards (HCIA)	93.610	—	21,461	6,939
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	93.624	—	219,745	—
Strengthening Communities Fund	93.711	—	152,090	—
Cardiovascular Diseases Research	93.837	—	6,079,227	61,222
Lung Diseases Research	93.838	—	316,587	(5,882)
Blood Diseases and Resources Research	93.839	—	147,850	14,821
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	—	5,220,196	580,013
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	—	2,184,914	151,779
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	—	13,170,429	2,282,217
Allergy and Infectious Diseases Research	93.855	—	28,174,640	3,238,537
Biomedical Research and Research Training	93.859	—	23,624,147	1,511,243
Child Health and Human Development Extramural Research	93.865	—	1,909,849	342,771
Aging Research	93.866	—	2,024,061	7,382
Vision Research	93.867	—	1,114,886	4,355
Medical Library Assistance	93.879	—	708,142	288,122
Grants for Primary Care Training and Enhancement	93.884	—	567,760	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	—	1,701,446	—
International Research and Research Training	93.989	—	263,147	137,723
Various	93.RD	—	675,141	—
Subtotal U.S. Department of Health and Human Services			<u>153,803,376</u>	<u>16,149,219</u>
U.S. Department of Homeland Security:				
Centers for Homeland Security	97.061	—	4,374,495	2,451,730
Subtotal U.S. Department of Homeland Security			<u>4,374,495</u>	<u>2,451,730</u>
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants	14.218	—	100,111	6,997
Sustainable Communities Regional Planning Grant Program	14.703	—	7,357	7,357
Healthy Homes Technical Studies Grants	14.906	—	142,018	—
Various	14.RD	—	74,577	—
Subtotal U.S. Department of Housing and Urban Development			<u>324,063</u>	<u>14,354</u>
U.S. Department of Justice:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	—	2,210	—
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	—	42,771	13,300
Various	16.RD	—	(1,513)	—
Subtotal U.S. Department of Justice			<u>43,468</u>	<u>13,300</u>
U.S. Department of Labor:				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	—	111,221	—
Disability Employment Policy Development	17.720	—	(890)	(774)
Subtotal U.S. Department of Labor			<u>110,331</u>	<u>(774)</u>
U.S. Department of the Interior:				
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423	—	51,561	38,003
Endangered Species Conservation - Recovery Implementation Funds	15.657	—	20,215	—
Hurricane Sandy Disaster Relief Activities-FWS	15.677	—	131,169	6,225
Assistance to State Water Resources Research Institutes	15.805	—	145,582	19,944
U.S. Geological Survey Research and Data Acquisition	15.808	—	39,665	—
Technical Preservation Services	15.915	—	32,399	—
Cooperative Research and Training Programs - Resources of the National Park System	15.945	—	932,963	192,395
Various	15.RD	—	(16,621)	(27,257)
Subtotal U.S. Department of the Interior			<u>1,336,933</u>	<u>229,310</u>
U.S. Department of Transportation:				
Aviation Research Grants	20.108	—	297,800	—
Highway Planning and Construction	20.205	—	52,982	50,257
University Transportation Centers Program	20.701	—	2,654,328	625,258
Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	20.724	—	80,620	31,282
Various	20.RD	—	3,109,316	640,159
Subtotal U.S. Department of Transportation			<u>6,195,046</u>	<u>1,346,956</u>
U.S. Department of Veterans Affairs:				
Veterans State Hospital Care	64.016	—	17,714	—
VA Supportive Services for Veteran Families Program	64.033	—	20,549	—
Various	64.RD	—	107,416	—
Subtotal U.S. Department of Veterans Affairs			<u>145,679</u>	<u>—</u>
U.S. Environmental Protection Agency:				
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436	—	10,157	5,000
Science To Achieve Results (STAR) Research Program	66.509	—	595,398	90,093
Environmental Education Grants	66.951	—	45,913	—
Subtotal U.S. Environmental Protection Agency			<u>651,468</u>	<u>95,093</u>
Federal Railroad Administration:				
Railroad Research and Development	20.313	—	71,621	—
Subtotal Federal Railroad Administration			<u>71,621</u>	<u>—</u>



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Research And Development Cluster, continued:				
Direct, continued:				
Institute of Museum and Library Services:				
Laura Bush 21st Century Librarian Program	45.313	—	\$ 137,589	—
Subtotal Institute of Museum and Library Services			137,589	—
National Aeronautics and Space Administration:				
Science	43.001	—	1,070,552	220,521
Space Operations	43.007	—	26,841	—
Cross Agency Support	43.009	—	2,788	—
Space Technology	43.012	—	44,971	—
Various	43.RD	—	680,813	—
Subtotal National Aeronautics and Space Administration			1,825,965	220,521
National Endowment for the Humanities:				
Promotion of the Humanities Fellowships and Stipends	45.160	—	49,446	—
Promotion of the Humanities Research	45.161	—	180,771	—
Subtotal National Endowment for the Humanities			230,217	—
National Historical Publications and Records Commission:				
National Historical Publications and Records Grants	89.003	—	163,081	—
Subtotal National Historical Publications and Records Commission			163,081	—
National Science Foundation:				
Engineering Grants	47.041	—	7,045,472	1,672,599
Scientific Research Project Support	47.047	—	55,095	—
Mathematical and Physical Sciences	47.049	—	10,313,359	317,678
Geosciences	47.050	—	5,587,750	881,942
Computer and Information Science and Engineering	47.070	—	9,548,510	738,704
Biological Sciences	47.074	—	10,689,177	1,611,406
Social, Behavioral, and Economic Sciences	47.075	—	1,821,116	64,107
Education and Human Resources	47.076	—	4,746,943	776,958
Polar Programs	47.078	—	406,188	64,259
Office of International and Integrative Activities	47.079	—	40,491	—
Office of Cyberinfrastructure	47.080	—	303,606	—
Trans-NSF Recovery Act Research Support	47.082	—	669	—
Various	47.RD	—	22,011	—
Subtotal National Science Foundation			50,580,387	6,127,653
Sandia National Laboratory:				
Stewardship Science Grant Program	81.112	—	2,536	—
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	—	57,754	—
Various	81.RD	—	64,278	—
Subtotal Sandia National Laboratory			124,568	—
Small Business Administration:				
Veterans Business Development	59.044	—	798	—
Subtotal Small Business Administration			798	—
Smithsonian Astrophysical Observatory:				
Science	43.001	—	14,231	—
Subtotal Smithsonian Astrophysical Observatory			14,231	—
Subtotal Direct Research And Development Cluster			264,309,222	39,617,586
Pass-Through:				
U.S. Agency for International Development:				
Agribusiness in Sustainable Natural African Plant Products:				
USAID Foreign Assistance for Programs Overseas	98.001	AID-611-A-12-00003	44,663	—
Research Triangle Institute:				
USAID Foreign Assistance for Programs Overseas	98.001	TA 3-330-0213997-51618L	130,584	—
Solidarity Center:				
USAID Foreign Assistance for Programs Overseas	98.001	201105	2,480	—
Triangle Coalition for Science and Technology Education:				
USAID Foreign Assistance for Programs Overseas	98.001	1-330-0214405-51863L	93,308	—
University of California-Davis:				
USAID Foreign Assistance for Programs Overseas	98.001	09-002945-106	422,882	194,179
USAID Foreign Assistance for Programs Overseas	98.001	AID-EPP-A-00-09-0004	(10,864)	—
Solidarity Center:				
Global Development Alliance	98.011	201105.04	(310)	—
Global Development Alliance	98.011	201105.04-05	52,307	—
Subtotal U.S. Agency for International Development			735,050	194,179
U.S. Department of Agriculture:				
State of New Jersey-Department of Agriculture:				
Federal-State Marketing Improvement Program	10.156	3360 FSMIP	1,151	—
Cornell University:				
Grants for Agricultural Research, Special Research Grants	10.200	67417-9923	1,851	—
Grants for Agricultural Research, Special Research Grants	10.200	73375-10412	91,915	—
Grants for Agricultural Research, Special Research Grants	10.200	70395-10156	50,000	—
State of New Jersey-Department of Agriculture:				
Grants for Agricultural Research, Special Research Grants	10.200	SCBG 1685	17,471	—
Grants for Agricultural Research, Special Research Grants	10.200	MOU-SCBC-1685-4	12,911	—
State University of New York-Stony Brook:				
Grants for Agricultural Research, Special Research Grants	10.200	65586	3,047	—
University of California:				
Grants for Agricultural Research, Special Research Grants	10.200	20153132-02	28,714	—
University of Vermont:				
Grants for Agricultural Research, Special Research Grants	10.200	ONE15-243-29001	14,901	—
ISCA Technologies Inc.:				
Small Business Innovation Research	10.212	2013-33610-21042	12,005	—
MirTech Inc.:				
Small Business Innovation Research	10.212	2015-03745	29,945	—
Small Business Innovation Research	10.212	SBIR-2015-33610-23790	26,215	—
Sustainable Agriculture Research and Education	10.215	ONE15-247-29001	7,461	—



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Agriculture, continued:				
University of Vermont:				
Sustainable Agriculture Research and Education	10.215	SNE-14-09-29001	\$ 11,464	—
Sustainable Agriculture Research and Education	10.215	GNE14-084-27806	2,375	—
Sustainable Agriculture Research and Education	10.215	GNE15-112-29001	2,885	—
University of Tennessee:				
1890 Institution Capacity Building Grants	10.216	332-77-12738	24,656	—
Michigan State University:				
Integrated Programs	10.303	RC100971RU	9,197	—
Michigan State University:				
Specialty Crop Research Initiative	10.309	RC102039D	69,401	—
North Carolina State University:				
Specialty Crop Research Initiative	10.309	2016-0228-05	1,155	—
Purdue University:				
Specialty Crop Research Initiative	10.309	8000040012-AG	3,009	—
University of Maryland:				
Specialty Crop Research Initiative	10.309	Z546705	216,576	—
University of Minnesota:				
Specialty Crop Research Initiative	10.309	H002923501	249,801	—
Auburn University:				
Agriculture and Food Research Initiative (AFRI)	10.310	13-APP-373026-RU	152,691	—
Michigan State University:				
Agriculture and Food Research Initiative (AFRI)	10.310	RC105883RU	18,966	—
North Carolina State University:				
Agriculture and Food Research Initiative (AFRI)	10.310	2011-0494-16	11,942	—
Penn State University:				
Agriculture and Food Research Initiative (AFRI)	10.310	4707-RU-USDA-9703	96,843	—
University of Georgia:				
Agriculture and Food Research Initiative (AFRI)	10.310	RC294-323/4943236	24,498	—
National Institute of Food and Agriculture:				
Agriculture and Food Research Initiative (AFRI)	10.310	201403031-02	94,366	—
University of Maryland:				
Crop Protection and Pest Management Competitive Grants Program	10.329	30610-Z5750004	221	—
University of Tennessee:				
Cooperative Extension Service	10.500	8500035930	2,661	—
Duke Farms Foundation:				
Environmental Quality Incentives Program	10.912	SP001028	3,835	—
The Xerces Society, Inc.:				
Environmental Quality Incentives Program	10.912	69-3A75-12-253	70,299	—
Brigham Young University:				
Various	10.RD	12-0348	4,240	—
Southern University and A&M College:				
Various	10.RD	SUS-SUAGCTR-2012-10-0013	3,876	—
Subtotal U.S. Department of Agriculture			<u>1,372,544</u>	<u>—</u>
U.S. Department of Commerce:				
Global Science & Technology Inc.:				
Census Bureau Data Products	11.001	SA12-RU01	119,596	52,151
New Jersey Sea Grant Consortium:				
NOAA Mission-Related Education Awards	11.008	6410-0016	15,935	—
Industrial Economics, Incorporated:				
Interjurisdictional Fisheries Act of 1986	11.407	5701-RU010	20,057	—
New Jersey Sea Grant Consortium:				
Interjurisdictional Fisheries Act of 1986	11.407	6510-0012	19,252	—
Interjurisdictional Fisheries Act of 1986	11.407	6410-0018	27,264	—
New Jersey Sea Grant Consortium:				
Sea Grant Support	11.417	6410-0017	11,618	—
Sea Grant Support	11.417	6410-0019	41,628	—
Sea Grant Support	11.417	6510-0010	39,737	—
Sea Grant Support	11.417	6510-0014	29,919	4,000
Sea Grant Support	11.417	6510-0017	5,417	—
Sea Grant Support	11.417	6610-0002	1,034	—
Sea Grant Support	11.417	6610-0003	36,549	—
Sea Grant Support	11.417	6610-0004	1,773	—
Sea Grant Support	11.417	6610-0007	4,003	—
Sea Grant Support	11.417	6410-0015	(17,306)	—
Sea Grant Support	11.417	PROJ#6510-0016	23,657	—
Sea Grant Support	11.417	6510-0015	55,170	—
Sea Grant Support	11.417	6610-001	1,021	—
Sea Grant Support	11.417	6410-0010	61,226	—
Sea Grant Support	11.417	6407-0003	18,366	—
Sea Grant Support	11.417	6510-0018	79	—
Sea Grant Support	11.417	6410-0012	13,218	4,000
Virginia Institute of Marine Science:				
Sea Grant Support	11.417	R/718582-712683	17,147	—
State of New Jersey-Department of Environmental Protection:				
Coastal Zone Management Administration Awards	11.419	CP15-017	54,229	—
Coastal Zone Management Administration Awards	11.419	CP14-015	115	—
Coastal Zone Management Administration Awards	11.419	CP13-011	22,866	—
University of Michigan:				
Coastal Zone Management Administration Awards	11.419	3003641133	14,727	—
University of New Hampshire:				
Coastal Zone Management Administration Awards	11.419	14-019	5,642	5,195
University of Puerto Rico:				
Coastal Zone Management Administration Awards	11.419	2016-2017-001	(9,289)	—
National Fisheries Institute:				
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	NA15NMF42370289	7,632	—
Southern University and A&M College:				
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	P0024136	11,192	—
Global Science & Technology Inc.:				
Climate and Atmospheric Research	11.431	SA15-RU01	72,443	—
Mid-Atlantic Fishery Management Council:				
Climate and Atmospheric Research	11.431	OAR-CPO-2014-2004106	14,852	—
State of Washington:				
Climate and Atmospheric Research	11.431	C1500162	5,514	—
University of Pennsylvania:				
Climate and Atmospheric Research	11.431	557723	41,414	1,120
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101170	6,585	—



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Commerce, continued:				
Woods Hole Oceanographic Institution:				
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101305	\$ 14,104	—
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101279	14,506	—
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101265	72,501	—
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101256-37035804	69,514	—
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101188	35,992	—
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101172	6,313	—
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101070	98,109	—
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101057	7,187	7,187
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	A101187	46,155	—
Nature Conservancy:				
Marine Fisheries Initiative	11.433	JGO 052615	11,932	—
National Fisheries Institute:				
Unallied Management Projects	11.454	NA14NMF4540078	13,795	—
Unallied Management Projects	11.454	NA13NMF4540013	23,878	—
North Pacific Research Board:				
Unallied Science Program	11.472	1529	104,617	—
Monmouth University:				
Coastal Services Center	11.473	MU-301265-13252	6,136	—
University of Washington:				
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	76251	23,326	—
Nature Conservancy:				
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483	2014NOAA-4	21,756	—
State of New Jersey-Department of Environmental Protection:				
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483	CP14-018	149,493	75,085
Woods Hole Oceanographic Institution:				
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483	A101069	173,694	—
Global Science & Technology Inc.:				
Various	11.RD	SA12-RTU01 MOD 3	69,340	—
Subtotal U.S. Department of Commerce			<u>1,756,630</u>	<u>148,738</u>
U.S. Department of Defense:				
Alion Science and Technology:				
Procurement Technical Assistance For Business Firms	12.002	TASK # 005	63,077	—
Intelligent Automation Inc.:				
Procurement Technical Assistance For Business Firms	12.002	2070-1	63,723	—
Alion Science and Technology:				
Basic and Applied Scientific Research	12.300	#1138880, TASK 001	103,925	—
Battelle Memorial Institute:				
Basic and Applied Scientific Research	12.300	274597	63,625	—
Columbia University:				
Basic and Applied Scientific Research	12.300	1(GG007783)	50,161	—
Combustion Research and Flow Technology, Inc.:				
Basic and Applied Scientific Research	12.300	14-C-0031.001/C580	31,951	—
D&S Consultants Incorporated:				
Basic and Applied Scientific Research	12.300	TAOSS-RU001, PO15-0006419	140,932	—
Duke University:				
Basic and Applied Scientific Research	12.300	13-ONR-1110	102,464	—
Galois, Inc.:				
Basic and Applied Scientific Research	12.300	2015-014	116,919	—
General Dynamics:				
Basic and Applied Scientific Research	12.300	PO #40236098	3,488	—
HRL Laboratories, LLC:				
Basic and Applied Scientific Research	12.300	15041-160576-DS	63,709	—
Massachusetts Institute of Technology:				
Basic and Applied Scientific Research	12.300	5710003367	75,635	—
Mayflower Communications Company, Inc.:				
Basic and Applied Scientific Research	12.300	MCCI-SC-2532-01	45,927	—
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety:				
Basic and Applied Scientific Research	12.300	TR-16-45-01-03	20,501	13,654
Penn State University:				
Basic and Applied Scientific Research	12.300	4456-RU-ONR-0665	13,627	—
United Silicon Carbide, Inc.:				
Basic and Applied Scientific Research	12.300	PO # 2050	33,710	—
University of California - Santa Cruz:				
Basic and Applied Scientific Research	12.300	S0183912	1,885	—
Woods Hole Oceanographic Institution:				
Basic and Applied Scientific Research	12.300	A100792	23,296	—
Basic and Applied Scientific Research	12.300	A100849	88,152	—
Yale University:				
Basic and Applied Scientific Research	12.300	C14K119539(K00186)	221,900	—
Basic and Applied Scientific Research	12.300	C11K11166(K00171)	91,890	—
Basic and Applied Scientific Research	12.300	C13L11598(L00123)	2,508	—
Purdue University:				
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	4104-39441	108,165	—
University of Illinois:				
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	2009-01855-01	8,233	—
John Hopkins University:				
Military Medical Research and Development	12.420	CINJ081508	13,928	—
Massachusetts General Hospital:				
Military Medical Research and Development	12.420	#226960	72,923	—
Robert Wood Johnson University Hospital:				
Military Medical Research and Development	12.420	W81XWH-11-1-0830	8,121	—
Temple University:				
Military Medical Research and Development	12.420	253967RUTGERS	167,089	34,144
Torrey Pines:				
Military Medical Research and Development	12.420	FY2016-2022-RUTGERS-1	24,946	—
Geneva Foundation:				
Military Medical Research and Development	12.420	S132801253967GENEVA	50,285	—
Wake Forest Baptist Medical Center:				
Military Medical Research and Development	12.420	WFUHS 441060 ER-10	145,214	—
Military Medical Research and Development	12.420	WFUHS 441000C GU-00	96,899	—
Military Medical Research and Development	12.420	WFUHS 441074C CF-04	60,516	—
Wake Forest University:				
Military Medical Research and Development	12.420	WFUHS441064ER14	243,663	—
Arizona State University:				
Basic Scientific Research	12.431	14-410	21,235	—



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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Defense, continued:				
Boston University:				
Basic Scientific Research	12.431	4500001685	\$ 275,986	—
General Dynamics:				
Basic Scientific Research	12.431	PO #40236098	95,032	—
Basic Scientific Research	12.431	PO #40200027	5,286	—
IBM Corporation:				
Basic Scientific Research	12.431	PO # 5004217504	1,187	—
Academy of Applied Science:				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	JSHS	25,255	—
Johns Hopkins University:				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	PO # 2001518467	100,000	—
Basic, Applied, and Advanced Research in Science and Engineering	12.630	PO # 2001518467-CLIN 5	838,513	—
Basic, Applied, and Advanced Research in Science and Engineering	12.630	PO # 2001518467 - CLIN 3.	70,245	—
Uniformed Services University of Health Sciences:				
Uniformed Services University Medical Research Projects	12.750	HU0001-15-1-TS13	5,186	—
Combustion Research and Flow Technology, Inc.:				
Air Force Defense Research Sciences Program	12.800	15-C-028C-C617	38,219	—
Cornell University:				
Air Force Defense Research Sciences Program	12.800	68530-10153	71,641	—
Duke University:				
Air Force Defense Research Sciences Program	12.800	11-AFOSR-1029	(393)	—
Massachusetts Institute of Technology:				
Air Force Defense Research Sciences Program	12.800	5710003620	87,694	—
Stanford University:				
Air Force Defense Research Sciences Program	12.800	60786783-114574	76,144	—
University of Delaware:				
Air Force Defense Research Sciences Program	12.800	41972	39,159	—
Anonymous Corporation:				
Research and Technology Development	12.910	Anonymous	15,031	—
Duke University:				
Research and Technology Development	12.910	12-DARPA-1072	191,938	—
Research and Technology Development	12.910	313-0602	146,010	—
Scripps Research Institute:				
Research and Technology Development	12.910	N66001-14-2-4052	103,114	—
University of Maryland:				
Research and Technology Development	12.910	26720-Z8139002	70,408	—
Subtotal U.S. Department of Defense			<u>4,699,877</u>	<u>47,798</u>
U.S. Department of Education:				
ICF Incorporated LLC:				
Special Education Grants to States	84.027	11AS00025	419,250	—
State of New Jersey-Department of Education:				
Special Education Grants to States	84.027	MOU	106,845	—
Western Interstate Commission for Higher Education:				
Special Education Grants to States	84.027	WICHE CONS	30,990	—
University of Massachusetts Dartmouth:				
National Institute on Disability and Rehabilitation Research	84.133	WA00150570RFS2014104	(575)	—
University of New Hampshire:				
National Institute on Disability and Rehabilitation Research	84.133	PZ11086	51,140	—
Penn State University:				
Various	84.RD	3156-RU-DOE-0029	8,891	—
State of New Jersey-Department of Education:				
Various	84.RD	MOU	129,278	—
Subtotal U.S. Department of Education			<u>745,819</u>	<u>—</u>
U.S. Department of Energy:				
Princeton University:				
Office of Science Financial Assistance Program	81.049	00002148	43,798	—
State University of New York-Binghamton:				
Office of Science Financial Assistance Program	81.049	68799-04	217,868	—
Office of Science Financial Assistance Program	81.049	68799-4	310,963	—
University of Texas:				
Office of Science Financial Assistance Program	81.049	SC 08-18	155,077	—
University of Washington:				
Office of Science Financial Assistance Program	81.049	UWSC8372	144,086	—
Penn State University:				
Conservation Research and Development	81.086	4341-RU-DOE-4261	77,540	—
Conservation Research and Development	81.086	4341-EU-DOE-4261	227,448	43,000
Brookhaven National Labs:				
Renewable Energy Research and Development	81.087	278401	147,620	—
South Dakota State University:				
Renewable Energy Research and Development	81.087	3TB152	13,370	—
Battelle Memorial Institute:				
Fossil Energy Research and Development	81.089	516451	904	—
Anonymous Corporation:				
Stewardship Science Grant Program	81.112	PO#8013733	40,789	—
Fermi Research Alliance LLC:				
State Energy Program Special Projects	81.119	PO#626313	15,933	—
State of New Jersey-Board of Public Utilities:				
State Energy Program Special Projects	81.119	71D-082-2014-003	96,465	25,600
Battelle Energy Alliance, LLC:				
Nuclear Energy Research, Development and Demonstration	81.121	132506	21,885	—
Battelle Memorial Institute:				
Nuclear Energy Research, Development and Demonstration	81.121	374251	80,556	—
Lawrence Livermore National Laboratory:				
Nuclear Energy Research, Development and Demonstration	81.121	SUBCONTRACT # B606818	(22)	—
Nuclear Energy Research, Development and Demonstration	81.121	# B602280	153,801	—
Nuclear Energy Research, Development and Demonstration	81.121	SUBCONTRACT # B611610	42,880	—
Los Alamos National Laboratory:				
Nuclear Energy Research, Development and Demonstration	81.121	# 377954	21,548	—
Oak Ridge National Laboratory:				
Nuclear Energy Research, Development and Demonstration	81.121	4000126989	115,635	—
Nuclear Energy Research, Development and Demonstration	81.121	4000110839	731	—
Sandia National Laboratory:				
Nuclear Energy Research, Development and Demonstration	81.121	PO#1605062	18,286	—



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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Energy, continued:				
Vanderbilt University:				
Nuclear Energy Research, Development and Demonstration	81.121	19067-S4	\$ 163,254	—
Nuclear Energy Research, Development and Demonstration	81.121	19067-S3	309,936	—
Washington State University:				
Nuclear Energy Research, Development and Demonstration	81.121	125508-G003481	18,365	—
Ames National Laboratory:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	SC-13-394	331,163	—
Brookhaven National Labs:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	304865	149,032	—
Fermi Research Alliance LLC:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	PO#625639	7,234	—
Los Alamos National Laboratory:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	323765	92,175	—
South Dakota State University:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	3TH676	10,427	—
State of New Jersey-Board of Public Utilities:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	BPU-070	768,814	327,955
University of Illinois at Urbana-Champaign:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	2015-06605-05	14,940	—
University of Illinois:				
Advanced Research and Projects Agency – Energy Financial Assistance Program	81.135	2013-00286-06	111,006	—
Princeton University:				
Energy Policy and Systems Analysis	81.250	S013448-U	(13,064)	—
Battelle Memorial Institute:				
Various	81.RD	248926	(15,296)	—
Colorado State University:				
Various	81.RD	G-3817-1	3,088	—
Vanderbilt University:				
Various	81.RD	19067S13	3,043	—
Subtotal U.S. Department of Energy			3,901,278	396,555
U.S. Department of Health and Human Services:				
State of New Jersey-Department of Health and Senior Services:				
IV Prevention Programs for Women	93.015	MOA	545,461	—
State of New Jersey-Department of Education:				
Training in General, Pediatric, and Public Health Dentistry	93.059	MOU	75,162	—
Health Planning Resources Develop:				
Environmental Public Health and Emergency Response	93.070	MOA08142015	93,796	—
Mt. Sinai Hospital:				
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	025365344609	5,344	—
The University of Texas at Austin:				
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	0009789B	709	—
University of Texas-Health Science Center:				
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	0009791A	116,978	—
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	0009792A	90,133	—
Benaroya Research Institute:				
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	FY14ITN082	(50,644)	—
Icahn School of Medicine at Mount Sinai:				
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	025893334609	26,085	—
Christopher Reeve Paralysis Foundation:				
Food and Drug Administration Research	93.103	CRF 2015	7,297	—
Monell Chemical Senses Center:				
Food and Drug Administration Research	93.103	NIH049A01MARGO	26,952	—
National Institute of Pharmaceutical Technology & Education:				
Food and Drug Administration Research	93.103	NIPTE-U01-RU-2014-002	73,078	—
Food and Drug Administration Research	93.103	NIPTE-U01-RU-2014-001	(1,701)	—
North Jersey Community Research Initiative:				
Food and Drug Administration Research	93.103	NICRI 2014	11,154	—
State of New Jersey-Department of Banking and Insurance:				
Food and Drug Administration Research	93.103	MOA	28,155	—
State of New Jersey-Department of Health:				
Food and Drug Administration Research	93.103	MOA	232,018	—
State of New Jersey-Department of Health-Division of Family Health Services:				
Food and Drug Administration Research	93.103	MOA	109,203	—
Temple University:				
Food and Drug Administration Research	93.103	# 254239	51,642	—
University of South Florida:				
Food and Drug Administration Research	93.103	6119-1295-00-AP	489,625	—
Mt. Sinai Hospital:				
Maternal and Child Health Federal Consolidated Programs	93.110	025365444609	26,280	—
Maternal and Child Health Federal Consolidated Programs	93.110	025365434609	(793)	—
Duke University:				
Environmental Health	93.113	14-NIH-1132	14,426	—
Duke University Medical Center:				
Environmental Health	93.113	14NIH1132	37,383	—
Michigan State University:				
Environmental Health	93.113	61-0825RU	(349)	—
Northeast Ohio Medical University:				
Environmental Health	93.113	G0037-S	78,892	—
State of New Jersey-Department of Health:				
Environmental Health	93.113	MOA	70,918	—
University of Southern California:				
Environmental Health	93.113	H47859H50587	(9,174)	—
Aquarius Biochemlogioes, Inc.:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	AQUABIO	84,870	—
University of Pennsylvania:				
Oral Diseases and Disorders Research	93.121	562482	2,365	—
Oral Diseases and Disorders Research	93.121	RDE019932560803	0	—
University of Michigan:				
Injury Prevention and Control Research and State and Community Based Programs	93.136	3003478873	20,138	—
Michigan State University:				
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	RC102934RU	258,031	—
The Trustees of Columbia University in the City of New York:				
AIDS Education and Training Centers	93.145	6GG000640403	917	—
AIDS Education and Training Centers	93.145	6GG000640402	(6,295)	—
State of New Jersey-Department of Health-Division of HIV/AIDS, TB and STD Services:				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	DFHS16PDA001	408,587	—





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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Health and Human Services, continued:				
Carnegie Mellon University:				
Human Genome Research	93.172	1042480-347479	\$ 218,113	—
Research Institute at Nationwide Children's Hospital:				
Research Related to Deafness and Communication Disorders	93.173	657814	47,550	—
Mt. Sinai Hospital:				
Disabilities Prevention	93.184	025893314609	(21,106)	—
Disabilities Prevention	93.184	025893324609	32,172	—
Botanical Research Center:				
Research and Training in Complementary and Alternative Medicine	93.213	2P50AT002776-11S03	11,600	—
Duke University Medical Center:				
Research and Training in Complementary and Alternative Medicine	93.213	2033784	87,396	—
Louisiana State University:				
Research and Training in Complementary and Alternative Medicine	93.213	2P50AT002776-11S01	521,912	—
Louisiana State University:				
Research and Training in Complementary and Alternative Medicine	93.213	2 T32AT004094-06A1-S01	70,068	—
Mt. Sinai School of Medicine:				
Research and Training in Complementary and Alternative Medicine	93.213	0254-3811-4609	148,041	—
Pennington Biomedical Research Center:				
Research and Training in Complementary and Alternative Medicine	93.213	2P50AT002776-06-S01	165,810	—
Research and Training in Complementary and Alternative Medicine	93.213	2P50AT002776-11S02	3,614	—
Research and Training in Complementary and Alternative Medicine	93.213	5P50AT002776	6,248	—
Oregon Health & Science University:				
Research on Healthcare Costs, Quality and Outcomes	93.226	1005864RUTGERS	557,414	—
Vanderbilt University:				
Research on Healthcare Costs, Quality and Outcomes	93.226	VUMCS7338	19,331	—
State of New Jersey-Department of Human Services-Division of Mental Health and Addiction Services:				
Policy Research and Evaluation Grants	93.239	MOA	7,166	—
Indiana University:				
Mental Health Research Grants	93.242	IN4694755RSU	5,558	—
Mental Health Research Grants	93.242	IN4694751RSU	11,681	—
John Jay College of Criminal Justices:				
Mental Health Research Grants	93.242	41846B	150,795	—
Johns Hopkins University:				
Mental Health Research Grants	93.242	2002759583	185,968	—
Louisiana State University System - LUMCON:				
Mental Health Research Grants	93.242	1R01 MH094448 S03	13,271	—
Medical University of South Carolina:				
Mental Health Research Grants	93.242	MUSC15102	8,120	—
National Institute of Mental Health:				
Mental Health Research Grants	93.242	RMH080429A	224	—
Social & Scientific Systems, Inc.:				
Mental Health Research Grants	93.242	BRSIMPCTQ0600101T001	44,080	—
Stanford University:				
Mental Health Research Grants	93.242	60919642113376	27,332	—
University of Illinois:				
Mental Health Research Grants	93.242	2012-02882-01-04	10,589	—
University of Maryland at Baltimore:				
Mental Health Research Grants	93.242	SR00002766SR00003498	170,369	—
University of Massachusetts Dartmouth:				
Mental Health Research Grants	93.242	B000396445	48,312	—
Washington University - St. Louis:				
Mental Health Research Grants	93.242	WU-12-287-MOD-5	113,307	—
Yale University:				
Mental Health Research Grants	93.242	M15A12158 (A10132)	5,328	—
Montclair State University:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SP021157-RU	17,635	—
State of New Jersey-Department of Human Services:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	MOU	984,965	—
The Trustees of Columbia University in the City of NY:				
Public Health Training Centers Program	93.249	2GG008408	27,208	—
Icahn School of Medicine at Mount Sinai:				
Occupational Safety and Health Program	93.262	025458314609	44,412	—
Occupational Safety and Health Program	93.262	025365354609	287,849	—
Occupational Safety and Health Program	93.262	025365344609	11,936	—
Mt. Sinai Hospital:				
Occupational Safety and Health Program	93.262	025365344609	2,112	—
Stanford University:				
Occupational Safety and Health Program	93.262	60919642113376	147,679	—
The Center to Protect Workers' Rights:				
Occupational Safety and Health Program	93.262	3005-015-01	(4,577)	—
Mayo Clinic Rochester, Minnesota:				
Alcohol Research Programs	93.273	RUT181771	43,326	—
San Diego State University Research Foundation:				
Alcohol Research Programs	93.273	53253K P1660 7804 211	(1,873)	—
State University of New York-The Research Foundation:				
Alcohol Research Programs	93.273	1009189-72372	664,032	—
Alcohol Research Programs	93.273	100918969157	11,156	—
Washington University - St. Louis:				
Alcohol Research Programs	93.273	WU-14-20	16,011	—
Icahn School of Medicine at Mount Sinai:				
Drug Abuse and Addiction Research Programs	93.279	025583614609	38,855	—
IonWerks, Inc.:				
Drug Abuse and Addiction Research Programs	93.279	SBIR	46,051	—
Medical University of South Carolina:				
Drug Abuse and Addiction Research Programs	93.279	MUSC15012	245,869	—
Milwaukee School of Engineering:				
Drug Abuse and Addiction Research Programs	93.279	RUTGERS 8173-1	16,365	—
Northwestern University:				
Drug Abuse and Addiction Research Programs	93.279	60,035,189	12,562	—
Real Prevention:				
Drug Abuse and Addiction Research Programs	93.279	STTR 5-1-2015	72,789	—
The Mind Research Network:				
Drug Abuse and Addiction Research Programs	93.279	6238 SUBN1	38,447	—
University of Kansas Medical Center:				
Drug Abuse and Addiction Research Programs	93.279	QN858270	45,030	—
University of Pittsburgh:				
Drug Abuse and Addiction Research Programs	93.279	0030277(122728-1)	87,076	—
Henry M. Jackson Foundation for the Advancement of Military Medicine:				
Mental Health National Research Service Awards for Research Training	93.282	AGREEMENT#2334, PO#786992	(1,760)	—
Mental Health National Research Service Awards for Research Training	93.282	843830	264,039	—
Mental Health National Research Service Awards for Research Training	93.282	A#2334, PO786992	79	—





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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Health and Human Services, continued:				
State of New Jersey-Department of Health: Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	MOA	\$ 197,562	—
State of New Jersey-Department of Health: State Partnership Grant Program to Improve Minority Health	93.296	MGMT16SPI002	152,423	—
Saint Barnabas Medical Center: Minority Health and Health Disparities Research	93.307	RUTGERS2	83,728	—
Icahn School of Medicine at Mount Sinai: Trans-NIH Research Support	93.310	025588344609	151,367	—
Trans-NIH Research Support	93.310	025572944609	(1,728)	—
State of New Jersey-Department of Health: Trans-NIH Research Support	93.310	MOA	82,320	—
Trans-NIH Research Support	93.310	MOA BDARS	18,959	—
Trans-NIH Research Support	93.310	MOA	(3,627)	—
TMF Health Quality Institute: Trans-NIH Research Support	93.310	51-GSA-CP01	112,067	—
University of Pennsylvania: Trans-NIH Research Support	93.310	560259	(8,982)	—
Northeastern University: Nursing Research	93.361	500405-78050	67,711	—
Dartmouth College: Cancer Cause and Prevention Research	93.393	1368	152,018	—
Duke University Medical Center: Cancer Cause and Prevention Research	93.393	2030315	(15,190)	—
Fox Chase Cancer Center: Cancer Cause and Prevention Research	93.393	FCCC2243801	(2,262)	—
Cancer Cause and Prevention Research	93.393	1505905	74,694	—
Cancer Cause and Prevention Research	93.393	1505904	(5,052)	—
Health Research, Inc.: Cancer Cause and Prevention Research	93.393	RCA100598	26,399	—
Cancer Cause and Prevention Research	93.393	12001PROJ3AMENDMENT4	11,587	—
Cancer Cause and Prevention Research	93.393	12001COREBAMENDMENT4	92,352	—
Cancer Cause and Prevention Research	93.393	12001	58,272	—
The Trustees of Columbia University in the City of New York: Cancer Cause and Prevention Research	93.393	1ACCT575434	(388,937)	—
Cancer Cause and Prevention Research	93.393	1GG006729	413,559	—
University of California: Cancer Cause and Prevention Research	93.393	5723SC	5,314	—
Cancer Cause and Prevention Research	93.393	9048SC	43,025	—
Cancer Cause and Prevention Research	93.393	8530SC	22,018	—
University of Hawaii: Cancer Cause and Prevention Research	93.393	KA0045	41,722	—
University of Virginia: Cancer Cause and Prevention Research	93.393	GB10145149332	49,476	—
University of Maryland at Baltimore: Cancer Detection and Diagnosis Research	93.394	Z038602	105,892	—
Cancer Detection and Diagnosis Research	93.394	Z038601	6,693	—
Actinobac Biomed, Inc.: Cancer Treatment Research	93.395	ACTINOBAC93014	391,034	—
American College of Radiology: Cancer Treatment Research	93.395	036001-001-006	4,988	—
Children's Hospital of Philadelphia: Cancer Treatment Research	93.395	PRIMEH10CA180886	12,081	—
Cancer Treatment Research	93.395	PRIMEU10CA10886	45,956	—
ECOG-ACRIN Medical Research Foundation: Cancer Treatment Research	93.395	U10CA18082001RUTGI	22,414	—
Fox Chase Chemical Diversity Center, Inc.: Cancer Treatment Research	93.395	5R44CA156781-03	75,997	—
Fred Hutchinson Cancer Research Center: Cancer Treatment Research	93.395	0000821588	10,180	—
Cancer Treatment Research	93.395	821588	3,131	—
Frontier Science & Technology Research: Cancer Treatment Research	93.395	RUT039JA00	50,000	—
The Trustees of Columbia University in the City of New York: Cancer Biology Research	93.396	4GG00617807	27,314	—
Cancer Biology Research	93.396	1GG00617805	(1,533)	—
University of Michigan: Cancer Biology Research	93.396	3003871890	7,466	—
Frontier Science & Technology Research: Cancer Control	93.399	CA37403	(835)	—
Cancer Control	93.399	CNJC28SG00	383	—
Cancer Control	93.399	CNJC22SG03	(4,421)	—
The Trustees of Columbia University in the City of New York: Affordable Care Act (ACA) Public Health Training Centers Program	93.516	2GG00840803	78,897	—
University of Wisconsin: Refugee and Entrant Assistance State Administered Programs	93.566	552K705	9,363	—
State of New Jersey-Department of Children and Families: Community-Based Family Resource and Support Grants	93.590	16HZMM	14,428	13,626
State of Washington: The Affordable Care Act – Medicaid Adult Quality Grants	93.609	1365-70924	1,311	—
State of New Jersey-Department of Human Services-Developmental Disabilities Council: Developmental Disabilities Basic Support and Advocacy Grants	93.630	07YZ6R	17,466	—
University of Denver: Child Welfare Services Training Grants	93.648	SC37388-01	65,133	—
Child Welfare Services Training Grants	93.648	SC37259-01-00	20,142	—
Middlesex County: Social Services Block Grant	93.667	RESOLUTION 16-116-R	82,122	—
The University of Alabama at Birmingham: Trans-NIH Recovery Act Research Support	93.701	HHSN268200900047C	120,241	—
University of Pennsylvania: Trans-NIH Recovery Act Research Support	93.701	IU01NS06283501A1	507	—
Icahn School of Medicine at Mount Sinai: Health Careers Opportunity Program	93.822	025366414609	95,084	—
Brigham and Women's Hospital, Inc.: Cardiovascular Diseases Research	93.837	A5332A5333	8,928	—
Cardiovascular Diseases Research	93.837	109135	1,992	—
Duke University Medical Center: Cardiovascular Diseases Research	93.837	179452196823	2,861	—



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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Health and Human Services, continued:				
Eastern Virginia Medical School:				
Cardiovascular Diseases Research	93.837	S141791	\$ 81,819	—
Fred Hutchinson Cancer Research Center:				
Cardiovascular Diseases Research	93.837	0000835638	368,190	—
Cardiovascular Diseases Research	93.837	000773206HHSN268201300007C	399,616	—
Cardiovascular Diseases Research	93.837	000791044000803407	(14,725)	—
Memorial Kettering Institute, N.Y.:				
Cardiovascular Diseases Research	93.837	BD519499A	11,553	—
New York University:				
Cardiovascular Diseases Research	93.837	13-A0-00-001338-01	24,146	—
New York University School of Medicine:				
Cardiovascular Diseases Research	93.837	NYU 01HL105907-01	75,671	—
University of Pennsylvania:				
Cardiovascular Diseases Research	93.837	563117	7,932	—
University of Wisconsin:				
Cardiovascular Diseases Research	93.837	628K154	8,934	—
Vanderbilt University:				
Cardiovascular Diseases Research	93.837	VUMC40283	181,644	—
University of California:				
Lung Diseases Research	93.838	1460GKB107	2,529	—
Georgia Regents University:				
Blood Diseases and Resources Research	93.839	26383	195,183	—
John Hopkins University:				
Blood Diseases and Resources Research	93.839	PO2001929107	33,809	—
Memorial Kettering Institute, N.Y.:				
Blood Diseases and Resources Research	93.839	BD519595	10,831	—
Georgetown University:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	RX4442007CINJ	(17,080)	—
Hospital for Special Surgery:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	5R01AR041325-23	32,270	—
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	2R01 AR041325-22	437	—
Mayo Clinic Rochester, Minnesota:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	SUBAWARDNOBUT202870	36,914	—
University of Florida:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	UFOER00010411	25,068	—
University of Minnesota:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	H002334001	36,272	—
University of Pennsylvania:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	558,046	45,414	—
BioPharm Solutions, Inc.:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	1R43DK10467201	19,993	—
Duke University:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	203-8899	6,680	—
Johns Hopkins Bloomberg School of Public Health:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	2002631420	154,938	—
Princeton University:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	SUB0025	5,874	—
Saint Barnabas Medical Center:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	UMDNJ1	14,926	—
University of Colorado:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	FY13.652.001	3,191	—
University of Michigan:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	3003439048	109,540	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	3003840998	7,529	—
University of South Florida:				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	6119-1295-00-AP	310,950	—
Emory University:				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	S680211T119587	54,053	—
John Hopkins University:				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	115602	21,416	—
New Jersey Institute of Technology:				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	NP996145	32,408	—
The Feinstein Institute for Medical Research:				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	500506 RUTGERS	43,978	—
University of Colorado, Denver:				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	FY136310012594239	368,569	—
University of Michigan:				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	3002956290	19,131	—
Albert Einstein College of Medicine:				
Allergy and Infectious Diseases Research	93.855	310824	80,510	—
Allergy and Infectious Diseases Research	93.855	31536H	(2,423)	—
Allergy and Infectious Diseases Research	93.855	310967	42,662	—
Allergy and Infectious Diseases Research	93.855	310688	(67)	—
Albert Einstein College of Medicine of Yeshiva University:				
Allergy and Infectious Diseases Research	93.855	310984	5,412	—
Allergy and Infectious Diseases Research	93.855	310842POP0188753	39,177	—
American University:				
Allergy and Infectious Diseases Research	93.855	311952	33,298	—
Avatar Medical L.L.C.:				
Allergy and Infectious Diseases Research	93.855	2R44AI09150703A1	176,806	—
Benaroya Research Institute:				
Allergy and Infectious Diseases Research	93.855	FY14ITN082	194,949	—
Allergy and Infectious Diseases Research	93.855	FY16ITN082	195,329	—
Boston University Medical Center:				
Allergy and Infectious Diseases Research	93.855	0354101PROJECT2	191,186	—
Allergy and Infectious Diseases Research	93.855	0354101PROJECT4	352,758	(20,724)
Allergy and Infectious Diseases Research	93.855	25355U01AI065663	166,983	—
Allergy and Infectious Diseases Research	93.855	4300ACT0354101PROJ1	218,433	—
Allergy and Infectious Diseases Research	93.855	4311PROJ3ACT0354101	192,577	—
Allergy and Infectious Diseases Research	93.855	4355	192,532	—
Allergy and Infectious Diseases Research	93.855	4356	88,043	—
Allergy and Infectious Diseases Research	93.855	5039ACTIVITY0371101	23,299	—
Allergy and Infectious Diseases Research	93.855	BMCAGMTID5040	19,248	—
Brigham and Women's Hospital, Inc.:				
Allergy and Infectious Diseases Research	93.855	110230	2,519	—
Allergy and Infectious Diseases Research	93.855	110009	2,790	—
Allergy and Infectious Diseases Research	93.855	110210	118,246	961
Allergy and Infectious Diseases Research	93.855	110404	607	—
Allergy and Infectious Diseases Research	93.855	111673	177,627	—



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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Health and Human Services, continued:				
Brigham and Women's Hospital, Inc., continued:				
Allergy and Infectious Diseases Research	93.855	7UM1AI06863607	\$ (29)	—
Allergy and Infectious Diseases Research	93.855	REF108201	1,453	—
Case Western Reserve University:				
Allergy and Infectious Diseases Research	93.855	RES502417	(694)	—
Cornell University:				
Allergy and Infectious Diseases Research	93.855	13121690R1	679,965	—
Allergy and Infectious Diseases Research	93.855	13070923	(20,282)	—
Allergy and Infectious Diseases Research	93.855	141217311506094415101587	391,158	—
Allergy and Infectious Diseases Research	93.855	15040605	427,981	—
Allergy and Infectious Diseases Research	93.855	16020252	161,484	—
Allergy and Infectious Diseases Research	93.855	634589651	0	—
Allergy and Infectious Diseases Research	93.855	14060762	79,386	—
Allergy and Infectious Diseases Research	93.855	SUB16030434	414,899	—
Duke University Medical Center:				
Allergy and Infectious Diseases Research	93.855	2038092	160,198	—
Allergy and Infectious Diseases Research	93.855	2038649	101,634	—
Allergy and Infectious Diseases Research	93.855	2038654	100,497	—
Harvard University:				
Allergy and Infectious Diseases Research	93.855	1146615078903	44,751	—
Allergy and Infectious Diseases Research	93.855	5U01AI068616	53,085	—
John Hopkins University:				
Allergy and Infectious Diseases Research	93.855	JHUP020020262802001097058	(405)	—
Allergy and Infectious Diseases Research	93.855	PO2002414304	158,636	—
Allergy and Infectious Diseases Research	93.855	2001118623	2,148	—
Allergy and Infectious Diseases Research	93.855	2002133204	43,499	—
Medical University of South Carolina:				
Allergy and Infectious Diseases Research	93.855	MUSC16002	8,665	—
Medicines for Malaria Venture:				
Allergy and Infectious Diseases Research	93.855	MMV 09/0001	213,560	—
Mississippi State University:				
Allergy and Infectious Diseases Research	93.855	182090.311312.01	62,529	—
SpringStar Inc.:				
Allergy and Infectious Diseases Research	93.855	2R44A1096563-02A1	158,695	—
The Trustees of Columbia University in the City of New York:				
Allergy and Infectious Diseases Research	93.855	2GG010488	3,634	—
Allergy and Infectious Diseases Research	93.855	8GC00638207	(12,872)	—
Allergy and Infectious Diseases Research	93.855	GG00637802	(3,602)	—
The University of Chicago:				
Allergy and Infectious Diseases Research	93.855	FP05851102	114,410	—
The University of Iowa:				
Allergy and Infectious Diseases Research	93.855	1000811986	(2,076)	—
University Hospital Consortium Services-Illinois:				
Allergy and Infectious Diseases Research	93.855	20140677401	107,567	—
University of Illinois:				
Allergy and Infectious Diseases Research	93.855	2016-03448-01	36,882	—
Allergy and Infectious Diseases Research	93.855	2014-07026-01	73,714	—
University of New Mexico Health Sciences Center:				
Allergy and Infectious Diseases Research	93.855	3RZ17	85,372	—
University of Pittsburgh:				
Allergy and Infectious Diseases Research	93.855	00430021254702	18,764	—
Allergy and Infectious Diseases Research	93.855	00482851270251	25,415	—
University of Rochester:				
Allergy and Infectious Diseases Research	93.855	416240G	95,752	—
University of Washington:				
Allergy and Infectious Diseases Research	93.855	UWSC8928	5,124	—
Baylor College of Medicine:				
Biomedical Research and Research Training	93.859	PO # 5600896332	307,342	—
Bowling Green State University:				
Biomedical Research and Research Training	93.859	10008798-RSUNJ	123,998	—
Columbia University:				
Biomedical Research and Research Training	93.859	GG003833	(834)	—
Biomedical Research and Research Training	93.859	GG006206	30,407	—
Biomedical Research and Research Training	93.859	GG011095	91,767	—
IonWerks, Inc.:				
Biomedical Research and Research Training	93.859	SBIR	28,643	—
Johns Hopkins University:				
Biomedical Research and Research Training	93.859	2002655501	57,741	—
Scripps Research Institute:				
Biomedical Research and Research Training	93.859	5-52459	216,534	—
Biomedical Research and Research Training	93.859	PO #5-52459	491,214	81,385
Biomedical Research and Research Training	93.859	PO # 5-50984	298,519	—
State University of New York-Buffalo:				
Biomedical Research and Research Training	93.859	R972422	60,464	—
Temple University:				
Biomedical Research and Research Training	93.859	251797	109,826	—
Biomedical Research and Research Training	93.859	254239-02 RUTGERS	25,800	—
University of New Hampshire:				
Biomedical Research and Research Training	93.859	15035	9,570	—
University of California-San Diego:				
Biomedical Research and Research Training	93.859	55047267	146,000	—
University of California-San Francisco:				
Biomedical Research and Research Training	93.859	7432SC	(430)	—
University of Michigan:				
Biomedical Research and Research Training	93.859	RC105133RUTGERS	127,535	—
Biomedical Research and Research Training	93.859	3002517171	143,135	—
University of Pittsburgh:				
Biomedical Research and Research Training	93.859	00513141269841	74,024	—
University of Texas:				
Biomedical Research and Research Training	93.859	UTA10-001179	22,109	—
William Marsh Rice University:				
Biomedical Research and Research Training	93.859	R21872	29,785	—
Wisconsin School of Med & Pub Health:				
Biomedical Research and Research Training	93.859	656K670	21,426	—
California Polytechnic State University:				
Child Health and Human Development Extramural Research	93.865	15-11-58222	11,166	—



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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Health and Human Services, continued:				
City University of New York - Queens College:				
Child Health and Human Development Extramural Research	93.865	41934-A	\$ 24,269	—
City University of New York-John Jay College of Criminal Justice:				
Child Health and Human Development Extramural Research	93.865	SUBCONTRACT # 41800-A	34,265	—
Franklin & Marshall College:				
Child Health and Human Development Extramural Research	93.865	15-001-RUTGERS	26,119	—
Harvard University:				
Child Health and Human Development Extramural Research	93.865	11407409545042767	25,939	—
Child Health and Human Development Extramural Research	93.865	11407409525042765	(60,644)	—
Child Health and Human Development Extramural Research	93.865	11407410545042767	30,296	—
Child Health and Human Development Extramural Research	93.865	1142511545096831	212,494	—
Child Health and Human Development Extramural Research	93.865	11402511525096829	359,855	—
The Trustees of Columbia University in the City of New York:				
Child Health and Human Development Extramural Research	93.865	2GG006723	208,746	—
University of Kansas Medical Center:				
Child Health and Human Development Extramural Research	93.865	QT859593	46,462	—
Child Health and Human Development Extramural Research	93.865	QT859591QT859592	(3,818)	—
Child Health and Human Development Extramural Research	93.865	QT859590	(1,020)	—
University of Pennsylvania:				
Child Health and Human Development Extramural Research	93.865	560147	329	—
University Of Tennessee:				
Child Health and Human Development Extramural Research	93.865	RHD065740A	3,420	—
Vanderbilt University:				
Child Health and Human Development Extramural Research	93.865	2673-017901	38,283	—
New York University:				
Aging Research	93.866	15A10000279101	16,751	—
Progenra Inc.:				
Aging Research	93.866	438463-097	75,000	—
Texas Tech University:				
Aging Research	93.866	21F106-01	144,272	—
University of Michigan:				
Aging Research	93.866	3003136071	24,018	—
Aging Research	93.866	3003908445	22,383	—
University of Wisconsin:				
Aging Research	93.866	625K785	37,250	—
Aging Research	93.866	552K716	15,938	—
Aging Research	93.866	618K004	15,560	—
JAEB Center for Health Research:				
Vision Research	93.867	U10EY014231FLOWTHRU	632	—
Vision Research	93.867	U10EY014231	4,204	—
Vision Research	93.867	SITE316	1,399	—
Children's National Medical Center:				
Medical Library Assistance	93.879	30002441-02	172,188	—
City University of New York-Research Foundation:				
Medical Library Assistance	93.879	41893-C	28,899	—
Emory University:				
Medical Library Assistance	93.879	SUBAWARDS663278	(66,379)	—
The Research Foundation of State University of New York:				
Medical Library Assistance	93.879	6754211164672	139,956	—
City of Newark:				
HIV Emergency Relief Project Grants	93.914	PARTAFY2015	114,606	—
HIV Emergency Relief Project Grants	93.914	RYANWHITEPARTA	(86)	—
HIV Emergency Relief Project Grants	93.914	RYANWHITEPARTF	(51)	—
State of New Jersey-Department of Health - Division of HIV/AIDS, TB and STD Services:				
HIV Emergency Relief Project Grants	93.914	MOAPARTBFY2015	231,087	—
HIV Emergency Relief Project Grants	93.914	MOARYANWHITEB	(2,784)	—
Memorial Sloan Kettering Institute for Cancer Research:				
HIV Prevention Activities Non-Governmental Organization Based	93.939	BD516953A	7,985	—
Commonwealth of Pennsylvania:				
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	4400009238	128,352	—
State of Maryland-Department of Health and Mental Hygiene:				
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	DHMH-OPASS-13-10955G	35,834	—
State of New Jersey-Department of Human Services-Division of Mental Health and Addiction Services:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	15-777-ADA-0	74,697	26,238
University of Massachusetts:				
International Research and Research Training	93.989	SS111000029347	7,876	—
University of Pennsylvania:				
International Research and Research Training	93.989	PO # 3462963	43,938	—
State of Michigan-Department of Community Health:				
Maternal and Child Health Services Block Grant to the States	93.994	20162789-00	7,662	—
Georgetown University:				
Various	93.RD	RX4442014UMDNJ	(70,280)	—
Harvard Pilgrim Health Care, Inc.:				
Various	93.RD	HHSF2232009100061	305	—
James Bell Associates:				
Various	93.RD	HHS290200710073T	272	—
MTI Integrated Business Development Inc.:				
Various	93.RD	MTI	77,150	—
National Committee for Quality Assurance:				
Various	93.RD	NCINQ-05-WO02	(401)	—
Research Triangle Institute:				
Various	93.RD	63120212964	22,832	—
Scripps Research Institute:				
Various	93.RD	5-50973	1,928	—
State of New Jersey-Department of Banking and Insurance:				
Various	93.RD	MOA	1,936	—
State of New Jersey-Department of Health:				
Various	93.RD	MOA	139,244	—
The Arc of the United States:				
Various	93.RD	ARCHEALTMEET	24,795	—
University of Pittsburgh:				
Various	93.RD	0049274Y4022	2,942	—
University of South Florida:				
Various	93.RD	6119-1144-00-AP	66,185	—
Westat:				
Various	93.RD	S8954	21,408	—
Subtotal U.S. Department of Health and Human Services			<u>25,373,429</u>	<u>101,486</u>
U.S. Department of Homeland Security:				
State of New Jersey-Department of Environmental Protection:				
Hazard Mitigation Grant	97.039	EC16-027	104,233	—



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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Homeland Security, continued:				
State of New Jersey-Department of Environmental Protection, continued:				
Cooperating Technical Partners	97.045	EC12-029	\$ 11,388	—
University of Texas:				
Centers for Homeland Security	97.061	R-16-0005	150,964	—
New York University:				
Rail and Transit Security Grant Program	97.075	S3465-01	98,874	—
Port Authority of New York and New Jersey:				
Rail and Transit Security Grant Program	97.075	4600010204/PO#4500065566	143,195	—
Port Authority of New York and New Jersey:				
Various	97.RD	460001024/PO#4500065566	179,414	—
Subtotal U.S. Department of Homeland Security			<u>688,068</u>	<u>—</u>
U.S. Department of Housing and Urban Development:				
City of New Brunswick:				
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225	4455	32,062	—
New Jersey Transit Corporation:				
Strong Cities Strong Communities (SC2) National Resource Network	14.534	PO#L-93525	129,272	—
Trenton Housing Authority:				
Affordable Housing Development in Main Street Rejuvenation Projects	14.878	N/A	14,429	—
Subtotal U.S. Department of Housing and Urban Development			<u>175,763</u>	<u>—</u>
U.S. Department of Justice:				
Portland State University:				
Sex Offender Management Discretionary Grant	16.203	206KAU537	34,145	—
State of New Jersey-Parole Board:				
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	MOU	12,961	—
Vera Institute of Justice, Inc.:				
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	JE13-1004-E00	22,191	—
Boston University:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	4500001696	100,823	—
State of New Jersey-Department of Law and Public Safety-Division of Criminal Justice:				
Community Prosecution and Project Safe Neighborhoods	16.609	PSN-2-14	52,143	—
University of California-Davis:				
Various	16.RD	201403462-02	7,118	—
Subtotal U.S. Department of Justice			<u>229,381</u>	<u>—</u>
U.S. Department of Labor:				
Front Range Community College:				
Labor Force Statistics	17.002	2103	448,788	—
State of New Jersey-Department of Labor:				
Labor Force Statistics	17.002	MOU 2014	(1,979)	—
Labor Force Statistics	17.002	MOU	27,074	—
The Newark Workforce Investment Board, Inc.:				
Labor Force Statistics	17.002	SGA/DFA PY-11-05	51,260	—
The WorkPlace:				
Labor Force Statistics	17.002	EPP4-2015-HELD-001	15,003	—
Bergen Community College:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	RFP#R-069	72,857	—
Colorado Community College System:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	12-158	26,205	—
Pueblo Community College:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	1738	251,722	—
IMPAQ International LLC:				
Safety and Health Grants	17.604	2298	17,998	—
State of New Jersey-Department of Labor:				
Safety and Health Grants	17.604	POL WD 2015	139,008	—
Bergen Community College:				
Various	17.RD	RFP#R-069	564	—
Raritan Valley Community College:				
Various	17.RD	RVCC RESOLUTION #109-2011	(2,476)	—
State of New Jersey-Department of Labor:				
Various	17.RD	MOU 2014	610	—
WorkPlace, Inc. The				
Various	17.RD	99ER-2012-HELD-001	(14,228)	—
Subtotal U.S. Department of Labor			<u>1,032,406</u>	<u>—</u>
U.S. Department of State:				
The Institute of International Education:				
Educational Exchange University Lecturers (Professors) and Research Scholars	19.401	ECAASS1305	134,106	20,274
Eurasia Foundation:				
Special International Exchange Grant Programs	19.451	W16-1007	1,250	—
Subtotal U.S. Department of State			<u>135,356</u>	<u>20,274</u>
U.S. Department of the Interior:				
National Fish and Wildlife Foundation:				
Hurricane Sandy Disaster Relief – Coastal Resiliency Grants.	15.153	43931	206,287	—
University of Alaska:				
Alaska Coastal Marine Institute	15.421	UAF 14-0037	39,716	—
University of Alaska:				
Minerals Management Service (MMS) Environmental Studies Program (ESP)	15.423	UAF 14-0068	75,494	—
Conserve Wildlife Foundation of New Jersey:				
Neotropical Migratory Bird Conservation	15.635	F15AP00964	25,233	—
Wildlife Management Institute:				
Endangered Species Conservation – Recovery Implementation Funds	15.657	WNS 2015-03	7,838	—
Nature Conservancy:				
Hurricane Sandy Disaster Relief Activities-FWS	15.677	7152014USFWGBP1	53,664	—
Wildlife Conservation Society:				
Natural Resource Stewardship	15.944	P14AC01473	61,262	—
City University of New York-Brooklyn College:				
Cooperative Research and Training Programs – Resources of the National Park System	15.945	49267-B	116,893	—
Subtotal U.S. Department of the Interior			<u>586,387</u>	<u>—</u>
U.S. Department of Transportation:				
SRA International, Inc.:				
Aviation Research Grants	20.108	PO# 9162658	27,908	—



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Transportation, continued:				
City University of New York-Transportation Research Center: Highway Research and Development Program	20.200	RUT1/TO#49997-38-25	\$ 31,806	—
Montana State University: Highway Research and Development Program	20.200	G180-15-W5229	45,371	—
North Jersey Transportation Planning Authority: Highway Research and Development Program	20.200	201-NJIT-001	(375)	—
Highway Research and Development Program	20.200	10-60109	120	—
State of New Jersey-Department of Transportation: Highway Research and Development Program	20.200	T/O #283, 12-60154	42,645	28,509
Highway Research and Development Program	20.200	T/O #274; 12-60134	(67)	—
Highway Research and Development Program	20.200	T/O # 335, ID # 16-60117	1,395	—
Highway Research and Development Program	20.200	T/O # 304, 14-60169	47,487	—
Highway Research and Development Program	20.200	T/O #273; 12-60129	118	—
Highway Research and Development Program	20.200	T/O #288	3,413	3,413
Highway Research and Development Program	20.200	T/O #306	277	—
Highway Research and Development Program	20.200	T/O #308,CONTRACT#14-6017	68,966	32,763
Highway Research and Development Program	20.200	T/O #309	42,944	20,550
Highway Research and Development Program	20.200	T/O#299CONTRACT #13-36514	54	—
Highway Research and Development Program	20.200	TASK 301/2010R003	54,572	—
Highway Research and Development Program	20.200	TASK ORDER 219/08-60	5	—
Highway Research and Development Program	20.200	T/O #298	10,742	—
Highway Research and Development Program	20.200	T.O.#207;CONTRACT07-85004	55,794	—
Highway Research and Development Program	20.200	T/O # 282, 12-60145	404	—
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety: Highway Research and Development Program	20.200	RS-15-61-02-01	33,494	—
University of Vermont: Highway Research and Development Program	20.200	29268 SUB51781 RUTGERS	43,618	—
North Jersey Transportation Planning Authority: Highway Planning and Construction	20.205	FY 2015 UPWP	125,874	—
University of New Hampshire: Highway Planning and Construction	20.205	11-025	3,026	—
Engineering & Software Consultants, Inc.: Highway Training and Education	20.215	TASK ORDER #5	55,049	—
Highway Training and Education	20.215	#15-31, TASK ORDER 3	27,325	—
Illinois Center for Transportation: Highway Training and Education	20.215	2015-00681-02	8,499	—
Laureate Institute for Brain Research: Highway Training and Education	20.215	LIBR-2015	60,068	—
National Academy of Sciences: Highway Training and Education	20.215	TRANSIT-80	33,834	—
State of New Jersey-Department of Transportation: Highway Training and Education	20.215	T/O #252	302,240	299,635
Highway Training and Education	20.215	T/O#322,CONTRACT #15-6018	270,533	—
Highway Training and Education	20.215	T/O #329	33,241	—
Highway Training and Education	20.215	T/O #328	68,514	—
Highway Training and Education	20.215	T/O #325	74,683	—
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety: Highway Training and Education	20.215	RS-16-61-02-01	101,643	—
State of New Jersey-Department of Transportation: National Motor Carrier Safety	20.218	T/O#317,CONTRACT#15-32634	3,236,337	2,750,563
National Motor Carrier Safety	20.218	T/O #316	283,381	—
National Motor Carrier Safety	20.218	T/O #323	970,147	497,099
Motor Carrier Research and Technology Programs	20.239	T/O #332	36,337	—
State of New Jersey-Department of Transportation-Office of Maritime Resources: Motor Carrier Research and Technology Programs	20.239	TASK ORDER#327	153,404	—
State of New Jersey-Department of Transportation: Capital Assistance to States - Intercity Passenger Rail Service	20.317	TASK 302	41,135	—
Capital Assistance to States - Intercity Passenger Rail Service	20.317	TASK 225-2004R002	64	—
State of New Jersey-Department of Transportation: Federal Transit Formula Grants	20.507	T/O #336, ID 16-60118	22,722	—
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety: State Traffic Safety Information System Improvement Grants	20.610	TR-15-48-01-01	9,774	—
City University of New York-Transportation Research Center: University Transportation Centers Program	20.701	T/O # 49997-45-25	5,001	—
San Jose State University Research Foundation: University Transportation Centers Program	20.701	21-100-4903-RU	(11,074)	—
State University of New York-Albany: University Transportation Centers Program	20.701	75515-10498	3,982	—
State University of New York-Buffalo: University Transportation Centers Program	20.701	PTAEO 1120747/3/69472	15,994	—
University of Missouri: University Transportation Centers Program	20.701	00042134-01	120,710	70,432
State of New Jersey-Department of Transportation: Various	20.RD	T/O #228, CONTR. #0900500	1,988	—
Various	20.RD	T/O #323	583,224	40,818
Various	20.RD	T/O #207	8,780	—
Various	20.RD	T/O #308	74,710	—
Various	20.RD	T/O #312,CONTRACT14-60175	2,917	—
Various	20.RD	T/O#318,CONTRACT#15-36518	33,660	—
Various	20.RD	T/O #313 CONTRACT#1400500	921	—
Various	20.RD	T/O #316	249,552	54,847
Various	20.RD	T/O #322	12,107	—
Various	20.RD	SNJ DOT T/O #207	25,446	—
State of New Jersey-Division of Law and Public Safety-Division of Highway Traffic Safety: Various	20.RD	12-60142, T/O # 281	377	—
State of New Jersey-Department of Transportation-Office of Maritime Resources: Various	20.RD	TASK ORDER#327	8,981	—
Subtotal U.S. Department of Transportation			<u>7,565,797</u>	<u>3,798,629</u>
U.S. Environmental Protection Agency:				
Office of Air Quality Management:				
Air Pollution Control Program Support	66.001	AQ09018	(11,317)	—
Ocean County College-Barnegat Bay National Estuary Program: National Estuary Program	66.456	S1601	615	—
State of New Jersey-Department of Environmental Protection: Nonpoint Source Implementation Grants	66.460	RP13-039	86,322	—
Nonpoint Source Implementation Grants	66.460	RP09-066	364,528	316,553
Nonpoint Source Implementation Grants	66.460	RP10-089	87	—



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Research And Development Cluster, continued:				
Pass-Through, continued:				
U.S. Department of Environmental Protection Agency, continued:				
State of New Jersey-Department of Environmental Protection, continued:				
Nonpoint Source Implementation Grants	66.460	RP13-001	\$ 17,065	—
Nonpoint Source Implementation Grants	66.460	RP13-005	13,653	—
Nonpoint Source Implementation Grants	66.460	RP13-037	21,836	—
Nonpoint Source Implementation Grants	66.460	WM15-016	10,770	—
State of New Jersey-Department of Environmental Protection-New Jersey Division of Fish and Wildlife:				
Nonpoint Source Implementation Grants	66.460	FG12-019	(1,221)	—
State of New Jersey-Department of Environmental Protection:				
Wetland Program Development Grants	66.461	SR15-007	39,353	575
Duke University:				
Science To Achieve Results (STAR) Research Program	66.509	RD-83469302	47,102	—
State of New Jersey-Department of Environmental Protection:				
Performance Partnership Grants	66.605	RP11-042	178,005	128,570
Performance Partnership Grants	66.605	RP13-002	80,115	20,000
Performance Partnership Grants	66.605	RP13-003	9,978	—
Performance Partnership Grants	66.605	RP11-048	205,114	116,167
Performance Partnership Grants	66.605	RP11-047	16,122	—
Duke University Medical Center:				
Science To Achieve Results (STAR) Research Program	66.509	PROJSRH2284436465436373	7,530	—
State of New Jersey-Department of Environmental Protection:				
Various	66.RD	SR14-006	9,346	—
Various	66.RD	WM15-010	949	—
State of New Jersey-New Jersey Meadowlands Commission:				
Various	66.RD	MOU	5,341	—
Various	66.RD	PELINAVCU561C46654	(3,246)	—
Veterans Bio-Medical Research Institute Inc.:				
Various	66.RD	VBRJORGESERRADOR	35,600	—
Various	66.RD	PO561C246793	8,363	—
Various	66.RD	KELLIEJANKE561C46658	(12,994)	—
Various	66.RD	561C46824	7,747	—
Various	66.RD	561C46737	38,045	—
Various	66.RD	090815030716561C56724	145,603	—
Various	66.RD	SWAMINISINHA561C46653	(3,263)	—
Subtotal U.S. Environmental Protection Agency			<u>1,317,148</u>	<u>581,865</u>
National Aeronautics and Space Administration:				
CIT-Jet Propulsion Laboratory:				
Science	43.001	1475509	4,798	—
National Space Biomedical Research Institute:				
Science	43.001	NBPF03401_PO#5600379855	131,478	—
Penn State University:				
Science	43.001	5024-RSUNJ-NASA-F93G	18,301	—
Space Telescope Science Institute:				
Science	43.001	HST-AR-12631.06-A	39,934	—
Science	43.001	HST-GO-12913.01A	5,269	—
Science	43.001	HST-GO-13351.001A	10,977	—
Science	43.001	HST-GO-13305.04-A	14,317	—
Science	43.001	HST-GO-12973-03-A	9,936	—
Science	43.001	HST-GO-13756.001-A	9,322	—
Science	43.001	HST-GO-11697-03-A	14,302	—
Science	43.001	HST-AR-13925.002-A	45,142	—
Science	43.001	HST-AR-14287.001-A	36,455	—
Science	43.001	HST-GO-12755-01-A	1,514	—
Universities Space Research Association:				
Science	43.001	02212-03	19,010	—
University of California-Los Angeles:				
Science	43.001	1295 G SA241	43,718	—
University of Colorado:				
Science	43.001	1551622	65,364	—
University of Georgia:				
Science	43.001	RR175-257/4945586	36,114	—
University of Maine:				
Science	43.001	UM-S967	10,261	—
Woods Hole Oceanographic Institution:				
Science	43.001	A101145	83,795	—
Smithsonian Astrophysical Observatory:				
Various	43.RD	SV3-73021	35,371	—
Space Telescope Science Institute:				
Various	43.RD	HST-GO-11672-01-A	5,332	—
Various	43.RD	HST-GO-12060.57-A	6,165	—
Subtotal National Aeronautics and Space Administration			<u>646,875</u>	<u>—</u>
National Endowment for the Humanities:				
Butler University:				
Promotion of the Humanities Research	45.161	RQ-50485-10	(1,702)	—
Subtotal National Endowment for the Humanities			<u>(1,702)</u>	<u>—</u>
National Science Foundation:				
Noon Design Studio:				
Engineering Grants	47.041	Prime Contract 1549753	27,555	—
Penn State University:				
Engineering Grants	47.041	5062-RU-NSF-3307	51,891	—
Engineering Grants	47.041	5295-RU-NSF-1119	3,727	—
XPEED Turbine Technology:				
Engineering Grants	47.041	SBIR	4,160	—
Consortium of Universities for the Advancement of Hydrologic Science, Inc. (CUAHSI):				
Scientific Research Project Support	47.047	MOA	110,427	—
Ontash & Ermac Inc.:				
Scientific Research Project Support	47.047	IIP1353635	105,834	—
City University of New York-Research Foundation:				
Mathematical and Physical Sciences	47.049	40D93-A	79,649	—
Cold Spring Harbor Laboratory:				
Mathematical and Physical Sciences	47.049	52380313, PO # 920852	129,491	—
Johns Hopkins University:				
Mathematical and Physical Sciences	47.049	2001935274	43,865	—





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Research And Development Cluster, continued:				
Pass-Through, continued:				
National Science Foundation, continued:				
Mathematical Association of America:				
Mathematical and Physical Sciences	47.049	MOU	\$ 8,700	—
Mathematical and Physical Sciences	47.049	MOU-MAA-04062015	17,792	—
National Radio Astronomy Observatory:				
Mathematical and Physical Sciences	47.049	SOS PA 20-018	25,151	—
Oregon State University:				
Mathematical and Physical Sciences	47.049	S1412A-D	97,026	—
Princeton University:				
Mathematical and Physical Sciences	47.049	00002020	65,590	—
University of Illinois at Urbana-Champaign:				
Mathematical and Physical Sciences	47.049	2011-02478-08	1,665	—
University of Nebraska:				
Mathematical and Physical Sciences	47.049	25-0521-0178-004	6,103	—
University of Notre Dame:				
Mathematical and Physical Sciences	47.049	MOU	14,075	—
University of Washington:				
Mathematical and Physical Sciences	47.049	744881	25,287	—
Mathematical and Physical Sciences	47.049	BPO4331, UWSC6843	316,556	—
Columbia University:				
Geosciences	47.050	17(GG009393)	60,593	—
Geosciences	47.050	5(GG008855)	97,420	—
Consortium of Ocean Leadership:				
Geosciences	47.050	SA# 11-09	7,560,976	980,314
Old Dominion University:				
Geosciences	47.050	12-225-322141	95,318	—
Penn State University:				
Geosciences	47.050	4752-RU-NSF-0507	165,289	—
Stroud Water Research Center:				
Geosciences	47.050	340045-54300	3,546	—
Thesis Research:				
Geosciences	47.050	PRIME OCE 0927472	14,731	—
University of Alaska:				
Geosciences	47.050	UAF-15-0017	178,881	9,446
University of Arizona:				
Geosciences	47.050	PO#125162	12,089	—
University of Maryland Center for Environmental Science:				
Geosciences	47.050	07-5-281360-A/12798	787	—
University of Southern California:				
Geosciences	47.050	52168997	57,612	—
University of Southern Mississippi:				
Geosciences	47.050	ASRA 01082016	4,345	—
Anonymous Corporation:				
Computer and Information Science and Engineering	47.070	PO# 9500013019, 14563	49,337	—
BBN Technologies:				
Computer and Information Science and Engineering	47.070	PO#9500011125	23,821	—
Boston University:				
Computer and Information Science and Engineering	47.070	4500001837	93,983	—
Brown University:				
Computer and Information Science and Engineering	47.070	00000674	(1,634)	—
Indiana University:				
Computer and Information Science and Engineering	47.070	BL-4848800.RU	15,261	—
Purdue University:				
Computer and Information Science and Engineering	47.070	4101-59856	11,160	—
University of Louisville:				
Computer and Information Science and Engineering	47.070	ULRF15-1416	37,592	—
University of Pennsylvania:				
Computer and Information Science and Engineering	47.070	557366	136,029	—
University of Virginia:				
Computer and Information Science and Engineering	47.070	GA11047 144312	43,201	—
Cary Institute of Ecosystem Studies:				
Biological Sciences	47.074	3206/200201586	106,864	—
University of Colorado, Denver:				
Biological Sciences	47.074	G70581	4,063	—
University of Missouri:				
Biological Sciences	47.074	C00031686-4	183,441	—
Penn State University:				
Social, Behavioral, and Economic Sciences	47.075	5227-RU-NSF-7193	17,746	—
State University of New York-Albany:				
Social, Behavioral, and Economic Sciences	47.075	13-41	18,666	—
University of California-San Diego:				
Social, Behavioral, and Economic Sciences	47.075	PO # 10321281-007	54,983	—
University of Michigan:				
Social, Behavioral, and Economic Sciences	47.075	3003046475	13,163	—
Pacific Science Center:				
Education and Human Resources	47.076	2014-1207E	17,255	—
University of Maine:				
Education and Human Resources	47.076	UM-S1003	40,857	—
Boston University Medical center:				
Office of International and Integrative Activities	47.079	3771	81,012	—
North Carolina State University:				
Office of Integrative Activities	47.083	2015-3003-1	3,520	—
SRI International:				
Various	47.RD	115-000026	690	—
J&F Enterprise:				
Various	47.RD	1000268607 0	9,743	—
Subtotal National Science Foundation			<u>10,346,884</u>	<u>989,760</u>
Office of the Director of National Intelligence:				
University of Maryland:				
Basic Scientific Research	12.431	35154-Z9208103Y	20,660	—
Office of the Director of National Intelligence, continued:				
University of Maryland:				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	33340-Z9885010	57,409	—
Subtotal Office of the Director of National Intelligence			<u>78,069</u>	<u>—</u>
Subtotal Pass-Through Research And Development Cluster			<u>61,385,059</u>	<u>6,279,284</u>
Subtotal Research And Development Cluster			<u>325,694,281</u>	<u>45,896,870</u>





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<b>Other Clusters:</b>				
<b>Student Financial Aid Cluster:</b>				
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grant Program	84.007	—	\$ 2,577,863	—
Federal Work-Study Program	84.033	—	3,634,322	—
Federal Perkins Loan Program	84.038	—	61,898,019	—
Federal Pell Grant Program	84.063	—	76,678,930	—
Federal Direct Student Loan Program	84.268	—	418,392,790	—
Subtotal U.S. Department of Education			<u>563,181,924</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Nursing Student Loan Program	93.364	—	1,665,490	—
Subtotal U.S. Department of Health and Human Services			<u>1,665,490</u>	<u>—</u>
Subtotal Student Financial Aid Cluster			<u>564,847,414</u>	<u>—</u>
<b>TRIO Cluster:</b>				
U.S. Department of Education:				
TRIO Student Support Services	84.042	—	861,551	—
TRIO Talent Search	84.044	—	790,530	—
TRIO Upward Bound	84.047	—	767,746	—
TRIO McNair Post-Baccalaureate Achievement	84.217	—	332,463	—
Subtotal U.S. Department of Education			<u>2,752,290</u>	<u>—</u>
Subtotal TRIO Cluster			<u>2,752,290</u>	<u>—</u>
<b>SNAP Cluster:</b>				
U.S. Department of Agriculture:				
State of New Jersey - Department of Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	—	7,212,585	—
Subtotal U.S. Department of Agriculture			<u>7,212,585</u>	<u>—</u>
Subtotal SNAP Cluster			<u>7,212,585</u>	<u>—</u>
<b>Health Centers Cluster:</b>				
U.S. Department of Health and Human Services:				
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	—	3,793,481	—
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	—	(648,023)	—
Subtotal U.S. Department of Health and Human Services			<u>3,145,458</u>	<u>—</u>
Subtotal Health Centers Cluster			<u>3,145,458</u>	<u>—</u>
<b>Hurricane Sandy Relief Cluster:</b>				
U.S. Department of Health and Human Services:				
HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095	—	617,772	—
New York University:				
HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095	13A00000214801	27,425	—
State of New Jersey-Department of Health:				
HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095	MOA TP00564-01	67,937	—
State of New Jersey - Department of Children and Families:				
HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095	14AXMZ	39,115	—
HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095	14SKGZ	360,640	—
The Research Foundation of State University of New York:				
HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095	1120580269386	15,311	—
Subtotal U.S. Department of Health and Human Services			<u>1,128,200</u>	<u>—</u>
Subtotal Hurricane Sandy Relief Cluster			<u>1,128,200</u>	<u>—</u>
<b>Transit Service Programs Cluster:</b>				
U.S. Department of Transportation:				
New Jersey Transit Corporation:				
New Freedom Program	20.521	FFY2011 Section 5317	(1,608)	—
New Freedom Program	20.521	FFY2012 Section 5317	308,031	—
New Freedom Program	20.521	FY 2012 FTA 5317	68,376	—
New Freedom Program	20.521	L-79938	1,720	—
Subtotal U.S. Department of Transportation			<u>376,519</u>	<u>—</u>
Subtotal Transit Service Programs Cluster			<u>376,519</u>	<u>—</u>
<b>Highway Safety Cluster:</b>				
U.S. Department of Transportation:				
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety:				
State and Community Highway Safety	20.600	TR-15-02-03-01	10,652	9,437
State and Community Highway Safety	20.600	TR-16-02-02-01	68,079	—
State and Community Highway Safety	20.600	TR-14-02-02-01	(1,371)	—
State and Community Highway Safety	20.600	PS-16-16-04-01	12,173	—
State and Community Highway Safety	20.600	PS-15-16-04-01	4,517	—
State and Community Highway Safety	20.600	TR-16-02-04-01	32,211	—
State and Community Highway Safety	20.600	PA4086PW4983	1,104	—
State and Community Highway Safety	20.600	PS-15-16-03-04	10,231	—
State and Community Highway Safety	20.600	TR-15-02-02-01	22,180	—
State and Community Highway Safety	20.600	TR-15-02-04-01	8,245	—
City University of New York-Transportation Research Center:				
National Priority Safety Programs	20.616	49997-48-25	18,497	—
State of New Jersey-Department of Transportation:				
National Priority Safety Programs	20.616	OP-16-45-02-10	23,940	—
State of New Jersey-Department of Law and Public Safety-Division of Highway Traffic Safety:				
National Priority Safety Programs	20.616	TR-16-45-01-02	15,189	—
National Priority Safety Programs	20.616	OP-15-45-02-10	34,110	—
Subtotal U.S. Department of Transportation			<u>259,757</u>	<u>9,437</u>
Subtotal Highway Safety Cluster			<u>259,757</u>	<u>9,437</u>



**THE STATE UNIVERSITY OF NEW JERSEY**  
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 Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
<b>Other Clusters, continued:</b>				
Drinking Water State Revolving Fund Cluster:				
U.S. Environmental Protection Agency:				
State of New Jersey-Department of Environmental Protection:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	WS13-014	\$ 43,334	—
Subtotal U.S. Environmental Protection Agency			<u>43,334</u>	<u>—</u>
Subtotal Drinking Water State Revolving Fund Cluster			<u>43,334</u>	<u>—</u>
Subtotal Other Clusters			<u>579,765,557</u>	<u>9,437</u>
<b>Other Programs:</b>				
Direct:				
U.S. Agency for International Development:				
USAID Development Partnerships for University Cooperation and Development				
Subtotal U.S. Agency for International Development	98.012	—	<u>70,543</u>	<u>—</u>
U.S. Department of Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	—	68,284	45,189
Grants for Agricultural Research, Special Research Grants	10.200	—	61,073	—
Cooperative Forestry Research	10.202	—	20,000	—
Organic Agriculture Research and Extension Initiative	10.307	—	476,966	325,950
Specialty Crop Research Initiative	10.309	—	346,597	170,691
Agriculture and Food Research Initiative (AFRI)	10.310	—	21,008	—
Cooperative Extension Service	10.500	—	<u>3,739,267</u>	<u>—</u>
Subtotal U.S. Department of Agriculture			<u>4,733,195</u>	<u>541,830</u>
U.S. Department of Commerce:				
Science and Research Park Development Grants	11.030	—	429,583	106,740
Habitat Conservation	11.463	—	6,620	2,823
Subtotal U.S. Department of Commerce			<u>436,203</u>	<u>109,563</u>
U.S. Department of Defense:				
Basic and Applied Scientific Research	12.300	—	439,394	—
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	—	413,315	—
ROTC Language and Culture Training Grants	12.357	—	100,000	100,000
Military Medical Research and Development	12.420	—	200,586	—
Basic Scientific Research	12.431	—	228,359	—
Language Grant Program	12.900	—	93,742	—
Various	12.UNK	—	<u>350,801</u>	<u>—</u>
Subtotal U.S. Department of Defense			<u>1,826,197</u>	<u>100,000</u>
U.S. Department of Education:				
Rehabilitation Long-Term Training	84.129	—	215,308	—
National Institute on Disability and Rehabilitation Research	84.133	—	170,831	11,347
Javits Fellowships	84.170	—	(16,975)	—
Graduate Assistance in Areas of National Need	84.200	—	1,650,078	—
Income Contingent Loan Program	84.226	—	26,364	—
Comprehensive Regional Assistance Centers	84.283	—	1,701,996	575,410
Teacher Quality Enhancement Grants	84.336	—	<u>558,911</u>	<u>194,002</u>
Subtotal U.S. Department of Education			<u>4,306,513</u>	<u>780,759</u>
U.S. Department of Energy:				
Nuclear Energy Research, Development and Demonstration	81.121	—	3,046	—
Subtotal U.S. Department of Energy			<u>3,046</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Training in General, Pediatric, and Public Health Dentistry	93.059	—	359,015	—
Global AIDS	93.067	—	(1,840)	—
Food and Drug Administration Research	93.103	—	248	—
Environmental Health	93.113	—	307,010	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	—	1,111,648	6,945
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	—	248,610	145,389
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	—	22,523	16,658
AIDS Education and Training Centers	93.145	—	320,909	63,328
Centers of Excellence	93.157	—	47,408	—
Research Related to Deafness and Communication Disorders	93.173	—	17,285	—
Mental Health Research Grants	93.242	—	11,319	—
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	—	132,749	—
Public Health Training Centers Program	93.249	—	(1,808)	—
Poison Center Support and Enhancement Grant Program	93.253	—	486,299	—
Occupational Safety and Health Program	93.262	—	1,439,486	—
Mental Health National Research Service Awards for Research Training	93.282	—	21,920	—
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	—	668,189	—
Trans-NIH Research Support	93.310	—	308,259	—
Research Infrastructure Programs	93.351	—	43,979	—
Nurse Education, Practice Quality and Retention Grants	93.359	—	580,144	—
Nursing Research	93.361	—	2,380	(19,980)
Cancer Research Manpower	93.398	—	23,407	—
NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	93.424	—	56,738	—
Affordable Care Act (ACA) Primary Care Residency Expansion Program	93.510	—	308,999	—
Affordable Care Act (ACA) Advanced Nursing Education Expansion Initiative	93.513	—	23,760	—
Affordable Care Act (ACA) Public Health Training Centers Program	93.516	—	(51,376)	(36,687)
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance	93.624	—	1,862,849	609,148
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	—	542,500	—
Affordable Care Act (ACA) - Testing a Model of Data Aggregation under the Comprehensive Primary Care initiative	93.646	—	1,846	—
IMR and NCCIM Programs	93.700	—	(7,040)	—
Cardiovascular Diseases Research	93.837	—	2,524	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	—	82,573	—
Biomedical Research and Research Training	93.859	—	801,690	—
Child Health and Human Development Extramural Research	93.865	—	439,039	—
HIV Care Formula Grants	93.917	—	(2,636)	—



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Other Programs, continued:				
Direct, continued:				
U.S. Department of Health and Human Services, continued:				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	—	\$ (24,188)	—
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924	—	419,934	25,000
Tuberculosis Demonstration, Research, Public and Professional Education	93.947	—	(63,972)	—
Program Identification Number 10IPA1009411	93.UNK	—	9,940	—
Program Identification Number HHSN261201300021I	93.UNK	—	1,034,582	—
Program Identification Number 200201139385	93.UNK	—	2,370,671	—
Subtotal U.S. Department of Health and Human Services			<u>13,957,572</u>	<u>809,801</u>
U.S. Department of Homeland Security:				
Homeland Security-Related Science, Technology, Engineering And Mathematics (HS STEM) Career Development Program	97.104	—	299,598	—
Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97.108	—	107,675	—
Subtotal U.S. Department of Homeland Security			<u>407,273</u>	<u>—</u>
U.S. Department of Justice:				
Criminal Justice Research and Development Graduate Research Fellowships	16.562	—	9,621	—
Subtotal U.S. Department of Justice			<u>9,621</u>	<u>—</u>
U.S. Department of Labor:				
Occupational Safety and Health Susan Harwood Training Grants	17.502	—	292,187	84,333
Disability Employment Policy Development	17.720	—	(5,982)	(5,202)
Subtotal U.S. Department of Labor			<u>286,205</u>	<u>79,131</u>
U.S. Department of the Interior:				
Assistance to State Water Resources Research Institutes	15.805	—	9,825	—
Subtotal U.S. Department of the Interior			<u>9,825</u>	<u>—</u>
U.S. Department of Transportation:				
Federal Transit Formula Grants	20.507	—	5,236	—
Public Transportation Research	20.514	—	4,073,871	681,598
University Transportation Centers Program	20.701	—	124,378	20,297
Subtotal U.S. Department of Transportation			<u>4,203,485</u>	<u>701,895</u>
U.S. Department of Veterans Affairs:				
Veterans State Hospital Care	64.016	—	1,040,812	—
Sharing Specialized Medical Resources	64.018	—	21,155	—
VA Supportive Services for Veteran Families Program	64.033	—	42,065	—
Various	64.UNK	—	160,369	—
Subtotal U.S. Department of Veterans Affairs			<u>1,264,401</u>	<u>—</u>
U.S. Environmental Protection Agency:				
Science To Achieve Results (STAR) Fellowship Program	66.514	—	7,385	—
Pollution Prevention Grants Program	66.708	—	81,916	—
Subtotal U.S. Environmental Protection Agency			<u>89,301</u>	<u>—</u>
Argonne National Laboratory:				
Public Assistance Grants	97.036	—	4,845	—
Subtotal Argonne National Laboratory			<u>4,845</u>	<u>—</u>
Institute of Museum and Library Services:				
Museums for America	45.301	—	18,366	—
Subtotal Institute of Museum and Library Services			<u>18,366</u>	<u>—</u>
Internal Revenue Service:				
Low Income Taxpayer Clinics	21.008	—	144,569	—
Subtotal Internal Revenue Service			<u>144,569</u>	<u>—</u>
Library of Congress:				
Copyright Service	42.002	—	1,000	—
Subtotal Library of Congress			<u>1,000</u>	<u>—</u>
National Aeronautics and Space Administration:				
Science	43.001	—	645	—
Education	43.008	—	487,360	109,617
Subtotal National Aeronautics and Space Administration			<u>488,005</u>	<u>109,617</u>
National Endowment for the Arts:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	—	26,506	4,983
Subtotal National Endowment for the Arts			<u>26,506</u>	<u>4,983</u>
National Endowment for the Humanities:				
Promotion of the Humanities Division of Preservation and Access	45.149	—	133,674	—
Subtotal National Endowment for the Humanities			<u>133,674</u>	<u>—</u>
National Science Foundation:				
Engineering Grants	47.041	—	99,177	—
Mathematical and Physical Sciences	47.049	—	4,790	—
Geosciences	47.050	—	87,549	—
Biological Sciences	47.074	—	4,895	—
Social, Behavioral, and Economic Sciences	47.075	—	10	—
Education and Human Resources	47.076	—	248,193	—
Subtotal National Science Foundation			<u>444,614</u>	<u>—</u>



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Other Programs, continued:				
Direct, continued:				
Small Business Administration:				
Small Business Development Center	59.037		\$ 3,148,334	1,129,876
Entrepreneurial Development Disaster Assistance (Disaster Relief Appropriations Act)	59.064	—	1,005,780	378,708
Subtotal Small Business Administration			<u>4,154,114</u>	<u>1,508,584</u>
Subtotal Direct Other Programs			<u>37,019,073</u>	<u>4,746,163</u>
Pass-Through:				
U.S. Agency for International Development:				
University Research Co., LLC:				
USAID Foreign Assistance for Programs Overseas	98.001	FY11L057500	163,705	8,000
National Academy of Sciences:				
USAID Development Partnerships for University Cooperation and Development	98.012	2000006094	27,466	—
Research Triangle Institute:				
Various	98.UNK	1-330-0212934	911,653	214,946
Triangle Coalition for Science and Technology Education:				
Various	98.UNK	3-330-0213997	15,744	—
Subtotal U.S. Agency for International Development			<u>1,118,568</u>	<u>222,946</u>
U.S. Department of Agriculture:				
New Jersey Tree Foundation:				
Grants for Agricultural Research, Special Research Grants	10.200	14-DG-11420004-281	7,839	—
University of Florida:				
Grants for Agricultural Research, Special Research Grants	10.200	UFDSP00011096	28,328	—
Subtotal Grants for Agricultural Research, Special Research Grants			<u>36,167</u>	—
University of Vermont:				
Sustainable Agriculture Research and Education	10.215	GNE13-064	809	—
Sustainable Agriculture Research and Education	10.215	SNE15-09-29994	23,288	—
Subtotal Sustainable Agriculture Research and Education			<u>24,097</u>	—
Cornell University:				
Homeland Security Agricultural	10.304	67826-9934	25,771	—
University of Oregon:				
Agriculture and Food Research Initiative (AFRI)	10.310	238400A	66,017	—
University of Massachusetts:				
Crop Protection and Pest Management Competitive Grants Program	10.329	15 008637 A 00	4,502	—
Kansas State University:				
Cooperative Extension Service	10.500	S15149	9,993	—
Cooperative Extension Service	10.500	S16066	15,196	—
Cooperative Extension Service	10.500	S15032	569	—
Cooperative Extension Service	10.500	S15064	13,851	—
Northeast Center for Risk Management Education:				
Cooperative Extension Service	10.500	39132	19,051	—
Penn State University:				
Cooperative Extension Service	10.500	5251-RU-USDA-2628	4,872	—
University of Florida:				
Cooperative Extension Service	10.500	UFDSP00010706	42,157	—
University of Vermont:				
Cooperative Extension Service	10.500	ENE-11-121	4,117	—
Subtotal Cooperative Extension Service			<u>109,806</u>	—
State of New Jersey-Department of Agriculture:				
Various	10.UNK	SCBG1476-9	2,240	—
State of New Jersey-Department of Agriculture:				
Various	10.UNK	3360-128-1-14	21,971	—
Subtotal U.S. Department of Agriculture			<u>290,571</u>	—
U.S. Department of Commerce:				
New England Fisheries Management Council:				
Fishery Cooperative Services	11.411	PGRM.14-04	76,967	—
New Jersey Sea Grant Consortium:				
Sea Grant Support	11.417	6309-0000	28,948	—
Sea Grant Support	11.417	6507-0002	18,662	—
Subtotal Sea Grant Support			<u>47,610</u>	—
Woods Hole Oceanographic Institution:				
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483	A101069	161,332	—
State of New Jersey-Department of Environmental Protection:				
Various	11.UNK	NOAA-NOS-OCM-215-2004324	117,957	—
Subtotal U.S. Department of Commerce			<u>403,866</u>	—
U.S. Department of Defense:				
CDM Smith, Inc.:				
Basic and Applied Scientific Research	12.300	6446001-008-CS	5,004	—
Subtotal U.S. Department of Defense			<u>5,004</u>	—
U.S. Department of Education:				
LEAP Academy Charter School:				
Title I Grants to Local Educational Agencies	84.010	Service agreement dated 11-25-15	56,630	—
Title I Grants to Local Educational Agencies	84.010	Service agreement dated 12-23-14	1,924	—
Subtotal Title I Grants to Local Educational Agencies			<u>58,554</u>	—
Manhattan Strategy Group:				
Title I Program for Neglected and Delinquent Children	84.013	CWW-02-1236	30,693	—
State of New Jersey-Department of Corrections:				
Title I Program for Neglected and Delinquent Children	84.013	01-NCLB-DOC	14,230	—
Subtotal Title I Program for Neglected and Delinquent Children			<u>44,923</u>	—
Manhattan Strategy Group:				
Vocational Education Basic Grants to States	84.048	ED-VAE-15-R-0037	53,886	—
Bergen Community College:				
Fund for the Improvement of Postsecondary Education	84.116	B0007870	8,140	—
Excelsior College:				
Fund for the Improvement of Postsecondary Education	84.116	P116F150077-15A	29,541	—
Subtotal Fund for the Improvement of Postsecondary Education			<u>37,681</u>	—
State of New Jersey-Department of Education:				
Mathematics and Science Partnerships	84.366	09000083	965	—
National Writing Project:				
Improving Teacher Quality State Grants	84.367	00-NJ01-SEED2012/AMMD 2B	10,051	—
Subtotal U.S. Department of Education			<u>206,060</u>	—
U.S. Department of Energy:				
Proton Energy Systems Inc.:				
Various	81.UNK	SBIR	37,129	—
Subtotal U.S. Department of Energy			<u>37,129</u>	—



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Other Programs, continued:				
Pass-Through, continued:				
U.S. Department of Health and Human Services:				
The Trustees of Columbia University in the City of New York:				
Global AIDS	93.067	GG0668924	\$ (767)	—
University of Missouri:				
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073	C00046615-3	4,049	—
State of New Jersey-Department of Children and Families:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	MOA	40,745	—
State of New Jersey Department of Health-Communicable Disease Service:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	EPID14TAC004	(7,569)	—
State of New Jersey Department of Health-Division of Epidemiology & Disease Control:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	EPID14TAC005	300	—
Family Health Services:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	EPID16TAC006	4,579	—
Subtotal Project Grants and Cooperative Agreements for Tuberculosis Control Programs			(2,690)	—
The Trustees of Columbia University in the City of New York:				
AIDS Education and Training Centers	93.145	6GG00640404	56,957	—
AIDS Education and Training Centers	93.145	8GG01189701	228,254	40,656
Subtotal AIDS Education and Training Centers			285,211	40,656
Family Health Services:				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	PARTDDFHS15PDA009	40,959	—
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	PARTBDFHS15PDA009	32,336	—
Subtotal Coordinated Services and Access to Research for Women, Infants, Children, and Youth			73,295	—
Rowan University:				
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156	ROWANSOMNJ5IA	19,796	—
County of Somerset:				
Mental Health Research Grants	93.242	1H79SM060149-04	33,351	—
Middlesex County:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	RES16117R	41,204	—
State of New Jersey-Department of Human Services-Division of Mental Health and Addiction Services:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	MOA	48,606	—
Subtotal Substance Abuse and Mental Health Services Projects of Regional and National Significance			89,810	—
State of New Jersey-Department of Education:				
Family Planning Personnel Training	93.260	333-20160001	16,555	—
Mt. Sinai Hospital:				
Occupational Safety and Health Program	93.262	025365354609	159,094	—
State of New Jersey - Office of Cancer Control & Prevention:				
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	DFHS11CED007	2,741	—
State of New Jersey-Department of Health:				
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	DFHS14CTC007	451	—
Subtotal Centers for Disease Control and Prevention Investigations and Technical Assistance			3,192	—
State of New Jersey-Division of Public Health and Environmental Laboratories:				
Teenage Pregnancy Prevention Program	93.297	TP2AH0020	(463)	—
The Arc of the United States:				
Cancer Treatment Research	93.395	ARC	373	—
Nutrasorb LLC:				
Public Health Act and Prevention and Public Health Fund (PPHF) National Public Health Improvement Initiative	93.507	SBIR	18,420	—
State of New Jersey-Department of Health-Division of Epidemiology, Environmental and Occupational Health:				
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements;	93.521	MOACDCC00040001	6,368	—
State of New Jersey-Department of Human Services:				
Child Support Enforcement	93.563	NJCSH15	5,521,094	—
State of New Jersey-Department of Human Services-Division of Family Development:				
Pass-Through to Rutgers-Camden Technical Assistance Corporation:				
Child Care and Development Block Grant	93.575	UC16017	605,109	—
Child Care and Development Block Grant	93.575	UC16008	909,224	—
Child Care and Development Block Grant	93.575	UC16006	1,586,285	—
Child Care and Development Block Grant	93.575	UC16005	523,816	—
Child Care and Development Block Grant	93.575	UC 16017	32,388	—
Child Care and Development Block Grant	93.575	UC16001	1,582,046	—
Subtotal Child Care and Development Block Grant			5,238,868	—
University Of Miami:				
Trans-NIH Recovery Act Research Support	93.701	66749R	(3,334)	—
State of New Jersey-Department of Human Services-Division of Aging and Community Services:				
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs – financed by Prevention and Public Health Funds (PPHF)	93.734	DOAS13CDS038	3,060	—
Newark Public Schools:				
State Children's Insurance Program	93.767	8539C	726,695	—
Paterson Public Schools:				
State Children's Insurance Program	93.767	RFP-41514	283,806	—
Subtotal State Children's Insurance Program			1,010,501	—
Icahn School of Medicine at Mount Sinai:				
Health Careers Opportunity Program	93.822	025362974609	13,044	—
Brigham and Women's Hospital, Inc.:				
Allergy and Infectious Diseases Research	93.855	108085	(1,375)	—
Harvard University:				
Child Health and Human Development Extramural Research	93.865	11407410525042765	51,309	—
AIDS Activities Coordinating Office (AACO):				
HIV Emergency Relief Project Grants	93.914	RWS5325	131,179	—
HIV Emergency Relief Project Grants	93.914	RWS4325	118	—
City of Newark:				
HIV Emergency Relief Project Grants	93.914	RYANWHITEFY15	4,747	—
HIV Emergency Relief Project Grants	93.914	RWPARTAFMAIF	(3,704)	—
HIV Emergency Relief Project Grants	93.914	RYANWHITESTARTFY14	3,319	—
HIV Emergency Relief Project Grants	93.914	RYANWHITEPARTA	(12,887)	—
HIV Emergency Relief Project Grants	93.914	RWPARTAFPARTA	(17,428)	—
HIV Emergency Relief Project Grants	93.914	PARTAFY15	169,502	—
HIV Emergency Relief Project Grants	93.914	FY2015PARTA	484,942	—
HIV Emergency Relief Project Grants	93.914	ADVANCEFY15PARTFMAI	609,888	—
HIV Emergency Relief Project Grants	93.914	7R2C07016PARTA	58,684	—
HIV Emergency Relief Project Grants	93.914	RYANWHITEPARTBFY15	190,735	—
HIV Emergency Relief Project Grants	93.914	RWPARTA	3,719	—
Family Health Services:				
HIV Emergency Relief Project Grants	93.914	DFHS16PDA002	598,624	—
Middlesex County:				
HIV Emergency Relief Project Grants	93.914	MCMFY2016	30,641	—



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Other Programs, continued:				
Pass-Through, continued:				
U.S. Department of Health and Human Services, continued:				
Middlesex County, continued:				
HIV Emergency Relief Project Grants	93.914	PO132757	\$ (5,798)	—
HIV Emergency Relief Project Grants	93.914	PO132758	(75,624)	—
HIV Emergency Relief Project Grants	93.914	R15640RPO137557	168,912	—
HIV Emergency Relief Project Grants	93.914	Resolution 16100R	(4,058)	—
HIV Emergency Relief Project Grants	93.914	15641RPO137558	29,725	—
Newark Public Schools:				
HIV Emergency Relief Project Grants	93.914	FY15PARTANEWARK	227,465	—
Union County:				
HIV Emergency Relief Project Grants	93.914	ADVANCEPARTAUNIONCOUNTY	167,704	—
Subtotal HIV Emergency Relief Project Grants			<u>2,760,405</u>	<u>—</u>
City of Newark:				
HIV Care Formula Grants	93.917	RYANWHITEPARTA	409,113	—
HIV Care Formula Grants	93.917	CITYOFNEWARKCQM	(10,296)	—
HIV Care Formula Grants	93.917	8601	11,799	—
HIV Care Formula Grants	93.917	7R2F070716	49,750	—
HIV Care Formula Grants	93.917	7R2B070716	74,065	—
HIV Care Formula Grants	93.917	RYANWHITEPARTAFY16	83,100	—
HIV Care Formula Grants	93.917	CITYOFNEWARKPARTA	5,521	—
HIV Care Formula Grants	93.917	F14906PO132542	(43,073)	—
Middlesex County:				
HIV Care Formula Grants	93.917	141532R	(11,906)	—
HIV Care Formula Grants	93.917	RESOLUTION161006RMAI	9,323	—
HIV Care Formula Grants	93.917	RESOLUTION161006R	52,216	—
Special Children's Health Services:				
HIV Care Formula Grants	93.917	DFHS13PDA005	16,842	—
Union County:				
HIV Care Formula Grants	93.917	14RYAN109	(3,748)	—
Subtotal HIV Care Formula Grants			<u>642,706</u>	<u>—</u>
State of New Jersey-Department of Health-Division of HIV/AIDS, TB and STD Services:				
HIV Prevention Activities Health Department Based	93.940	AIDS11CTR019	234	—
HIV Prevention Activities Health Department Based	93.940	AIDS13CTN024	(26,106)	—
HIV Prevention Activities Health Department Based	93.940	AIDS15CTN017	714,356	—
HIV Prevention Activities Health Department Based	93.940	AIDS14NAV006	(408)	—
HIV Prevention Activities Health Department Based	93.940	AIDS15CTN031	186,250	—
HIV Prevention Activities Health Department Based	93.940	AIDS15NAV013	70,011	—
HIV Prevention Activities Health Department Based	93.940	AIDS15PIN002	439,700	—
Subtotal HIV Prevention Activities Health Department Based			<u>1,384,037</u>	<u>—</u>
State of Maryland-Department of Health and Mental Hygiene:				
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	OPASS-16-17120G	7,183	—
State of Louisiana Department of Health and Hospitals:				
Block Grants for Community Mental Health Services	93.958	734232	28,808	—
Rowan University:				
Geriatric Education Centers	93.969	UB4HP19059	1,334	—
State of New Jersey-Department of Health-Special Children's Health Services:				
Maternal and Child Health Services Block Grant to the States	93.994	DFHS15EIP003	25,488	—
State of New Jersey-Department of Health-Communicable Disease Service:				
Various	93.UNK	MOUFEDPASS1H23IP00072802	85,373	—
State of New Jersey-Department of Health-Division of Epidemiology, Environmental and Occupational Health:				
Immunization Grants	93.268	MOASTATISTICALANALYSIS	64,322	—
Various	93.UNK	MOU	40,536	—
Institute of Medicine of the National Academies:				
Various	93.UNK	2000004951	8,743	—
The Center for Great Expectations, Inc.:				
Various	93.UNK	1HT79T102617901	3,754	—
University of Pittsburgh:				
Various	93.UNK	0049274Y4023	3,000	—
Subtotal U.S. Department of Health and Human Services			<u>17,635,195</u>	<u>40,656</u>
U.S. Department of Homeland Security:				
State of New Jersey-Department of Law and Public Safety-Office of Emergency Management:				
Emergency Management Performance Grants	97.042	FY13-EMPG-NJWNS-1	50,000	—
Emergency Management Performance Grants	97.042	GS-14-012	27,514	—
Subtotal Emergency Management Performance Grants			<u>77,514</u>	<u>—</u>
Santa Clara University:				
Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97.108	S15256	165,589	—
Subtotal U.S. Department of Homeland Security			<u>243,103</u>	<u>—</u>
U.S. Department of Housing and Urban Development:				
City of Newark:				
Community Development Block Grants/Entitlement Grants	14.218	2015CDBG	40,000	—
Subtotal U.S. Department of Housing and Urban Development			<u>40,000</u>	<u>—</u>
U.S. Department of Justice:				
State of New Jersey-Department of Law and Public Safety-Office of Victim Witness Advocacy:				
Crime Victim Assistance	16.575	14 VAG 25	27,643	—
Camden County:				
Public Safety Partnership and Community Policing Grants	16.710	Service agreement dated 1-26-15	16,847	—
Subtotal U.S. Department of Justice			<u>44,490</u>	<u>—</u>
U.S. Department of Labor:				
PathStone:				
H-1B Job Training Grants	17.268	H-1B Job Training grants	8,514	—
Volunteers of America Delaware Valley:				
H-1B Job Training Grants	17.268	H-1B Job Training grants	35,059	—
Subtotal H-1B Job Training Grants			<u>43,573</u>	<u>—</u>
Big Brothers Big Sisters of Essex, Hudson & Union Counties:				
Reintegration of Ex-Offenders	17.270	PE-24401-13-60-A-42	10,651	—
Bergen Community College:				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	B0007518	58,624	—
Ivy Tech Community College:				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	TC-26441-14-60-A-18	86,110	—
Richland College:				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	TC-26492-14-60-A-18	56,871	—
Subtotal Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants			<u>201,605</u>	<u>—</u>
Subtotal U.S. Department of Labor			<u>255,829</u>	<u>—</u>



**THE STATE UNIVERSITY OF NEW JERSEY**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Numbers	Pass-through Entity Identifying Number	Federal Expenditures	Passed-through to Subrecipients
Other Programs, continued:				
Pass-Through, continued:				
U.S. Department of State:				
International Research and Exchanges Board:				
Academic Exchange Programs - Undergraduate Programs	19.009	FY16-YALI-BE-RUTGERS-01	\$ 56,310	—
Academic Exchange Programs - Undergraduate Programs	19.009	FY-16-YALI-CL-RUTGERS-03	65,918	—
Academic Exchange Programs - Undergraduate Programs	19.009	FY 15-YALI-RUTGERS-02	72,890	—
Subtotal Academic Exchange Programs - Undergraduate Programs			<u>195,118</u>	<u>—</u>
University of Delaware:				
Professional Exchanges Annual Open Grant	19.415	33734	26,371	—
Subtotal U.S. Department of State			<u>221,489</u>	<u>—</u>
U.S. Department of the Interior:				
National Fish and Wildlife Foundation:				
Hurricane Sandy Disaster Relief – Coastal Resiliency Grants.	15.153	44193	371,824	63,727
Subtotal U.S. Department of the Interior			<u>371,824</u>	<u>63,727</u>
U.S. Department of Transportation:				
Engineering & Software Consultants, Inc.:				
Highway Training and Education	20.215	TASK ORDER #4	172,003	—
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	AL09-10-06-01	1,512	—
State of New Jersey-Treasury-New Jersey Economic Development Authority:				
Highway Training and Education	20.215	MOU	120,057	9,103
Subtotal U.S. Department of Transportation			<u>293,572</u>	<u>9,103</u>
U.S. Department of Veterans Affairs:				
Veterans Bio-Medical Research Institute Inc.:				
Various	64.UNK	IPAAPOLLONIAFOX	7,769	—
Various	64.UNK	IPASTACEYGRAY	17,835	—
Various	64.UNK	CSHERIDAN561C46659	101	—
Subtotal U.S. Department of Veterans Affairs			<u>25,705</u>	<u>—</u>
U.S. Environmental Protection Agency:				
State of New Jersey-Department of Environmental Protection:				
Nonpoint Source Implementation Grants	66.460	WM15-018	53,683	—
Middlesex County Improvement Authority:				
Wetland Program Development Grants	66.461	001-1300-600-34-14	24,611	—
State of New Jersey-Department of Environmental Protection:				
Wetland Program Development Grants	66.461	IR14-003/IR15-008	16,578	—
Subtotal Wetland Program Development Grants			<u>41,189</u>	<u>—</u>
State of New Jersey-Department of Environmental Protection:				
Performance Partnership Grants	66.605	AQ15-009	15,820	—
State of New Jersey-Department of Environmental Protection:				
Various	66.UNK	FS 14-007	1,156	—
Subtotal U.S. Environmental Protection Agency			<u>111,848</u>	<u>—</u>
Corporation for National and Community Service:				
The College of New Jersey:				
AmeriCorps	94.006	S1450-10	1,507	—
AmeriCorps	94.006	S1550-9	2,767	—
AmeriCorps	94.006	S1550-8	29,061	—
Subtotal AmeriCorps			<u>33,335</u>	<u>—</u>
Mayor's Fund to Advance New York City:				
Social Innovation Fund	94.019	10SHINY002	(22)	—
Social Innovation Fund	94.019	Rutgers University TEEM Gateway	193,365	—
Subtotal Social Innovation Fund			<u>193,343</u>	<u>—</u>
Subtotal Corporation for National and Community Service			<u>226,678</u>	<u>—</u>
National Aeronautics and Space Administration:				
University of Maryland, Baltimore:				
Science	43.001	160027/12700	28,152	—
Subtotal National Aeronautics and Space Administration			<u>28,152</u>	<u>—</u>
National Endowment for the Arts:				
Arts Midwest:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	FY14-2227	(26)	—
Promotion of the Arts Grants to Organizations and Individuals	45.024	FY15-2227	15,000	—
Subtotal Promotion of the Arts Grants to Organizations and Individuals			<u>14,974</u>	<u>—</u>
Mid Atlantic Arts Foundation:				
Promotion of the Arts Partnership Agreements	45.025	27180	7,200	—
Subtotal National Endowment for the Arts			<u>22,174</u>	<u>—</u>
National Endowment for the Humanities:				
New Jersey Council for the Humanities:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	2016-02	10,315	—
New Jersey Council for the Humanities:				
Promotion of the Humanities Federal/State Partnership	45.129	2014-01	6,586	—
New Jersey Council for the Humanities:				
Promotion of the Humanities Challenge Grants	45.130	2016-11	2,630	—
American Library Association:				
Promotion of the Humanities Public Programs	45.164	ALA PPO GRANT LA105467	9,239	—
New Jersey Council for the Humanities:				
Various	45.UNK	2014-15	(441)	—
Subtotal National Endowment for the Humanities			<u>28,329</u>	<u>—</u>
Subtotal Pass-Through Other Programs			<u>21,609,586</u>	<u>336,432</u>
Subtotal Other Clusters and Other Programs			<u>638,394,216</u>	<u>5,092,032</u>
Total Expenditures of Federal Awards			<u>\$ 964,088,497</u>	<u>50,988,902</u>

See accompanying notes to schedule of expenditures of Federal awards.

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

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

**(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, 2016, which have been funded 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the 2016 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* and Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general University activities which are allocated to Federal expenditures under negotiated formulas commonly referred to as facilities and administrative (F&A) costs rates. F&A costs applicable to these cost recoveries are classified as unrestricted expenses in the statements of revenues, expenses, and changes in net position. Credit disbursement amounts typically result from grant or contract closing adjustments or transfers.



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

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

**(2) Indirect Cost Rate**

The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**(3) Federal Direct Student Loan Program**

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program and, accordingly, these loans are not included in the University's basic financial statements. It is not practical to determine the balance of loans outstanding to students of the University under this program as of June 30, 2016.

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

The balance of loans outstanding under the Federal Perkins Loan Program, Nursing Student Loan Program, and Income Contingent Loan Program at June 30, 2016 were as follows:

	<b>Year ended June 30, 2016</b>		
	<b>Federal Perkins Loan Program</b>	<b>Nursing Student Loan Program</b>	<b>Income Contingent Loan Program</b>
Beginning balance	\$ 53,669,443	1,475,338	26,364
New loans issued	8,228,576	190,152	—
Payments	(10,090,879)	(79,642)	(455)
Adjustments	1,503,114	—	—
Cancellations	(183,144)	(57,348)	—
Ending balance	\$ 53,127,110	1,528,500	25,909



KPMG LLP  
New Jersey Headquarters  
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Short Hills, NJ 07078-2702

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Rutgers, The State University of New Jersey (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 28, 2016. Our report contained a modified opinion on the financial statements of the aggregate discretely presented component units regarding a departure of accounting from U.S. generally accepted accounting principles related to the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate (UPA) which are prepared on a modified basis of cash receipts and disbursements. Our report also contained an emphasis of matter paragraph regarding the University's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Our report includes a reference to other auditors who audited the financial statements of UPA, as described in our report on the University's financial statements. The financial statements of UPA and Rutgers University Foundation were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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

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



that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **University's Response to Findings**

The University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

**KPMG LLP**

Short Hills, New Jersey  
November 28, 2016



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

## **Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

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

We have audited Rutgers, The State University of New Jersey's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major Federal programs for the year ended June 30, 2016. The University's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the University's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the University's compliance.

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

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2016.



### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007. Our opinion on each major Federal program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007, that we consider to be significant deficiencies.

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

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



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

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated November 28, 2016, which contained a modified opinion on the financial statements of the aggregate discretely presented component units regarding a departure of accounting from U.S. generally accepted accounting principles related to the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate (UPA) which are prepared on a modified basis of cash receipts and disbursements. Our report also contained an emphasis of matter paragraph regarding the University's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The accompanying schedule of expenditures of Federal awards (the Schedule) is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

**KPMG LLP**

Short Hills, New Jersey  
March 30, 2017

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

Schedule of Findings and Questioned Costs

June 30, 2016

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

- (a) An unmodified opinion was issued on the financial statements of the business-type activities of Rutgers, The State University of New Jersey, a component unit of the State of New Jersey (the University), as of and for the year ended June 30, 2016. A modified opinion was issued on the financial statements of the aggregate discretely presented component units of the University regarding a departure of accounting from U.S. generally accepted accounting principles related to the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate which are prepared on a modified basis of cash receipts and disbursements. Our reports also contained an emphasis of matter paragraph regarding the University's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. These financial statements were prepared in accordance with generally accepted accounting principles.
- (b) Significant deficiencies in internal control disclosed by the audit of the basic financial statements of the University as of and for the year ended June 30, 2016: **2016-001** Material weaknesses: **no**
- (c) The audit disclosed no instances of noncompliance which are material to the basic financial statements of the University as of and for the year ended June 30, 2016.
- (d) Significant deficiencies in internal control over the major Federal programs: **2016-002, 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007** Material weaknesses: **no**
- (e) An unmodified opinion was issued on the University's compliance with requirements applicable to each of its major Federal programs for the year ended June 30, 2016.
- (f) There were six audit findings (**2016-002, 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007**) which are required to be reported in accordance with 2 CFR 200.516(a) for the year ended June 30, 2016.
- (g) The University's major Federal programs are:
  - Research and Development Cluster (various CFDA numbers)
  - Student Financial Aid Cluster (various CFDA numbers)
  - Public Transportation Research, Technical Assistance , and Training (20.514)
  - Entrepreneurial Development Disaster (Disaster Relief Appropriations Act (59.064)
  - Comprehensive Centers (84.283)
  - CCDF Cluster (various CFDA numbers)
- (h) The dollar threshold used to distinguish between type A and type B programs was \$3,000,000 for the year ended June 30, 2016.
- (i) The University did not qualify as a low-risk auditee for Federal awards for the year ended June 30, 2016.

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

Schedule of Findings and Questioned Costs

June 30, 2016

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

***2016-001 Grants Management and Administration***

The University's Division of Grant and Contract Accounting (DGCA) performs central financial accounting and provides postaward administration support services for the University's sponsored programs and other restricted funds, including the development of the University's facilities and administrative cost and fringe benefit proposals and coordination of effort certification processes.

On August 22, 2012, Governor Chris Christie signed the New Jersey Medical and Health Sciences Education Restructuring Act (Chapter 45, P.L. 2012) (the Act), which was passed by the New Jersey Senate and Assembly on June 28, 2012. This act integrated all units of legacy University of Medicine and Dentistry of New Jersey (UMDNJ), except University Hospital (UH) in Newark and the School of Osteopathic Medicine (SOM) in Stratford, into Rutgers effective July 1, 2013.

As part of the integration process under the Act, all Federal, State of New Jersey, and local grants that were administered by UMDNJ were effectively transferred to Rutgers as of July 1, 2013, and the policies and procedures in place at DGCA prior to the effective date of the Act became the governing policies and procedures over the former UMDNJ grants that are now administered by Rutgers.

Although the University continues to make progress in the effective integration of the former UMDNJ federal, state and local grants into the administration under DGCA, there still remains ongoing challenges and obstacles to ensure that former policies, practices and procedures of legacy UMDNJ are transitioned and applied under the existing policies, practices and procedures of DGCA. Also, approximately \$34 million of certain former UMDNJ grants receivable were still reported in the University's financial statements in which the net realizable value could not be readily determined or supported as a valid grant receivable as of June 30, 2016. Although the amounts as of June 30, 2016 were not material to the University's financial statements as a whole, such amounts could become material in future periods if the University does not strengthen its policies and procedures to ensure such amounts are properly written off.

We recommend that the University continue its efforts in the integration of the former UMDNJ grants into DGCA and to ensure that any related grant receivables are properly reviewed on a continuous basis to ensure the net realizable value of such receivables are reported in the University's financial statements.

**View of Responsible Official:**

The University agrees and took an important step toward further integration of the former UMDNJ grants into DGCA with the implementation of a consolidated general ledger with a new grants module in October 2016. Work is on-going to identify the net realizable value of the grant receivables and further progress is expected during fiscal year 2017.



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**(3) Findings and Questioned Costs Related to Federal Awards**

***2016-002 Enrollment Reporting***

U.S. Department of Education:

Student Financial Assistance Cluster:

Federal Direct Student Loan Program (CFDA #84.268)

Federal Pell Grant Program (CFDA #84.063)

**Federal Grant Numbers:**

P268K110272 (7/1/2015 – 6/30/2016) and P063P100272 (7/1/2015 – 6/30/2016)

**Statistically Valid Sample:** No, not intended to be

**Prior Year Finding:** 2015-004

**Finding Type:** Significant Deficiency and Noncompliance

**Criteria:**

Under the Pell grant and ED loan programs, institutions must complete and return within 15 days the Enrollment Reporting roster file [formerly the Student Status Confirmation Report (SSCR)] placed in their Student Aid Internet Gateway (SAIG) (*OMB No. 1845-0002*) mailboxes sent by ED via NSLDS (*OMB No. 1845-0035*). The institution determines how often it receives the Enrollment Reporting roster file with the default set at a minimum of every 60 days. Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS website (FPL, 34 CFR section 674.19; Pell, 34 CFR section 690.83(b)(2); FFEL, 34 CFR section 682.610; Direct Loan, 34 CFR section 685.309).

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. NSLDS will send a Late Enrollment Reporting notification e-mail if no updates are received by batch or online within 22 days after the date the roster was sent to the school. The Enrollment Reporting Summary Report (SCHER1) on the NSLDS website can be created. It shows the dates the roster files were sent and returned, the number of errors, date and number of online updates, and the number of late enrollment reporting notifications sent for overdue Enrollment Reporting rosters.

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

Additionally, in accordance with Federal requirements, the University shall maintain internal controls over Federal programs designed to provide reasonable assurance that transactions are executed in compliance

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with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.

**Condition:**

The University utilizes the National Student Clearinghouse (the Clearinghouse) as a service provider for transmissions of its enrollment reporting changes to the National Student Loan Data System (NSLDS). The University receives the Enrollment Reporting Roster every 60 days and updates it for changes in student status. The file is sent to the Clearinghouse who transmits the updated information to NSLDS.

For six of 130 students selected for testwork, the students' changes in status were reported to NSLDS after the required timeframe. The students' changes in status were reported from 12 to 182 days late.

**Cause:**

The University did not appropriately monitor the Clearinghouse to ensure the transmissions to NSLDS were submitted in a timely manner.

**Effect:**

Student status changes not reported in an accurate or timely manner will cause the student to not enter into repayment status on a timely basis.

**Questioned Costs:**

No questioned costs were noted as a result of the audit procedures performed.

**Recommendation:**

We recommend the University ensure that all student status changes are timely reported to the NSLDS. Additionally, we recommend that the University strengthen monitoring procedures over the Clearinghouse to ensure all student status change information is reported timely to the NSLDS and if discrepancies are noted proper follow-up procedures are performed with the NSLDS and the Clearinghouse.

**View of Responsible Officials:**

The University concurs with this finding. The University's Registrar office has changed its procedure to report graduate student records retroactively for six (6) consecutive months. This will permit the University to identify all students who completed coursework after the close of the reporting period, while allowing them to graduate with their intended cohort. The University will continue to work with the Clearinghouse to insure that records reported through them are recorded by NSLDS since although the withdrawn records are reported timely to the Clearinghouse, they are not being recorded at the NSLDS in a timely manner.

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**2016-003 Reporting – Special Reporting**

U.S. Department of Education:

Student Financial Assistance Cluster:

Federal Perkins Loan (CFDA #84.038)

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)

Federal Work Study (CFDA #84.033)

**Federal Grant Numbers:**

P038A102602 (7/1/2015 – 6/30/2016), P007A102602 (7/1/2015 – 6/30/2016) and P033A102602 (7/1/2015 – 6/30/2016)

**Statistically Valid Sample:** No, not intended to be

**Prior Year Finding:** 2015-005

**Finding Type:** Significant Deficiency and Noncompliance

**Criteria:**

ED Form 646-1, *Fiscal Operations Report and Application to Participate (FISAP)* is required to be submitted annually in order for the University to receive funds for the campus-based programs. The University uses the *Fiscal Operations Report* portion to report its expenditures in the previous award year and the *Application to Participate* portion to apply for the following year. FISAPs are required to be submitted by October 1 following the end of the award year (which is always June 30).

Additionally, in accordance with Federal requirements, the University shall maintain internal controls over Federal programs designed to provide reasonable assurance that transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.

**Condition:**

On an annual basis, Rutgers compiles the information for the FISAP by extracting data from Oracle EBS (legacy-Rutgers) and Banner (RBHS) as well as obtaining the Perkins Loan totals from the loan service provider. This data is utilized to create two versions of the report; one for legacy-Rutgers and one for RBHS. Upon satisfaction of the completeness of the two versions, they are combined into an overall FISAP for the University to submit to the U.S. Department of Education. The combined FISAP is reviewed by the University Associate Controller and then reviewed and signed by the President prior to submission to the U.S. Department of Education.

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During our testwork, we noted the report included information which did not agree to the underlying supporting documentation. The following lines were reported incorrectly within Part V of the FISAP.

FISAP line item	University Records	Reported on FISAP	Difference
Institutional Expenditures for the JLD Program	\$34,563	\$12,370	\$22,193
Number of Students in Community Service Employment	984	921	63
Amount of the federal share in Field 28 spent on community service employment	\$16,412	\$16,298	\$114

**Cause:**

The combined amounts for legacy-Rutgers and RBHS data were not correctly calculated and reported on the FISAP.

**Effect:**

The FISAP was submitted with the incorrect numbers on three of the key line items.

**Questioned Costs:**

No questioned costs were noted as a result of the audit procedures performed.

**Recommendation:**

We recommend that the University strengthen its policies and procedures over the preparation and review of the FISAP to ensure it agrees to supporting documentation and is complete and accurate prior to submission.

**View of Responsible Officials:**

The Office of the University Controller and the Office of Financial Aid agree with the recommendation and will work together to strengthen our procedures over the preparation and review of the FISAP to ensure the submitted data is completely accurate prior to submission.

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***2016-004 Equipment and Real Property Management***

U.S. Department of Health and Human Services, National Institute of Health:  
Research and Development Cluster:  
Cancer Cause and Prevention Research (CFDA #93.393)

**Federal Grant Number:**

5R01CA160574

**Statistically Valid Sample:** No, not intended to be

**Prior Year Finding:** 2015-001

**Finding Type:** Significant Deficiency and Noncompliance

**Criteria:**

*Equipment Management*

Equipment means tangible personal property, including information technology systems, having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000 (2 CFR section 200.33). Title to equipment acquired by a non-Federal entity under grants and cooperative agreements vests in the non-Federal entity subject to certain obligations and conditions (2 CFR section 200.313(a)).

Non-Federal entities other than States must follow 2 CFR sections 200.313(c) through (e) which require that:

1. Equipment, including replacement equipment, be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award or, when appropriate, under other Federal awards; however, the non-Federal entity must not encumber the equipment without prior approval of the Federal awarding agency (2 CFR sections 200.313(c) and (e)).
2. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal award identification number), who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property (2 CFR section 200.313(d)(1)).
3. A physical inventory of the property must be taken and the results reconciled with the property records at least once every 2 years (2 CFR section 200.313(d)(2)).
4. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated (2 CFR section 200.313(d)(3)).

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5. Adequate maintenance procedures must be developed to keep the property in good condition (2 CFR section 200.313(d)(4)).
6. If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return (2 CFR section 200.313(d)(5)).
7. When original or replacement equipment acquired under a Federal award is no longer needed for a Federal program (whether the original project or program or other activities currently or previously supported by the Federal government), the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the award. Items of equipment with a current per-unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency. If the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold. The Federal awarding agency is entitled to the Federal interest in the equipment, which is the amount calculated by multiplying the current market value or sale proceeds by the Federal agency's participation in total project costs (2 CFR section 200.313(e) and 200.41).

Additionally, in accordance with Federal requirements, the University shall maintain internal controls over Federal programs designed to provide reasonable assurance that transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.

**Condition:**

The University uses Federal funds to purchase certain pieces of equipment to support its research and development activities. In accordance with Federal requirements, all equipment purchased with Federal funds must be maintained on an asset inventory record, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. When equipment is acquired by the University, it is tagged with a barcode and included in the inventory, which is conducted every two years. When it is disposed of or transferred, it is removed from the asset management system and the University's general ledger.

The University has a policy in place to tag all equipment to be capitalized when it is acquired and include it in the property records as part of the population of equipment held by the University and subject to inventory. They also associate the equipment with the relevant general ledger account which indicates if the equipment was acquired with Federal funds.

We selected forty equipment items for testwork and noted one item was not included in the physical inventory records. All items were appropriately tagged and included in the property management system.

**Cause:**

The equipment item was inadvertently omitted during the physical inventory for the respective Department.

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**Effect:**

Equipment purchased with Federal funds may not be properly accounted for or reported in accordance with Federal requirements and, in the event a piece of equipment is sold or disposed of, the University may not properly remove this item from the asset inventory records.

**Questioned Costs:**

No questioned costs were noted as a result of the audit procedures performed.

**Recommendation:**

We recommend that the University ensure all items on the property management system are included in the physical inventory as required by Federal regulations conducted every two years. If discrepancies are noted appropriate follow up procedures are performed.

**View of Responsible Officials**

The Office of the University Controller will ensure all items on the property management system are included in the physical inventory as required by Federal regulations conducted every two years. In this case, the one item, which was not part of the physical inventory for the respective department, was inventoried and tagged approximately 2 months after the inventory was conducted. In addition, in fiscal year 2017, a new position, "Property Control Supervisor", was added to the Property Management department. This will help to ensure compliance in the future and on an on-going basis.

***2016-005 Procurement and Suspension and Debarment***

U.S. Department of Transportation:

Public Transportation Research, Technical Assistance, and Training (CFDA #20.514)

Research and Development Cluster:

U.S. Department of Health and Human Services:

Research Infrastructure Programs (CFDA #93.351)

Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846)

Biomedical Research and Research Training (CFDA #93.859)

National Science Foundation:

Engineering Grants (CFDA #47.041)

Geosciences (CFDA #47.050)

Biological Sciences (CFDA #47.074)

**Federal Grant Numbers:**

R01GM084089, 1S10OD012346-01A1, 1S10OD018072-01A1, CMMI 1531783, DBI 1338415

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**Statistically Valid Sample:** No, not intended to be

**Prior Year Finding:** N/A

**Finding Type:** Significant Deficiency and Noncompliance

**Criteria:**

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at <https://www.sam.gov/portal/public/SAM/> (Note: The OMB guidance at 2 CFR part 180 and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Additionally, in accordance with Federal requirements, the University shall maintain internal controls over Federal programs designed to provide reasonable assurance that transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.

**Condition:**

The University does not have a policy in place to verify that transactions procured via sole source are not with entities that are suspended or debarred prior to entering into a covered transaction.

During our testwork, the following were noted:

- For one of the two vendors (i.e. company) selected for testwork within the Public Transportation Research program, the sole source procurement did not contain a suspension and debarment certification, nor did the Department verify on the EPLS and document such review to ascertain that the subrecipient was neither suspended nor debarred prior to entering into the covered transactions with them. Through subsequent review of the vendors' status in EPLS it was determined that the vendor was not suspended or debarred.
- For seven of the forty vendors (i.e. company) selected for testwork within the Research and Development Cluster, the sole source procurement did not contain a suspension and debarment certification, nor did the Department verify on the EPLS and document such review to ascertain that the subrecipient was neither suspended nor debarred prior to entering into the covered transactions with them. Through



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subsequent review of the vendors' status in EPLS it was determined that the vendors were not suspended or debarred.

**Cause:**

The University does not have a policy in place to verify that transactions procured via sole source are not with entities that are suspended or debarred prior to entering into a covered transaction.

**Effect:**

The University may enter into a covered transaction with a vendor who is suspended or debarred.

**Questioned Costs:**

No questioned costs were noted as a result of the audit procedures performed.

**Recommendation:**

We recommend that the University implement a policy to verify that sole source transactions which exceed \$25,000 are not with vendors that are suspended or debarred prior to entering into the covered transaction.

**View of Responsible Officials:**

The University will adjust its procedure to ensure the above vendor check is undertaken for all procurement action where it is required. The University will also ensure that the appropriate certification language will be included in relevant forms and that the vendor has completed and signed off on all appropriate certifications.

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***2016-006 Activities Allowed or Unallowed and Allowable Costs/Cost Principles, Period of Performance and Reporting – Fringe Benefits and Indirect Costs***

Research and Development Cluster:

U.S. Department of Health and Human Services:

Extramural Research Programs in the Neurosciences and Neurological Disorders (CFDA #93.853)

Allergy and Infectious Diseases Research (CFDA #93.855)

Environmental Health (CFDA #93.113)

AIDS Education and Training Centers (CFDA #93.145)

Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846)

U.S. Department of Defense:

Basic Scientific Research (CFDA #12.431)

U.S. Department of Commerce:

Integrated Ocean Observing System (IOOS) (CFDA #11.012)

U.S. Department of Education:

Comprehensive Centers (CFDA #84.283)

U.S. Department of Health and Human Services:

Child Care and Development Block Grant (CCDBG) (CFDA #93.575)

U.S. Department of Transportation:

Public Transportation Research, Technical Assistance, and Training (CFDA #20.514)

Small Business Administration:

Entrepreneurial Development Disaster Assistance (Disaster Relief

Appropriations Act) (CFDA #59.064)

**Federal Grant Numbers:**

U01N5038384, R01AI104615-01, R01AI104669-04, R01AI111397-02, U19AI109713-02,  
2P30ES005022, 1SU10HA28686, W911NF-15-2-0036, NA11NOS0120038, S2838120054-15C,  
UC16001, UC16005, UC16006, UC16008, UC16017

**Statistically Valid Sample:** No, not intended to be

**Prior Year Finding:** 2015-003

**Finding Type:** Significant Deficiency and Noncompliance

**Criteria:**

*A-21 Criteria*

OMB Circular A-21 (A-21) states that compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under

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sponsored agreements. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on sponsored agreements and for other work allocable as F&A costs are determined and supported. Charges to sponsored agreements may include reasonable amounts for activities contributing and intimately related to work under the agreements.

Fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, military leave, and the like, are allowable, provided such costs are distributed to all institutional activities in proportion to the relative amount of time or effort actually devoted by the employees.

Fringe benefits in the form of employer contributions or expenses for social security, employee insurance, workmen's compensation insurance, tuition or remission of tuition for individual employees are allowable, provided such benefits are granted in accordance with established educational institutional policies, and are distributed to all institutional activities on an equitable basis.

Costs of the institution's pension plan which are incurred in accordance with the established policies of the institution are allowable, provided: (i) such policies meet the test of reasonableness, (ii) the methods of cost allocation are equitable for all activities, (iii) the amount of pension cost assigned to each fiscal year is properly determined, and (iv) the cost assigned to a given fiscal year is paid or funded for all plan participants within six months after the end of that year. However, increases to normal and past service pension costs caused by a delay in funding the actuarial liability beyond 30 days after each quarter of the year to which such costs are assignable are unallowable. The amount of pension cost assigned to each fiscal year shall be determined in accordance with generally accepted accounting principles. Institutions may elect to follow the "Cost Accounting Standard for Composition and Measurement of Pension Cost" (48 Part 9904 412).

OMB Circular A-21 (A-21) states that Facilities & Administration (F&A) costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. The overall objective of the F&A cost allocation process is to distribute the F&A costs to the major functions of the institution in proportions reasonably consistent with the nature and extent of their use of the institution's resources. In order to achieve this objective, it may be necessary to provide for selective distribution by establishing separate groupings of cost within one or more of the F&A cost categories. A base period for distribution of F&A costs is the period during which the costs are incurred. The base period normally should coincide with the fiscal year established by the institution, but in any event the base period should be so selected as to avoid inequities in the distribution of costs.

*Uniform Guidance Criteria*

2 CFR part 200 establishes principles for determining the costs applicable to research and development, training, and other sponsored work performed by institutions of higher education (IHEs) under Federal awards. These Federal awards are referred to as sponsored agreements.

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Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

At IHEs, indirect costs are accounted for through F&A cost proposals. F&A costs, for the purpose of 2 CFR part 200 and as defined at 2 CFR section 200.56, are synonymous with “indirect costs” and include costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

Indirect costs are defined into two broad categories in 2 CFR section 200.414(a).

- “Facilities” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, operations and maintenance expenses, and library expenses.
- “Administration” is defined as general administration and general expenses such as the director's office, accounting, personnel, and all other types of expenditures not listed specifically under one of the subcategories of “Facilities” (including cross allocations from other pools, where applicable).

Additionally, in accordance with Federal requirements, the University shall maintain internal controls over Federal programs designed to provide reasonable assurance that transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.

**Condition:**

The University charges indirect costs and fringe benefits to Federal awards based on federally approved rates included in the Colleges and Universities Rate Agreement with the U.S. Department of Health and Human Services. Indirect costs and fringe benefits are charged through an automated process to the general ledger on a monthly basis based on the salaries and non-salary expenditures incurred for the grant. The grant expenditures are reconciled during grant close out to ensure that the correct fringe benefits and indirect costs are charged to the grant based on the rates listed in the Colleges and Universities Agreement. While the end-of-grant reconciliation ensures that overall grant expenditures are reported properly, fringe benefits and indirect costs as reported on interim reports were not calculated correctly as of June 30, 2016.

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For fringe benefits, the following differences were calculated:

Program	Recalculated amount	University general ledger and reported amount	Difference under reported (over reported)
<b>Research and Development Cluster:</b>			
AIDS Education and Training Centers (CFDA #93.145)	\$126,741	124,426	2,315
Allergy and Infectious Diseases Research (CFDA #93.855)	335,463	312,559	22,904
Basic Scientific Research (CFDA #12.431)	94,705	85,106	9,599
Environmental Health (CFDA #93.113)	148,519	111,060	37,459
Extramural Research Programs in the Neurosciences and Neurological Disorders (CFDA #93.853)	45,770	44,841	929
Integrated Ocean Observing System (IOOS) (CFDA #11.012)	87,096	74,347	12,749
<b>Research and Development Cluster</b>			\$ 85,955
<b>CCDBG:</b>			
Child Care and Development Block Grant (CFDA #93.575)	\$1,331,623	1,324,247	7,376
<b>CCDBG</b>			\$ 7,376
<b>Comprehensive Centers:</b>			
Comprehensive Centers (CFDA #84.283)	\$170,314	168,031	2,283
<b>Comprehensive Centers</b>			\$ 2,283

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For indirect costs, the following differences were calculated:

<b>Program</b>	<b>Recalculated amount</b>	<b>University general ledger and reported amount</b>	<b>Difference under reported (over reported)</b>
<b>Research and Development Cluster:</b>			
Extramural Research Programs in the Neurosciences and Neurological Disorders (CFDA #93.853)	\$167,753	192,132	(24,379)
Basic Scientific Research (CFDA #12.431)	364,360	360,276	4,084
Environmental Health (CFDA #93.113)	471,901	472,498	(597)
AIDS Education and Training Centers (CFDA #93.145)	46,101	32,094	14,007
Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846)	250,276	251,220	(944)
Allergy and Infectious Diseases Research (CFDA #93.855)	1,349,126	1,367,184	(18,058)
<b>Research and Development Cluster</b>			<b>\$ (25,887)</b>

**Cause:**

The grant expenditures were not reconciled on an interim basis to ensure that the correct amount of fringe benefits and indirect costs were charged to the grant during interim reporting.

**Effect:**

As of June 30, 2016, fringe benefits or indirect costs were improperly charged to the grant.

**Questioned Costs:**

The difference between the amount charged to the grants and our calculation of indirect costs resulted in a net overcharge of \$23,450 for Extramural Research Programs in the Neurosciences and Neurological Disorders (CFDA #93.853) and a net overcharge of \$944 for Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846) as of June 30, 2016.

**Recommendation:**

We recommend that the University strengthen its policies and procedures over the reconciliation of grant funds to ensure the correct fringe benefits and indirect costs are calculated for the respective Federal grants throughout the grant period and include the reconciliation at interim and final reporting.

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**View of Responsible Officials:**

The University recognizes that the dependence on two separate ledgers hindered the implementation of a uniform process for the application and recalculation of fringe benefit rates. While all final reports and invoices were reconciled during grant close out to ensure that the correct fringe benefits have been charged to sponsors, interim reports and invoices did not follow this process. Following our transition to a unified Rutgers general ledger, we are implementing a standard practice that all fringe benefits and F&A charged to an award be verified and, if necessary, adjusted at time of billing in order to ensure that the correct fringe rate as approved by our cognizant agency is being applied. New procedures have been put in place to ensure fringe benefit charges are reconciled and adjusting journals will be processed to correct the general ledger for all interim reports and invoices.

***2016-007 Subrecipient Monitoring***

U.S. Department of Education:  
Comprehensive Centers (CFDA #84.283)

Research and Development Cluster:  
U.S. Department of Health and Human Services:  
AIDS Education and Training Centers (CFDA #93.145)  
Mental Health Research Grants (CFDA #93.242)  
Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846)

U.S. Department of Agriculture:  
Grants for Agricultural Research, Special Research Grants (CFDA #10.200)

U.S. Department of Defense:  
Basic Scientific Research (CFDA #12.431)

**Federal Grant Numbers:**

S283B120054-15C, 1SU10HA28686, SU24MH068457-13, SU54AR055073-10, 2015-34383-23710, W911NF-15-2-0036

**Statistically Valid Sample:** No, not intended to be

**Prior Year Finding:** N/A

**Finding Type:** Significant Deficiency and Noncompliance

**Criteria:**

A pass-through entity (PTE) must:

-Identify the Award and Applicable Requirements – Clearly identify to the subrecipient: (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.331(a)(1); (2) all requirements imposed by the PTE on the subrecipient so

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that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.331(a)(2)); and (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the Federal award (e.g., financial, performance, and special reports) (2 CFR section 200.331(a)(3)).

According to 2 CFR Section 200.331(a)(1)(xi) all pass-through entities must identify the dollar amount made available under each Federal award and the CFDA number at the time of disbursement.

Additionally, in accordance with Federal requirements, the University shall maintain internal controls over Federal programs designed to provide reasonable assurance that transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.

**Condition:**

For ten contracts and related disbursements selected for testwork subject to Uniform Guidance, the University did not identify to the subrecipient whether the award was research and development, or identify the dollar amount made available under each federal award, and the CFDA name and number, as required by the Federal regulations. The number of contracts selected for testwork for each major program was as follows:

- Comprehensive Centers – 1 contract
- Research and Development Cluster – 9 contracts

Total funds passed through to these 10 subrecipients during fiscal year 2016 were \$2,154,619.

**Cause:**

The University did not have a process in place to communicate certain requirements to subrecipients such as if the grant was a research and development grant, the dollar amount made available under each federal award, or the CFDA name and number on the disbursement which are new requirements as a result of Uniform Guidance.

**Effect:**

Failing to include the information above may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also a potential for subrecipients to have incomplete schedules of expenditures of federal awards in their Uniform Guidance Single Audit reports and Federal funds may not be properly audited at the subrecipient level in accordance with Uniform Guidance.

**Questioned Costs:**

No questioned costs were noted as a result of the audit procedures performed.



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**Recommendation:**

We recommend that the Department implement policies and procedures to communicate all required information to subrecipients as required by the Federal regulations.

**View of Responsible Officials:**

The University has begun using the updated Federal Demonstration Project subaward template to meet the requirement and supply the missing information. The University will also add the required information in a memo field for all outgoing payments/disbursements to all subrecipients.



**Management's Corrective Action Plan  
Year Ended June 30, 2016**

**Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards***

***2016-001 Grants Management and Administration***

**Contact Person:**

Terri Kinzy, Vice President for Research, 848-445-8418

**Corrective Action:**

The University agrees and took an important step toward further integration of the former UMDNJ grants into DGCA with the implementation of a consolidated general ledger with a new grants module in October 2016. Work is on-going to identify the net realizable value of the grant receivables and further progress is expected during fiscal year 2017.

**Anticipated Completion Date:** Fiscal Year 2017

**Findings Related to Federal Awards**

***2016-002 Enrollment Reporting***

**Federal Agency:** U.S. Department of Education

**Program Titles and CFDA Numbers:** Student Financial Assistance Cluster: Federal Direct Student Loan Program (CFDA #84.268), Federal Pell Grant Program (CFDA #84.063)

**Federal Grant Numbers:** P268K110272 (7/1/2015 – 6/30/2016) and P063P100272 (7/1/2015 – 6/30/2016)

**Contact Person:**

Courtney McAnuff, Vice President for Enrollment Management, 848-445-6601

**Corrective Action:**

The University's Registrar office has changed its procedure to report graduate student records retroactively for six (6) consecutive months. This will permit the University to identify all students who completed coursework after the close of the reporting period, while allowing them to graduate with their intended cohort. The University will continue to work with the NSLC to insure that records reported through them are recorded by NSLDS since although the withdrawn records are reported timely to the NSLC, they are not being recorded at the NSLDS in a timely manner.

**Anticipated Completion Date:** January 2018



### ***2016-003 Reporting – Special Reporting***

**Federal Agency:** U.S. Department of Education:

**Program Titles and CFDA Numbers:** Student Financial Assistance Cluster: Federal Perkins Loan (CFDA #84.038), Federal Supplemental Educational Opportunity Grants (CFDA #84.007), Federal Work Study (CFDA #84.033)

**Federal Grant Numbers:** P038A102602 (7/1/2015 – 6/30/2016), P007A102602 (7/1/2015 – 6/30/2016) and P033A102602 (7/1/2015 – 6/30/2016)

**Contact Person:**

Christiana E. Orlowski, Associate Controller, 848-445-2133

**Corrective Action:**

The Office of the University Controller and the Office of Financial Aid agree with the recommendation and will work together to strengthen our procedures over the preparation and review of the FISAP to ensure the submitted data is completely accurate prior to submission.

**Anticipated Completion Date:** October 2017

### ***2016-004 Equipment and Real Property Management***

**Federal Agency:** U.S. Department of Health and Human Services, National Institute of Health

**Program Titles and CFDA Numbers:** Research and Development Cluster: Cancer Cause and Prevention Research (CFDA #93.393)

**Federal Grant Number:** 5R01CA160574

**Contact Person:**

Christiana E. Orlowski, Associate Controller, 848-445-2133

**Corrective Action:**

The Office of the University Controller will ensure all items on the property management system are included in the physical inventory as required by Federal regulations conducted every two years. In this case, the one item, which was not part of the physical inventory for the respective department, was inventoried and tagged approximately 2 months after the inventory was conducted. In addition, in fiscal year 2017, a new position, "Property Control Supervisor", was added to the Property Management department. This will help to ensure compliance in the future and on an on-going basis.

**Anticipated Completion Date:** August 2016

### ***2016-005 Procurement and Suspension and Debarment***

**Federal Agency:** U.S. Department of Transportation, U.S. Department of Health and Human Services, National Science Foundation



**Program Titles and CFDA Numbers:** Public Transportation Research, Technical Assistance, and Training (CFDA #20.514); Research and Development Cluster: Research Infrastructure Programs (CFDA #93.351), Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846), Biomedical Research and Research Training (CFDA #93.859), Engineering Grants (CFDA #47.041), Geosciences (CFDA #47.050), Biological Sciences (CFDA #47.074)

**Federal Grant Numbers:** R01GM084089, 1S10OD012346-01A1, 1S10OD018072-01A1, CMMI 1531783, DBI 1338415

**Contact Person:**

Terri Kinzy, Vice President for Research, 848-445-8418

**Corrective Action:**

The University will adjust its procedure to ensure the above vendor check is undertaken for all procurement action where it is required. The University will also ensure that the appropriate certification language will be included in relevant forms and that the vendor has completed and signed off on all appropriate certifications.

**Anticipated Completion Date:** October 2017

***2016-006 Activities Allowed or Unallowed and Allowable Costs/Cost Principles, Period of Performance and Reporting – Fringe Benefits and Indirect Costs***

**Federal Agency:** U.S. Department of Health and Human Services, U.S. Department of Defense, U.S. Department of Commerce, U.S. Department of Education, U.S. Department of Health and Human Services, U.S. Department of Transportation, Small Business Administration

**Program Titles and CFDA Numbers:** Research and Development Cluster: Extramural Research Programs in the Neurosciences and Neurological Disorders (CFDA #93.853), Allergy and Infectious Diseases Research (CFDA #93.855), Environmental Health (CFDA #93.113). AIDS Education and Training Centers (CFDA #93.145), Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846), Basic Scientific Research (CFDA #12.431), Integrated Ocean Observing System (IOOS) (CFDA #11.012), Comprehensive Centers (CFDA #84.283), Child Care and Development Block Grant (CCDBG) (CFDA #93.575), Public Transportation Research, Technical Assistance, and Training (CFDA #20.514), Entrepreneurial Development Disaster Assistance (Disaster Relief, Appropriations Act) (CFDA #59.064)

**Federal Grant Numbers:** U01N5038384, R01AI104615-01, R01AI104669-04, R01AI111397-02, U19AI109713-02, 2P30ES005022, 1SU10HA28686, W911NF-15-2-0036, NA11NOS0120038, S2838120054-15C, UC16001, UC16005, UC16006, UC16008, UC16017

**Contact Person:**

Terri Kinzy, Vice President for Research, 848-445-8418

**Corrective Action:**

The University recognizes that the dependence on two separate ledgers hindered the implementation of a uniform process for the application and recalculation of fringe benefit rates. While all final reports and invoices were reconciled during grant close out to ensure that the correct fringe benefits have been charged to sponsors, interim reports and invoices did not follow this process. Following our transition to a unified



Rutgers general ledger, we are implementing a standard practice that all fringe benefits and F&A charged to an award be verified and, if necessary, adjusted at time of billing in order to ensure that the correct fringe rate as approved by our cognizant agency is being applied. New procedures have been put in place to ensure fringe benefit charges are reconciled and adjusting journals will be processed to correct the general ledger for all interim reports and invoices.

**Anticipated Completion Date:** October 2017

***2016-007 Subrecipient Monitoring***

**Federal Agency:** U.S. Department of Education, U.S. Department of Health and Human Services, U.S. Department of Agriculture, U.S. Department of Defense

**Program Titles and CFDA Numbers:** Comprehensive Centers (CFDA #84.283), Research and Development Cluster: AIDS Education and Training Centers (CFDA #93.145), Mental Health Research Grants (CFDA #93.242), Arthritis, Musculoskeletal and Skin Diseases Research (CFDA #93.846), Grants for Agricultural Research, Special Research Grants (CFDA #10.200), Basic Scientific Research (CFDA #12.431)

**Federal Grant Numbers:** S283B120054-15C, 1SU10HA28686, SU24MH068457-13, SU54AR055073-10, 2015-34383-23710, W911NF-15-2-0036

**Contact Person:**

Terri Kinzy, Vice President for Research, 848-445-8418

**Corrective Action:**

The University has begun using the updated Federal Demonstration Project subaward template to meet the requirement and supply the missing information. The University will also add the required information in a memo filed for all outgoing payments/disbursements to all subrecipients.

**Anticipated Completion Date:** October 2017



**Summary of Prior Year Findings  
Year Ended June 30, 2016**

**Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None

**Findings Related to Federal Awards**

***2015-001 Equipment and Real Property Management***

**Federal Agency:** U.S. Department of Health and Human Services, National Institute of Health

**Program Titles and CFDA Numbers:** Research and Development Cluster: Cardiovascular Diseases Research (CFDA #93.837), Alcohol Research Programs (CFDA #93.273), Vision Research (CFDA #93.867), Research Infrastructure Programs (CFDA #93.351), Diabetes, Digestive, and Kidney Diseases Extramural Research (CFDA #93.847), Allergy and Infectious Diseases Research (CFDA #93.855), Biomedical Research and Research Training (CFDA #93.859), HHS Programs for Disaster Relief Appropriations Act - Non Construction (CFDA #93.095), Biomedical Research and Research Training (CFDA #93.859), Cancer Biology Research (CFDA #93.396), Biomedical Research and Research Training (CFDA #93.859), Research Infrastructure Programs (CFDA #93.351) and Environmental Health (CFDA #93.113)

**Federal Grant Numbers:** SODO16400A (7/1/2014 – 6/30/2105); SODO18103A (5/10/2014 – 5/9/2015); SODO18206A (4/3/2015 – 4/2/2016); RGM043756H (7/1/2013 – 2/28/2017); RAI110372A (8/9/2013 – 7/31/2016); RGM034695F (4/2/2007 – 3/31/2012); RAI07977IC (5/1/2012 – 6/30/2013); REY021542B (1/1/2013 – 1/31/2016); RHL088479A (8/10/2008 – 6/30/2013); RAI07977IZ (1/6/2014 – 1/5/2016); SODO16400A (7/1/2014 – 6/30/2015); REY021542B (1/1/2013 – 1/31/2016); RHL088479A (7/1/2008 – 6/30/2013); RAA017752A (8/10/2008 – 6/30/2013); RDK090593B (9/20/2013 – 8/31/2015); RCA154674B (7/1/2013 – 3/31/2016); RGM104968A (9/1/2013 – 5/31/2016) and RES015991A (9/1/2007 – 6/30/2013)

**Contact Person:**

Christina E. Orlowski, Associate Controller, 848- 445-2133

**Status:**

The University property management office now tags and monitors all the equipment of these units. As the University tags new equipment, our property control assistants have verified the accuracy of these new units' entire inventory. All equipment for departments that were a part of Rutgers University prior to the merger were and still are audited regularly; with research related equipment audited within a two-year period.

We are in the midst of implementing a new ERP, which includes in its second phase a new fixed asset system to record and monitor all University equipment. This system will improve reporting and control of all our equipment. The new system will have the ability for departments to notify our property



management office of any changes they want to make to their equipment. This will allow us to react to these changes on a timely basis

**Anticipated Completion Date:** September 2017

***2015-002 Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Time and Effort Reporting***

**Federal Agency:** U.S. Department of Health and Human Services

**Program Title and CFDA Number:** Research and Development Cluster: Cancer Treatment Research (CFDA# 93.395)

**Federal Grant Number:** RCA085566C (7/1/2013 – 7/31/2016)

**Contact Person:**

Terri Kinzy, Vice President for Research, 848-445-8418

**Status:**

The individual identified in the report was the result of a system issue that was caused by incorrect program code usage for an employee who was appropriately charged to the program. This time and effort activity certification form was certified by the principal investigator when the issue was discovered. The University has implemented additional control measures to ensure that RBHS employees are appropriately identified on the time and effort activity certification forms. The University is also currently evaluating its RBHS time and effort reporting systems and plans to migrate to a single uniform electronic time and effort reporting system across the University. The migration process is proceeding as scheduled and is expected to be completed by the end of March 2017.

**Anticipated Completion Date:** March 2017

***2015-003 Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Fringe Benefits***

**Federal Agencies:** U.S. Department of Health and Human Services, National Institute of Health and U.S. Department of Defense, U.S. Army Medical Command

**Program Titles and CFDA Numbers:** Research and Development Cluster: Extramural Research Programs in the Neurosciences and Neurological Disorders (CFDA #93.853), Allergy and Infectious Diseases Research (CFDA #93.855), Various (CFDA #93RD), Cancer Treatment Research (CFDA #93.395), Military Medical Research and Development (CFDA #12.420) and Health Centers Cluster: Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program (CFDA #93.527)

**Federal Grant Numbers:** RAI04615A (8/15/2013 – 7/31/2016); PAI0886103 (7/1/2013 – 3/29/2016); RNS038384D (7/1/2013 – 8/31/2015); RAI111397A (4/1/2014 – 3/31/2016); W81XWH-10-1-0359 (8/1/2010 – 4/30/2105); RCA085566C (7/1/2013 – 7/31/2016); RCA140297B (7/1/2013 – 3/31/2016) and 13H80CS26763 (3/1/2014 – 2/28/2015)



**Contact Person:**

Terri Kinzy, Vice President for Research, 848-445-8418

**Status:**

The University recognizes that turnover of RBHS staff members resulted in a lack of a clear understanding of a change in the fringe rate and calculation method in central and department offices. While all final reports and invoices were reconciled during grant close out to ensure that the correct fringe benefits are charged to sponsors, interim reports and invoices did not follow this process. New procedures have been put in place to ensure fringe benefit charges are reconciled and adjusting journals are processed to correct the general ledger for all interim reports and invoices. We are training and communicating to the staff on updated close-out procedures

with special emphasis on fringe reconciliation.

**Anticipated Completion Date:** August 2017

***2015-004 Enrollment Reporting***

**Federal Agency:** U.S. Department of Education

**Program Titles and CFDA Numbers:** Student Financial Assistance Cluster: Federal Direct Student Loan Program (CFDA #84.268) and Federal Pell Grant Program (CFDA #84.063)

**Federal Grant Numbers:** P268K150272 (7/1/2014 – 6/30/2015) and P063P140272 (7/1/2014 – 6/30/2015)

**Contact Person:**

Courtney McAnuff, Vice President for Enrollment Management, 848-445-6601

**Status:**

The students whose graduation records were reported late were due to delays caused initially by data integrity problems with the original file, which resulted in the need to rerun and resubmit the graduation records file. During the time of resubmission, there were a back log of enrollment submissions and error reports from both RBHS and legacy Rutgers and the processing of the file was further delayed. At this time, the National Student Clearinghouse can only process one file at a time and other files must wait until all previous files have gone through the error resolution process and finalized.

To resolve this issue in the future, we have taken steps to report degrees monthly and not wait until all degrees have been entered into the database by the registrars. This will allot for more time to allow for unanticipated delays.

The one student, whose withdrawal was never reported to the National Student Clearinghouse, was due to a data inaccuracy in the Banner database. Information about when a student withdraws and becomes inactive is held in multiple places in Banner. Because one of these codes was not properly changed at the time of withdrawal, the data was not sent to the National Student Clearinghouse.

To resolve this issue, we have been working on redesigning our data integrity cross checks to look for this inconsistency, so that it can be caught quicker in the future. We have also redesigned the National Student





Clearinghouse reporting process and have developed an integrity check for this situation during that process.

**Anticipated Completion Date:** June 2017

***2015-005 Reporting – Special Reporting***

**Federal Agency:** U.S. Department of Education

**Program Titles and CFDA Numbers:** Student Financial Assistance Cluster: Federal Perkins Loan (CFDA# 84.083), Federal Supplemental Educational Opportunity Grants (CFDA# 84.007) and Federal Work Study (CFDA# 84.003)

**Federal Grant Numbers:** E-P038A142602 (7/1/2014 – 6/30/2015); P007A142602 (7/1/2014 – 6/30/2015) and P033A142602 (7/1/2014 – 6/30/2015)

**Contact Person:**

Christina E. Orlowski, Associate Controller, 848- 445-2133

**Status:**

As indicated, a hard copy of the report was submitted to the U.S. Department of Education with the correct information. Unfortunately, these two numbers which had been adjusted somehow reverted to what had been previously entered. A process has now been established to review all numbers by the manager prior to submission with a printout of the submission to further ensure that the correct numbers are filed electronically.

**Anticipated Completion Date:** May 2017