



**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 State Financial Assistance

June 30, 2017

(With Independent Auditors' Reports Thereon)

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

**Table of Contents**

	<b>Page</b>
Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements:	
Statement of Net Position as of June 30, 2017	18
Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2017	20
Statement of Cash Flows for the year ended June 30, 2017	22
Notes to Financial Statements	24
Required Supplementary Information (Unaudited) – Schedules of Employer Contributions and Schedules of Proportionate Share of the Net Pension Liability	62
Schedule of Expenditures of State Financial Assistance	63
Notes to Schedule of Expenditures of State Financial Assistance	89
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 <i>Government Auditing Standards</i>	91
Independent Auditors' Report on Compliance for Each Major State of New Jersey Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08, <i>Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid</i>	93
Schedule of Findings and Questioned Costs	96



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

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Rutgers, The State University of New Jersey (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

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

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

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of University Physicians Associates of New Jersey, Inc. and Affiliate (UPA), which represent approximately 34%, 16%, and 44%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those 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 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, 2017, and the changes in financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### *Unmodified Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the University as of June 30, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **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 December 8, 2017 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 solely 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 the effectiveness of the University's 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  
December 8, 2017

This page is intentionally blank.

---

## Management's Discussion and Analysis (unaudited)

June 30, 2017

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 or Rutgers) at June 30, 2017, and its changes in financial position for the fiscal year then ended, with fiscal year 2016 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 2017, the financial reporting entity of Rutgers included 33 degree granting schools and colleges, offering more than 150 undergraduate majors, more than 200 graduate programs and degrees, with approximately 69,000 students enrolled. 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 an academic health care center providing medical education, clinical care and conducting research. The University also maintains educational services in many other communities throughout the State of New Jersey. The University operates research and institutional facilities on 6,073 acres in all 21 counties and 98 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 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.

In October 2016, the University implemented the first phase of new enterprise resource planning (ERP) systems. The key components of this phase included state-of-the-art cloud-based real-time systems for procure-to-pay (i.e., purchasing and accounts payable), general ledger, and project ledger systems. In connection with this implementation, the University adopted a new chart of accounts, and this implementation included a reevaluation of transaction classifications. As a result, reporting of financial data, in some cases, may not directly correspond to data as reported in prior years, particularly in functional classifications of expense. Accordingly, for fiscal year 2017, the financial statements and footnotes are in a single-year presentation as opposed to a comparative year format that has been used in previous years. In the Management Discussion and Analysis (MD&A) section of the University's fiscal year 2017 Annual Report, the University shows comparative data for fiscal years ended June 30, 2016 and 2017. In cases where these comparisons show significant year-over-year changes due to enhanced reporting with the new chart of accounts, the University has reclassified prior year amounts to conform with the current year presentation.

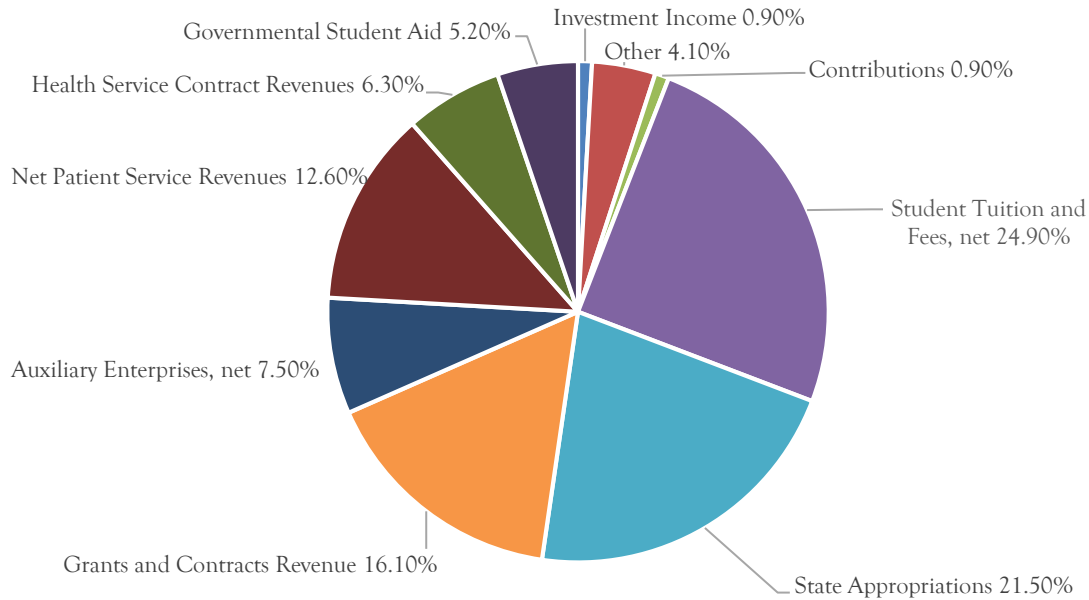
### *Financial Highlights*

The University's financial condition at June 30, 2017, improved modestly with an increase in net position of \$24.7 million. Total operating revenues increased by \$97.0 million, or 3.8%, with increases of 0.6% in net student tuition and fees, 0.6% in auxiliary net revenues, 8.4% in net patient service revenues and 2.7% in other operating revenues partially offset by decreases of 2.0% in grant and contract revenue. A new category of revenues, health service contract revenues, has been added for fiscal year 2017 (see Note 5 – Net Patient Service Revenues and Health Service Contract Revenues). Operating expense increased by \$225.2 million, or 6.3%, while net non-operating revenues increased by \$82.2 million, or 8.6%, primarily as a result of an increase in fair value of investments.

Tuition revenue is a significant source of funding for the University. In fiscal 2017, the enrollment peak was 68,942 students compared to 67,556 students in fiscal 2016. Approved increases in tuition and fee rates of about 1.7% were offset by increases in scholarship allowances.

Annual appropriations from the State represent a vital part of the University’s funding. In fiscal 2017, State appropriations, including operating aid and fringe benefits paid on-behalf of Rutgers by the State, increased as a result of higher pension and health care costs to \$807.5 million, or 4.1% over fiscal 2016. 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, 2017 and 2016 is as follows (dollars in thousands):

	2017	GASB 68 Adjustment	2017 Net of GASB 68	2016	GASB 68 Adjustment	2016 Net of GASB 68
<b>Assets</b>						
Current assets	\$1,189,075	\$ —	\$1,189,075	\$1,191,125	\$ —	\$1,191,125
Noncurrent assets						
Endowment, restricted and other noncurrent cash, and investments	1,287,235	—	1,287,235	1,319,456	—	1,319,456
Capital assets, net	3,575,173	—	3,575,173	3,439,243	—	3,439,243
Other assets	112,374	—	112,374	117,161	—	117,161
<b>Total Assets</b>	<b>6,163,857</b>	<b>—</b>	<b>6,163,857</b>	<b>6,066,985</b>	<b>—</b>	<b>6,066,985</b>
Deferred Outflows of Resources	583,172	(474,654)	108,518	379,367	(245,778)	133,589
<b>Total Assets and Deferred Outflows of Resources</b>	<b>6,747,029</b>	<b>(474,654)</b>	<b>6,272,375</b>	<b>6,446,352</b>	<b>(245,778)</b>	<b>6,200,574</b>
<b>Liabilities</b>						
Current liabilities	701,401	—	701,401	633,296	—	633,296
Noncurrent liabilities	3,988,425	(2,057,977)	1,930,448	3,752,206	(1,644,741)	2,107,465
<b>Total Liabilities</b>	<b>4,689,826</b>	<b>(2,057,977)</b>	<b>2,631,849</b>	<b>4,385,502</b>	<b>(1,644,741)</b>	<b>2,740,761</b>
Deferred Inflows of Resources	17,045	(17,045)	—	45,342	(45,342)	—
<b>Net Position (Deficit)</b>						
Net investment in capital assets	1,750,777	—	1,750,777	1,634,224	—	1,634,224
Restricted - nonexpendable	646,363	—	646,363	582,007	—	582,007
Restricted - expendable	459,394	—	459,394	471,944	—	471,944
Unrestricted	(816,376)	1,600,368	783,992	(672,667)	1,444,305	771,638
<b>Total Net Position</b>	<b>\$2,040,158</b>	<b>\$1,600,368</b>	<b>\$3,640,526</b>	<b>\$2,015,508</b>	<b>\$1,444,305</b>	<b>\$3,459,813</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, cash and cash equivalents and investments that are restricted by donors or external parties as to their use, and capital assets. Receivables deemed to be collectible in more than a year are also included as noncurrent. Current assets decreased by \$2.1 million from 2016 to 2017. This was primarily due to a decrease of \$87.1 million in cash and cash equivalents, and short-term investments and an increase in accounts receivable of \$86.2 million, both attributable largely to grant activity.

Deferred outflows of resources are the consumption of net position that is applicable to a future reporting period. In 2017, deferred outflows of resources increased \$203.8 million primarily as a result of the adjustment for GASB 68 which is due to changes in the University's proportionate share of the net pension liability and the difference between assumptions and actual experience. Without this adjustment, deferred outflows of resources decreased \$25.1 million in 2017 which is a result of the change in value of the swaps.

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 increased \$68.1 million from \$633.3 in 2016 to \$701.4 in 2017. This was primarily due to 2002 Series A bonds maturing within the next year, and the current underlying liquidity facility agreement for 2009 Series G bonds expiring within the next year. A replacement facility agreement has not been implemented as of the day of this report. The University's current assets cover current liabilities by a factor of 1.7 times in 2017 and 1.9 times in 2016, an indicator of good liquidity and the ability to bear short term demands on working capital. The University's current assets also cover approximately four months of its total operating expenses, excluding depreciation in 2017 and 2016.

### *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 net of fees and expenses. The investment objectives of the endowment are based upon a long-term investment horizon allowing interim fluctuations to be viewed in an appropriate perspective. Most 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 12.7% and -0.5% in fiscal years 2017 and 2016, respectively. The average annual return over the 5-year period ending June 30, 2017 and 2016, was 8.3% and 5.7%, 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 \$40.5 million in fiscal 2017 and \$38.1 million in fiscal 2016.

The University's endowments consist of permanent (true), term and quasi endowments. Permanent or true endowments are funds received from donors stipulating that the principal gift remain inviolate and be invested in perpetuity with the income generated from the investment to be expended for a specific purpose as designated by the donor. These permanent endowments increased \$82.5 million to \$664.5 million for fiscal 2017. Term endowments are those funds received from donors that function as endowments until a specified event occurs. The University's term endowments increased by \$5.9 million to \$53.4 million in fiscal 2017. Quasi endowments primarily consist of unrestricted funds that have been designated by the University for long-term investment purposes, and therefore, act as endowments. The University's restricted and unrestricted quasi endowments increased by \$51.7 million in fiscal 2017 to \$421.7 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 \$266.2 million, or 23.4%, can be classified as unrestricted net position in 2017 and \$230.7 million, or 23.1% in 2016. 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 approved by the voters of the State in 2012 authorized the issuance of State general obligation bonds totaling \$750.0 million to help increase academic capacity at New Jersey institutions of higher education. The University will receive a total of \$173.9 million from this program. The University recorded \$38.8 million in revenue from this program in 2017 and \$45.7 million in revenue in 2016.

In addition to the Building Our Future Bond Act, the State has also authorized the issuance of bonds to fund several higher education initiatives. The Higher Education Facilities Trust Fund (HEFT) Act authorized the New Jersey Educational Facilities Authority (NJEFA) 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 2017, the University recorded \$14.6 million in revenue from the HEFT program. In 2016, the University recorded \$23.6 million from this program.

NJEFA also issued bonds under the Higher Education Capital Improvement Fund Act (HECIF) to provide 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 a total of \$112.3 million from this program. In 2017, the University recorded \$21.0 million, and \$32.5 million in revenue from these bonds in 2016.

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. Rutgers will receive a total of \$3.3 million for several technology projects. The University recorded \$0.1 million, and \$0.5 million in revenue from this program in 2017 and 2016, respectively.

Finally, the State authorized NJEFA to issue bonds for the Higher Education Equipment Leasing Fund program under the Higher Education Equipment Leasing Fund Act (ELF). This act authorizes NJEFA to issue bonds to finance the purchase of any property consisting of, or relating to, scientific, engineering, technical, computer, communications, and instructional equipment for lease to public and private institutions of higher education in the State. The University has been awarded \$43.8 million from this bond issue for the purchase of this type of equipment. The University recorded \$6.6 million, and \$10.6 million in revenue from this program in 2017 and 2016, respectively.

In 2008, the Board of Governors and the Board of Trustees of the University approved a commercial paper program. The commercial paper program is being used for the interim financing of capital projects and temporary funding of outstanding debt issues. On February 8, 2017, the Board of Governors approved a revised debt management policy to provide a strategic framework to manage debt in a manner that is consistent with the University's Strategic Plans, ensure access to capital markets and preserve and enhance the long-term financial health of the University.

In 2017, the University issued taxable commercial paper in the amount of \$25.0 million to provide interim financing for certain capital projects. 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).

The funds received from these State programs, University bonds and other funds received by the University have resulted in the \$135.9 million increase in fiscal 2017 in net capital assets. 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 2017 include:

- 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.
- Renovation of 45,000 square feet of the former Hahne & Co. department store for the “Express Newark” program. The program will support cross-unit, cross-sector, cross-institutional publicly engaged scholarship collaborating with Newark artists, schools, and institutions. The renovated space will include portrait studios, print studios, galleries, and media laboratories.
- Renovation of 24,500 square feet of clinical teaching space for the School of Dental Medicine at the existing Oral Health Pavilion building. This project features 87 state-of-the-art clinical operatories that represent the environment in which students would ultimately practice.
- Renovation of 364,000 square feet of existing practice field space for the Marco Battaglia Football Practice Complex. The outdoor practice fields adjacent to High Point Solutions Stadium support the football team and men’s and women’s lacrosse programs. The complex includes all new, natural grass fields, new drainage and irrigation systems and a service building with restrooms.

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 students to share space with faculty and deans in order to foster mentoring, 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.

In addition, as of June 30, 2017 and 2016, 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 a 57,000 square foot addition to the existing William Levine Hall Building for the School of Pharmacy which will house two 300-seat auditoriums, four 60-seat classrooms, four collaborative practice simulation laboratories, a community practice patient interaction simulation suite, small group study rooms, a centralized student commons as well as administrative pharmacy space.
- Construction of a 104,000 square foot new facility for the Richard Weeks Hall of Engineering which will feature an advanced infrastructure of classrooms, laboratories, and common space to facilitate key research and educational advancements.

---

### ***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. 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 \$474.7 million and \$245.8 million, a net pension liability of \$2,058.0 million and \$1,644.7 million and a deferred inflow of resources of \$17.0 million and \$45.3 million in 2017 and 2016, respectively.

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 \$180.7 million in 2017 and the fiscal year 2017 activity recorded was \$51.7 million.

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 \$116.6 million in fiscal 2017, 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 \$64.4 million in fiscal 2017.

Expendable restricted net position is available for expenditure by the University but must be spent for purposes as specified by external donors. This category includes contributions received from donors and unspent income from endowed funds. There was a decrease of \$12.6 million in fiscal 2017.

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 \$12.4 million in unrestricted net assets for 2017. The pension expense increased to \$156.1 million in fiscal 2017, resulting in a deficit of unrestricted net position of \$816.4 million.

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

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and the expenses incurred during the fiscal year. Activities are classified as either operating, non-operating, or other. Revenues received and expenses incurred as a result of the University providing goods and services to its customers are considered operating activities. 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, 2017 and 2016 is as follows (dollars in thousands).

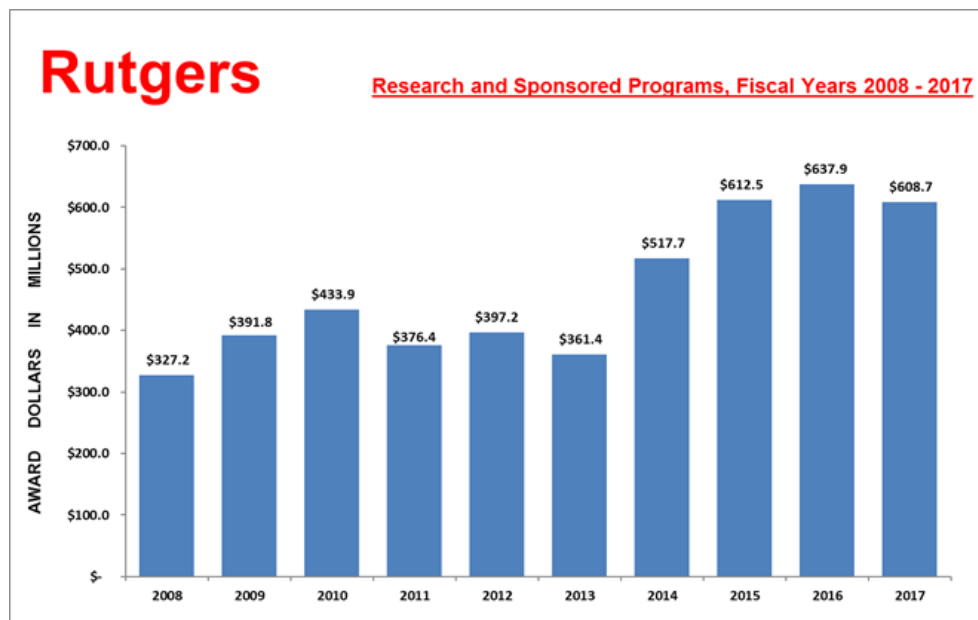
	2017	GASB 68 Adjustment	2017 net of GASB 68 Adjustment	2016	GASB 68 Adjustment	2016 net of GASB 68 Adjustment
Operating revenues						
Student tuition and fees (net of scholarship allowances)	\$930,727	\$ —	\$930,727	\$925,129	\$ —	\$925,129
Grants and contracts	602,696	—	602,696	614,986	—	614,986
Auxiliary enterprises (net of scholarship allowances)	282,384	—	282,384	280,618	—	280,618
Net patient service revenues	473,050	—	473,050	436,284	—	436,284
Health service contract revenues	238,117	—	238,117	176,929	—	176,929
Other operating revenues	148,886	—	148,886	144,946	—	144,946
Total operating revenues	2,675,860	—	2,675,860	2,578,892	—	2,578,892
Operating expenses	3,822,218	(156,063)	3,666,155	3,597,062	(95,834)	3,501,228
Operating loss	(1,146,358)	156,063	(990,295)	(1,018,170)	95,834	(922,336)
Non-operating revenues (expenses)						
State appropriations (including fringe benefits paid directly by the state)	807,511	—	807,511	775,666	—	775,666
Contributions	32,560	—	32,560	51,367	—	51,367
Endowment and investment income	34,349	—	34,349	23,539	—	23,539
Net increase/(decrease) in fair value of investments	118,046	—	118,046	(4,159)	—	(4,159)
Governmental student aid	193,547	—	193,547	188,625	—	188,625
Interest on capital asset related debt	(88,010)	—	(88,010)	(83,866)	—	(83,866)
Net other non-operating (expenses)/revenues	(56,052)	—	(56,052)	8,609	—	8,609
Net non-operating revenues	1,041,951	—	1,041,951	959,781	—	959,781
(Loss)/Income before other revenues	(104,407)	156,063	51,656	(58,389)	95,834	37,445
Other revenues	129,057	—	129,057	159,411	—	159,411
Increase in net position	24,650	156,063	180,713	101,022	95,834	196,856
Net position at beginning of year	2,015,508	1,444,305	3,459,813	1,914,486	1,348,471	3,262,957
Net position at end of year	\$2,040,158	\$1,600,368	\$3,640,526	\$2,015,508	\$1,444,305	\$3,459,813

Operating revenues represent 72.6% and 71.1% of total revenues in 2017 and 2016, respectively, excluding interest on capital asset related debt and net increase/ (decrease) in fair value of investments. Significant components of operating revenues include the following:

*Student Tuition and Fees, net of scholarship allowances* is 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, gifts raised by the Foundation and University funds. The University provided \$279.5 million of a total \$350.1 million of student aid directly to student accounts. The remaining \$70.6 million was paid to students and is reflected as grant aid to students expense. Scholarship allowances allocated to tuition and fees amounted to \$234.6 million. Another \$44.9 million was allocated to residence fees, which are included in auxiliary revenues. Tuition and fees, net of scholarship allowances, increased \$5.6 million in 2017. The change resulted primarily from approved increases in tuition and fee rates of approximately 1.7% and an enrollment peak of 68,942 for 2017 (67,556 in 2016) offset by an increase in scholarship allowances.

*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. In 2017 and 2016, awards for new research grants and sponsored programs totaled \$608.7 million and \$637.9 million, respectively, a decrease of 4.6%. Federal awards for research were \$301.3 million and \$335.5 million in 2017 and 2016, respectively, a 10.2% decrease. Awards received from the State of New Jersey for research and sponsored programs were \$146.0 million and \$148.9 million, respectively, a decrease of 1.9%. Awards from nongovernmental sources amounted to \$161.4 million and \$153.5 million in 2017 and 2016, respectively, an increase of 5.1%.

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



In fiscal 2017, *Federal Grants and Contracts* revenue amounted to \$284.5 million or 47.2% of total grants and contracts revenue. This year the University was awarded grants from various federal agencies including:

- Dr. Jeffrey Carson of Robert Wood Johnson Medical School received a large clinical trials “Myocardial Ischemia and Transfusion” from the National Institutes of Health for \$3.3 million in year one of a 5 year grant. 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.

- Dr. Manish Parashar, director of the RDI2 institute received a National Science Foundation grant entitled “Virtual Data Collaboratory - A Regional Cyberinfrastructure for Collaborative Data Intensive Science” for \$4.0 million over 4 years.
- Dr. Paul Larrousse of the Bloustein School received a grant for the “National transit institute” from the Federal Transit Administration for \$5.0 million over 2 years.

In fiscal 2016, *Federal Grants and Contracts* revenue amounted to \$301.7 million or 49.1% 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 researches 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 2017, *State and Municipal Grants and Contracts* revenue amounted to \$139.2 million or 23.1% of total grants and contracts revenue. The following is the most significant grant received this year:

- General (ret.) Mark Graham of Rutgers University Behavioral Health Care (Piscataway) received an award for “Improving veteran healthcare (vets4warriors)” from the New Jersey Department of Health for \$2.2 million.

In fiscal 2016, *State and Municipal Grants and Contracts* revenue amounted to \$153.8 million or 25.0% 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 innovative research, education, and sharing of resources.



Finally, in fiscal 2017, *Nongovernmental Grants and Contracts* revenue amounted to \$179.0 million or 29.7% of total grants and contracts revenue. Some of the awards received this year included the following:

- Dr. Jak Chakhalian of the Department of Physics and Astronomy received a grant entitled “Moore Investigator in quantum Materials: Novel Topological and Mott Phases in Artificial Complex Materials” from The Gordon and Betty Moore Foundation in the amount of \$1.7 million.
- Dr. Veronique Dartois of the Public Health Research Institute at New Jersey Medical School received a grant entitled “A Dynamic Drug Delivery System (D3S) to Accelerate the Profiling of Early Discovery Compounds” from the Bill & Melinda Gates Foundation for \$1.2 million in year one and up to \$2.7 million for the life of the grant.

Finally, in fiscal 2016, *Nongovernmental Grants and Contracts* revenue amounted to \$159.5 million or 25.9% 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 storm-water 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.

*Auxiliary Enterprises* includes 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. For 2017, total Auxiliary revenues were \$327.3 million and \$282.4 million net of scholarship allowances of \$44.9 million. Housing and dining revenues totaled \$222.8 million, or 68.1%, of total auxiliary revenues. Housing and dining rates both increased by 1.7% in 2017. As noted earlier in the MD&A, with reporting enhancements implemented in fiscal 2017, certain revenues previously reported as Auxiliary revenues are now classified in Student Tuition and Fees Revenue. These amounts primarily related to student health, residence life and recreation services. Auxiliary net revenues increased slightly from \$280.6 million in 2016, an increase of \$1.8 million or 0.6%. The increase is a result of increases in rates and enrollment, offset by an increase in scholarship allowances.

*Net Patient Service 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. Importantly, as noted earlier in the MD&A, with reporting enhancements implemented in fiscal 2017, certain revenues previously reported in Net Patient Services, most significantly Health Service Contract Revenues, are now classified in a new financial statement line item, Health Service Contract Revenues. In fiscal 2017, Net Patient Services revenue was \$473.0 million compared to \$436.3 million for fiscal 2016 an increase of \$36.8 million, or 8.4%. This increase is due to strategic growth of patient service activities.

*Health Service Contract Revenues* include revenues from physician services provided under agreements with certain New Jersey hospitals, such as University Hospital of Newark, Cooper Hospital, RWJ Barnabas Health and others. It also includes reimbursements for graduate medical education residency programs provided by House Staff in connection with RWJ Medical School, New Jersey Medical School, and Rutgers School of Dental Medicine. In fiscal 2017, Health Service Contract revenue was \$238.1 million including affiliate revenues of \$130.1 million and House Staff revenues of \$108.0 million. The total related revenues for fiscal 2016 were \$176.9 million including affiliate revenues of \$94.0 million and House Staff revenues of \$82.9 million representing an increase of \$61.2 million, or 34.6%. The increase in both of these areas is due to strategic growth of patient service activities.

*State Appropriations* includes both operating assistance and fringe benefits paid on-behalf of Rutgers by the State. Total operating assistance for the year was \$435.2 million and \$439.9 million in 2017 and 2016, respectively. Fringe benefits paid on-behalf of Rutgers by the State totaled \$372.3 million and \$335.7 million in fiscal 2017 and 2016, respectively. The fringe benefit appropriation increase of \$36.6 million is primarily due to increasing pension and healthcare costs.

*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 \$86.7 million in 2017 from federal programs or a 4.4% increase over the \$83.0 million received in 2016. The University also received \$106.8 million from the State in 2017 or an increase of 1.1% over the \$105.6 million received in 2016.

*Other Revenues* 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 \$101.5 million in 2017 for capital grants and gifts compared with \$124.7 million in 2016. The decrease from fiscal 2016 reflected the completion of building construction projects during fiscal 2017, including projects for Chemistry and Chemical Biology, The New Jersey Institute for Food, Nutrition, and Health (IFNH), and the Camden Nursing School. The University received \$27.6 million in fiscal 2017 and \$34.7 million in 2016 in gifts to add to our endowment as a result of the Foundation's activities.

*Operating Expenses* are reported by natural classification in the Statement of Revenue, Expenses, and Changes in Net Position and by functional classification in the notes to the financial statements (See Note 13). The following table summarizes the University's operating expenses by natural classification.

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

	2017	GASB 68 Adjustment	2017 net of GASB 68 Adjustment	2016	GASB 68 Adjustment	2016 net of GASB 68 Adjustment
Salaries and Wages	\$2,000,064	\$ —	\$2,000,064	\$1,907,729	\$ —	\$1,907,729
Fringe Benefits	778,438	(156,063)	622,375	632,569	(95,834)	536,735
Supplies and Services	788,344	—	788,344	838,059	—	838,059
Grant Aid to Students	70,590	—	70,590	67,451	—	67,451
Depreciation	184,782	—	184,782	151,254	—	151,254
Total Operating Expenses	<u>\$3,822,218</u>	<u>(\$156,063)</u>	<u>\$3,666,155</u>	<u>\$3,597,062</u>	<u>(\$95,834)</u>	<u>\$3,501,228</u>

The natural classification of expenses demonstrates that the major expenditure of the University in 2017 is salaries and wages accounting for more than 52.3% of total operating expenses with the GASB 68 adjustment (53.0% in 2016) and 54.6% without the GASB 68 adjustment in 2017 (54.5% in 2016). Negotiated and other staff salary and wage increases for both 2016 and 2017 were approximately 2.0%. Fringe benefits also increased markedly this year; primarily driven by increases in pension and health care costs including pension expenses resulting from changes required under GASB 68. Pension expense for the GASB 68 adjustment was \$95.8 million in 2016 and increased by \$60.3 million to \$156.1 million in 2017.

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

The University continues to maintain a solid financial position. Overall, the higher education industry is challenged by rising student charges and increasing student debt loads. In response, the University has moderated increases in student tuition and fees with a 1.85% increase for in-state and out-of-state students in 2018. The federal and state governments have limited resources and are challenged to maintain stable levels of financial assistance for the University. The University will continue to meet its funding challenges through savings from increased efficiency and reduced administrative costs, revenue from non-traditional education programs, public-private partnerships, clinical care enterprises, increased grants and contracts, greater philanthropy, and other sources.

The University plays a crucial role in the New Jersey economy. Our annual operating budget of \$3.9 billion supports nearly 58,000 jobs statewide and generates \$5.2 billion of economic activity in New Jersey. Rutgers also has built state-of-the-art academic facilities and pursued other capital projects over the past five years that have supported nearly 12,000 short-term construction-related jobs and generated an additional \$1.2 billion in economic activity. From our faculty's innovative research come new patents, licenses and startup companies that further stimulate the New Jersey economy. And in providing outstanding patient care and conducting vital clinical trials of new treatments and therapies, we employ more than 1,300 health care professionals.

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 1,300 students in the fall 2017 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 in New Brunswick slated to be completed in the fall of 2017. These projects will provide additional space and resources for our growing institution.

**STATEMENT OF NET POSITION**

June 30, 2017

(dollars in thousands)

	<u>Rutgers, The State University of New Jersey</u>	<u>Component Unit Rutgers University Foundation</u>	<u>Component Unit University Physician Associates of New Jersey, Inc., and Affiliates</u>
	<u>2017</u>	<u>2017</u>	<u>2017</u>
<b>ASSETS:</b>			
Current Assets			
Cash and Cash Equivalents	\$267,769	\$1,389	\$1,672
Cash and Cash Equivalents - Restricted	-	27,682	5,045
Short-Term Investments	453,246	-	58,514
Short-Term Investments - Restricted	-	5,853	-
Accounts Receivable, net	456,899	4,215	-
Contributions Receivable, net - Current Portion	-	35,250	-
Inventories	3,868	-	-
Prepaid Expenses and Other Assets	7,293	675	52
Total Current Assets	<u>1,189,075</u>	<u>75,064</u>	<u>65,283</u>
Noncurrent Assets			
Cash and Cash Equivalents	17,112	-	-
Cash and Cash Equivalents - Restricted	164,994	-	-
Long-Term Investments	264,511	2,090	-
Long-Term Investments - Restricted	840,618	7,155	-
Accounts Receivable, net	111,000	-	-
Contributions Receivable, net - Noncurrent Portion	-	39,271	-
Cash Surrender Value of Whole Life Insurance Policies	-	712	-
Other Noncurrent Assets	1,374	-	-
Capital Assets, net	3,575,173	-	56
Total Noncurrent Assets	<u>4,974,782</u>	<u>49,228</u>	<u>56</u>
<b>TOTAL ASSETS</b>	<u>6,163,857</u>	<u>124,292</u>	<u>65,339</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Loss on Refunding	80,040	-	-
Pension Related	474,654	-	-
Interest Rate Swaps	28,478	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>583,172</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>6,747,029</u>	<u>124,292</u>	<u>65,339</u>

(Continued)

**STATEMENT OF NET POSITION**

June 30, 2017

(dollars in thousands)

	<u>Rutgers, The State University of New Jersey</u> 2017	<u>Component Unit Rutgers University Foundation</u> 2017	<u>Component Unit University Physician Associates of New Jersey, Inc., and Affiliates</u> 2017
<b>LIABILITIES:</b>			
Current Liabilities			
Accounts Payable and Accrued Expenses Payable to Rutgers, The State University of New Jersey	377,995	2,739	27,132
Unearned Revenue	90,388	15	—
Payroll Withholdings	19,532	—	—
Other Payables	2,267	—	—
Annuities Payable - Current Portion	—	731	—
Commercial Paper	85,670	—	—
Long-Term Liabilities - Current Portion	125,549	—	—
<b>Total Current Liabilities</b>	<b>701,401</b>	<b>3,485</b>	<b>43,428</b>
Noncurrent Liabilities			
Accounts Payable and Accrued Expenses	46,292	470	—
Unearned Revenue	63,274	—	—
Derivative Instruments	28,478	—	—
Annuities Payable - Noncurrent Portion	—	5,940	—
Net Pension Liability	2,057,977	—	—
Long-Term Liabilities - Noncurrent Portion	1,792,404	—	—
<b>Total Noncurrent Liabilities</b>	<b>3,988,425</b>	<b>6,410</b>	<b>—</b>
<b>TOTAL LIABILITIES</b>	<b>4,689,826</b>	<b>9,895</b>	<b>43,428</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension Related	17,045	—	—
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>4,706,871</b>	<b>9,895</b>	<b>43,428</b>
<b>NET POSITION (DEFICIT):</b>			
Net Investment in Capital Assets	1,750,777	—	—
Restricted for			
Nonexpendable			
Instruction	274,227	1,999	—
Scholarships and Fellowships	282,349	3,719	—
Other	89,787	860	—
Expendable			
Instruction	166,238	9,901	—
Research	39,943	23,670	—
Scholarships and Fellowships	80,113	8,794	—
Loans	73,062	—	—
Capital Projects	35,972	36,469	—
Debt Service Reserve	13,563	—	—
Healthcare and Professional Services	11,397	—	—
Other	39,106	22,656	—
Unrestricted	(816,376)	6,329	21,911
<b>TOTAL NET POSITION</b>	<b>\$2,040,158</b>	<b>\$114,397</b>	<b>\$21,911</b>

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Year Ended June 30, 2017  
(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
	2017	2017	2017
<b>OPERATING REVENUES:</b>			
Student Tuition and Fees (net of scholarship allowances of \$234,661 in 2017)	\$930,727	\$ -	\$ -
Federal Grants & Contracts	284,458	-	-
State & Municipal Grants & Contracts	139,189	-	-
Nongovernmental Grants & Contracts	179,049	32,515	-
Auxiliary Enterprises (net of scholarship allowances of \$44,867 in 2017)	282,384	-	-
Net Patient Service Revenues	473,050	-	121,571
Health Service Contract Revenues	238,117	-	-
Other Operating Revenues	148,886	5,504	196
Total Operating Revenues	<u>2,675,860</u>	<u>38,019</u>	<u>121,767</u>
<b>OPERATING EXPENSES:</b>			
Salaries and Wages	2,000,064	13,947	4,270
Fringe Benefits	778,438	5,536	682
Supplies and Services	788,344	10,406	117,914
Grant Aid to Students	70,590	-	-
Depreciation	184,782	-	46
Distributions to Rutgers, The State University of New Jersey	-	114,446	-
Distributions to Douglass Associate Alumnae	-	10	-
Total Operating Expenses	<u>3,822,218</u>	<u>144,345</u>	<u>122,912</u>
Operating Loss	<u>(1,146,358)</u>	<u>(106,326)</u>	<u>(1,145)</u>

(Continued)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Year Ended June 30, 2017  
(dollars in thousands)

	Component Unit		Component Unit
	Rutgers, The State University of New Jersey	Rutgers University Foundation	University Physician Associates of New Jersey, Inc., and Affiliates
	2017	2017	2017
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
State Appropriations	435,175	-	-
State Paid Fringe Benefits	372,336	-	-
Administrative Fees and Support from Rutgers, The State University of New Jersey	-	24,387	-
Noncash Support from Rutgers, The State University of New Jersey	-	2,013	-
Federal Appropriations	6,371	-	-
Federal Student Aid	86,710	-	-
State Student Aid	106,837	-	-
Contributions	32,560	37,567	-
Endowment and Investment Income (net of investment management fees for the University of \$3,385 in 2017)	34,349	381	1,146
Net Increase in Fair Value of Investments	118,046	303	1,863
Interest on Capital Asset Related Debt	(88,010)	-	-
Loss on Disposal of Capital Assets	(1,807)	-	-
Other Non-operating (Expenses)/Revenues	(60,616)	337	-
<b>Total Net Non-operating Revenues</b>	<b>1,041,951</b>	<b>64,988</b>	<b>3,009</b>
 (Loss)/Income before Other Revenues	 (104,407)	 (41,338)	 1,864
 Capital Grants and Gifts	 101,484	 29,576	 -
Additions to Permanent Endowments	27,573	27,914	-
<b>Increase in Net Position</b>	<b>24,650</b>	<b>16,152</b>	<b>1,864</b>
 Net Position - Beginning of the Year	 2,015,508	 98,245	 20,047
 Net Position - End of the Year	 <b>\$2,040,158</b>	 <b>\$114,397</b>	 <b>\$21,911</b>

See accompanying notes to the financial statements.

**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2017**  
**(dollars in thousands)**

	Rutgers, The State University of New Jersey
	<u>2017</u>
<b>Cash Flows from Operating Activities:</b>	
Student Tuition and Fees	\$925,660
Research Grants and Contracts	544,739
Services to Patients	473,732
Payments to Employees and for Benefits	(2,330,407)
Payments to Suppliers	(746,884)
Payments for Grant Aid to Students	(70,590)
Collection of Loans to Students and Employees	11,957
Loans to Students and Employees	(10,099)
Auxiliary Enterprises Receipts	280,849
Health Service Contract Receipts	228,959
Other Receipts	58,254
Net Cash Used by Operating Activities	<u>(633,830)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
State Appropriations	434,777
Federal Appropriations	9,143
Contributions for other than Capital Purposes	32,560
Federal and State Student Aid	200,102
Contributions for Endowment Purposes	27,573
Net Cash Provided by Noncapital Financing Activities	<u>704,155</u>
<b>Cash Flows from Financing Activities:</b>	
Proceeds from Capital Debt and Leases	29,888
Capital Grants and Gifts Received	65,626
Purchases of Capital Assets and Construction in Progress	(288,774)
Principal Paid on Capital Debt and Leases	(57,999)
Interest Paid on Capital Debt and Leases	(92,743)
Net Cash Used by Financing Activities	<u>(344,002)</u>
<b>Cash Flows from Investing Activities:</b>	
Proceeds from Sales and Maturities of Investments	889,536
Investment Income	34,349
Purchase of Investments	(801,315)
Net Cash Provided by Investing Activities	<u>122,570</u>
Net Decrease in Cash and Cash Equivalents	(151,107)
Cash and Cash Equivalents - Beginning of the year	<u>600,982</u>
Cash and Cash Equivalents - End of the year	<u>449,875</u>

(Continued)



**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2017**  
**(dollars in thousands)**

<b>Reconciliation of Operating Loss to</b>	<u>2017</u>
<b>Net Cash Used by Operating Activities:</b>	
Operating Loss	(1,146,358)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
State Paid Fringe Benefits	372,336
Depreciation	184,782
Provision for Bad Debts	25,434
Changes in Assets and Liabilities:	
Receivables	(191,723)
Inventories	264
Prepaid Expenses and Other Assets	916
Accounts Payable and Accrued Expenses	(30,572)
Unearned Revenue	(2,632)
Payroll Withholdings	(2,302)
Other Payables	(38)
Net Pension Liability	156,063
Net Cash Used by Operating Activities	<u><u>\$(633,830)</u></u>

<b>Non-Cash Investing and Financing Activities</b>	<u>2017</u>
Net increase in accrued capital assets	\$16,496
Change in fair value of derivatives	19,955
Net increase in fair value of investments	118,046
Loss on defeasance of Higher Education CIF bonds	<u>1,254</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 33 degree granting 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) and the University Physician Association of New Jersey, Inc., and Affiliate (UPA). Rutgers Health Group, Inc. (RHG), is a new unit and its operation commenced on July 1, 2017 (see Note 20).

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 it 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, Liberty Plaza, 335 George Street, Floor 2, New Brunswick, NJ 08901.

UPA, a not-for-profit organization, was incorporated on August 16, 1984. Located in Newark, New Jersey, its primary purpose was to support 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 the University and UPA, the effect of which is that Rutgers succeeds to UMDNJ's obligations under the agreement. The Affiliation Agreement was further amended so that the term now extends through July 1, 2020.

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 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 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 which are included in non-current restricted cash. The University reclassifies net overdrafts from Cash and Cash Equivalents to Accounts Payable and Accrued Liabilities. For 2017, this account totaled \$33.8 million. Noncurrent unrestricted cash and cash equivalents consist of funds that are not externally restricted and are mostly comprised of long-term insurance claim reserves. Noncurrent restricted cash and cash equivalents are externally restricted to maintain sinking or reserve funds, purchase or construct capital or other noncurrent assets or collateral requirements for interest rate swaps, or are related to endowed funds.

### **Investments**

Investments are recorded in the statement of net position at fair value, amortized cost and net asset value depending on asset type. Please refer to Note 3 - Cash and Cash Equivalents and Investments for further details about investments at fair value and net asset value. Commercial paper are held at amortized cost. 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 are classified as noncurrent assets in the statement of net position. The year-to-year change in the fair value of investments is reported in the statement of revenues, expenses, and changes in net position as net increase (decrease) 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 \$65.6 million at June 30, 2017. Income derived from such irrevocable trust funds held by others, aggregating approximately \$2.1 million in 2017, 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. NJHF is not considered a component unit within the University. However, 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, equipment, and 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 equipment is calculated using the straight-line method over the assets' estimated useful lives, ranging from 5 to 50 years. Beginning in 2017, the components of certain buildings (i.e., those with a cost in excess of \$15 million and that have greater than 30% of assignable square footage allocated to organized research) are depreciated over the estimated useful life of those components. The useful life of those building components range from 10 to 50 years and this change resulted in approximately \$36 million of depreciation expense in 2017. Library books totaling approximately 6.3 million volumes in 2017 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 in the following fiscal year. It also includes cash received from grant and contract sponsors which has not yet been earned under the terms of the agreement. 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 service 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 payers and others. Amounts recorded are net of allowances to give recognition to differences between charges and reimbursement rates from third party payers. Reimbursement from third party payers 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.

Health service contract revenues include revenues related to health service contract activities and are recorded in the period in which the services are provided. This includes contractual billings for physician services under affiliate agreements with certain New Jersey hospitals and physician services for house staff, which is principally comprised of reimbursements for salaries and fringe benefits, paid by the University for physician services provided through graduate medical education residency programs.

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 statement of revenues, expenses, and changes in net position are those that serve the University's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include (1) student tuition and fees, net of scholarship allowances, (2) auxiliary enterprises, net of scholarship allowances, (3) most federal, state, and municipal, and other nongovernmental grants and contracts, and (4) net patient services. 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 a non-operating expense.

### **Grant Aid to Students**

Grant aid to students 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 \$78.1 million during the year ended June 30, 2017, from the Federal Pell Grant program, and \$98.4 million during the year ended June 30, 2017, 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 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, 2017, the University disbursed \$392.0 million under the Federal Direct Loan Program. Direct

student loans receivable are not included in the University's statement of net position since they are repayable directly to the U.S. Department of Education.

#### **Income Taxes**

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

#### **Use of Estimates**

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

#### **Accounting Pronouncements Applicable to the University, 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). This 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 disclosures and required supplementary information. GASB 75 will be effective for periods beginning after June 15, 2017, which is fiscal year 2018. The University is evaluating the impact of this new statement.

The University adopted GASB Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81). This statement was issued 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, which is fiscal year 2018, and should be applied retroactively. The University is evaluating the impact of this new statement.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). This statement requires a government entity to recognize an asset retirement obligation when the liability is incurred and reasonably estimable. The government entity would measure the obligation based on its best estimate of the current value of outlays expected to be incurred. This GASB Statement is effective for financial reporting periods beginning after June 15, 2018, which is fiscal year 2019. The University is evaluating the impact of this new statement.

In March 2017, the GASB issued Statement No. 85, *Omnibus* (GASB 85). This statement addresses practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits). The requirements of this statement are effective for reporting periods beginning after June 15, 2017, which is fiscal year 2018. The University is evaluating the impact of this new statement.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, effective for the University's fiscal year beginning July 1, 2017. This Statement establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with resources other than the proceeds of the refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. In addition, this Statement revises existing standards for prepaid insurance associated with extinguished debt. The University is evaluating the impact of this new statement.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for the University's fiscal year beginning July 1, 2020. This Statement establishes a single approach to accounting for and reporting leases based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Limited exceptions to the single-approach guidance are provided for short-term leases, defined as lasting a

maximum of twelve months at inception, including any options to extend, financed purchases, leases of assets that are investments and certain regulated leases. The University is evaluating the impact of this new statement.

**NOTE 2 – ADOPTION OF ACCOUNTING PRONOUNCEMENTS**

The University adopted GASB 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 was effective for reporting periods beginning in fiscal 2017. There was no impact to the University's financial statements.

**NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

The University's cash and cash equivalents consist of the following at June 30, 2017:

	<b>2017</b>
Money Market Funds	\$254,412
Cash and Deposits	195,463
Total Cash and Cash Equivalents	\$449,875

The University's net cash and cash equivalents balance at June 30, 2017, includes a cash book balance of \$195.5 million. The actual amount of cash on deposit in the University's bank accounts at June 30, 2017, was \$208.7 million. Of this amount, \$1.3 million was insured by the Federal Deposit Insurance Corporation at June 30, 2017. At June 30, 2017, \$135.3 million was collateralized, and cash and cash equivalents in excess of these balances were uncollateralized.

**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, professional investment staff and a 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 goal of the endowment is to attain a total return of at least 4.0% plus inflation, fees, and costs. In 2017, the University's annual spending policy was amended to an amount not to exceed 4.0% of a trailing 13-quarter average of the Long-Term Investment Pool's market values.

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, 2017 (dollars in thousands):

	<u>2017</u>
Common Stock	\$145,400
Government Agencies	3
Government Bonds	68,493
Certificates of Deposit (CD's)	1,978
Corporate Bonds	2,457
Mutual Funds - Equity Securities	511,944
Mutual Funds - Fixed Income Securities	357,164
Fixed Income Fund	29,651
Hedge Fund	202,088
Private Equity	121,290
Real Estate	54,073
Real Assets	59,508
Other	4,326
Total	<u>\$1,558,375</u>

The Hedge Fund description includes: Credit, Long/Short Equity, Global Macro, Multi-Strategy Hedge Funds and Other. In addition, the Private Equity description includes Venture Capital.

#### **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 - Equity Securities, Mutual Funds - Fixed Income Securities and Certificates of Deposit.



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 – Equity Securities, Corporate Bonds, Mutual Funds – Fixed Income Securities, Government Agencies, and Government Bonds.

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. Investments measured at NAV are not categorized in the fair value hierarchy.

The following tables summarize the University’s investments by strategy type as of June 30, 2017 (dollars in thousands):

Investment Type	Fair Value	2017		
		Investments Measured at Fair Value		
		Level 1	Level 2	Level 3
Common Stock	\$145,400	\$145,400	\$ –	\$ –
Government Agencies	3	–	3	–
Government Bonds	68,493	–	68,493	–
Certificates of Deposit (CD’s)	1,978	1,978	–	–
Corporate Bonds	2,457	–	2,457	–
Mutual Funds – Equity Securities	511,944	226,701	285,243	–
Mutual Funds – Fixed Income Securities	357,164	72,519	284,645	–
Real Assets	6,888	–	–	6,888
Other	4,326	–	–	4,326
Subtotal	\$1,098,653	\$446,598	\$640,841	\$11,214

Investment Type	Net Asset Value
Private Equity	\$85,271
Real Estate	54,073
Real Assets	52,620
Venture Capital	36,019
Fixed Income Fund	29,651
Credit Hedge Funds	47,880
Long/Short Equity Hedge Funds	52,830
Global Macro Hedge Funds	14,813
Multi-Strategy Hedge Funds	86,284
Other Hedge Funds	281
Subtotal	459,722
Total	\$1,558,375

### 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, 2017 (dollars in thousands):

Investment Type	2017 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity	\$ 105,944	Illiquid	N/A
Real Estate	19,937	Illiquid	N/A
Real Assets	41,190	Illiquid	N/A
Venture Capital	17,196	Illiquid	N/A
Fixed Income Fund	6,787	Illiquid	N/A
Credit Hedge Funds	N/A	Quarterly, Annually	45 - 90 days
Long/Short Equity Hedge Funds	N/A	Monthly, Quarterly, Annually	45 - 60 days
Global Macro Hedge Funds	N/A	Quarterly	90 days
Multi-Strategy Hedge Funds	N/A	Quarterly, Semi- Annually, Annually, Rolling Two-years	60 - 90 days
Total	\$ 191,054		

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.

*Fixed Income Fund* – Include funds that invest throughout capital structure. Typical investments may include senior secured, unsecured, subordinated or mezzanine loans, corporate credit, non-performing loans, and various other credit investments. One strategy is implemented through an illiquid vehicle and cannot be redeemed. The remaining term of the investment is 4 - 6 years, including extensions.

*Venture Capital* – Funds that invest in early, mid, and late stage high growth companies, which are typically at the forefront 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 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, 2017 (dollars in thousands):

Investment Type	2017				
	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Bonds	\$68,493	\$45,187	\$20,840	\$998	\$1,468
U.S. Government Agencies	3	–	–	3	–
Corporate Bonds	2,457	–	1,069	762	626
Certificate of Deposits	1,978	416	1,517	45	–
Mutual Funds - Fixed Income Securities	357,164	357,164	–	–	–
Total	<u>\$430,095</u>	<u>\$402,767</u>	<u>\$23,426</u>	<u>\$1,808</u>	<u>\$2,094</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 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, 2017, 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	2017
U.S. Government Agencies and Bonds	AA+	\$68,496
Certificate of Deposit	AAA	1,978
Corporate Bonds	AAA	525
Corporate Bonds	A+	625
Corporate Bonds	A	1,307
Mutual Funds - Fixed Income Securities	Not Rated	357,164
Money Market Funds	AAA	254,412
Total		<u>\$684,507</u>

### Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the University will not be able to recover the value of the investments that are in the possession of an outside party. Custodial credit risk should not be confused with market risk, which is the risk that the market value of a security may decline. The University's investment securities are exposed to custodial credit risk if the securities are uninsured and unregistered and held by the counterparty, or by its trust department or agent but not in the University's name. Money market 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, 2017, the University's investment securities were not subject to custodial credit risk.

**Investments - Endowment Funds**

Most of the endowment funds assets are invested 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, 2017, the fair value of the Long-Term Investment Pool was \$1,106.1 million. In addition, the aggregate endowment market value of funds separately invested was \$33.5 million at June 30, 2017. The investment appreciation was \$121.7 million at June 30, 2017. 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, 2017 (dollars in thousands):

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net 2017</u>
Government Grants and Other Sponsored Programs Receivable	\$180,419	\$4,690	\$175,729
Construction Related Receivable	58,491	-	58,491
Student Notes Receivable	72,951	5,933	67,018
Patient Accounts Receivable	64,152	15,268	48,884
Federal and State Governments Receivable	72,905	-	72,905
Student Accounts Receivable	43,561	6,832	36,729
Health Service Contract Receivable	90,662	10,309	80,353
Other Receivable	30,667	2,877	27,790
Total	<u>\$613,808</u>	<u>\$45,909</u>	<u>\$567,899</u>

The allowances for doubtful accounts and notes are based upon management's best estimate of uncollectible accounts and notes at June 30, 2017, considering type, age, collection history and other appropriate factors.

**NOTE 5 - NET PATIENT SERVICE REVENUES AND HEALTH SERVICE CONTRACT 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.

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 \$85.1 million in 2017.

Net patient service revenues are comprised of the following at June 30, 2017 (dollars in thousands):

	<u>2017</u>
Gross Charges	\$786,806
Deductions from Gross Charges	
Contractual and Other Allowances	(290,342)
Provision for Bad Debts	<u>(23,414)</u>
Net Patient Service Revenues	<u>\$473,050</u>

Health Service Contract include revenues related to health service contract activities. This includes providing physician services under affiliate agreements with certain New Jersey hospitals (such as University Hospital of Newark, Cooper Hospital, RWJ Barnabas Health and others). It also includes physician services for house staff, which is comprised of reimbursements for graduate medical education residency programs in connection with RWJ Medical School, New Jersey Medical School and Rutgers School of Dental Medicine. Health Service Contract Revenues totaled \$238.1 million, which included reimbursement for House Staff salaries, fringe benefits and insurance of \$108.0 million and billings under other contractual arrangements of \$130.1 million.

**NOTE 6 - CAPITAL ASSETS**

The detail of capital assets activity for the year ended June 30, 2017 is as follows (dollars in thousands):

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements/ Capitalization</u>	<u>June 30, 2017</u>
Capital Assets Not Being Depreciated:				
Land	\$77,926	\$ -	\$724	\$77,202
Capitalized Art Collections	60,606	709	-	61,315
Construction in Progress	401,159	284,144	283,375	401,928
Total	<u>539,691</u>	<u>284,853</u>	<u>284,099</u>	<u>540,445</u>
Capital Assets Being Depreciated:				
Land Improvements	357,994	29,719	78	387,635
Buildings	4,318,451	251,638	514	4,569,575
Equipment	950,143	38,311	207,163	781,291
Total	<u>5,626,588</u>	<u>319,668</u>	<u>207,755</u>	<u>5,738,501</u>
Less Accumulated Depreciation:				
Land Improvements	268,439	14,324	-	282,763
Buildings	1,686,361	132,462	130	1,818,693
Equipment	772,236	37,996	207,915	602,317
Total	<u>2,727,036</u>	<u>184,782</u>	<u>208,045</u>	<u>2,703,773</u>
Net Capital Assets Being Depreciated	<u>2,899,552</u>	<u>134,886</u>	<u>(290)</u>	<u>3,034,728</u>
Total Capital Assets, net	<u>\$3,439,243</u>	<u>\$419,739</u>	<u>\$283,809</u>	<u>\$3,575,173</u>

During 2017, the University capitalized interest expense of \$3.7 million in construction in progress in the accompanying statement of net position.

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

Accounts payable and accrued expenses consist of the following at June 30, 2017 (dollars in thousands):

	<u>2017</u>
Vendors	\$166,223
Accrued Salaries and Benefits	83,064
Compensated Absences	72,587
Workers Compensation	34,931
Interest Payable	11,481
Retainage	11,463
Other Accrued Expenses	44,538
Total Accounts Payable and Accrued Expenses	<u>\$424,287</u>

**NOTE 8 - NONCURRENT LIABILITIES**

Noncurrent liability activity for the year ended June 30, 2017, is as follows (dollars in thousands):

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2017</u>	<u>Current Portion</u>
Accounts Payable and Accrued Expenses	\$439,788	\$50,158	\$65,659	\$424,287	\$377,995
Net Pension Liabilities	1,644,741	605,819	192,583	2,057,977	-
Unearned Revenue	193,466	105,057	144,861	153,662	90,388
Long-Term Liabilities	<u>1,969,327</u>	<u>44,604</u>	<u>95,978</u>	<u>1,917,953</u>	<u>125,549</u>
Total Noncurrent Liabilities	<u>\$4,247,322</u>	<u>\$805,638</u>	<u>\$499,081</u>	<u>\$4,553,879</u>	<u>\$593,932</u>

**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 0.50 to 1.00 in fiscal year 2017. The University was in compliance with the covenant at June 30, 2017.

Commercial paper activity as of June 30, 2017, is as follows (dollars in thousands):

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
Taxable	\$35,995	\$25,000	\$2,170	\$58,825
Tax-exempt	29,613	-	2,768	26,845
Total Short-Term Liabilities	<u>\$65,608</u>	<u>\$25,000</u>	<u>\$4,938</u>	<u>\$85,670</u>



## NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2017, is as follows (dollars in thousands):

	Maturity Date	Interest Rates	July 1, 2016	Additions	Retirements and Payments	June 30, 2017	Current Portion
<b>Notes:</b>							
U.S. Department of Education	2021	5.50%	\$557	\$ –	\$112	\$445	\$118
City of Camden	2023	1.00%	296	–	53	243	54
New Jersey Department of Human Services	2018	0.00%	311	–	–	311	311
<b>Bonds Payable:</b>							
General Obligation Bonds:							
2002 Series A	2018	Variable Rate	22,400	–	11,000	11,400	11,400
2009 Series F	2039	2.00% - 5.00%	21,895	–	7,000	14,895	7,285
2009 Series G	2039	Variable Rate	68,680	–	1,880	66,800	66,800
2010 Series H	2040	3.776% - 5.665%	390,990	–	–	390,990	–
2010 Series I	2029	2.00% - 5.00%	25,730	–	1,310	24,420	1,355
2013 Series J	2036	1.00% - 5.00%	323,350	–	5,695	317,655	6,175
2013 Series K	2033	0.40% - 4.712%	116,810	–	5,585	111,225	5,720
2013 Series L	2043	1.00% - 5.00%	332,460	–	3,815	328,645	4,000
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	–
Series 2005 A	2019	3.00% - 5.00%	17,245	–	17,245	–	–
Series 2006 A	2022	4.00% - 4.50%	21,029	–	21,029	–	–
Series 2014 A	2033	3.50% - 5.00%	29,161	–	1,059	28,102	1,102
Series 2016 A	2022	2.84%	–	39,528	4,838	34,690	5,388
Series 2016 B	2036	4.73%	–	4,888	–	4,888	104
Higher Education Equipment Leasing Fund, Series 2014 A	2023	5.00%	6,840	–	1,599	5,241	1,678
<b>Capital Lease Obligations:</b>							
Housing Authority of the City of New Brunswick	2020	3.00% - 5.00%	14,360	–	3,330	11,030	3,500
Robert Wood Johnson University Hospital Sublease	2020	3.00% - 5.00%	(2,532)	–	(587)	(1,945)	(617)
New Jersey Economic Development Authority:							
College Avenue Redevelopment Project	2046	4.00% - 5.00%	237,055	–	3,615	233,440	3,730
15 Washington Street Housing Project	2031	3.10%	56,575	–	2,500	54,075	2,580
University Hospital Space Leases:							
Ambulatory Care Center, 140 Bergen St.	2089	4.16% <sup>1</sup>	19,017	–	42	18,975	44
New Jersey Medical School, 150 Bergen St.	2089	4.16% <sup>1</sup>	16,154	–	36	16,118	38
Equipment Leases		Various	116	–	78	38	38
<b>Loan Payable:</b>							
New Brunswick Development Corporation:							
15 Washington Street Housing Project	2025	12.00%	2,012	188	–	2,200	–
			1,885,385	44,604	91,234	1,838,755	120,803
<b>Unamortized Bond Discounts</b>			(1,069)	–	(46)	(1,023)	(44)
<b>Unamortized Bond Premiums</b>			85,011	–	4,790	80,221	4,790
<b>Total Long-Term Liabilities</b>			<b>\$1,969,327</b>	<b>\$44,604</b>	<b>\$95,978</b>	<b>\$1,917,953</b>	<b>\$125,549</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, 2017, no funds have been drawn against these agreements.

Debt service to maturity for all General Obligation Bonds, using variable rates as of June 30, 2017, and using the net interest rate swap payments as of June 30, 2017 (See Note 11 for additional information about derivatives), are as follows (dollars in thousands):

Year	Fixed Rate Bonds		Variable Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest	Principal	Interest		
2018	\$24,535	\$66,662	\$13,350	\$427	\$2,286	\$107,260
2019	41,900	65,707	2,030	357	1,881	111,875
2020	37,570	63,938	2,110	345	1,821	105,784
2021	38,760	62,282	2,195	334	1,759	105,330
2022	42,990	60,517	2,280	322	1,694	107,803
2023-2027	237,520	270,963	12,820	1,411	7,410	530,124
2028-2032	312,370	204,453	15,605	1,029	5,385	538,842
2033-2037	258,170	128,133	19,055	563	2,949	408,870
2038-2042	290,110	63,662	8,755	73	380	362,980
2043	68,515	3,426	—	—	—	71,941
Total	<u>\$1,352,440</u>	<u>\$989,743</u>	<u>\$78,200</u>	<u>\$4,861</u>	<u>\$25,565</u>	<u>\$2,450,809</u>

## Other Long-Term Obligations

Under the provisions of the State of New Jersey Higher Education Capital Improvement Fund Act (CIF) and the Higher Education Equipment Leasing Fund Act (ELF), 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 one-fourth 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
2018	\$8,273	\$2,663	\$10,936
2019	8,843	2,359	11,202
2020	7,724	2,069	9,793
2021	7,950	1,821	9,771
2022	7,762	1,558	9,320
2023-2027	15,248	5,087	20,335
2028-2032	10,950	2,802	13,752
2033-2037	6,436	467	6,903
Total	<u>\$73,186</u>	<u>\$18,826</u>	<u>\$92,012</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.

#### **New Jersey 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 (sub landlord) 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 (sub landlord) 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 capital lease obligations are as follows (dollars in thousands):

Year	Principal	Interest	Total
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	7,562	13,595	21,157
2023-2027	38,826	62,889	101,715
2028-2032	62,849	53,373	116,222
2033-2037	43,851	40,644	84,495
2038-2042	55,921	28,570	84,491
2043-2047	55,914	13,170	69,084
2048-2052	1,513	5,889	7,402
2053-2057	1,854	5,547	7,401
2058-2062	2,274	5,128	7,402
2063-2067	2,787	4,614	7,401
2068-2072	3,418	3,984	7,402
2073-2077	4,190	3,211	7,401
2078-2082	5,137	2,264	7,401
2083-2087	6,298	1,103	7,401
2088-2089	2,901	59	2,960
Total	\$331,731	\$302,309	\$634,040

**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, 2017 (dollars in thousands):

	<b>2017</b>
Cost	\$1,303
Accumulated Depreciation	(1,189)
Net Book Value	\$114

**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.

**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, 2017, the University's defeased debt is as follows (dollars in thousands):

	Amount Defeased	Final Maturity/Call Date	Amount Outstanding at June 30, 2017
NJEFA Revenue Refunding Bonds, 2009 Series B	\$214,885	6/1/2019	\$179,256
General Obligation Bonds, 2009 Series F	\$166,185	5/1/2019	166,185
Total	\$381,070		\$345,441

**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 year ended June 30, 2017, the University had the following derivative instruments outstanding (dollars in thousands):

Swap #	Type	Objective	Notional Amount 2017	Effective Date	Termination Date	Terms	Counterparty Credit Rating (Moody's/S&P)	Fair Value 2017	Change in Fair Value from 2016
1	Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Obligation Bond	\$11,400	2/4/2002	5/1/2018	Pay fixed 3.960%, receive SIFMA swap index	Aa3/A+	(\$288)	\$774
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	5/1/2008	11/1/2038	Pay fixed 4.080%, receive 100% of 3-Month LIBOR	Aa3/AA-	(26,223)	17,752
3	Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Obligation Bond	11,325	5/1/2007	5/1/2027	Pay fixed 3.824%, receive SIFMA swap index	Aa2/AA-	(1,792)	775
4	Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Obligation Commercial Paper	13,500	3/1/2012	11/1/2017	Pay fixed 5.127%, receive 100% of 1-Month LIBOR	Aa2/AA-	(175)	654
			<u>\$136,225</u>					<u>(\$28,478)</u>	<u>\$19,955</u>

**Risk**

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

**Credit Risk:**

As of June 30, 2017, 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, 2017, the University's credit ratings by Moody's and S&P was Aa3 and A+, respectively, and was required to post collateral for \$0.3 million for Swap #1 and \$6.2 million for Swap #2. In order to minimize the need for daily transfers, the University has posted \$1.2 million and \$9.6 million for Swap #1 and Swap #2, respectively, and is included in noncurrent cash and cash equivalents - restricted in the statement of net position.

**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 \$136.2 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, 2017, the estimated cost of capital projects under construction and/or in the design stage with approved sources of funding, aggregated approximately \$912.5 million. The additional funding required at June 30, 2017 reflects amounts for completion and will be received over several years. Anticipated sources of funding for these projects are summarized as follows (dollars in thousands):

	<u>Total Project Funding</u>		<u>Estimated Total Cost</u>
	<u>Received at June 30, 2017</u>	<u>Additional Funding Required at June 30, 2017</u>	
Borrowing	\$103,166	\$229,304	\$332,470
State	158,572	81,438	240,010
Gifts and Other Sources	212,459	127,556	340,015
Total	<u>\$474,197</u>	<u>\$438,298</u>	<u>\$912,495</u>

The University leases certain space used in general operations. Rental expense was approximately \$15.6 million in 2017. 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):

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$16,808
2019	15,766
2020	13,643
2021	11,172
2022	10,501
2023-2027	36,651
2028-2032	19,798
2033-2037	15,565
2038-2042	14,314
2043-2047	7,822
Total	<u>\$162,040</u>



**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, 2017, are as follows (dollars in thousands):

	<u>2017</u>
Instruction	\$914,052
Sponsored Research	285,520
Other Separately Budgeted Research	150,666
Extension and Public Service	251,856
Academic Support	448,726
Student Services	133,840
Operation & Maintenance of Plant	237,835
General Administrative and Institutional	237,767
Scholarships and Fellowships	79,708
Depreciation	184,782
Patient Care Services	636,343
Auxiliary Enterprises	260,895
Other Operating Expenses	228
Total Operating Expenses	<u><u>\$3,822,218</u></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, State of New Jersey Police and Firemen’s Retirement System, and the Alternate Benefit Program. 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 [state.nj.us/treasury/pensions/annrpts.shtml](http://state.nj.us/treasury/pensions/annrpts.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 member 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 7.34% of their annual compensation during fiscal year 2017. 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’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.

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 [state.nj.us/treasury/pensions/annrpts.shtml](http://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. The active member contribution rate is 10.0% of annual compensation during fiscal year 2017.

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

The University’s respective net pension liability, deferred outflows 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, 2017, the University reported a liability of \$1,973.9 million and \$84.1 million for PERS and PFRS, respectively, 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, 2017, was determined by an actuarial valuation as of July 1, 2015, and rolled forward to the measurement date of June 30, 2016, 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 2016, which was 6.7% and 1.8% for PERS and PFRS, respectively. The University’s proportionate share of the respective net pension liabilities for the plan was 3.4% and 0.3% for PERS and PFRS, respectively.

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.

The June 30, 2016 measurement of the net pension liability for PERS and PFRS used the following actuarial assumptions:

	2016	
	PERS	PFRS
Inflation Rate	3.08%	3.08%
Salary Increases:		
2016 - 2026	1.65-4.15% based on age	2.10-8.98% based on age
Thereafter	2.65-5.15% based on age	3.10-9.98% based on age
Investment rate of return	7.65%	7.65%

Pre-retirement mortality rates for PERS were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and

beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Pre-retirement mortality rates for PFRS were based on the RP-2000 Pre-Retirement tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011, to June 30, 2014, for PERS and July 1, 2010, to June 30, 2013, 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' and PFRS' target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	2016	
	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	(0.25%)
REIT	5.25%	5.63%

**Discount Rate** – The discount rate used to measure the total pension liability for PERS was 3.98% as of June 30, 2016. The discount rate used to measure the total pension liability for PFRS was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contributions from employers will be made based on the contribution rate in the most recent fiscal year. 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 2034 for PERS and 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Change in Assumptions** – For the valuation used in the measurement of the net pension liability for PERS as of June 30, 2016, the discount rate decreased 0.92% to 3.98% and the long-term expected rate of return decreased 0.25% to 7.65%. The demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study (previously, the July 1, 2008 – June 30, 2011 experience study was utilized) and the mortality improvement scale incorporated the plan actuary’s modified MP-2014 projection scale (previously, the mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables). Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal years 2026 and 2.65% and 5.15 % (based on age) for each fiscal year thereafter (previously, salary increases were assumed to increase between 2.15% and 4.40% (based on age) through fiscal years 2021 and 3.15% and 5.40% (based on age) for each fiscal year thereafter).

For the valuation used in the measurement of the net pension liability for PFRS as of June 30, 2016, the discount rate decreased 0.24% to 5.55% and the long-term expected rate of return decreased 0.25% to 7.65%. The mortality improvement scale incorporated the plan actuary’s modified 2014 projection scale (previously, the mortality rates for male service retirements were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates for female service retirements were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB). Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter (previously, salary increases were assumed to increase between 2.60% and 9.48% (based on age) through fiscal years 2021 and 3.60% and 10.48% (based on age) for each fiscal year thereafter).

**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, 2016, 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):

	2016		
	At 1% Decrease	At Current Discount Rate	At 1% Increase
PERS (2.98%, 3.98%, 4.98%, respectively)	\$2,311,826	\$1,973,868	\$1,695,551
PFRS (4.55%, 5.55%, 6.55%, respectively)	100,207	84,109	71,023
Total	<u>\$2,412,033</u>	<u>\$2,057,977</u>	<u>\$1,766,574</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, 2017 (dollars in thousands):

2017	PERS	PFRS	Total
<b>Deferred Outflows of Resources</b>			
Changes of Assumptions	\$295,036	\$6,550	\$301,586
Changes in Proportionate Share	61,376	2,414	63,790
Difference Between Expected and Actual Experience	42,010	–	42,010
Difference Between Projected and Actual Earnings on Pension Plan Investments	32,611	2,624	35,235
Contributions Subsequent to Measurement Date	28,964	3,069	32,033
Total	<u>\$459,997</u>	<u>\$14,657</u>	<u>\$474,654</u>
<b>Deferred Inflows of Resources</b>			
Changes in Proportionate Share	\$11,132	\$5,186	\$16,318
Difference Between Expected and Actual Experience	–	727	727
Difference Between Projected and Actual Earnings on Pension Plan Investments	–	–	–
Total	<u>\$11,132</u>	<u>\$5,913</u>	<u>\$17,045</u>

Included in deferred outflows of resources related to pensions is \$32.0 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, 2018. 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):

<u>Years Ending June 30</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$96,890	\$1,421	\$98,311
2019	96,890	1,421	98,311
2020	107,147	1,813	108,960
2021	88,492	1,178	89,670
2022	30,482	(158)	30,324
Total	<u>\$419,901</u>	<u>\$5,675</u>	<u>\$425,576</u>

**Annual Pension Expense** – The University’s annual pension expense for PERS and PFRS for the year ended June 30, 2017, was approximately \$185.4 million and \$7.2 million, respectively.

#### **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, 2017 was \$1,121.5 million.

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 2017. 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, 2017, were \$80.4 million. Employee contributions for the year ended June 30, 2017, were \$54.6 million.

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

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.

### **Deferred Compensation Plan**

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

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

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

---

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

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

The University recorded a liability for accumulated vacation time in the amount of \$56.4 million at June 30, 2017. 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 statement 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 \$13.0 million at June 30, 2017, which is included in noncurrent accounts payable and accrued expenses in the accompanying statement of net position.

The University also recorded a liability for paid leave bank days in the amount of \$3.1 million at June 30, 2017, which is included in noncurrent accounts payable and accrued expenses in the accompanying statement of net position. Employees began using these days on July 1, 2010, and may continue for the duration of employment with the University. Once these days are exhausted, the employee will not be eligible for any additional days.

#### **NOTE 16 - RISK MANAGEMENT**

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, 2017, for these items is \$33.6 million. The reserve balance recorded at June 30, 2017, is \$38.5 million. Workers compensation reserves are discounted at 2%. 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 \$30.0 million in 2017. Contributions to the Fund from the State totaled \$20.0 million in 2017, while contributions from RBHS affiliates, DOC, and faculty practice plans totaled \$10.0 million in 2017.

The University has accrued expenses for deductibles and IBNR liabilities in the statement of net position. The accrued expenses are based on estimates by management and third-party claims administrators and generally represent the present value of the unpaid claims including the estimates for claims.

---

#### **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.



**NOTE 18 - 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, 2017 (dollars in thousands):

	<b>2017</b>
Money Market Account	\$619
Cash and Deposits	28,452
	\$29,071

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 Foundation 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.

Alternative investments - The fair value of alternative investments uses current estimates of fair value obtained from the investment manager in the absence of readily determinable public market values. The estimated fair value of these investments is based on the most recent valuation provided by external investment managers. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore differ from the value that would have been used had a ready market for such investments existed.

The Foundation's investments are summarized in the following table by their fair value hierarchy as of June 30, 2017 (dollars in thousands):

Investment Type	2017			
	Investments by Fair Value Level			
	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$342	\$342	\$ -	\$ -
Municipal Bonds	4	4	-	-
Mortgage-backed Securities	1	1	-	-
Preferred Stock	330	171	133	26
Fixed Income Mutual Funds	8,096	8,096	-	-
Equity Securities	5,560	5,560	-	-
Real Estate	233	-	233	-
Privately Held Securities	60	-	-	60
	<u>14,626</u>	<u>\$14,174</u>	<u>\$366</u>	<u>\$86</u>
Investments measured at net asset value or its equivalent:				
Alternative investments	<u>472</u>			
Subtotal	<u>472</u>			
Total Investments	<u>\$15,098</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, 2017, the amount on deposit with the banks was \$28.5 million. As of June 30, 2017, 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, 2017, 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, 2017, 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, 2017, the Foundation's investment quality ratings as rated by Standard & Poor's were as follows (dollars in thousands):

Investment Type	Quality Rating	2017
Municipal Bonds	AAA	\$4
U.S. Treasury Securities	AA+	342
Mortgage-backed Securities	AA+	1
Preferred Stock	A-	1
Preferred Stock	BBB	46
Preferred Stock	BBB-	53
Preferred Stock	BB+	26
Preferred Stock	BB	26
Preferred Stock	BB-	13
Preferred Stock	Not Rated	165
Fixed Income Mutual Funds	Not Rated	8,096
Total		<u>8,773</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, 2017 (dollars in thousands):

Investment Type	Fair Value	2017			
		Investment Maturities (in years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Securities	\$342	\$223	\$113	\$6	\$ -
Mortgage-backed Securities	1	-	-	-	1
Municipal Bonds	4	-	-	4	-
Preferred Stock	330	154	103	27	46
Fixed Income Mutual Funds	8,096	-	3,695	4,401	-
Total	<u>8,773</u>	<u>377</u>	<u>3,911</u>	<u>4,438</u>	<u>\$47</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, 2017, were as follows (dollars in thousands):

	<u>2017</u>
Administrative Fees and Support:	
Endowment Administrative Fee	\$9,185
University Support	<u>15,202</u>
	<u>\$24,387</u>
Noncash Support:	
Fair Rental Value of Space Occupied	\$431
University-Paid Payroll Taxes and Benefits	<u>1,582</u>
	<u>2,013</u>
Total	<u><u>\$26,400</u></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, 2017, assessment fees totaling \$4.9 million were recorded.

**Restricted Contributions Receivable**

The anticipated receipt of contributions receivable as of June 30, 2017, is as follows (dollars in thousands):

	<u>2017</u>
Year Ending June 30:	
Within One Year	\$39,206
Two to Five Years	<u>41,091</u>
	80,297
Less Allowance for Uncollectible Contributions Receivable	<u>(5,775)</u>
	<u><u>\$74,522</u></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 \$86.4 million as of June 30, 2017, have not been included in the accompanying financial statements.

**University Receipts on Foundation Pledges**

The Foundation records pledges receivables, and the associated gift income, for nonendowment related gifts and private grants based upon written commitments from these entities. From individual donors, the written support is primarily in the form of a fund agreement signed by both the donor(s) and the Foundation. Private grants obtained from private corporations and Foundations are recorded upon confirmation of the grant award to the University via correspondence from the private organization. Payments on these pledges are not all received at the Foundation, as some payments are made directly to the University. Any payments made directly to the University are captured in the Foundation's statement of revenues, expenses, and changes in net position as gift revenue as well as distributions to the University. The total of these payments to the University, as of June 30, 2017, was \$19.5 million.

**NOTE 19 – 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, 2017, is set forth in the following table (dollars in thousands):

	2017
Cash and Cash Equivalents – Restricted	\$5,045
	\$5,045

**Investments**

The composition of investments at June 30, 2017, is set forth in the following table (dollars in thousands):

	2017
Cash and Cash Equivalents	\$1,503
Marketable Equity Securities	17,646
U.S. Government Securities	2,847
Bonds	36,518
Total Short-term Investments	\$58,514

The fair value of UPA’s financial assets that are measured on a recurring basis at June 30, 2017, are as follows (dollars in thousands):

Assets	Valuation Techniques <sup>(1)</sup>	Quoted Priced in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	2017 Total Fair Value
Marketable Equity Securities	M	\$ 17,646	\$ –	\$ –	\$ 17,646
U.S. Government Securities	M	–	2,847	–	2,847
Bonds	M	–	36,518	–	36,518
Total Assets		\$ 17,646	\$ 39,365	\$ –	\$ 57,011

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

At June 30, 2017, there was approximately \$1.5 million of cash and cash equivalents in investments within the statement of net position that are excluded from the charts above as they are not considered recurring fair value measurements.

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

Marketable Equity Securities – Fair value estimates for publicly traded equity securities are based on quoted market prices and 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, 2017, are as follows (dollars in thousands):

	<u>2017</u>
Payable to Rutgers University Medical Malpractice Fund	\$675
Payable to New Jersey Medical School Mandatory Department Account	5,018
Payable to New Jersey Medical School Deans’ Fund	6,758
Payable to Voluntary Department Account	2,383
Payable to Voluntary Division Account	1,462
Payable to Voluntary Group Account	88
Payable to Voluntary Practice Group Account	<u>27,044</u>
Total Current Liabilities	<u>\$43,428</u>

#### 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 2017 was \$0.5 million.

#### NOTE 20 – SUBSEQUENT EVENTS

Rutgers Health Group (RHG), a non-profit corporation, was incorporated on July 29, 2016 and was granted tax-exempt status on November 29, 2016. Operating as “Rutgers Health,” RHG was organized as the University’s integrated, inter-professional faculty practice for the University’s health care practitioners to deliver high quality, cost-effective patient care at clinical locations supportive of the University’s teaching and research missions; to participate in education and research exclusively in support of the charitable, scientific and educational purposes of the University; and to support the University’s education and training of healthcare students, post-graduate students and professionals. By combining the University’s clinical operations into a single entity, RHG furthers the development of University’s clinically integrated operations through the integration and coordination of the clinical services of the University’s health care practitioners. Although RHG is legally separate from the University, the University is the sole member of RHG, has various reserved powers with respect to RHG’s operations, and appoints a majority of RHG’s trustees.

RHG commenced operations on July 1, 2017. At this time, RHG has no employees. Pursuant to an affiliation agreement between RHG and the University, the health care professionals who provide RHG’s patient care services serve as faculty and employees of the University, which is solely responsible for the administration of all compensation, salary, wages, and benefits payable to these individuals.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**Schedules of Employer Contributions\***

For the Three Years Ended June 30, 2017

(dollars in thousands)

<u>Public Employees' Retirement System (PERS)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$28,964	\$25,859	\$14,888
Contributions in relation to the Contractually Required Contribution	\$28,964	\$25,859	\$14,888
Contribution Deficiency (Excess)	—	—	—
University Employee Covered Payroll (as of Fiscal Year End)	\$294,177	\$296,594	\$294,526
Contributions as a percentage of Employee Covered Payroll	9.85%	8.72%	5.05%
<u>Police and Firemen's Retirement System (PFRS)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$3,069	\$1,512	\$1,298
Contributions in relation to the Contractually Required Contribution	\$3,069	1,512	1,298
Contribution Deficiency (Excess)	—	—	—
University Employee Covered Payroll (as of Fiscal Year End)	8,932	8,091	8,466
Contributions as a percentage of Employee Covered Payroll	34.36%	18.69%	15.33%

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

For the Three Years Ended June 30, 2017

(dollars in thousands)

<u>Public Employees' Retirement System (PERS)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
University Proportionate Share of the Net Pension Liability - State Group	6.72%	6.60%	6.42%
University Proportionate Share of the Net Pension Liability - Total Plan	3.35%	3.39%	3.33%
University Proportionate Share of the Net Pension Liability	\$1,973,868	\$1,566,143	\$1,292,223
University Employee Covered-Payroll (for year ended as of measurement date)	\$296,594	\$294,526	\$299,132
University Proportionate Share of the Net Pension Liability as a Percentage of the Employee Covered-Payroll	665.51%	531.75%	431.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	31.20%	38.21%	42.74%
<u>Police and Firemen's Retirement System (PFRS)</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
University Proportionate Share of the Net Pension Liability - State Group	1.79%	1.76%	1.76%
University Proportionate Share of the Net Pension Liability - Total Plan	0.33%	0.36%	0.36%
University Proportionate Share of the Net Pension Liability	\$84,109	\$78,598	\$62,433
University Employee Covered-Payroll (for year ended as of measurement date)	\$8,091	\$8,466	\$9,043
University Proportionate Share of the Net Pension Liability as a Percentage of the Employee Covered-Payroll	1039.55%	928.40%	690.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.55%	52.84%	58.86%

\*Information provided for Required Supplementary Information will be provided for ten (10) years as the information becomes available in subsequent years.





The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster:</b>							
<b>Direct:</b>							
<b>Administrative Office of the Courts:</b>							
Smart Probation Grant, Risk Based Supervision Pilot Project	MOS		137,761	2/21/2014 - 9/15/2016	9,599	-	-
<b>Subtotal Administrative Office of the Courts</b>			<b>137,761</b>		<b>9,599</b>	<b>-</b>	<b>-</b>
<b>Board of Public Utilities:</b>							
Analytics For Energy Policies - Year II	BPU-070		150,000	7/1/2016 - 10/31/2017	88,846	-	-
Clean Energy Evaluation And Market Assessment	BPU-070		959,000	6/24/2013 - 10/31/2017	263,441	-	45,223
Maintenance and Upgrade Plan for the New Jersey Clean Energy							-
Resource Network Searchable Database	BPU-070		199,961	12/1/2012 - 12/31/2017	50,307	-	-
New Jersey Energy Resilience Bank Analysis	NONE		194,006	3/1/2016 - 7/29/2018	(19,635)	19,852	-
<b>Subtotal Board of Public Utilities</b>			<b>1,502,967</b>		<b>382,959</b>	<b>19,852</b>	<b>45,223</b>
<b>Commission on Cancer Research:</b>							
A Data-driven Cancer Diagnostic Pipeline Using Precision-calibrated Deep-sequencing Techniques	NONE		20,230	1/1/2017 - 3/31/2019	20,230	-	-
Aurora Kinase C Regulation Of Centrosome Clustering In Cancer Cells	NONE		138	1/1/2017 - 3/31/2019	138	-	-
BRG 1 Is A Master Regulator Of PI3K/Akt Signaling In Basal-like Breast Cancer	NONE		20,230	1/1/2017 - 3/31/2019	20,230	-	-
Cancer Research	DFHS13PPC014		49,898	5/1/2013 - 9/30/2015	1,001	-	-
Cytoskeletal Stiffness Regulates Hippo Pathway Via Relocalization Of LIM Domain Proteins	DHFS16PPC035		100,000	1/1/2016 - 12/31/2017	61,877	-	-
Epigenomic-impact Of Signaling Pathways Regulating Colon Tumorigenesis	DHFS16PPC036		100,000	1/1/2016 - 12/31/2017	40,635	-	-
Health Beliefs And Behaviors	DHFS16PPC003		100,000	1/1/2016 - 12/31/2017	22,250	13,354	-
Identifying The Role Of Bloom's Syndrome Helicase In Mammalian DNA Double Strand Break Repair	DFHS15PPC015		50,000	6/1/2015 - 12/31/2016	26,001	-	-
Interferons And Inflammation	DHFS16PPC031		50,000	1/1/2016 - 12/31/2017	26,987	24,860	-
Novel Transcriptional And Epigenetic Networks In Colorectal Tumorigenesis	NONE		10,000	1/1/2017 - 3/31/2019	10,000	-	-
Oxidative Stress And The Cancer Risk Of Low Dose Ionizing Radiation	NONE		20,100	1/1/2017 - 3/31/2019	20,100	-	-
Pre & Post Cancer Research Fellowship - Unique Binding Geometries: Engineering Of Sticky Patches On Lipid Neoparticle For Effective Target Of Otherwise Untargetable Cells	DFHS15PPC030		50,000	1/1/2015 - 12/31/2016	23,378	-	-
Research Fellowship	DFHS15PPC049		50,000	1/1/2015 - 12/31/2016	39,453	18,326	-
Role And Mechanism Of Glutaminase	DHFS16PPC018		100,000	1/1/2016 - 12/31/2017	48,685	26,731	-
Role Of Host Autophagy	DHFS16PPC034		50,000	1/1/2016 - 12/31/2017	47,623	29,148	-
Roles Of Metformin And Return Signaling Pathway In Pancreatic Cancer Liver Metastasis	NONE		100,000	1/1/2017 - 3/31/2019	(3,315)	-	-
Single Step Nanoparticle Antigen Presentation System For Cancer Immunotherapy	NONE		24,276	1/1/2017 - 3/31/2019	24,276	-	-
Trim33's Role In DNA Repair	DHFS16PPC032		50,000	1/1/2016 - 12/31/2017	28,783	13,138	-
Vitamin D And Risk Of Ovarian Cancer	DHFS16PPC013		100,000	1/1/2016 - 12/31/2017	39,461	30,674	-
<b>Subtotal Commission on Cancer Research</b>			<b>1,044,872</b>		<b>497,793</b>	<b>156,231</b>	<b>-</b>



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Commission on Higher Education:</b>							
New Jersey P20W State Longitudinal Data Systems Project	MOU		600,085	7/1/2016 - 6/30/2017	601,225	-	-
<b>Subtotal Commission on Higher Education</b>			<b>600,085</b>		<b>601,225</b>	<b>-</b>	<b>-</b>
<b>Commission on Spinal Cord Research:</b>							
Enhanced Stem Cell-Based Gene Therapy for Spinal Cord Injury (SCI) Using Novel Magnetic Coreshell Nanoparticles (MCNP)	CSCR13ERG005		200,000	6/17/2013 - 6/30/2017	44,843	32,627	-
Enhancement Of Cytoskeletal Dynamics And Motor Transport By Manipulation Of Post-Translational MICRT	CSCR15IRG014		600,000	7/1/2015 - 6/30/2018	176,076	-	-
CSCR Fellowship - Hui Wang	CSCR14FEL009		150,000	6/15/2014 - 12/31/2017	46,655	58,123	-
Identifying Mechanisms That Regulate Stress-induced Neuronal Restructuring Using C. Elegans	CSCR16FEL008		50,000	7/1/2016 - 6/30/2019	39,036	17,859	-
Improved Implantable Micro-electrodes For Neural Signal Acquisition	CSCR12IRG001		593,018	6/15/2012 - 6/30/2018	64,511	-	-
Minimally Invasive Lumbar Delivery Of Encapsulated MSC Cells For Spinal Cord Injury (SCI)	CSCR12IRG003		499,207	6/15/2012 - 6/30/2017	2,954	-	-
Multilayer Implantable Cortical Microelectrodes to Improve Recording Potential for Spinal Cord Injury Treatment	CSCR16IRG007		593,752	7/1/2016 - 6/30/2019	18,099	-	-
Myelin Debris-Derived Lipid Accumulation Modulates The Function Of Macrophages In Spinal Cord Injury - FY 2013	CSCR13IRG006		592,568	6/17/2013 - 6/30/2018	111,557	-	-
Nanoparticle-Based Treatment of Pressure Sores in Spinal Cord Injury Patients	CSCR15IRG010		372,923	6/29/2015 - 6/30/2017	133,128	22,202	-
Non-coding DNA Sequence In Oligodendrocyte Development Novel Cell Autonomous And Non-Cell Autonomous Mechanisms Of Semaphorin-Neuropilin/Plexin Repulsive Signaling	10-3091-SCR-E-0		600,000	6/15/2010 - 6/30/2017	60,875	14,495	-
Probing In Vivo Mechanism By Which Exercise Enhances Regeneration Of Individual Severed Neurons Sage	CSCR16IRG013		199,717	7/1/2016 - 6/30/2019	61,457	13,014	-
Regeneration Of Individual Severed Neurons Sage	CSCR14IRG017		350,000	6/15/2014 - 6/30/2017	94,860	-	-
Promoting Axonal Regeneration In The Central Nervous System Using Nonoscript (Nano-Scripted Based Transcription Factor)	CSCR16ERG019		200,000	7/1/2016 - 6/30/2018	10,088	-	-
Role of Gsx1 in Activation of Neural Stem Cells and Neurogenesis after Spinal Cord Injury	CSCR15IRG006		400,000	6/29/2015 - 6/30/2018	148,510	-	-
Spinal Cord Motor Neuron-based Biodegradable Neural Interface Design	CSCR14IRG005		600,000	6/15/2014 - 6/30/2019	142,140	-	4,204
Spinal Cord Research	CSCR11IRG015		548,019	6/15/2011 - 6/30/2016	(482)	-	-
Spinal Cord Research	CSCR13IRG012		600,000	7/1/2013 - 6/30/2018	104,115	83,248	-
Spinal Cord Research	CSCR14IRG001		600,000	6/15/2014 - 12/30/2017	236,612	226,675	128,247
The Regulation Of Neuronal Mitochondrial Fusion By The Hypoxia Response Pathway Affects Functional Recovery And Survival Following Anoxic Stress	CSCR13FEL001		150,000	6/17/2013 - 6/30/2016	3,793	17,178	-
The Role of Hv1 Proton Channel in the Secondary Spinal Damage and Central Neuropathic Pain After Spinal Cord Injury	CSCR15ERG015		200,000	6/29/2015 - 6/30/2017	93,585	-	-
Therapeutic Potential of miRNA 133b in Spinal Cord Injury	CSCR12IRG014		357,905	6/15/2012 - 6/30/2016	(611)	-	-
<b>Subtotal Commission on Spinal Cord Research</b>			<b>8,457,109</b>		<b>1,591,801</b>	<b>485,421</b>	<b>132,451</b>
<b>Department of Agriculture:</b>							
Enhancing Extension Programming For The New Jersey Wine Industry	3360-128-15-1		15,213	8/1/2015 - 7/31/2016	2,870	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Agriculture, continued:</b>							
Evaluating & Demonstrating the Use of Low-Tunnels in New Jersey to Extend the Production Season of New Rutgers Strawberry Cultivars & Specialty Greens	0034-21		38,988	9/30/2014 - 9/29/2017	610	-	-
<b>Subtotal Department of Agriculture</b>			<b>54,201</b>		<b>3,480</b>	-	-
<b>Department of Children and Families:</b>							
Adoption Certificate Program	16COZM		257,274	7/1/2015 - 6/30/2016	16,056	-	-
Council Treatment Of Autism	CAUT14APL031		369,376	6/23/2014 - 6/30/2016	24,711	336,401	-
Data Portal	16COZM		153,610	7/1/2015 - 6/30/2016	970	-	-
Evaluation Of The New Program For Domestically Trafficked Medical Director	16HGMM		266,541	1/1/2016 - 12/31/2016	111,891	44,421	-
Mom To Mom	16LMMR		324,122	1/1/2016 - 12/31/2016	142,173	77,008	-
New Jersey Child Welfare Training Partnership	16VZMM		3,044,525	7/1/2015 - 6/30/2016	198,386	-	-
New Jersey CARES	16COZM		40,544	7/1/2015 - 6/30/2016	7,561	-	-
National Youth in Transition Database (NYTD)	16MMMM		9,355	7/1/2015 - 6/30/2016	211	-	-
Peer2peer	16HQMM		202,887	1/1/2016 - 12/31/2016	94,221	44,595	-
Project Myself	16MMMM		434,035	7/1/2015 - 6/30/2016	6,162	-	-
Promising Pathway To Success	17PPOS		1,800,000	10/1/2015 - 9/30/2017	1,165,453	1,350,000	-
Bridging Behaviour and Genetics Through Sensory-Motor Electrophysiology	CAUT15APL038		23,129	6/29/2015 - 6/30/2016	53,650	22,661	-
Reform Plan - Reporting Assistance	16COZM		13,711	7/1/2015 - 6/30/2016	4,694	-	-
Reform Plan Needs Assessment	16COZM		143,928	7/1/2015 - 6/30/2016	21,494	-	-
Reform Plan Resource Families	16COZM		26,363	7/1/2015 - 6/30/2016	4,001	-	-
Regional Diagnostic Treatment Center (RDTC)	16COZM		400,000	7/1/2015 - 6/30/2016	45,635	-	-
Speakers Bureau	16MMMM		16,998	7/1/2015 - 6/30/2016	355	-	-
State Health Insurance Assistance Program (SHIP)	16MMMM		741,395	7/1/2015 - 6/30/2016	(60,122)	-	(11,265)
Statewide Conference	16MMMM		56,747	7/1/2015 - 6/30/2016	495	-	-
Substance Abuse And Mental Health Services Administration	16PPOS		1,800,000	10/1/2015 - 9/30/2016	558,784	-	-
Summer Internship Program (SIP)	16MMMM		271,700	7/1/2015 - 6/30/2016	57,555	-	-
Superstorm Sandy Child Impact Study	S-CAFH2016		630,000	1/1/2017 - 6/30/2017	73,649	-	-
Supporting Youth In Their Communities	NONE		90,850	9/1/2014 - 10/29/2017	30,559	-	-
Taming Trauma	17EGMR		877,108	1/1/2017 - 12/31/2017	338,507	-	-
Taming Trauma	17EGMR		1,168,988	1/1/2017 - 12/31/2017	485,512	174,673	-
Training And Technical Assistance	16EGMR		2,122,010	1/1/2016 - 12/31/2016	929,491	511,529	-
Training And Website Development	16MMMM		147,729	7/1/2015 - 6/30/2016	6,923	-	-
Training For The New Jersey Standards For Prevention Programs: Building Success Through Family Support	16VZMM		75,000	7/1/2015 - 6/30/2016	25,873	-	-
Youth Advisory Boards	16MMMM		607,131	7/1/2015 - 6/30/2016	13,046	-	-
<b>Subtotal Department of Children and Families</b>			<b>16,115,056</b>		<b>4,357,896</b>	<b>2,561,288</b>	<b>(11,265)</b>
<b>Department of Corrections:</b>							
A Research Evaluation Of The Union County Second Chance Act Adult Re-entry Demonstration Program	MOU		111,460	2/1/2016 - 9/30/2018	25,712	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Corrections, continued:</b>							
Evaluation Of The Effectiveness Of State Parole Board Contracted Residential And Community Resource	MOU		15,780	7/1/2015 - 9/30/2016	6,384	-	-
<b>Subtotal Department of Corrections</b>			<b>127,240</b>		<b>32,096</b>	-	-
<b>Department of Education:</b>							
Development Of The New Jersey Tiered System Of Support For Early Reading	382-20170011		1,162,952	2/1/2017 - 12/29/2019	13,265	-	-
Financial Education Teacher Training for New Jersey Department of Education	MOU		27,727	4/11/2014 - 6/30/2018	7,329	19,697	-
Network Funding For Statewide Library Services	2016-1153		22,000	7/1/2015 - 6/30/2016	6,860	-	-
New Jersey Career Assistance Navigator (NJCAN) 2014-2016	MOU		151,796	9/1/2014 - 8/31/2016	20,670	-	-
New Jersey Career Assistance Navigator (NJCAN) Training in Schools 2013-2014	MOU-2013		79,101	9/1/2013 - 12/31/2014	(3,109)	-	-
New Jersey Career Assistance Navigator (NJCAN) To Provide Training To Local School Districts 2016-2018	374-20170003		92,547	10/28/2016 - 11/29/2018	59,760	46,274	-
New Jersey Consumer Report Card for New Jersey Department of Education 2016-2017	379-20170008		17,399	11/16/2016 - 5/1/2017	18,259	-	-
New Jersey Safe Schools Program	310-20150012A2		318,275	11/1/2014 - 4/30/2016	(23,549)	-	-
New Skills For Youth - New Jersey Department of Education - JP Morgan	358-20160027		81,295	4/15/2016 - 9/15/2016	86,540	-	-
New Jersey Preschool Quality Evaluation Study	NONE		28,247	5/1/2017 - 3/31/2018	28,247	-	-
New Jersey School Climate Survey Testing	375-20170004A1		34,940	12/1/2016 - 10/13/2017	21,698	33,600	-
New Jersey Student Health Survey	360-20160029		115,680	10/1/2016 - 9/30/2017	106,697	33,285	-
Rutgers Inclusive Schools Climate Initiative (ISCI) Partnership with New Jersey Department of Education,IDEA Part B Funded Project	361-20160030		563,146	7/1/2016 - 6/30/2017	491,824	160,013	-
Rutgers Inclusive Schools Climate Initiative (ISCI) Partnership with New Jersey Department of Education, IDEA Part B Funded Project	MOU		642,543	7/1/2015 - 8/14/2016	50,925	-	-
<b>Subtotal Department of Education</b>			<b>2,695,105</b>		<b>834,491</b>	<b>292,869</b>	-
<b>Department of Environmental Protection:</b>							
Computational Tool	SR15-011		148,500	6/30/2015 - 6/29/2016	20,656	-	-
2016 Deployment of New Jersey Department of Environmental Protection's Slocum Glider by Rutgers University	WM16-025		67,278	7/1/2016 - 3/31/2017	80,784	-	-
A Pilot Trap Survey Of Artificial Reefs In New Jersey For Monitoring Of Black Sea Bass Tautog and Lobster	SR16-004		112,067	1/1/2016 - 6/30/2017	81,579	-	-
A Pilot Trap Survey Of Artificial Reefs In New Jersey For Monitoring Of Black Sea Bass, Tautog, And Lobster Years 2 And 3	SR17-020		201,905	1/1/2017 - 6/30/2019	5,535	-	-
An Adult Mosquito Surveillance Program 2016-2017	LOI4.13.17		33,072	7/1/2016 - 6/30/2017	33,072	-	-
An Adult Mosquito Surveillance System 2015-2016	FG16-045		42,360	7/1/2015 - 6/30/2016	1,958	-	-
Collection and Analysis of Household Dust in Plainboro, New Jersey and Surrounding Communities for Perfluorocarbon (PFC)	SR17-006		157,542	11/18/2016 - 1/28/2018	20,596	-	-
Community Noise Training To County Environmental Health Agents	NONE		37,210	7/1/2016 - 12/31/2017	37,210	-	-
Comprehensive Estuarine Fish Inventory Program: Great Bay-Mullica River	SR17-021		20,557	3/1/2017 - 6/30/2019	20,557	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Environmental Protection, continued:</b>							
Continued Development Of A Benthic Invertebrate Index For Barnegat Bay	SR16-018		29,791	6/1/2016 - 5/31/2017	27,075	8,000	9,912
Effects Of Oyster Aquaculture On Foraging Shorebirds On Delaware Bay	FG15-056		40,338	5/1/2015 - 10/31/2016	3,253	-	-
Evaluating Passage Performance Of Spawning Shad And River Herring At The Island Farm Weir On The Raritan River	NR12-005 NR12-019		242,030	1/30/2012 - 3/31/2018	43,795	-	-
Green Infrastructure For The City Of Newark	WM14-034		312,518	5/8/2014 - 8/5/2016	16,490	-	-
Hooked On Fishing Not On Drugs Evaluation	DEP-070		80,003	7/1/2015 - 6/30/2018	10,553	-	-
Implementation Of Green Infrastructure For Paterson, New Jersey	NONE		500,000	3/1/2016 - 2/28/2020	45,639	-	-
Implementation Of The Raritan River Total Maximum Daily Loads (TMDL)	NONE		700,000	3/1/2016 - 2/28/2020	47,669	-	-
M. Mccabe Association-Exposure Assessment	Service Agreement		174,979	9/1/2013 - 6/23/2018	39,487	-	-
New Jersey's Coastal Estuaries Inventory	SR16-009		84,280	1/1/2016 - 6/30/2017	73,679	-	-
Building Ecological Solutions to Coastal community Hazards	CP17-007		69,405	10/1/2016 - 3/1/2018	58,961	-	-
New Jersey Water Needs through 2014	GS14-008		66,959	7/7/2014 - 1/7/2017	10,109	-	-
Northern Long-eared Bat 2016 Field Season Surveys	PO 8304553		3,795	5/26/2016 - 8/31/2016	3,289	-	-
Resiliency Planning- Expanding Existing Efforts And Capacity	CP16-021		175,000	10/1/2015 - 3/30/2017	145,821	-	-
Rutgers University Data Systems Maintenance Agreement	WM13-010		37,500	5/1/2013 - 12/31/2016	6,038	-	-
Surveillance Data Standardization And Assurance Pilot 2015-2016	FG16-044		40,411	7/1/2015 - 6/30/2016	1,800	-	-
Surveillance For The Mosquito Vectors Of Arbovirus In New Jersey, 2015-2016	FG16-046		40,442	7/1/2015 - 6/30/2016	7,531	-	-
Surveillance for the Mosquito Vectors of Arbovirus in New Jersey 2016-2017	LO14.13.17		32,729	7/1/2016 - 6/30/2017	32,729	-	-
The New Jersey Mesonet: Countinued Operations and Maintenance	GS13-012 MESONET O&M		270,000	7/1/2013 - 8/1/2016	5,852	-	-
Visible Emissions And Other Air Pollution Training For County Environmental Health Agents	EN17-031		40,225	7/1/2016 - 9/28/2017	31,352	-	-
<b>Subtotal Department of Environmental Protection</b>			<b>3,720,671</b>		<b>881,717</b>	<b>8,000</b>	<b>9,912</b>
<b>Department of Health:</b>							
Acute Flaccid Myelitis	MOA		6,041	1/1/2016 - 7/31/2016	949	3,714	-
Analysis, Validation And Dissemination Of A Paratransit Travel And Mobility Assessment	CAUT14APL029		383,344	6/23/2014 - 12/22/2017	89,211	26,912	-
Autism (Pilot Projects) 2014	CAUT14APL029		14,938	6/23/2014 - 12/22/2017	13,078	-	-
Brain Injury Research	CBIR11PIL033		180,000	6/1/2011 - 9/30/2013	3,723	-	-
Brain Injury Research	CBIR13IRG017		537,500	6/1/2013 - 11/30/2016	36,821	140,766	-
Brain Injury Research	CBIR15IRG010		342,961	6/1/2015 - 5/31/2017	110,769	105,135	-
Brain Injury Research	CBIR15IRG014		540,000	6/1/2015 - 5/31/2018	139,072	69,619	-
Brain Injury Research	CBIR15IRG018		360,000	6/1/2015 - 5/31/2018	177,609	81,808	-
Brain Injury Research	CBIR13IRG003		289,903	6/1/2013 - 11/30/2017	100,259	-	-
Brain Injury Research	CBIR13IRG015		539,733	6/1/2013 - 5/31/2017	80,647	175,781	-
Brain Injury Research	CBIR13IRG025		533,240	6/1/2013 - 5/31/2017	94,283	52,411	-
Brain Injury Research	CBIR14FEL014		100,500	5/30/2014 - 5/29/2017	15,567	41,194	-
Brain Injury Research	CBIR14IRG006		107,808	6/1/2014 - 6/1/2019	40,318	-	-
Brain Injury Research	CBIR14IRG024		534,918	5/30/2014 - 5/29/2017	204,213	207,844	-
Brain Injury Research	CBIR14PIL001		40,680	5/30/2014 - 5/29/2017	12,957	29,194	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Health, continued:</b>							
Cancer Support	APPROVAL 27068		100,000	7/1/2006 - 6/30/2009	24,713	–	–
Community Based Stroke Prevention	MGMT17HDP002		36,000	7/1/2016 - 6/30/2017	36,000	–	–
Continuous Monitoring of Hemodynamic Autoregulatory Factors After TBI	CBIR13IRG023		539,000	6/1/2013 - 10/31/2016	21,464	–	–
Cortical Network Plasticity Following Traumatic Brain Injury: Implications for Cognitive and Behavioral Recovery	CBIR16IRG032		168,698	7/1/2016 - 6/30/2018	79,271	–	–
Council Treatment Of Autism	CAUT14APL018		33,815	7/1/2014 - 6/23/2018	6,259	–	–
Council Treatment Of Autism	CAUT15APL012		398,319	6/29/2015 - 6/30/2017	165,081	175,524	–
Council Treatment Of Autism	CAUT15APL013		374,403	6/29/2015 - 6/30/2018	132,125	43,984	–
Council Treatment Of Autism	CAUT15APL014		384,382	6/29/2015 - 11/30/2017	193,498	156,223	60,313
Council Treatment Of Autism	CAUT15APL041		400,000	6/29/2015 - 6/30/2017	244,136	221,233	–
Council Treatment Of Autism	CAUT15APL046		348,790	6/30/2015 - 7/1/2018	78,498	120,821	–
Developing A Comprehensive Clinical Profile Of TBI In Concussed Athletes Using Advanced Statistical	CBIR13IRG028		534,755	6/1/2013 - 5/31/2017	154,046	–	–
Ebola Training Program	NONE		75,000	7/1/2015 - 6/23/2018	(184)	32,515	–
Effect of Genetic Polymorphisms on Recovery and Treatment after Traumatic Brain Injury	CBIR16FEL009		33,500	7/1/2016 - 6/30/2018	43,836	–	–
Effects of Diffused Axonal Injury on Myelin and Myelinated Axons	CBIR11PJT012		540,000	6/1/2011 - 5/31/2017	80,827	71,831	–
Engineering Reprogrammed Neurons on Transplantable Scaffolds for Management of Spinal Cord Injury	CSCR13ERG007		200,000	6/17/2013 - 6/30/2016	907	39,283	–
Eprhin Signaling In Axon Regeneration For The Treatment Of TBI	CBIR13IRG003		72,877	6/1/2013 - 5/31/2017	(239)	–	–
Evaluation Of Comprehensive Cancer	MOA		125,000	2/1/2006 - 6/30/2009	(36)	–	–
Evaluation Of Office of Minority and Multicultural Health (OMMH) Community Programs To Improve Minority Health	MOA		50,000	12/1/2015 - 6/30/2018	27,331	–	–
Evaluation of the New Jersey Abstinence Education Program (AEP)	NONE		3,010	5/31/2017 - 12/31/2018	3,010	–	–
Functional Analysis And Modulation Of Motor And WNT Signaling During Regeneration After Traumatic Brain Injury (TBI)	CBIR14PIL001		139,320	5/30/2014 - 5/29/2017	43,818	48,946	–
Healthcare Acquired Infections Conference 2017	2017 Healthcare Conference		74,527	1/1/2017 - 8/31/2017	77,129	–	–
HIV Perinatal Transmission	MOA		216,216	1/1/2015 - 12/31/2016	62,754	67,106	10,827
HIV Prevention	AIDS13NAV006		150,000	1/1/2013 - 12/31/2013	5	–	–
HIV Prevention Services In Healthcare Settings	AIDS17CTN013		300,000	7/1/2016 - 6/30/2017	332,352	89,028	–
HIV/AIDS Counseling And Testing	AIDS14CTN017		2,817,495	7/1/2013 - 6/23/2018	154	–	–
HIV/AIDS Prevention And Counseling	AIDS15RWB02L		197,232	4/1/2016 - 3/31/2017	139,346	113,363	–
Identifying Sequence Variants Related To The Core Behavioral Domains Of Autism	CAUT15APL026		400,000	6/29/2015 - 6/30/2017	218,300	30,180	2,002
Implementing The HIV Stigma Index In New Jersey	MOA		264,520	7/1/2016 - 6/30/2017	137,470	54,764	–
Improving Mental Health And Physical Activity In Older African- Americans In Newark	MGMT17SPI001		180,500	8/15/2015 - 7/31/2017	151,087	103,179	–
Improving Retention In Care And HIV Virologic Suppression Through Intensive Medical Case Management	AIDS17CTR027		572,161	7/1/2016 - 6/30/2017	362,105	24,913	–
Lattimore Practice-State	EPID17TBS006		875,470	7/1/2016 - 6/30/2017	843,208	572,721	12,389
Legionnaire's Disease Conference	MOA		6,317	2/1/2016 - 5/31/2016	1,811	–	–
Maternal Child Health Title	NONE		55,000	2/1/2016 - 6/23/2018	22,037	8,612	–
Mechanisms Of Neuronal Death Following TBI	CBIR14IRG006		432,192	5/30/2014 - 5/29/2017	139,916	200,033	19,475



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Health, continued:</b>							
Mesenchymal Stromal Cells As TBI Therapeutic	CBIR12IRG019		540,000	6/1/2012 - 5/31/2016	(3,901)	-	-
Metabolomic Analysis Of Neural Precursor Cells Derived From Autism Induced Pluripotent Stem Cells (IPSC) And Their Response To Environmental Stressors	NONE		650	6/23/2014 - 6/23/2018	650	12,045	-
MOA Evaluation and Technical Assistance	27079		60,000	7/1/2006 - 6/30/2099	38,058	-	-
MOA Zoonotic Diseases	NONE		133,672	7/1/2015 - 6/30/2016	3,499	-	-
Multi-functional Biomaterials For Simultaneous Protection From Free Radicals And Targeting Of Therapeutics After TBI	CBIR16PIL015		90,000	7/1/2016 - 6/30/2018	17,197	-	-
Navigators Linkage	AIDS16NAV012		200,000	1/1/2016 - 12/31/2018	77,265	98,148	-
Neuronal Cell Surface Molecules That Stimulate Myelination	CBIR16PIL035		180,000	7/1/2016 - 6/30/2018	79,805	-	-
New Jersey Aids Line	MOA		274,103	7/1/2015 - 6/30/2016	2,604	112,501	-
New Jersey HIV/AIDS Coordination of Prevention & Care Planning & Capacity Development Initiative - 2017 to 2019	MOA HIV/AIDS 2017		864,378	1/1/2017 - 12/31/2017	395,598	-	-
New Jersey Regional Hemophilia Program-Robert Wood Johnson Enhanced Dentate Neurogenesis after Brain Injury and Long-Term Neurogenic Potential and Seizure Susceptibility	CBIR16IRG017		176,600	7/1/2016 - 6/30/2018	163,324	-	-
New Jersey Department of Health budget period 1/1/2017- 12/31/2017 Year 1	EPID17TAC003		270,470	1/1/2017 - 12/31/2017	109,230	43,444	-
New Jersey Center Of Excellence (NJCE) Program Site Grant 2012	CAUT12APS006		2,246,919	6/15/2012 - 6/30/2018	451,251	67,668	61,346
New Jersey HIV/AIDS Coordination of Prevention and Care Planning and Capacity Development Initiative	NONE		884,210	1/1/2016 - 6/23/2018	404,780	258,365	-
Rutgers University Training Into Practice Residency Model For Long Term Care (LTC)	NONE		162,000	12/1/2013 - 5/31/2016	(8,839)	-	-
Pilot Project FY 2016	CBIR16PILO26		90,000	7/1/2016 - 6/30/2018	37,870	-	-
Prep-HIV Pre-Exposure Prophylaxis For HIV Negtive Individuals At Substantial Risk Of HIV Infection	AIDS17HER036		100,000	7/1/2016 - 6/30/2017	96,285	56,964	-
Quality Management Program	RYAN WHITE PART B		296,414	4/1/2016 - 3/31/2017	231,428	146,400	-
Quantifying the Structure-Function Relationship of Neurons During Mechanical Injury and Repair - Content Based Image Retrieval (CBIR)	CBIR14PIL005		180,000	5/30/2014 - 5/29/2017	11,444	-	-
Reducing The Burden Of Asthma With Community Based Education	MGMT16HDP046		52,782	7/1/2015 - 6/30/2018	45,075	-	-
Research Fellowship	CBIR13FEL006		100,500	6/1/2013 - 5/31/2016	(3,015)	16,750	-
Research Fellowship	CBIR14FEL001		100,500	5/30/2014 - 11/29/2017	34,949	17,758	-
Research Fellowship	CBIR15FEL011		100,500	6/1/2015 - 5/28/2018	46,579	34,629	-
Research Fellowship	DFHS15PPC029		100,000	1/1/2015 - 12/31/2016	22,894	-	-
Research Fellowship	DFHS15PPC036		100,000	1/1/2015 - 12/31/2016	11,896	28,101	-
Research Fellowship	DFHS15PPC046		100,000	1/1/2015 - 12/31/2016	13,912	11,434	-
Research Fellowship	CBIR14FEL006		100,500	5/30/2014 - 5/29/2017	16,227	23,930	-
Screening Access Of Value For Essex (SAVE) Women And Men FY 17	DFHS 17CED008		618,983	7/1/2016 - 6/30/2017	488,587	301,683	76,312
South Asian Awareness About Stroke A Culturally Tailored Stroke Prevention	MGMT16HDP005		36,000	7/1/2015 - 6/30/2016	(2,174)	-	-
Strategies For Neroprotection From Seizure-induced Neuronal Loss	CBIR15IRG003		540,000	6/1/2015 - 5/31/2018	150,806	34,498	42,739
Superstorm Sandy Child And Family Health Study	MOA		1,190,000	5/7/2014 - 9/30/2016	(79,926)	-	(77,426)
Surveillance, Epidemiology, And End Results (SEER)	MOA		1,929,811	7/1/2015 - 6/30/2016	128,536	-	-
Targeting Cypin For Functional Recovery Following Traumatic Brain Injury (TBI)	CBIR14IRG019		500,999	5/30/2014 - 12/31/2017	98,754	16,682	12,193



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Health, continued:</b>							
The Generation And Characterization Of Autism Induced Pluripotent Stem Cells (IPSC)	CAUT13APS010		80,188	12/28/2013 - 12/27/2017	21,536	-	-
The Role Of Stathmin And Microtubule Stability In Vulnerability, Development And Recovery From Mild Traumatic Brain Injury (MTBI)	CBIR15IRG006		356,667	6/1/2015 - 5/31/2017	202,436	52,135	-
Tobacco-free For A Healthy New Jersey	DFHS13CTC005		100,000	3/29/2013 - 3/28/2014	2	-	-
Transition Into Practice Model For Long Term Care	NONE		60,270	12/1/2013 - 5/31/2016	(848)	-	-
Vaccine Preventable Disease Program (VPDP) Adolescent/Adult	MOA		252,311	1/1/2016 - 12/31/2016	106,026	64,818	-
Validating HRV As An Objective Clinical Measure Of TBI Symptom Severity And Recovery To Inform Physicians	CBIR14IRG020		537,095	5/30/2014 - 5/29/2018	182,038	-	-
Zoonotic Disease Epidemiologist	ZOONOTIC FY17		128,714	7/1/2016 - 6/30/2017	130,010	36,153	-
<b>Subtotal Department of Health</b>			<b>29,445,301</b>		<b>8,663,359</b>	<b>4,542,743</b>	<b>220,170</b>
<b>Department of Human Services:</b>							
Partners in Policymaking	15MJ6N		209,054	7/1/2016 - 6/30/2017	144,850	91,153	-
2016 Child Care Market Price Study	NONE		65,754	5/15/2016 - 6/23/2018	3,274	-	-
Alcohol And Drug Counselor Education	104315		279,100	2/16/2016 - 6/30/2017	217,025	-	-
Analysis Of Autism Risk, Folic Acid Supplementation And Dihydrofolate Reductase (DFHR)	P7GE17N		69,000	7/1/2016 - 6/30/2017	62,083	42,320	-
Assessing Domestic Violence Risk For The Work First New Jersey Family Violence Option	MOA		149,115	7/1/2015 - 6/30/2017	125,628	-	-
Boggs Center On Development Disabilities Technical Assistance, Training & Information Dissemination In Developmental Disabilities Grant	04ME17C(SP003-DDD)		2,544,240	7/1/2016 - 6/30/2017	1,961,225	1,561,908	-
Boggs Center On Development Disabilities Technical Assistance, Training & Information Dissemination In Developmental Disabilities Grant	04ME17C(SP1000)		311,986	7/1/2016 - 6/30/2017	258,779	442,589	-
Certified Community Behavioral Health Clinics (CCBHCS) Consultation Project	C-50007		165,000	5/1/2017 - 6/30/2017	8,525	36,571	-
Certified Community Behavioral Health Clinics (CCBHCS) Developmental Disabilities	MOA		165,000	5/10/2016 - 4/30/2017	92,593	-	-
Department of Human Service Leadership Academy Training Proposal	04ME16C		2,454,842	7/1/2015 - 6/30/2016	83,245	-	-
MOA 031517 041117	MOA 031517 041117		390,758	4/11/2017 - 10/11/2019	7,476	-	-
Elder Economic Security Standard Index Update	NJ Elder 2017		98,869	5/12/2017 - 10/6/2017	21,653	-	-
Elder Economic Security Standard Index Update For 2015	MOA		98,193	4/27/2016 - 8/31/2016	58,434	-	27,917
Employment Resource Institute, Illness Management & Recovery Training (Southern & Central New Jersey)	40011		1,840,390	7/1/2016 - 6/30/2017	1,774,850	170,504	-
Evaluation Of The Involuntary Outpatient Commitment Program In The State Of New Jersey	MOA		490,474	6/1/2014 - 7/31/2016	115,988	-	-
Evaluation Support For Regional Coalitions	16-777-ADA-0		150,000	1/1/2016 - 12/31/2016	120,910	-	55,772
Exploring Transition	40MZ4R		100,000	5/1/2014 - 3/31/2016	5,433	14,627	-
Impacts of Internet Gaming for the State of New Jersey	MOA		1,287,504	1/1/2015 - 12/31/2017	275,404	-	60,783
Involuntary Medications	MOA7.1.16		265,000	7/1/2016 - 6/30/2017	237,999	-	-
Medical Director	15HGMM		266,541	1/1/2015 - 12/31/2015	2	-	-
Medical Waiver Evaluation	MOA		1,150,000	1/1/2014 - 6/30/2018	233,921	60,898	-
Medication Assistance	MATOP2015-2018		375,000	12/1/2015 - 10/31/2018	146,952	36,842	-





The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Human Services, continued:</b>							
Medication Assisted Treatment Outreach Program (MATOP) Program	NONE		170,200	11/1/2015 - 1/29/2019	124,403	-	-
Middle School Risk Protective Factor Survey (PRIDE)	MOA		442,399	8/1/2015 - 6/30/2017	138,939	20,299	-
New Jersey County Welfare Agencies Leadership And Management Development Program	NJCWA16		251,911	7/1/2015 - 10/31/2017	63,540	-	-
New Jersey Developmental Disabilities Planning Institute (NJ DDPI)	18ML16R		568,463	7/1/2015 - 6/30/2016	15,356	-	-
Role of Lateral Hypothalamus Orexin Circuits in Cocaine Demand - Fellowship	FDA042588A		38,732	8/15/2016 - 8/14/2018	45,120	-	-
New Jersey Development Disabilities Planning Institute (New Jersey DDPI)	NONE		568,463	7/1/2016 - 9/27/2017	569,357	94,744	-
Screening, Brief Intervention and Referral to Treatment (SBIRT) Services	MOA		716,490	2/1/2016 - 6/30/2017	316,498	128,352	-
State of New Jersey Autism Allocation Fund	NONE		55,500	4/14/2005 - 9/28/2009	236	-	-
Supervision And Training Of Screening, Brief Intervention And SupReferral To Treatment	104315		117,000	7/1/2016 - 6/30/2017	94,450	21,292	-
Technical Assistance Center (TAC) Program	15-817-ADA-0		152,547	9/1/2014 - 9/30/2015	274	-	-
Tobacco Training & Technical Support	16-817-ADA-0		80,000	10/1/2015 - 9/30/2016	18,416	19,193	-
Training And Technical Assistance	15EGMR		2,065,791	1/1/2015 - 12/31/2015	23	-	-
Using Peer Counselors To Address Tobacco Among Mental Health Consumers: Tobacco Education Program	50065		68,328	7/1/2016 - 6/30/2017	69,768	48,151	29,770
Workforce Development Initiative: Alcohol And Drug Counselor Education	MOA 6-23-2011		3,400,000	8/1/2011 - 7/31/2014	(378,083)	-	-
<b>Subtotal Department of Human Services</b>			<b>21,621,644</b>		<b>7,034,546</b>	<b>2,789,443</b>	<b>174,242</b>
<b>Department of Labor:</b>							
New Jersey Consumer Report Card for New Jersey Department of Labor & Workforce Development	MOU		31,249	7/1/2016 - 6/30/2017	30,140	7,848	-
New Jersey Safe Schools Program Occupational Education And Safety & Health Training & Standards Updating	353-20160022		412,506	5/1/2016 - 12/31/2017	251,950	163,791	-
Opportunity Partnership Training Grant	OPGFY1702001		300,000	2/1/2017 - 2/1/2018	40,331	-	-
Professional Development Leadership Initiative Stipend	PDLI FY17001		47,407	1/1/2017 - 6/30/2017	43,664	-	-
<b>Subtotal Department of Labor</b>			<b>791,162</b>		<b>366,085</b>	<b>171,639</b>	-
<b>Department of Law and Public Safety:</b>							
2017 New Jersey Crash Geocoding Grant	TR-17-45-01-04		39,348	10/1/2016 - 9/30/2017	25,906	-	-
Jersey City Municipal Youth Policy Board	MOU		80,000	3/1/2016 - 2/28/2018	39,235	-	-
Municipal Planning For Safe Streets And Neighborhoods	CONTRACT		527,337	9/1/2011 - 6/23/2018	59,108	59,703	-
Rutgers University Data Analysis For Safety Programs	TR-17-02-02-01		172,402	10/1/2016 - 9/30/2017	120,842	-	-
Rutgers University Law Enforcement NJTR-1 Training	TR-17-02-04-01		64,186	10/1/2016 - 9/30/2017	42,093	-	-
Supporting Youth In Their Communities: Fostering Collaboration And A Network Of Support For New Jersey	None		84,150	9/1/2014 - 6/23/2018	10,856	-	-
<b>Subtotal Department of Law and Public Safety</b>			<b>967,423</b>		<b>298,040</b>	<b>59,703</b>	-
<b>Department of Military and Veterans Affairs:</b>							
Cognitive Treatment To Reduce Suicide Behavior Among High Risk Veterans	NONE D56016		19,616	10/1/2015 - 9/30/2016	5,878	-	-
			7,837	4/1/2015 - 9/30/2015	1	-	-
<b>Subtotal Department of Military and Veterans Affairs</b>			<b>27,453</b>		<b>5,879</b>	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of State:</b>							
The Thomas Edison Papers	HC-GOS-2016-00072		88,042	7/1/2014 - 6/30/2015	(476)	-	-
The Thomas Edison Papers	HC-GOS-2017-00013		88,040	7/1/2016 - 6/30/2017	92,055	-	-
<b>Subtotal Department of State</b>			<b>176,082</b>		<b>91,579</b>	-	-
<b>Department of the Treasury:</b>							
Council Treatment Of Autism	CAUT13APL014		399,336	6/24/2013 - 6/30/2017	89,997	71,255	-
Council Treatment Of Autism	CAUT13APS010		1,730,916	12/28/2012 - 12/27/2017	336,984	-	-
Council Treatment Of Autism	CAUT14APL028		400,000	6/23/2014 - 6/22/2017	8,263	54,178	-
Council Treatment Of Autism	NONE		313,896	12/28/2014 - 3/31/2018	101,711	-	-
<b>Subtotal Department of the Treasury</b>			<b>2,844,148</b>		<b>536,955</b>	<b>125,433</b>	-
<b>Department of Transportation:</b>							
2016 Accelerating Safety Activities Program (ASAP)	NONE		141	7/27/2016 - 6/23/2018	141	-	-
2016 New Jersey Local Technical Assistance Program (LTAP)	NONE		1,348,464	1/1/2016 - 12/31/2017	639,539	165,420	-
2016 Transportation Safety Resource Center (TSRC)	NONE		312,311	1/1/2016 - 12/31/2016	87,750	274,011	-
Bicycle And Pedestrian Resource Center	T/O #334, CONTR# 16-60116		600,000	1/4/2016 - 1/4/2017	325,125	-	-
Bicycle And Pedestrian Resource Center Cy-2017	2010R003 T/O #334		647,491	1/1/2017 - 12/31/2017	143,735	-	-
Defining The Hudson Bergen Light Rail Catchment Area	2010R003 T.O.331		201,917	9/6/2016 - 10/30/2017	137,716	-	-
Defining The Hudson Bergen Light Rail Catchment Area	2010R003 TASK #331		15,188	9/6/2016 - 3/8/2018	15,188	-	13,040
Evaluation Of Semi Circular Bend Test For Hot Mix Asphalt (HMA) Specialty Mixes (BRIC, High RAP And HPTO)	2010R003 T.O.342		208,516	3/17/2017 - 3/16/2018	17,218	-	-
Local Access Management Regulations 2016-06	T/O # 335		57,135	3/17/2016 - 6/30/2018	56,675	-	-
New Jersey Bicycle and Pedestrian Resource Center - Year 14	TASK 320		527,556	1/1/2015 - 12/31/2015	22,444	-	-
New Jersey Department of Transportation	TASK 321		462,944	1/1/2015 - 12/31/2015	37,056	-	-
Pavement Support Program 2016	NONE		3,298,340	1/1/2016 - 12/31/2017	1,323,044	1,151,723	113,375
Portable Data Collection Systems for New JerseyDOT Truck Monitoring Program	TASK ORDER # 216		325,000	5/1/2008 - 12/31/2015	103	-	-
Reat 2016	AL-16-45-06-06		42,950	10/1/2015 - 9/30/2016	4,574	-	-
Real Time Traffic Signal Performance Measurement	NONE		569	5/9/2017 - 8/31/2019	569	-	-
Research Peer Exchange 2016	2010R003 T/O # 340		26,879	8/1/2016 - 1/31/2017	11,706	-	-
Safe Routes To School Resource Center CY-2017	2010R003 T/O #333		566,591	1/1/2017 - 12/31/2017	124,044	-	-
Safe Routes To School Support Program	T/O #333,CONTR.# 16-60115		550,000	1/4/2016 - 1/4/2017	309,530	301,041	-
Structural Engineering And Traffic Modeling For Deck Reconstruction Projects	T/O # D-7		250,000	7/31/2013 - 7/30/2014	102	-	-
Structural Engineering Modeling And Structural Health Monitoring (Part A)	T/O # D-1, PART A		600,000	7/21/2015 - 7/20/2017	429,775	-	-
Structural Engineering Modeling And Structural Health Monitoring (Part D)	TASK D-4, PART D,PO RUT1		144,750	7/21/2015 - 7/20/2016	(55,800)	-	107,830
Technical Support For Developing Low Cracking Concrete	PO# RUT11215D4		100,000	7/21/2016 - 7/20/2017	121,625	-	-
Technical Support For High-performance Concrete (HPC) Mix Design And Specification Improvements As A Part Of On-call							
Technical Support Services Agreement	T/O # D-2		250,000	7/21/2015 - 7/20/2016	31,796	-	-
Technical Support For Snow Storm As A Part Of On-call Technical Support Services (Part C)	Rutgers- RIME-112-15		367,500	7/21/2015 - 12/31/2017	176,572	-	188,325
Technology Transfer	2010R003 T.O 344		368,968	1/4/2017 - 2/1/2020	55,731	-	-
Technology Transfer	NONE		(3,600)	1/4/2017 - 5/31/2020	(3,600)	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Transportation, continued:</b>							
The Cost Of Roadway Of Transportation	T/O # 330		84,452	9/14/2015 - 6/30/2016	(2,471)	—	—
<b>Subtotal Department of Transportation</b>			<b>11,354,062</b>		<b>4,009,887</b>	<b>1,892,195</b>	<b>422,570</b>
<b>Governor's Office:</b>							
Bridging Behavior And Genetics Through Sensory-motor Electrophysiology	CAUT15APL038		362,709	6/29/2015 - 6/30/2018	50,411	—	—
New Objective Autism Inventory To Quantify Peripheral Plasticity During Standardized Ados-2 Social E	CAUT14APL018		398,908	7/1/2014 - 3/31/2017	169,413	73,997	—
<b>Subtotal Governor's Office</b>			<b>761,617</b>		<b>219,824</b>	<b>73,997</b>	<b>—</b>
<b>Passaic Valley Sewerage Commission:</b>							
Green Infrastructure Municipal Outreach & Technical Assistance Program.	#2619 NO.131-15		508,908	3/1/2013 - 12/31/2018	121,937	6,455	—
<b>Subtotal Passaic Valley Sewerage Commission</b>			<b>—</b>		<b>—</b>	<b>—</b>	<b>—</b>
<b>State of New Jersey Department of Law and Public Safety:</b>							
New Jersey State Victim Assistance Academy	VT 1-15		150,000	3/1/2016 - 8/31/2017	53,206	78,969	—
<b>Subtotal State of New Jersey</b>			<b>150,000</b>		<b>53,206</b>	<b>78,969</b>	<b>—</b>
<b>New Jersey Economic Development Authority:</b>							
Analysis of New Jersey EDA Grow NJ Assistance Program	NJEDA 2016		92,950	4/1/2016 - 2/28/2018	4,583	—	—
<b>Subtotal New Jersey Economic Development Authority</b>			<b>92,950</b>		<b>4,583</b>	<b>—</b>	<b>—</b>
<b>Subtotal Direct Research And Development</b>			<b>103,878,585</b>		<b>30,681,214</b>	<b>13,264,238</b>	<b>993,303</b>
<b>Pass Through:</b>							
<b>Department of Environmental Protection:</b>							
Nature Conservancy:							
Monitoring Effects Of Thin-layer Placement On Marsh Benthic Infauna And Sediment Properties	2015DOINJDEP-01	2015DOINJDEP-01	161,540	9/8/2015 - 8/6/2017	69,007	95,629	—
<b>Subtotal Department of Environmental Protection</b>			<b>161,540</b>		<b>69,007</b>	<b>95,629</b>	<b>—</b>
<b>Department of Health:</b>							
Children's Specialized Hospital:							
Children Specialized Hospital Autism Screen	NONE	CAUT13APS025	173,336	7/1/2013 - 6/30/2018	9,408	12,735	—
New Jersey Institute of Technology:							
Effect Of Concussive Waveform	995728	995728	481,531	6/1/2011 - 11/30/2015	(480)	—	—
Research Triangle Institute:							
Post-approval Surveillance Study	2-415-0301346	2-415-0301346	131,391	10/1/2013 - 9/30/2018	28,344	31,909	—
Rowan University:							
Comprehensive Center For Huntington	G63070	DHS16HDS001	90,000	7/1/2015 - 6/30/2016	13,456	—	—
Rowan-metabolic Perturbations	G63180	CAUT15APL022	108,070	7/1/2015 - 6/30/2018	62,771	38,048	—
<b>Subtotal Department of Health</b>			<b>984,328</b>		<b>113,499</b>	<b>82,692</b>	<b>—</b>



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Research And Development Cluster, continued:</b>							
<b>Pass Through, continued:</b>							
<b>Department of Labor:</b>							
New Jersey Institute of Technology: New Jersey's Advanced Manufacturing Talent Network	996470	996470	45,833	1/1/2016 - 12/31/2016	24,685	-	-
<b>Subtotal Department of Labor</b>			<b>45,833</b>		<b>24,685</b>	<b>-</b>	<b>-</b>
<b>Department of Transportation:</b>							
New Jersey Institute of Technology: Institute for Transit Studies (ITS) Pilot Development Studies And "Connected Vehicle" Research	NP 996285 PJ	16-100-078-6400	210,831	8/15/2015 - 8/31/2016	37,760	-	-
Training And Outreach Program For The ITS Resource Center	NP 996285	T/O #112	86,270	4/1/2015 - 12/31/2016	197	-	-
<b>Subtotal Department of Transportation</b>			<b>297,101</b>		<b>37,957</b>	<b>-</b>	<b>-</b>
<b>Subtotal Pass Through Research And Development</b>			<b>1,488,802</b>		<b>245,148</b>	<b>178,321</b>	<b>-</b>
<b>Subtotal Research And Development Cluster</b>			<b>105,367,387</b>		<b>30,926,362</b>	<b>13,442,559</b>	<b>993,303</b>
<b>Student Financial Aid:</b>							
<b>Direct:</b>							
<b>Commission on Higher Education:</b>							
Educational Opportunity Fund - Article III	2601-100-074-2601-001	5400-100-030010	7,530,432	7/1/2016 - 6/30/2017	6,880,905	7,526,807	-
<b>Subtotal Commission on Higher Education</b>			<b>7,530,432</b>		<b>6,880,905</b>	<b>7,526,807</b>	<b>-</b>
<b>Higher Education Student Assistance Authority:</b>							
New Jersey Stars II	2155-100-082-2160-058	N/A	453,297	7/1/2016 - 6/30/2017	441,721	453,297	-
Tuition Aid Grant	2150-100-082-2150-007	5400-100-040070	98,434,215	7/1/2016 - 6/30/2017	97,815,645	98,434,215	-
Urban Scholars - Governor's	2150-100-082-2150-012	5400-100-040150	210,000	7/1/2016 - 6/30/2017	210,000	210,000	-
<b>Subtotal Higher Education Student Assistance Authority:</b>			<b>99,097,512</b>		<b>98,467,366</b>	<b>99,097,512</b>	<b>-</b>
<b>Subtotal Direct Student Financial Aid</b>			<b>106,627,944</b>		<b>105,348,271</b>	<b>106,624,319</b>	<b>-</b>
<b>Subtotal Student Financial Aid Cluster</b>			<b>106,627,944</b>		<b>105,348,271</b>	<b>106,624,319</b>	<b>-</b>
<b>Other Programs Cluster:</b>							
<b>Direct:</b>							
<b>Board of Public Utilities:</b>							
Final Energy Efficiency Plan- Rutgers University	L16260		1,153,952	1/22/2015 - 9/30/2016	767,378	1,153,952	-
<b>Subtotal Board of Public Utilities</b>			<b>1,153,952</b>		<b>767,378</b>	<b>1,153,952</b>	<b>-</b>
<b>Commission on Cancer Research:</b>							
Adult Mesenchymal Stem Cells In Drug Delivery For Solid Tumors	NONE		5,076	1/1/2016 - 6/23/2018	5,076	-	-
Development Of Phosphatidylserine (ps) Antibodies Found In HIV							
Positive Patients	DFHS17PPC016		21,232	1/1/2017 - 12/31/2018	21,232	-	-
Fellowship	DFHS15PPC009		50,000	1/1/2015 - 6/30/2017	28,441	-	-
Genetic Dissection Of Intracellular Reactive Oxygen Species, A							
Double-edged Sword In The Fight Again	DFHS16PPC070		100,000	1/1/2016 - 12/31/2017	32,744	-	-
Identification Of Alternative Splice Variants As Biomarkers Of							
Predisposition To Chemotherapy Resistance In Acute Myeloid							
Leukemia	NONE		8,721	1/1/2017 - 3/31/2019	8,721	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Commission on Cancer Research, continued:</b>							
Post-Doctoral Fellowship From New Jersey Commission On Cancer Research	DFHS16PPC045		100,000	1/1/2016 - 12/31/2017	55,325	-	-
Post-Transcriptional Gene Expression Regulation In Cancer Cell Models	DFHS17PPC018		50,000	1/1/2017 - 12/31/2018	28,441	-	-
Research Fellowship	DFHS15PPC024		100,000	1/1/2015 - 12/31/2016	31,224	24,288	-
Research Fellowship	DFHS15PPC039		100,000	1/1/2015 - 12/31/2016	28,264	37,249	-
Research Fellowship	DFHS15PPC040		100,000	1/1/2015 - 3/31/2017	32,113	28,850	-
Research Fellowship	DFHS15PPC047		100,000	1/1/2015 - 12/31/2016	12,351	13,831	-
Targeted Alpha-particle Therapy Of Triple Negative Breast Cancer Using 'Sticky' Liposomes Loaded With	DFHS16PPC065		50,000	1/1/2016 - 12/31/2017	30,850	-	-
Testing The Contribution Of DNA Double Strand Break Resection Factors To DNA Repair In Mammalian Cell	DFHS15PPC016		50,000	1/1/2015 - 12/31/2016	26,001	-	-
Vitamin D Protection On Inflammatory Bowel Disease (IBD) And Inflammatory Neoplasia	DFHS160PPC038		50,000	1/1/2016 - 12/31/2017	20,879	-	-
<b>Subtotal Commission on Cancer Research</b>			<b>885,029</b>		<b>361,662</b>	<b>104,218</b>	-
<b>Commission on Higher Education:</b>							
Aim High Academy: Summer Earth Ecology Program	12YR2-801180-AHA13		90,000	1/1/2012 - 8/10/2012	2,015	-	-
Mentoring Of Minority Community College Students In Stem By Garden State Lsamp Scholars	MOU		20,000	11/15/2015 - 8/15/2016	6,400	-	-
State Longitudinal Data Systems Project Management	MOU		139,694	5/14/2015 - 6/30/2016	2,488	-	-
<b>Subtotal Commission on Higher Education</b>			<b>249,694</b>		<b>10,903</b>	-	-
<b>Department of Agriculture:</b>							
Best Management Practices Implementation Program	165-01		162,000	9/1/2015 - 8/31/2017	83,450	-	-
Development Of A Revised Web-Enabled Database Application Capable Of Entering, Storing, Retrieving And Editing	MOA		55,059	8/3/2015 - 7/29/2016	5,782	-	-
Evaluation And Integration Of Behavioral Approaches With Conventional Controls To Manage Key Insect	SCBG 1685		5,420	1/1/2014 - 9/29/2016	5,420	-	-
Rutgers Cooperative Extension Nutrient Management Education Program	MOU		150,000	11/23/2009 - 12/31/2016	18,682	-	-
Rutgers, New Jersey Center for Wine Research and Education	3360-128-16-2		2,164	10/1/2016 - 10/1/2017	2,164	-	-
Rutgers, New Jersey Center for Wine Research and Education	3360-128-16-1		12,399	10/1/2016 - 12/31/2017	12,399	-	-
Strawberry Breeding And Testing To Extend The Growing Season For New Jersey Farmers	MOU03162017		39,787	3/16/2017 - 9/29/2019	3,711	-	-
<b>Subtotal Department of Agriculture</b>			<b>426,829</b>		<b>131,608</b>	-	-
<b>Department of Children and Families:</b>							
10th Annual Family Success Conference - 2017	NONE		4,594	3/20/2017 - 1/31/2018	4,594	-	-
2016 Skill Building Conference	MOA		31,791	1/1/2016 - 9/30/2016	21,297	30,227	-
9th Annual Family Success Conference 2016	NONE		49,143	1/1/2016 - 7/30/2016	8,967	-	-
Biennial 2017	Agmt3.2.17		13,812	2/1/2017 - 10/20/2017	13,812	5,114	-
Child And Family Nurse Program 2016-2017	17CFNPPILOT		1,578,671	7/1/2016 - 6/30/2017	1,576,025	1,077,460	-
Child And Family Nursing Program	16CFNPPILOT		546,326	10/1/2015 - 9/30/2018	16,827	-	-
Child Health Program	15RNGM		31,018,299	7/1/2014 - 6/30/2015	3,716	-	-
Child Health Program	16RNGM		31,516,000	7/1/2015 - 6/30/2017	731,892	-	-
Child Health Program 2016-2017	17RNGM		31,486,494	7/1/2016 - 6/30/2017	31,402,235	22,980,720	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Children and Families, continued:</b>							
Child Protection And Permanency	17AHMM		118,228	7/1/2016 - 6/30/2017	107,032	88,672	-
Child Protection And Permanency	16AHMM		118,228	7/1/2015 - 6/30/2016	713	-	-
Children At Risk	16AGMM		158,392	7/1/2015 - 6/30/2016	2,786	-	-
Children's Partial Care Program	16DRMR		327,496	7/1/2015 - 6/30/2016	2,234	-	-
Children's System Of Care 3 Programs Partial Care Child	17DRMR		327,496	7/1/2016 - 6/30/2017	288,010	-	-
Community Development	16DRMR		292,645	7/1/2015 - 6/30/2016	1,081	-	-
Community Engagement And Recovery Project	MOA		221,695	1/1/2015 - 1/1/2017	(26,932)	-	(15,735)
E/S Adult Child	16DRMR		100,570	7/1/2015 - 6/30/2016	1,917	-	-
Essex Mobile Response	17ARGR		292,645	7/1/2016 - 6/30/2017	10,327	202,392	-
Essex Mobile Response	16ARGR		71,083	7/1/2015 - 6/30/2016	4,610	-	-
Essex Mobile Response	16ARGR		198,782	7/1/2015 - 6/30/2016	19,510	-	-
Essex Mobile Response - Youth Incentive Program (YIP)	17ARGR		71,083	7/1/2016 - 6/30/2017	14,627	67,473	-
Foster Care Counseling Project	16BFMM		147,624	7/1/2015 - 6/30/2016	3,871	-	-
Foster Care Counseling Project	17BFMM		147,624	7/1/2016 - 9/27/2017	181,545	23,903	-
Francois-Xavier Bagnoud Center-The Family Place	16SJGM		468,672	7/1/2015 - 6/30/2016	5,945	-	-
Fiscal Year 2017 Newborn Screening And Genetic Services	DFHS17NWB005		164,450	7/1/2016 - 6/30/2017	172,624	39,985	-
Fiscal Year 2017 Newborn Screening And Genetics Services Cystic Fibrosis	DFHS17NWB006		79,000	7/1/2016 - 6/30/2017	80,345	19,657	-
Medical Director	17HGMM		266,541	1/1/2017 - 12/31/2017	150,838	122,766	-
Middlesex Mobile Response	16AXMR		258,102	7/1/2015 - 6/30/2016	56,045	-	-
Middlesex Mobile Response	17AXMR		258,102	7/1/2016 - 6/30/2017	13,709	236,593	-
Mmmm Fiscal Year 17 - Project Myself	17MMMM		2,285,090	7/1/2016 - 6/30/2017	1,563,806	190,459	-
MOA	16SKGZ		523,238	10/1/2015 - 9/30/2016	250,144	216,971	-
Mom to Mom	17-LMMM		324,122	1/1/2017 - 12/31/2017	170,228	162,060	-
Multi-disciplinary Team (MDT) Coordinators Training	NONE		30,543	3/1/2016 - 6/23/2018	10,078	-	-
Newborn Screening And Genetic Services	DFHS17NWB008		567,500	7/1/2016 - 6/30/2017	540,277	378,228	-
New Jersey DCF (CP&P) Agreement	MOA		45,000	5/1/2016 - 4/30/2018	18,963	-	-
New Jersey DCF (CP&P) Agreement	MOA		335,364	5/1/2016 - 4/30/2018	132,081	-	-
Outpatient Child	17DRMR		100,570	7/1/2016 - 6/30/2017	44,377	-	-
Outreach And Education Fiscal Year 17 Sudden Infant Death Syndrome (SIDS)	DFHS17OTR008		250,000	7/1/2016 - 6/30/2017	199,303	135,544	-
Partial Care	15DRMR		327,496	7/1/2014 - 6/30/2015	6,119	-	-
Partnership	17VZMM		3,044,525	7/1/2016 - 6/30/2017	2,440,666	8,340	908,163
Peer 2 Peer	17HQMM		115,415	1/1/2017 - 12/31/2017	115,415	142,589	-
Program Income- Children Transitional Residence Year 1 (CTR)	16HBMR		1,336,212	7/1/2015 - 6/30/2016	571,657	-	-
Program-Children At Risk (17agmm)	17AGMM		158,392	7/1/2016 - 6/30/2017	128,168	171,591	-
SM-15-009	SM-15-009		16,390	10/1/2015 - 9/30/2016	13,051	-	-
Screaming To Prevent Violence	16AUMW		123,668	7/1/2015 - 6/30/2016	33,608	-	-
Screaming To Prevent Violence (fp00002037)	17AUMW		84,571	7/1/2016 - 6/30/2017	92,346	13,755	-
Sickle Cell Treatment Services -Fiscal Year 17	DFHS17NWB003		75,000	7/1/2016 - 6/30/2017	74,748	19,206	-
South Brunswick School Based Youth Services Program	17AKMP		443,889	7/1/2016 - 6/30/2017	348,527	418,072	-
South Brunswick School Based Youth Services Program	16AKMP		448,339	7/1/2015 - 6/30/2016	24,962	-	-
Suicide Prevention Program/traumatic Loss Coalition (TLC)-Contract	17AUMP		553,634	7/1/2016 - 6/30/2017	510,436	477,911	-
The Family Place	15SJGM		468,672	7/1/2014 - 6/30/2015	(1,224)	-	-
The Family Place, HIV/AIDS And High Risk Infant	17SJGM		468,672	7/1/2016 - 6/30/2017	452,625	345,062	-
Veterans Total Care Project	DFHS16VH010		1,546,925	12/31/2015 - 11/30/2016	945,316	412,165	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Children and Families, continued:</b>							
Youth Incentive Program (YIP) Community Development	17DRMR		292,645	7/1/2016 - 6/30/2017	204,552	347,867	—
<b>Subtotal Department of Children and Families</b>			<b>114,299,460</b>		<b>43,760,431</b>	<b>28,334,782</b>	<b>892,428</b>
<b>Department of Community Affairs:</b>							
Uniform Construction Code Enforcement Officials/multiple Dwelling Training	2016-001		1,290,589	7/1/2015 - 6/30/2016	88,839	—	—
Uniform Construction Code Enforcement Officials/multiple Dwelling Training	2017-001		1,524,274	7/1/2016 - 6/30/2017	1,245,519	436,914	—
<b>Subtotal Department of Community Affairs</b>			<b>7,037,639</b>		<b>3,819,552</b>	<b>2,437,991</b>	<b>—</b>
<b>Department of Education:</b>							
21st Century Community Learning Centers Program	1.60E+39		553,796	9/1/2015 - 8/31/2016	127,849	266,832	25,060
21st Century Community Learning Centers Program	1.70E+89		620,511	9/1/2016 - 8/31/2017	569,773	149,081	65,000
21st Century Community Learning Centers Program	1.60E+107		33,134	9/1/2015 - 8/31/2016	15,477	—	—
Enhancing College-high School Partnership In Health Science	MOU		149,233	3/1/2014 - 12/31/2015	(825)	—	—
Enhancing Teaching And Student Leadership In The Career Clusters Of Business, Management And Administration And Finance: FBLA	1.60E+129		146,500	9/1/2015 - 8/31/2016	70,811	—	—
Enhancing Teaching And Student Leadership In The Career Clusters Of Business, Management And Administration And Finance: FBLA	1.70E+119		146,500	9/1/2016 - 11/29/2017	81,530	—	—
Health Occupations Student Association	MOU		425,258	9/1/2014 - 8/31/2017	123,833	156,639	—
Kindergarten Through Third Grade Research	354-20160023		1,170,000	5/1/2016 - 12/31/2017	247,780	—	—
Math And Science Partnerships Competitive Program	1.70E+52		379,865	7/1/2016 - 6/30/2017	477,047	—	—
Network Funding For Statewide Library Services	2016-1153		59,875	7/1/2015 - 6/30/2016	2,602	8,187	—
Network Funding For Statewide Library Services/academic Library Statewide Service Provider	2017-1181		81,332	7/1/2016 - 6/30/2017	80,976	—	—
New Jersey Preschool Expansion Study- Spring 2016	MOU		105,542	3/1/2016 - 9/30/2016	43,567	—	—
New Jersey Preschool Quality Evaluation Study 2015-2016	MOU		235,686	4/1/2016 - 7/30/2016	54,530	—	—
Positive Behavior Support In Schools (PBSIS) MOU	MOU		2,395,970	7/1/2013 - 9/30/2015	432	—	—
Preschool To Third Grade Initiative	311-20150013A1		563,750	7/18/2014 - 12/31/2017	213,900	—	—
Rutgers Camden Math Partnership	1.70E+53		380,000	7/1/2016 - 8/31/2017	379,754	30,043	—
Rutgers Initiatives To Support English Language Learners (ELLS)	321-20150022		44,312	10/1/2015 - 8/31/2016	12,923	31,474	—
Achievement	1.60E+05		363,391	7/1/2015 - 6/30/2016	95,696	—	—
Title IV-A And Unsafe School Choice Option Training & Technical Assistance Project: Idea Funded	MOU		487,668	7/1/2010 - 6/30/2011	901	—	—
Todd: New Jersey Science League (NJSL): New Jersey Center for the Book Program Grant	NONE		4,500	7/1/2016 - 6/23/2018	678	4,050	—
Validating the Grow New Jersey Kids Quality Rating and Improvement System (Project 3)	MOU		1,304,997	1/1/2015 - 12/31/2017	415,830	—	—
<b>Subtotal Department of Education</b>			<b>9,651,820</b>		<b>3,015,064</b>	<b>646,306</b>	<b>90,060</b>



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Environmental Protection:</b>							
Community-Based Green Infrastructure Maintenance Program	WR-14-012		40,000	6/1/2014 - 11/18/2016	9,609	-	-
Comprehensively Evaluating New Jersey's Bee Pollinators For The State Wildlife Action Plan	FG16-042		19,565	1/1/2016 - 12/31/2018	19,565	-	-
Comprehensively Evaluating New Jersey's Bee Pollinators For The State Wildlife Action Plan	FG16-042		75,000	1/1/2016 - 12/31/2018	28,137	-	-
Green Infrastructure Education And Implementation Program	WQ13-001		150,000	10/31/2013 - 10/31/2016	60,544	-	50,497
Licensed Drinking Water Operator Discounts Fiscal Year 16-18	WS16-003		198,000	7/1/2015 - 12/31/2017	110,913	-	-
Life On The Edge Interpretive Trail At The Grassle Marsh	15-1533-1		24,000	4/5/2016 - 4/4/2018	4,130	-	-
Maintenance Contract	WM16-006		17,500	1/1/2016 - 12/31/2018	6,582	-	-
New Jersey Bobcat Population Assessment	SERVICE AGREEMENT		7,000	6/15/2016 - 8/31/2016	2,754	-	-
New Jersey Project WET (Fiscal Year 14-16) - Water Education For Teachers	WM14-020		139,968	5/1/2014 - 8/1/2016	8,246	-	-
New Jersey Radon Training Program	EH16-001		75,001	1/4/2016 - 1/3/2017	62,111	61,148	-
New Jersey Recycling Certificate 2015-2016	SHW16-005		115,201	7/1/2015 - 12/31/2016	38,724	-	-
New Jersey Wetlands Past, Present and Future: Using Sediment Archives to Inform and Guide Wetland Protection	SR15-007		12,736	5/19/2015 - 8/31/2017	12,736	-	-
Operation Of The Photochemical Assessment Monitoring (PAM) Site	NONE		31,734	4/1/2016 - 9/29/2017	31,734	-	-
Ozone Research Center Photochemical Modeling	AQ15-008		200,000	7/1/2015 - 6/30/2020	112,077	-	-
Project Water Education for Teachers (WET)	WM17-013		160,625	5/1/2016 - 8/2/2018	57,357	-	-
Recycling Certification Series 2016-2017	SHW17-007		115,192	7/1/2016 - 12/31/2017	62,958	-	-
Recycling Promotion And Communication	SW02-09		400,000	6/28/2002 - 12/31/2016	18,026	-	-
Treatment Of Wood Mulch Runoff/leachate	SHW17-001		299,097	9/1/2016 - 8/31/2018	50,604	10,083	-
<b>Subtotal Department of Environmental Protection</b>			<b>2,080,619</b>		<b>696,807</b>	<b>71,231</b>	<b>50,497</b>
<b>Department of Health:</b>							
Adult Protective Services	MOA		83,402	4/1/2013 - 10/31/2013	(3,213)	-	-
HIV/AIDS Care And Treatment	AIDS17CTN034		183,050	1/1/2017 - 12/31/2017	114,062	-	-
<b>Subtotal Department of Health</b>			<b>266,452</b>		<b>110,849</b>	-	-
<b>Department of Health:</b>							
AIDS Prevention And Control	MOA		687,000	7/1/2016 - 6/30/2017	657,045	131,213	-
Alzheimer Cops	DOAS15ALZ002		1,459,757	7/1/2014 - 6/30/2015	27,180	-	-
Bioterrorism Preparedness Fiscal Year 14-16	MOA		615,000	7/1/2013 - 6/30/2017	31,172	-	-
Brain Injury Research	CBIR12PIL028		180,000	6/1/2012 - 5/31/2017	21,505	17,267	-
Cancer Institute Of New Jersey Grants In Aid	EPID16CIN001		28,000,000	7/1/2016 - 6/30/2017	28,000,000	28,000,000	-
Care & Treatment	NONE		1,647	7/1/2017 - 9/30/2018	1,647	-	-
Category A: Enhanced HIV Testing	AIDS17CTN006		288,178	7/1/2016 - 6/30/2017	260,383	54,266	-
Category B:HIV Preparation for High Risk Negatives (HRN) (myilestone)	AIDS17HER037		100,000	7/1/2016 - 6/30/2017	98,893	49,164	-
Communicable Disease	NONE		1,290,840	7/1/2014 - 6/23/2018	3,977	-	-
Communicable Disease Epidemiologists	NONE		2,019,075	7/1/2015 - 6/23/2018	29,236	-	-
Communicable Disease Reporting And Surveillance System-year 02 Funding	CDRSS		133,540	7/1/2016 - 6/30/2017	130,228	64,546	-
Copsa Institute For Alzheimer's Disease And Related Disorders-2017	DOAS17ALZ003		704,498	7/1/2016 - 6/30/2017	619,696	157,421	-
Counseling, Testing And Referral - Medical & Dental Clinic	NONE		2,637	7/1/2017 - 9/30/2018	2,637	-	-





The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Health, continued:</b>							
E/S Adult Child	C30215-13		194,104	7/1/2012 - 6/30/2013	945	-	-
Early Intervention Program	MOA		8,787,378	7/1/2006 - 6/30/2016	1,447,621	1,008,452	-
Education And Training For Physicians And Other Healthcare Professionals In The Diagnosis And Treatment Of HIV/AIDS	NONE		278,275	7/1/2016 - 2/28/2018	245,477	170,092	-
Education And Training In The Diagnosis And Treatment Of Epdemiologist Hepatitis B	HEPA B		64,501	1/26/2015 - 12/31/2015	(860)	-	-
Health Beliefs And Behaviors	DFHS16NWB004		74,738	7/1/2015 - 6/30/2016	(429)	20,447	-
Healthcare Association Infection Coordinator	NJDHSS MOA		23,989	1/1/2014 - 7/31/2015	605	-	-
Heart Disease & Stroke Prevention	DFHS16H&S003		87,958	10/1/2015 - 11/30/2016	2,240	66,617	-
Hemophilia Service	DFHS17HEM002		294,392	7/1/2016 - 6/30/2017	296,152	153,140	-
Hemophilia Services	DFHS16HEM003		275,673	7/1/2015 - 6/30/2016	(4,804)	87,663	-
HIV Prevention Patient Navigator (HPPN) Project	AIDS17NAV006		125,000	7/1/2016 - 6/30/2017	135,503	61,369	-
HIV Prevention Services In Non-Healthcare Settings	AIDS17CTN027		96,250	1/1/2017 - 12/31/2017	81,289	-	-
HIV/AIDS Care And Treatment	AIDS13CTN042		337,998	1/1/2013 - 12/31/2013	22,011	-	-
HIV/AIDS Care And Treatment	AIDS15CTN011		195,627	7/1/2014 - 6/30/2015	(6,366)	-	-
HIV/AIDS Care And Treatment	AIDS15CTR008		353,934	7/1/2014 - 6/30/2015	6,369	-	-
HIV/AIDS Care And Treatment	AIDS16CTR018		335,580	7/1/2015 - 6/30/2016	42,060	-	-
HIV/AIDS Care And Treatment 2017	AIDS17CTR026		122,711	7/1/2016 - 6/30/2017	115,623	18,778	-
HIV/AIDS Counseling And Testing	AIDS16CTN008		210,863	7/1/2015 - 6/30/2016	(5,876)	114,094	-
HIV/AIDS Counseling And Testing	AIDS16CTN009		116,500	7/1/2015 - 6/30/2017	7,783	43,376	-
HIV/AIDS Counseling And Testing	AIDS16CTN014		475,000	7/1/2015 - 6/30/2016	4,114	16,018	-
HIV/AIDS Counseling And Testing	AIDS16CTN028		473,131	1/1/2016 - 12/31/2016	327,214	438,635	-
HIV/AIDS Counseling And Testing	AIDS16CTR018		249,528	7/1/2015 - 6/30/2016	(18,453)	-	-
HIV/AIDS Counseling And Testing	AIDS16CTR019		26,600	7/1/2015 - 6/30/2017	(375)	105	-
HIV/AIDS Counseling And Testing	AIDS17CTN017		150,000	7/1/2016 - 6/30/2017	150,035	-	-
HIV/AIDS Counseling And Testing/Notification Assistance Program 2017 (CTN Grant)	AIDS17CTN028		52,500	1/1/2017 - 12/31/2017	40,768	-	-
HIV/AIDS Hepatitis Hotline	AIDS16PIN002		439,700	1/1/2016 - 12/31/2017	234,626	257,920	-
HIV/AIDS Navigator 2017	AIDS17NAV011		150,000	1/1/2017 - 12/31/2017	51,653	-	-
HIV/AIDS Prevention And Counseling	AIDS15RWB02L		181,728	4/1/2015 - 3/31/2016	(14,950)	-	-
HIV/AIDS Program	AIDA15CTN016		142,564	7/1/2014 - 6/30/2015	(206)	-	-
HIV/AIDS Quality Management Chart Review Project	Haiken 4/1/17		364,998	4/1/2017 - 3/31/2018	95,739	-	-
HIV/AIDS Ryan White Letter Of Agreement (LOA) 2017	AIDS17RWB01L		187,232	4/1/2017 - 3/31/2018	50,451	22,564	-
HIV/AIDS/STD Public Information 2017	AIDS17PIN002		153,895	1/1/2017 - 12/31/2017	91,483	-	-
HIV Prevention Patient Navigator (HPPN) Project	AIDS16NAV007		121,739	7/1/2015 - 6/30/2016	10,119	51,313	-
Immobilized Brain-Derived Neurotrophic Factor (BDNF) Fragment Peptide-Grafted Collagen Hydrogels To Promote Neural Survival & Regeneration After TBI	CBIR14FEL004		100,500	5/30/2014 - 8/27/2018	31,591	-	-
Immunization Information	NONE		142,937	1/1/2016 - 12/31/2016	23,896	65,593	-
Ryan White: Medical Case Managment Services-Clinic-Based (Part A)	MCM-CB-PARTA-80418		80,418	3/1/2016 - 12/18/2016	63,786	-	-
MOA	NONE		125,000	8/1/2015 - 6/23/2018	12,061	-	-
New Jersey Birth Defects And Autism Reporting System (BDARS)	MOA		259,245	7/1/2016 - 6/30/2017	224,234	10,388	-
New Jersey Poison Information	PHLP16PIE003		587,000	7/1/2015 - 6/30/2016	(5,271)	11,033	-
Newborn Screening & Genetic Services	DFHS14NWB011		127,950	7/1/2013 - 6/30/2014	6,103	-	-
Newborn Screening & Genetic Services	DFHS15NWB006		530,673	7/1/2014 - 6/30/2015	7,967	-	-
Newborn Screening & Genetic Services	DFHS16NWB003		164,450	7/1/2015 - 6/30/2016	17,174	53,051	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Health, continued:</b>							
Newborn Screening & Genetic Services	DFHS16NWB009		567,500	7/1/2015 - 6/30/2016	20,476	-	-
New Jersey Cancer Education & Early Detection	DFHS16CED002		604,000	7/1/2015 - 6/30/2016	152,187	58,769	(18,219)
New Jersey Department of Health Vaccine Preventable Disease Statistical Analyst	MOA Vaccine Preventable		139,692	1/1/2017 - 12/31/2017	67,311	29,265	-
New Jersey Pregnancy Risk Assessment Survey (PRAMS-New Jersey)	MOA		185,005	5/1/2016 - 4/30/2017	174,914	89,855	-
New Jersey Pregnancy Risk Assessment Survey (PRAMS-New Jersey)	NONE		7,102	5/1/2017 - 7/31/2018	7,102	-	-
New Jersey Emergency Medical Services Fiscal Year 2016	NONE		303,207	7/1/2015 - 6/30/2016	5,865	12,151	-
Outreach And Education	DFHS14OTR005		221,000	7/1/2013 - 6/30/2014	62,475	-	-
Outreach And Education	DFHS16ORT012		225,999	7/1/2015 - 6/30/2016	5,888	4,999	-
Outreach And Education	DFHS16OTR032		210,000	7/1/2015 - 6/30/2016	30,367	105,950	4,500
Overall Evaluation of New Jersey Comprehensive Tobacco Control Program-New Jersey Youth Tobacco Survey (Year 3)	NJDOH 1.10.17		309,000	7/1/2016 - 6/30/2017	265,519	-	120,041
Passaic Chronic Disease Coalition	DFHS16CCC004		130,800	7/1/2015 - 6/30/2016	13,401	20,164	-
Pediatric Tertiary	DFHS16EIP003		308,350	7/1/2015 - 6/30/2016	(8,406)	-	-
Perinatal Hepatitis B And Other Vaccine Preventable Disease Surveillance	MOA 1/19/17		137,005	1/1/2017 - 12/31/2017	66,051	28,986	-
Improving Vetern Healthcare (Vets4Warriors)	DFHS17IVH001		2,500,000	7/1/2016 - 6/30/2017	2,471,920	-	-
Positive Behavior Support In Schools (PBSIS) MOU	MOU		818,651	10/1/2015 - 6/30/2016	34,966	551,253	-
Prep Counselor Program	NONE		333	7/1/2017 - 9/30/2018	333	-	-
Preventive & Public Health - Heart Disease & Stroke Program	MOA		43,000	5/3/2016 - 8/31/2016	1,013	-	-
Primary Oral Health Care Services For HIV+patients	AIDS17CTR025		128,997	7/1/2016 - 6/30/2017	127,537	-	-
Primary Oral Health Care Services For HIV+patients	AIDS17CTR025		171,003	7/1/2016 - 6/30/2017	173,254	74,171	-
Professional Services	MOA		131,522	1/1/2016 - 12/31/2016	62,344	58,112	-
Professional Services	MOA		259,656	1/1/2016 - 12/31/2016	133,047	130,930	-
Professional Services Of Vac	5992		133,804	1/1/2016 - 12/31/2017	67,020	105,025	-
Rapid HIV Testing	AIDS16CTN007		225,000	7/1/2015 - 12/31/2016	71,359	45,778	-
Rapid HIV Testing	AIDS16CTN017		2,366,961	7/1/2015 - 6/30/2016	601,599	715,696	-
Rapid HIV Testing Support	AIDS17CTN018		2,323,525	7/1/2016 - 6/30/2017	2,034,126	599,092	-
Recovery of the Dendritic Network After Traumatic Brain Injury (TBI)	CBIR15FEL009		100,500	6/1/2015 - 5/31/2018	33,763	9,979	-
Role of Reelin in Traumatic Brain Injury	CBIR15FEL012		67,000	6/1/2015 - 5/31/2018	26,188	6,918	-
Ryan White Part B	DFHS17PDA007 PART B		120,593	8/1/2016 - 7/31/2017	102,555	256,480	-
Ryan White Part B + D	DFHS17PDA005		669,907	8/1/2016 - 7/31/2017	608,141	490,195	-
Ryan White Part D	DFHS17PDA007-PART D		321,866	8/1/2016 - 7/31/2017	270,361	43,236	-
Special Child Health Evaluation	DFHS15EVL005		215,310	7/1/2014 - 6/30/2015	3,694	-	-
Special Child Health Evaluation	DFHS16EVL005		242,861	7/1/2015 - 6/30/2016	14,011	24,498	-
Surveillance And Investigation Of Communicable Diseases	MOA		115,953	8/1/2014 - 7/31/2015	5,850	-	-
Tuberculosis Ambulatory Care	EPID15TAC005		294,470	1/1/2015 - 12/31/2015	5,782	-	-
Tuberculosis Ambulatory Care	EPID15TAC006		24,482	1/1/2015 - 12/31/2015	(5,387)	-	-
Tuberculosis Specialty Service Clinic 2016	EPID16TBS006		900,470	7/1/2015 - 6/30/2016	(56,051)	177,968	3,226
Technical Assistance and Training for New Jersey Healthcare Providers to Reduce HIV Perinatal Transmission	FXB MOA letter 1/27/17-8/4/17		110,000	1/1/2017 - 12/31/2017	46,624	-	-
The New Jersey Violent Death Reporting	NONE		126,775	9/1/2015 - 9/27/2017	98,273	31,579	-
The Professional Service	MOA		132,072	1/1/2016 - 12/31/2016	63,214	130,442	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Health, continued:</b>							
The Role of Cypin in Recovery of Electrophysical and Cognitive Functions Following Traumatic Brain Injury	CBIR16FEL013		33,500	7/1/2016 - 6/30/2018	26,391	6,961	-
Tuberculosis Study	EPID15TBS008		955,470	7/1/2014 - 6/30/2015	2,960	-	-
Tuberculosis, Ambulatory Care, 2017	EPID17TAC002		24,629	1/1/2017 - 12/31/2017	8,346	2,184	-
Uninsured Compensation Program (loa)	DFHS17FQH19L		80,000	7/1/2016 - 6/30/2017	57,090	26,967	-
Vaccine Preventable Disease (VPD)	RHOADS5355		134,200	1/1/2016 - 12/31/2016	65,143	104,007	-
Vets4Warriors	DFHS161VH011		2,500,000	7/1/2015 - 6/30/2016	21,381	779,669	-
Videography & Distance Learning Sevices	MOA		14,591	3/15/2016 - 6/30/2016	170	-	-
Women, Infants And Children	FFY17WIC		989,705	10/1/2016 - 9/30/2017	811,878	392,125	-
Youth Tobacco Survey	MOU		550,000	7/1/2014 - 6/23/2018	(12,740)	-	-
<b>Subtotal Department of Health</b>			<b>73,919,897</b>		<b>42,512,006</b>	<b>36,257,929</b>	<b>109,548</b>
<b>Department of Human Services:</b>							
450 Residential/a+ Apt	30215		1,310,520	7/1/2016 - 6/30/2017	(74,409)	-	-
Addiction Outpatient Services	16-498-ADA-0		41,431	7/1/2015 - 6/30/2016	(2,718)	-	-
Addiction Outpatient Services	16-498-ADA-0		77,900	7/1/2015 - 6/30/2016	19,388	-	-
Addiction Outpatient Services	16-498-ADA-0		115,000	7/1/2015 - 6/30/2017	1,536	-	-
Addiction Outpatient Services	16-498-ADA-0		156,546	7/1/2015 - 6/30/2016	2,767	-	-
Addiction Outpatient Services Aim	17-498-ADA-O		115,000	7/1/2016 - 6/30/2017	105,265	-	-
Addiction Outpatient Services Horizons	17-498-ADA-O		156,546	7/1/2016 - 6/30/2017	140,689	-	-
Addiction Outpatient Services Women OP	17-498-ADA-O		77,900	7/1/2016 - 6/30/2017	31,699	-	-
Addiction Outpatient Services Developmental Disabilities (DD)	17-498-ADA-O		41,431	7/1/2016 - 6/30/2017	25,853	-	-
Adult Child	C20101		17,972	7/1/2016 - 6/30/2017	17,836	-	-
Adult Protective Services Supervisors And Workers Training Program	Training Prog '16-'19		172,312	4/1/2016 - 3/31/2018	73,843	-	-
At Risk Essex	30215		247,864	7/1/2016 - 6/30/2017	211,574	-	-
Bridging Physical & Mental	C50007		104,935	7/1/2015 - 6/30/2016	9,487	-	-
Bridging Physical & Mental Health Gap	50007		104,935	7/1/2016 - 6/30/2017	88,373	-	-
Care Early Intervention Support Services (EISS)	C30215		1,000,000	7/1/2016 - 6/30/2017	821,600	-	-
Care School of Public Health (SPH)/HWH-camden	C20101		44,325	7/1/2016 - 6/30/2017	109,991	-	-
Children's Mobile Response	15AXMR		258,102	7/1/2014 - 6/30/2015	(2,531)	-	-
Clinical Consultation	C50029		225,608	7/1/2015 - 6/30/2016	3,595	2,942	-
Commission For The Blind And Visually Impaired Consumer Feedback Survey	NONE		12,093	1/4/2017 - 7/31/2018	12,093	-	-
Contract #05me17c Division Of Developmental Disabilities Community Living Education Project	05ME17C		445,200	7/1/2016 - 6/30/2017	429,996	333,900	-
Cop2cop	50007		400,000	7/1/2016 - 6/30/2017	398,032	-	-
Cop2cop	C50033		400,000	7/1/2015 - 6/30/2016	6,508	2,708	-
Developmental Disabilities	04ME16C		392,833	7/1/2015 - 6/30/2016	(4,849)	-	-
E/S Adult	C30215-13		1,630,980	7/1/2012 - 6/30/2013	563	-	-
E/S Adult Camden	C20101		148,915	7/1/2016 - 6/30/2017	148,915	-	-
E/S Adult Child	C20101		20,261,603	7/1/2013 - 6/30/2017	2,369,731	-	-
E/S Adult Child	C20101-14		4,545,671	7/1/2013 - 6/30/2014	4,379	-	-
E/S Adult Child	C30215		9,994,317	7/1/2014 - 6/30/2015	151,410	-	-
E/S Adult Child	C30215-13		54,498	7/1/2012 - 6/30/2013	120	-	-
Early Intervention Support Services (EISS)	C20101		1,000,000	7/1/2016 - 6/30/2017	802,796	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Human Services, continued:</b>							
First Episode Psychosis/recovery After An Initial Schizophrenia Episode	50068		272,284	6/1/2016 - 9/30/2016	31,026	32,353	-
Forensic Peer Bridges	60176		221,000	1/22/2015 - 12/31/2016	(5,844)	9,736	-
Fiscal Year 17 Contract C30215-Rutgers University Behavioral Health Care School of Health Professions - Medical Subject Headings (MeSH)	30215		195,000	7/1/2016 - 6/30/2017	66,535	-	-
Fiscal Year 17 Contract C30215-Rutgers University Behavioral Health Care New Jersey Hopeline	30215		648,981	7/1/2016 - 6/30/2017	672,851	606,269	-
Fiscal Year 2017 Pediatric Tertiary, Health Service Grant	DFHS17EIP005		313,693	7/1/2016 - 6/30/2017	316,904	76,067	-
Homeless Path	C20101		178,592	7/1/2016 - 6/30/2017	177,838	-	-
Hospital Affiliation	50007		225,608	7/1/2016 - 6/30/2017	101,017	-	-
Illness Management Recovery	C50007		178,079	7/1/2015 - 6/30/2016	4,075	-	-
Implementation of Evidence-Based First Episode Psychosis Services for Central New Jersey	C60177		414,210	11/1/2016 - 9/30/2017	178,335	-	-
Integrated Employment	40011		3,745,066	7/1/2014 - 6/30/2015	83,613	-	-
Intensive Case Management (ICMS)-redirect	C20101		1,273,962	7/1/2016 - 6/30/2017	626,363	-	-
Intensive Family Support Services (IFSS) Adult	C20101		217,153	7/1/2016 - 6/30/2017	188,503	-	-
Intensive Outpatient Treatment	C20101		309,438	7/1/2016 - 6/30/2017	179,027	-	-
Involuntary Meds	MOU		439,180	7/1/2012 - 6/30/2016	2,280	-	-
Justice Assistance Grant Program (JAG) / Justice Involved Services (JIS)	C20101		83,182	7/1/2016 - 6/30/2017	107,207	-	-
Illness Management	50007		178,079	7/1/2016 - 6/30/2017	170,859	-	-
Outpatient Adult (APN)	30215		90,433	7/1/2016 - 6/30/2017	116,476	-	-
Partial Care Mentally Ill Chemical Abuser (PC MICA) Adult Camden	C20101		181,567	7/1/2016 - 6/30/2017	175,803	-	-
Partial Care Mentally Ill Chemical Abuser (PC MICA) Adult Camden/Middlesex	C20101		65,150	7/1/2016 - 6/30/2017	254,737	-	-
Partial Care Mentally Ill Chemical Abuser (PC MICA) Adult Camden/Middlesex	C20101		225,265	7/1/2016 - 6/30/2017	220,704	-	-
Partnership For Success In Prevention	MOA		2,072,215	3/1/2014 - 9/28/2018	321,697	-	9,544
Patient Care Adult	30215		85,684	7/1/2016 - 6/30/2017	82,152	-	-
Patient Care Advanced Practice Nursing Program (adult)	C20101		180,333	7/1/2016 - 6/30/2017	227,205	-	-
Prevention Of Substance Abuse	AGMT12212015		600,000	7/1/2015 - 6/30/2020	534,902	-	112,250
Rapid HIV Testing	MOA		807,340	10/1/2014 - 9/30/2015	30,638	-	-
Rapid HIV Testing	MOA		1,291,521	10/1/2015 - 6/23/2018	328,274	-	-
Rapid HIV Testing Services	SNJ MOA 2015-2017		1,286,486	10/1/2016 - 9/30/2017	667,246	-	-
Recovery @ Rutgers: Sustaining An Environment That Supports Successful Recovery And Responsible Choice	16-715-ADA-0		245,100	7/1/2015 - 6/30/2016	(508)	-	-
Recovery @ Rutgers: Sustaining An Environment That Supports Successful Recovery And Responsible Choice	17-715-ADA-0		245,100	7/1/2016 - 6/30/2017	222,921	52,492	-
Regional Coalition Evaluation	NONE		12,632	1/1/2017 - 3/31/2018	12,632	-	-
Residential Adult Middlesex	C20101		16,715	7/1/2016 - 6/30/2017	48,493	-	-
Supervisors Of Educational Programs (SEP)	C20101		166,947	7/1/2016 - 6/30/2017	179,977	-	-
Supportive Housing Program (SHP) Forensic	30215		320,000	7/1/2016 - 6/30/2017	213,409	-	-
Supportive Housing Program (SHP) Medical	C20101		245,519	7/1/2016 - 6/30/2017	134,346	-	-
Supportive Housing Program (SHP) Specialized	C20101		288,365	7/1/2016 - 6/30/2017	160,862	-	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Human Services, continued:</b>							
Supportive Housing Program (SHP)/Newark (seed)	30215		401,950	7/1/2016 - 6/30/2017	228,985	–	–
Sndhs/Division of Mental Health Services-Fiscal Year 17 Contract							
C30215-Rutgers University Behavioral Health Care E/S Adult	C30215		4,628,892	7/1/2016 - 6/30/2017	120,125	–	–
Supported Housing Program (SHP)	C20101		799,188	7/1/2016 - 6/30/2017	588,354	–	–
Technical Assistance Center (TAC)	50007		354,316	7/1/2016 - 6/30/2017	303,425	326,466	–
Technical Assistance Center (TAC) Acute	50007		239,600	7/1/2016 - 6/30/2017	233,668	–	–
Technical Assistance Center (TAC) Acute Mental Illness And Chemical Addiction (MICA)	50007		112,024	7/1/2016 - 6/30/2017	109,855	–	–
Technical Assistance Center (TAC) Program	50065		68,328	7/1/2015 - 6/30/2016	5,559	–	2,562
Technical Assistance Center (TAC) Program	C50007		793,256	7/1/2015 - 6/30/2016	38,237	–	–
Testing Effects Of New Jersey's Opioid Overdose Recovery Program	MOA		100,000	10/1/2015 - 9/30/2016	88,542	35,321	–
The New Jersey Fetal Alcohol Spectrum Disorders (FASD) Education And Training Center: Early Childhood	P7GE15N		124,357	7/1/2014 - 6/30/2015	(73,104)	–	–
Tobacco Dependency Project	50007		64,316	7/1/2016 - 6/30/2017	53,378	–	–
Tobacco Training and Technical Support for New Jersey Regional Prevention Coalitions	17-817-ADA-0		80,000	10/1/2016 - 9/30/2018	73,205	–	–
Transformation Transfer Initiative: Wellness Self Care Program For Caregivers	NONE		12,548	11/17/2016 - 9/28/2018	12,548	–	–
Traumatic Loss Coalitions For Youth Program (TLC)/Suicide Prevention	16AUMP		553,634	7/1/2015 - 6/30/2016	22,135	–	–
University Behavioral Healthcare Centers-Newark Grants In Aid	7700-140-085810-61		6,165,000	7/1/2016 - 6/30/2017	6,165,000	6,165,000	–
University Behavioral Healthcare Centers-Piscataway Grants In Aid	770-140-085820-61		11,780,000	7/1/2016 - 6/30/2017	11,780,000	11,780,000	–
<b>Subtotal Department of Human Services</b>			<b>87,151,725</b>		<b>32,485,999</b>	<b>19,423,254</b>	<b>124,356</b>
<b>Department of Labor:</b>							
Apprenticeship USA State Accelerator Grant	Contract 2.13.17		60,000	6/1/2016 - 5/31/2018	15,065	–	–
Atlantic City Economic Emergency: Reemployment Efforts Of Dislocated Casino Workers	NONE		50,000	7/1/2015 - 6/23/2018	2,457	–	–
Camden Corps Plus	Ltr9/21/16 CCPFY1701		860,407	5/16/2016 - 6/30/2017	308,704	121,693	95,265
Healthcare Talent Network	NONE		250,000	1/1/2016 - 6/23/2018	150,805	–	–
Healthcare Talent Network 2017	HCTN2017		250,000	1/1/2017 - 12/31/2017	102,855	–	–
Henry J Austin Health Cetner Fiscal Year 16	NONE		35,672	5/2/2016 - 7/30/2017	26,250	10,800	–
New Jersey Division Of Vocational Rehabilitation: Career Pathways For Individuals With Disabilities	MOU02/29/16		200,000	3/1/2016 - 6/30/2017	95,631	25,000	–
Professional Development Capacity Building for New Jersey Department of Labor, Division of Workforce Develop	MOU		41,039	7/1/2016 - 6/30/2018	29,169	–	–
Rutgers Financial Services Partners Fiscal Year 15	S4J-FY2015-RUTGERS-049		316,360	1/30/2015 - 6/30/2016	162,966	–	–
Rutgers University Northern Regional Healthcare Partners Fiscal Year 16	S4J-FY2016-RU-058		249,987	2/1/2016 - 2/1/2017	222,362	6,400	–
Rutgers University Southern Regional Shoprite Partnership Fiscal Year 16	S4J-FY2016-RU-059		248,783	3/7/2016 - 3/7/2017	246,951	–	–
School of Management & Labor Relations Healthcare Trainings	S4J-FY2015-RUTGERS U-131		234,734	4/27/2015 - 10/27/2016	100,567	12,200	–
Talent Development Center - Healthcare 2016	TDC-P-FY16002		6,950	4/1/2016 - 9/30/2017	6,950	6,400	–
Talent Development Center - Healthcare 2016	TDC-P-FY16002		900,000	4/1/2016 - 9/30/2017	393,956	157,600	–
<b>Subtotal Department of Labor</b>			<b>3,703,932</b>		<b>1,864,688</b>	<b>340,093</b>	<b>95,265</b>



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of Law and Public Safety:</b>							
Burlington County Juvenile Delinquency Prevention Project	039106-001		73,000	10/15/2015 - 6/30/2016	7,929	72,869	-
Domestic Violence Legal Assistance Project	VAG-80-15		39,128	1/1/2016 - 12/31/2016	39,128	-	-
Domestic Violence Legal Assistance Project	VAG-80-15		150,000	1/1/2016 - 12/31/2016	167,239	-	-
Drunk Driving Enforcement Fund	NONE		82	11/16/2006 - 2/28/2017	82	-	-
Emergency Management Performance Grant (EMPG) New Jersey Weather Network Support	FY15--EMPG-NJWNS-1		50,000	8/1/2016 - 7/31/2017	21,990	-	-
Enhancing Victim Services Throughout Rutgers University	NONE		760	4/1/2017 - 9/28/2018	760	-	-
Jean Krauss Career Education Forums	GR1603		17,786	1/1/2016 - 9/30/2016	16,036	-	-
Jersey City Municipal Youth Policy Board	MOU		47,836	3/1/2016 - 2/28/2018	47,836	-	-
Juvenile Delinquency Prevention Consulting & Capacity Building	Agrmt 1.25.17		10,000	1/1/2017 - 12/31/2017	4,845	-	-
Municipal Prevention Planning	NONE		473,500	9/1/2011 - 6/30/2016	2,472	87,039	-
New Jersey Comprehensive Work Zone Safety Training And Conference	RS-17-61-01-01		132,323	10/1/2016 - 9/30/2017	91,999	-	-
Rutgers Legal Advocates For Child Victims Project	VAG-81-15		34,673	1/1/2016 - 12/31/2016	34,673	-	-
Rutgers Legal Advocates For Child Victims Project	VAG-81-15		150,000	1/1/2016 - 12/31/2016	187,864	-	-
Youth Prevention Policy Board Initiative (YPPB) Burlington County	Agrmt 7.1.16		125,000	7/1/2016 - 6/30/2017	94,922	-	-
Youth Prevention Policy Board Initiative (YPPB) Cumberland County	Agrmt 7.1.16		125,000	7/1/2016 - 6/30/2017	88,327	-	-
<b>Subtotal Department of Law and Public Safety</b>			<b>1,429,088</b>		<b>806,102</b>	<b>159,908</b>	-
<b>Department of Military and Veterans Affairs:</b>							
Cognitive Rehab For Gulf War Illness (year 3)	FEA 08/24/16		33,870	9/30/2016 - 9/29/2017	28,668	-	-
Department of Military & Veterans Affairs to Provide Ophthalmology Physician Services For The VA New Jersey Healthcare System Solicitation Number VA243-15r-0132	VA243-16-C-0026		849,988	1/1/2016 - 12/31/2017	938,726	296,425	-
New Jersey Veterans Helpline (New Jersey Vet2Vet)	VL17P27		383,260	7/1/2016 - 6/30/2017	366,387	319,383	-
Department of Military & Veterans Affairs Assigment Agreement	NONE		104,702	3/8/2016 - 6/23/2018	71,780	-	-
Department of Military & Veterans Affairs New Jersey Healthcare System 561-c76064	NONE		105,580	9/30/2015 - 9/29/2017	82,597	-	-
Vet2Vet	VLP16P27		383,260	7/1/2015 - 6/30/2016	12,469	-	-
<b>Subtotal Department of Military and Veterans Affairs</b>			<b>1,860,660</b>		<b>1,500,627</b>	<b>615,808</b>	-
<b>Department of State:</b>							
Afro Latino Festival	C-1712X030013		5,000	7/1/2016 - 6/30/2017	5,000	2,500	-
Afro Latino Performing Traditions At The Crossroads	1612X030023		4,824	7/1/2015 - 6/30/2016	(3,117)	-	-
Agricultural Experiment Station	2415-140-829510-5		20,931,000	7/1/2016 - 6/30/2017	20,931,000	20,931,000	-
Art Council Administrative Internship Program Fiscal Year 2016	1614X090005		5,000	7/1/2015 - 7/31/2017	4,874	-	-
Arts Intership Program FY17	1714X090013		30,000	7/1/2016 - 9/27/2017	13,438	15,000	-
Rutgers Oral History Archives	HC-GOS-2017-00020		55,360	7/1/2016 - 6/30/2017	28,741	3,460	-
Center For Women In The Arts And Humanities- General Program Support	1705X020023		14,171	7/1/2016 - 6/30/2017	14,171	7,632	-
Conserving Rare New Jersey Maps Project	HC-PROMINI-2015-1-00		1,444	2/1/2015 - 6/30/2016	477	-	-
Council Of The Arts - Zimmerlis Fiscal Year 17 State Council On The Arts 02 General Program Support (GPS)	1705X020025		137,580	7/1/2016 - 6/30/2017	157,137	123,048	-
FICA Reimbursements	NONE		77,079,741	7/1/2016 - 6/30/2017	77,079,741	77,079,741	-
Fringe Benefits Other Than FICA	NONE		89,721,647	7/1/2016 - 6/30/2017	89,721,647	89,721,647	-



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Department of State, continued:</b>							
General Operating Support	HC-GOS-2016-00010		186,244	7/1/2015 - 6/30/2016	93,525	47,615	-
General University Operations Support Camden	2416-140-829550-5		16,501,000	7/1/2016 - 6/30/2017	16,501,000	16,501,000	-
General University Operations Support Cancer Institute Of New Jersey	2410-140-829670-5		5,000,000	7/1/2016 - 6/30/2017	5,000,000	5,000,000	-
General University Operations Support Child Health Institute	2410-140-829790-5		1,700,000	7/1/2016 - 6/30/2017	1,700,000	1,700,000	-
General University Operations Support New Brunswick	2410-140-829500-5		177,082,572	7/1/2016 - 6/30/2017	177,082,572	177,082,572	-
General University Operations Support Newark	2417-140-829560-5		30,630,000	7/1/2016 - 6/30/2017	30,630,000	30,630,000	-
General University Operations Support School Of Biomedical And Health Sciences	2410-140-829800-5		137,384,942	7/1/2016 - 6/30/2017	137,384,942	137,384,942	-
New Jersey Jazz Musicians Archival Processing Project	HC-PROMINI-2016-023		18,514	8/1/2015 - 9/30/2016	12,589	-	-
New Jersey State Council On The Arts- General Program Support Fiscal Year 2016	1605X020018		58,651	7/1/2015 - 6/30/2016	33,668	-	-
Newark's Built Environment During Urban Renewal: Digitizing The Berg Photos	HC-PRO-2017-023		4,250	8/1/2016 - 6/15/2017	4,250	-	-
New Jersey Business Action Center of the Department of State	17BAC000SBDC		500,000	7/1/2016 - 6/30/2017	453,097	125,000	84,218
Paul Robeson Art Galleries General Program Support (GPS)	C-1605X020105		14,701	7/1/2015 - 6/30/2016	14,698	-	-
Rutgers Camden Center for the Arts (RCCA) Arts Education & Community Arts Program "Artist & Writer's Voice"	1715B040005		18,750	7/1/2016 - 6/30/2017	20,455	14,063	-
Rutgers Camden Center for Arts (RCCA) Education & Community Arts Programs - Artists & Writer's Voice Program	1615B040023		18,750	7/1/2015 - 6/30/2016	(2,064)	-	-
Rutgers-Camden Center for the Arts (RCCA) Exhibition, Arts Education & Community Arts Programs	1714X020030		163,500	7/1/2016 - 6/30/2017	143,427	92,625	-
Rutgers-Camden Center for the Arts (RCCA) Exhibition, Arts Education & Community Arts Programs	1714X020030		377,586	7/1/2016 - 6/30/2017	377,586	-	-
Rutgers University War Service Bureau Digitization Project	HC-PRO-2017-011		10,130	10/1/2016 - 9/30/2017	4,871	8,611	-
Rutgers-Camden Center for the Arts (RCCA) General Program Support (GPS)	1614X020106		163,500	7/1/2015 - 6/30/2016	34,513	-	-
Rutgers-Camden Center for the Arts (RCCA) General Program Support (GPS)	1614X020106		519	7/1/2015 - 6/30/2016	519	-	-
The New Jersey Historical Commission - Marion Thompson Wright Lecture Series 2017	Ck 0012806319 dated 2/1/17		5,000	2/1/2017 - 1/31/2018	5,000	5,000	-
Transcribing Recent Roha Interviews (2014-2016)	HC-PRO-2017-030		11,550	8/1/2016 - 6/30/2017	11,550	-	-
<b>Subtotal Department of State</b>			<b>557,835,926</b>		<b>557,459,307</b>	<b>556,475,456</b>	<b>84,218</b>
<b>Department of the Treasury:</b>							
Episomal Expression Vector For Metazoan Cells	931807		20,000	1/1/2008 - 12/31/2009	2	-	-
University of Medicine and Dentistry in NJ Autism Center	MOA		758,771	6/1/1999 - 6/30/2009	3	-	-
<b>Subtotal Department of the Treasury</b>			<b>778,771</b>		<b>5</b>	<b>-</b>	<b>-</b>
<b>Department of Transportation:</b>							
18th Annual Research Showcase	2010R003T/O # 341		34,004	8/1/2016 - 1/31/2017	34,004	-	-
Bridge Resource Program	2010R003TO349		1,599,996	5/15/2017 - 5/14/2018	52,076	-	-
<b>Subtotal Department of Transportation</b>			<b>1,634,000</b>		<b>86,080</b>	<b>-</b>	<b>-</b>
<b>Higher Education Student Assistance Authority:</b>							
Educational Opportunity Fund - Article IV	2601-100-074-2601-002		4,154,150	7/1/2016 - 6/30/2017	4,154,412	4,154,150	-
<b>Subtotal Higher Education Student Assistance Authority</b>			<b>4,154,150</b>		<b>4,154,412</b>	<b>4,154,150</b>	<b>-</b>



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Highlands Council:</b>							
Peer Review Of The Fiscal Impact Assessment Report	PROF SVC AGREE		49,500	1/5/2016 - 7/30/2016	(2,694)	8,507	--
<b>Subtotal Highlands Council</b>			<b>49,500</b>		<b>(2,694)</b>	<b>8,507</b>	<b>--</b>
<b>New Jersey Consumer Affairs:</b>							
Physical Therapy Examiners Course	MOU		90,000	2/1/2016 - 1/31/2018	19,469	68,300	--
<b>Subtotal New Jersey Consumer Affairs</b>			<b>90,000</b>		<b>19,469</b>	<b>68,300</b>	<b>--</b>
<b>New Jersey Educational Facilities Authority/Higher Education Capital Improvement Fund:</b>							
CIF - Life Sciences Center - Phase II Building	NONE		59,000,000	1/1/2014 - 6/30/2017	28,324,396	27,838,263	--
<b>Subtotal New Jersey Educational Facilities Authority/Higher Education Capital Improvement Fund</b>			<b>59,000,000</b>		<b>28,324,396</b>	<b>27,838,263</b>	<b>--</b>
<b>New Jersey Educational Facilities Authority/Higher Education Equipment Leasing Fund:</b>							
ELF III 047-04 Polymer And Nanomaterials	NONE		2,075,000	1/1/2014 - 6/30/2017	3,702	11,245	--
ELF III 047-12 Advanced Computer & Data Cloud	NONE		10,000,000	1/1/2014 - 6/30/2017	3,297,689	9,039,593	--
ELF III 047-18 Advanced Infrastructure for Computational Biomedicine	NONE		5,000,000	1/1/2014 - 6/30/2017	3,709,492	3,555,515	--
ELF III 047-28 Camden Data Center Infrastructure Update	NONE		900,000	1/1/2014 - 6/30/2017	1,410	--	--
ELF III 047-30 Camden Computers And Printers	NONE		1,298,900	1/1/2014 - 6/30/2017	26,265	230,397	--
ELF III 047-32 Transforming Educ., Research & Training	NONE		3,025,000	1/1/2014 - 6/30/2017	55,394	--	--
ELF III 047-34 Camden Enhanced Learning Space	NONE		1,977,608	1/1/2014 - 6/30/2017	(26,265)	10,118	--
ELF III 047-36 Ubiquitous Wireless Coverage	NONE		5,000,000	1/1/2014 - 6/30/2017	312,310	2,677,220	--
ELF III 047-37 Commercial Tier III Data Center	NONE		7,000,000	1/1/2014 - 6/30/2017	542	92,610	--
ELF III 047-46 Camden Chemistry	NONE		2,313,100	1/1/2014 - 6/30/2017	14,739	598,253	--
ELF III 047-47 Camden Access Switch	NONE		547,000	1/1/2014 - 6/30/2017	58,257	58,211	--
<b>Subtotal New Jersey Educational Facilities Authority/Higher Education Equipment Leasing Fund</b>			<b>39,136,608</b>		<b>7,453,535</b>	<b>16,273,162</b>	<b>--</b>
<b>New Jersey Educational Facilities Authority/Higher Education Facilities Trust:</b>							
HEFT - 15 Washington St Rutgers Estate Newark	NONE		10,750,000	1/1/2014 - 6/30/2017	47,132	52,774	--
HEFT - School Of Pharmacy Levin Hall Addition	NONE		16,750,000	1/1/2014 - 6/30/2017	13,517,192	10,549,928	--
HEFT - SDM Oral Health Science Lab Renovation	NONE		16,000,000	1/1/2014 - 6/30/2017	7,483,526	2,639,199	--
HEFT - SHP Stanley S. Bergen Building, GB Lab Renovation	NONE		4,030,705	1/1/2014 - 6/30/2017	807,674	368,369	--
HEFT - 305 Cooper Street Writer Renovation	NONE		4,250,000	1/1/2014 - 6/30/2017	5,692	--	--
<b>Subtotal New Jersey Educational Facilities Authority/Higher Education Facilities Trust</b>			<b>51,780,705</b>		<b>21,861,216</b>	<b>13,610,270</b>	<b>--</b>
<b>New Jersey Educational Facilities Authority/Higher Education Technology Infrastructure Fund:</b>							
HETI 047-35 Network Equipment Replenish And Refresh	NONE		2,250,000	1/1/2014 - 6/30/2017	3,629	--	--
HETI 047-36 Ubiquitous Wireless Coverage	NONE		650,000	1/1/2014 - 6/30/2017	90,173	92,856	--
<b>Subtotal New Jersey Educational Facilities Authority/Higher Education Technology Infrastructure Fund</b>			<b>2,900,000</b>		<b>93,802</b>	<b>92,856</b>	<b>--</b>
<b>New Jersey Office of Legislative Services:</b>							
Henry J. Raimondo New Jersey Legislative Fellows Program	CK#0012241562		345,000	7/1/2012 - 6/30/2018	68,761	--	--
State House Express Civics Education Program	CK#A0012266498		360,000	7/1/2005 - 6/30/2018	20,744	--	--
State Of New Jersey Appropriation For The Lipman Chair In Political Leadership	CK#0012241562		1,200,000	4/15/2005 - 6/30/2018	104,488	--	--
<b>Subtotal New Jersey Office of Legislative Services</b>			<b>1,905,000</b>		<b>193,993</b>	<b>--</b>	<b>--</b>





The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Direct, continued:</b>							
<b>Passaic Valley Sewerage Commission:</b>							
Pvsc- Green Infrastructure Site Design	1500004794		23,376	2/1/2014 - 6/24/2016	310	-	-
<b>Subtotal Passaic Valley Sewerage Commission</b>			<b>23,376</b>		<b>310</b>	<b>-</b>	<b>-</b>
<b>State of New Jersey-Building Our Future Bonds:</b>							
BOF 047-25 Chemistry & Chemical Biology Building	NONE		82,000,000	1/1/2014 - 6/30/2017	19,833,486	18,861,983	-
BOF 047-40 Institute For Food, Nutrition And Health	NONE		35,000,000	1/1/2014 - 6/30/2017	380,878	84,810	-
BOF 047-43 Camden Nursing School	NONE		46,875,000	1/1/2014 - 6/30/2017	17,300,653	18,229,382	-
BOF 058-01 Oral Health Pavilion C Level	NONE		10,000,000	1/1/2014 - 6/30/2017	736,033	1,430,409	-
<b>Subtotal State of New Jersey-Building Our Future Bonds</b>			<b>173,875,000</b>		<b>38,251,050</b>	<b>38,606,584</b>	<b>-</b>
<b>Subtotal Direct Other Programs</b>			<b>1,193,057,056</b>		<b>787,253,363</b>	<b>744,671,943</b>	<b>1,446,372</b>
<b>Pass Through:</b>							
<b>Department of Environmental Protection:</b>							
North Jersey Resource Conservation & Development Council: Musconetcong Implementation Project	RP13-027-319(H)GRANT	13-100-042-4801-442-3610	55,130	12/1/2013 - 11/30/2017	12,030	5,191	-
<b>Subtotal Department of Environmental Protection</b>			<b>55,130</b>		<b>12,030</b>	<b>5,191</b>	<b>-</b>
<b>Department of Health:</b>							
Association of Maternal & Child Health Programs: Screening & Genetics Services	DFHS16NWB001	16-100-046-4573-426-6140	79,000	7/1/2015 - 6/30/2016	(4,835)	21,445	-
Rowan University: Council Treatment Of Autism	CAUT13APLO16	CAUT13APLO16	125,248	6/24/2013 - 6/30/2017	1,933	-	-
Rowan University: Rowan University G63070 Huntington Disease	DHS16HDS001	DHS16HDS001	101,700	7/1/2015 - 6/30/2016	(2,484)	-	-
<b>Subtotal Department of Health</b>			<b>305,948</b>		<b>(5,386)</b>	<b>21,445</b>	<b>-</b>
<b>Department of Labor:</b>							
Boiling Springs Savings Bank: Boiling Springs Savings Bank Fiscal Year 15 (285)	S4J-FY2015-B285	S4J-FY2015-B285	20,167	4/27/2015 - 4/27/2016	11,477	-	-
Fitness & Wellness Professional Services: Fitness And Wellness Fiscal Year 16	NONE	N/A	26,485	3/1/2016 - 6/23/2018	13,504	7,710	-
Franklin Bank: Franklin Bank Fiscal Year 15 (267)	S4J-FY2015-267	S4J-FY2015-267	4,656	4/27/2015 - 4/27/2016	1,995	-	-
Various Corporations: First Hope Bank Fiscal Year 15 (263)	S4J-FY2015-BANK 263	S4J-FY2015-BANK 263	10,387	4/27/2015 - 4/27/2016	6,396	-	-
<b>Subtotal Department of Labor</b>			<b>61,695</b>		<b>33,372</b>	<b>7,710</b>	<b>-</b>
<b>Department of Law and Public Safety:</b>							
Boys and Girls Club of Vineland: Supporting Youth In Their Communities	039107-001	039107-001	30,000	10/1/2015 - 3/31/2017	18,234	5,000	-
Middlesex County: Histology Processing To Middlesex County Medical Examiner's Office	NONE	N/A	39,500	4/30/2015 - 12/31/2017	60,516	17,995	-
<b>Subtotal Department of Law and Public Safety</b>			<b>30,000</b>		<b>18,234</b>	<b>5,000</b>	<b>-</b>



The State University of New Jersey  
 Schedule of Expenditures of State of New Jersey Awards  
 Year ended June 30, 2017

State of New Jersey Grantor/Pass-through Grantor/Program or Cluster title	Grant/Reference Number	Pass-through Entity Identifying Number	Grant Amount	Grant Period	Current Year Expenditures	Current Year Funds Received	Passed-through to Subrecipients
<b>Other Programs Cluster, continued:</b>							
<b>Pass Through, continued:</b>							
<b>Department of Transportation:</b>							
New Jersey Institute of Technology:							
Intelligent Transportation Systems Resource Center (ITSRC)	996475	NJIT2005 TO #115	14,499	5/15/2017 - 3/31/2020	14,499	-	-
<b>Subtotal Department of Transportation</b>			<u>14,499</u>		<u>14,499</u>	<u>-</u>	<u>-</u>
<b>Subtotal Pass Through Other Programs</b>			<u>506,772</u>		<u>133,265</u>	<u>57,341</u>	<u>-</u>
<b>Subtotal Other Programs Cluster</b>			<u>1,193,563,828</u>		<u>787,386,628</u>	<u>744,729,284</u>	<u>1,446,372</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>1,405,559,159</u>		<u>923,661,261</u>	<u>864,796,162</u>	<u>2,439,675</u>

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

Notes to Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2017

**(1) Basis of Presentation**

The purpose of the schedule of expenditures of State financial assistance (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, 2017, which have been financed by the State of New Jersey (State awards). For purposes of the schedule, State awards include all State of New Jersey assistance and procurement relationships entered into directly between the University and the State of New Jersey and sub-awards from non-State organizations made under State sponsored agreements. The information in this schedule is presented in accordance with the requirements of New Jersey Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the 2017 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. The University has included expenditures and adjustments on prior year grant awards where extensions have been granted from funding agencies or additional funding is expected from funding agencies.

The accounting principles followed by the University in preparing the accompanying schedule are as follows:

- Student Financial Assistance – 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 Assistance – 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 State 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.
- Certain State awards are reported on the schedule in which the University has not received the executed grant award or contract from the State or an extension on a pre-existing award; however, the University is required to report to the State the expenditures in the fiscal year in which they are incurred.

**(2) Indirect Cost Rate**

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

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

Notes to Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2017

**(3) FICA Reimbursements and Fringe Benefits Other than FICA Programs**

The amounts included in the schedule represent the amount of cash received by the University from the State of New Jersey for FICA reimbursements and retirement plans. An additional estimated amount representing other net fringe benefit costs of approximately \$168,934,612 is included in the University's basic financial statements, but not included in the schedule. This amount, paid on behalf of the University by the State of New Jersey, is only an estimate as the actual amount is not readily determinable.



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Rutgers, The State University of New Jersey (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 8, 2017. 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 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 a 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002, that we consider to be significant deficiencies.

### **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 Responses to Findings**

The University's responses to the 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 the financial statements and, accordingly, we express no opinion on the responses.

### **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  
December 8, 2017



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

**Independent Auditors' Report on Compliance for Each Major State of New Jersey Program;  
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures  
of State Financial Assistance Required by New Jersey OMB Circular 15-08,  
*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***

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

**Report on Compliance for Each Major State of New Jersey Program**

We have audited Rutgers, The State University of New Jersey's (the University) compliance with the types of compliance requirements described in the New Jersey Office of Management and Budget (New Jersey OMB) *State Grant Compliance Supplement* that could have a direct and material effect on each of the University's major State of New Jersey programs for the year ended June 30, 2017. The University's major State of New Jersey 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 State of New Jersey statutes, regulations, and the terms and conditions of its State of New Jersey awards applicable to its State of New Jersey programs.

*Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the University's major State of New Jersey 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 New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular 15-08 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 State of New Jersey 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 State of New Jersey program. However, our audit does not provide a legal determination of the University's compliance.

*Opinion on Each Major State of New Jersey 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 State of New Jersey programs for the year ended June 30, 2017.



### *Other Matters*

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2017-003, 2017-004, and 2017-005. Our opinion on each major State of New Jersey 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 State of New Jersey program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State of New Jersey program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, 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 State of New Jersey 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 State of New Jersey 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 State of New Jersey 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 deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-003, 2017-004, and 2017-005 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

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, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated December 8, 2017, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance (the Schedule) is presented for purposes of additional analysis as required by New Jersey OMB Circular 15-08 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  
April 5, 2018

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

Schedule of Findings and Questioned Costs

June 30, 2017

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

- a. Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **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, 2017. 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.**
- b. Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
  - Material weaknesses: **No**
  - Significant deficiencies: **2017-001 and 2017-002**
- c. Noncompliance material to the financial statements: **No**
- d. Internal control deficiencies over major programs disclosed by the audit:
  - Material weaknesses: **No**
  - Significant deficiencies: **2017-003, 2017-004, 2017-005**
- e. Type of report issued on compliance for major programs: **Unmodified**
- f. Audit findings that are required to be reported under New Jersey OMB Circular 15-08 for the year ended June 30, 2017: **2017-003, 2017-004, 2017-005**
- g. Major programs:
  - Research and Development Cluster
  - Student Financial Assistance Cluster
  - State Appropriations – Grants-in-Aid, Agricultural Experiment Station and General University Operations Support
  - Building our Future Bonds
  - FICA Reimbursements
  - Fringe Benefits Other Than FICA Child Health Program
  - Child Health Program
- h. Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**

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

Schedule of Findings and Questioned Costs

June 30, 2017

i. Auditee qualified as a low risk auditee: **No**

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

***2017-001 Grants Management***

Subsequent to the system implementation, there were conversion errors noted in the grants project ledger that made it difficult for management to issue invoices for federal and state grants within the system. Instead, management decided to issue these invoices manually, outside of the system. There were also conversion issues identified that impacted revenue recognition, since revenue is recognized as the expenses are incurred. During our test work over grants revenue, for several items in our sample, we noted that expenses in the system (the sum of pre-conversion balances from RIAS and Banner and post-conversion balances from Oracle) were not in agreement with the revenue that was recognized. While we tested a sample of grants revenue, the error we noted for revenue recognition was projected to the entire population and approximated a \$11.9 million overstatement.

Not issuing bills in the system impacts receivables in three ways. First, the unbilled receivables were not replaced with billed receivables, and therefore, at June 30, 2017 all receivables are in an unbilled position in the grants project ledger. Second, as cash is received it takes significant management effort to match up the cash to the appropriate unbilled receivable and therefore, unapplied cash in the grants project ledger is approximately \$300 million at June 30, 2017. Third, since all billed invoices were issued outside of the system, there is no aging of these receivables that exists in the system, which makes it difficult for management to determine old receivables that could be uncollectible. Therefore, management does not have appropriate information to be able to make decisions about reserves for these receivables.

**Recommendation:**

We have several recommendations. First, we recommend that management resolve the data conversion issues, which continue to exist in fiscal year 2018, so that invoices can be issued from the system. Second, we recommend that management reconcile the cash received that is recorded in unapplied cash in the grants project ledger to the appropriate grant and unbilled receivable balance so an appropriate billed receivable balance can be determined. Lastly, we recommend that management develop a methodology to calculate a quarterly reserve for uncollectable balances and the write off receivables that are aged over a certain date.

**Views of Responsible Officials:**

The University identified this issue during the conversion process and agrees with the recommendations. The Grant and Contract Accounting (GCA) Office is actively working to rectify conversion and implementation issues during FY2018. GCA and the University Controller's Office (UCO) are also actively engaged in creating standard reports for aging of receivables as well as a process to analyze and remediate potential doubtful accounts with the goal of calculating reserves on a regular basis.

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

Schedule of Findings and Questioned Costs

June 30, 2017

***2017-002 Timeliness of Account Reconciliations***

In October 2016, the University implemented a new enterprise resource planning (ERP) system, Oracle Financials Cloud, to drive consistency and efficiency in the way financial information is reported across the University. The new system combined the previous two general ledger systems used by the University, RIAS (Oracle E-Business) and Banner, into one comprehensive system, which includes purchasing and accounts payable, general ledger and various project ledger systems. Subsequent to the implementation, key reconciliations, including those over cash, investments, grants, capital assets, and payroll, were not completed in a timely manner. Key vacant positions, including the Controller, was a contributing factor as to why reconciliations were not being prepared or completed timely. This resulted in numerous closing and post-closing entries to reclassify and correct balances when the financial statements were prepared at year-end.

**Recommendation:**

We recommend that management implement procedures to reconcile key account balances to project sub ledger detail and third party information (bank statements, investment statements), as applicable, on a monthly basis. We believe these monthly reconciliations are necessary for management to meet their goal of monthly closes for the University's general ledger.

**Views of Responsible Officials:**

The University identified this issue during the conversion process and agrees with the recommendations. During FY2018, the UCO will evaluate the impact of the conversion on the account reconciliations processes and implement appropriate new processes to accomplish the goal of monthly closes and reconciliations.

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

Schedule of Findings and Questioned Costs

June 30, 2017

**(3) Findings and Questioned Costs Relating to State of New Jersey Awards**

***Finding 2017-003 Types of Services Allowed or Disallowed and Reporting – Fringe Benefits and Indirect Costs***

Research and Development Cluster:

State of New Jersey, Department of Health:

Coordination of Prevention and Care Planning and Capacity Development Initiative

Lattimore Practice-State

Screening Access of Value for Essex (SAVE) Women and Men FY 17

HIV Prevention Services in Healthcare Settings

Improving Retention In Care and HIVE Virologic Suppression Through Intensive Medical Care Management

State of New Jersey, Department of Human Services:

Developmental Disabilities

New Jersey Center Of Excellence (NJCE) Program Site Grant 2012

State of New Jersey, Department of Children and Families:

Promising Pathway to Success

Training and Technical Assistance

State of New Jersey, Department of Transportation:

Pavement Support Program 2016

2016 New Jersey Local Technical Assistance Program (LTAP)

Bicycle and Pedestrian Resource Center

Technical Support For Snow Storm As A Part Of On-call Technical Support Services (Part C)

State of New Jersey, Department of Children and Families:

Child Health Program

**State Grant Numbers:**

2010R003 T.O 338 (01/01/2016-12/31/2018), 2010R003 T.O 337 (01/01/2016-12/31/2017), 18ML17R (07/01/2016-06/30/2017), CAUT12APS006 (06/15/2012-06/30/2018), 112-15 T.O. #D-1, Part A (07/21/2015-07/20/2017), MOA HIV/AIDS 2017 (01/01/2017-12/31/2017), 2010R003 T.O 334 (01/04/2016-01/04/2017), EPID17TBS006 (07/01/2016-06/30/2017), 16SAMSHAPPOS (10/01/2015-09/30/2016), 16EGMR (01/01/2016-12/31/2016), DFHS17CED008 (07/01/2016-06/30/2017), AIDS17CTR027 (07/01/2016-06/30/2017), AIDS17CTN013 (07/01/2016-06/30/2017), 16RNGM (07/01/2015-06/30/2016), 17RNGM (07/01/2016-06/30/2017)

**Statistically Valid Sample:** No, and it was not intended to be

**Prior Year Finding:** 2016-002

**Finding Type:** Significant Deficiency and Noncompliance

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

Schedule of Findings and Questioned Costs

June 30, 2017

**Criteria:**

Funds can only be used for services identified within the grant/contract with the State of New Jersey (the State). The services should be consistent with the program objectives. Expenditure reports are to be submitted as specified within the contract document and should be supported by books and records from which the basic financial statements were derived.

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

**Condition and Context:**

The University charges indirect costs and fringe benefits to the State of New Jersey awards based on approved rates included in the grant agreements or on federally approved rates included in the Colleges and University's 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 salary and nonsalary expenditures incurred for the grant. The grant expenditures are reconciled on the same frequency as their reporting and 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 grant agreement/federally approved rate. However, the incorrect fringe rate was being used and the University was not including/excluding certain accounts into their reconciliations, which caused the fringe benefits and indirect costs to be either overcharged or undercharged depending on the instance.

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

Schedule of Findings and Questioned Costs

June 30, 2017

Out of twenty-five grants within the Research and Development Cluster selected for testwork and recalculated to determine if the correct fringe benefits were charged to the grant, the following differences were calculated:

<u>Program</u>	<u>Recalculated Amount</u>	<u>University general ledger and reported amount</u>	<u>Difference under reported (over reported)</u>
Research and Development Cluster:			
2016 Pavement Support Program Workplan	\$ 225,412	238,333	(12,921)
Local Technical Assistance Program 16-18	100,387	117,371	(16,984)
Developmental Disabilities	115,379	114,133	1,246
Autism NJ Center of Excellence	72,428	68,830	3,598
New Jersey Turnpike Authority	81,013	71,911	9,102
Coordination of Prevention and Care Planning and Capacity Development Initiative	85,629	84,660	969
Bicycle and Pedestrian Resource Center	43,709	43,220	489
Lattimore Practice State	238,364	223,897	14,467
Promising Path to Success	96,288	79,242	17,046
Training and Technical Assistance	161,383	146,347	15,036
Screening Access of Value for Essex Women and Men	76,110	57,956	18,154
Improving Retention in Care and HIV Virologic Suppression	89,239	92,032	(2,793)
HIV Prevention Services in Healthcare Settings	79,325	70,474	8,851
Training and Technical Assistance DD/MI	18,223	7,880	10,343
Research and Development Cluster			\$ <u>66,603</u>

For other major programs with fringe benefits selected for testwork and recalculated to determine if the correct fringe benefits were charged to the grant, the following difference was calculated:

<u>Program</u>	<u>Recalculated Amount</u>	<u>University general ledger and reported amount</u>	<u>Difference under reported (over reported)</u>
Child Health Program	\$ 9,093,412	8,985,740	\$ <u>107,672</u>
			\$ <u>107,672</u>

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

Schedule of Findings and Questioned Costs

June 30, 2017

Out of twenty-three grants within the Research and Development Cluster selected for testwork and recalculated to determine if the correct indirect costs were charged to the grant, the following differences were calculated:

Program	Recalculated Amount	University general ledger and reported amount	Difference under reported (over reported)
Research and Development Cluster:			
Improving Retention in Care and HIV Virologic Suppression	\$ 32,859	33,506	(647)
HIV Prevention Services in Healthcare Setting	27,667	25,682	1,985
2016 Pavement Support Program Workplan	477,126	365,555	111,571
Local Technical Assistance Program 16-18	121,033	130,835	(9,802)
Autism NJ Center of Excellence	50,094	48,882	1,212
New Jersey Turnpike Authority	36,491	34,357	2,134
Coordination of Prevention and Care Planning and Capacity Development Initiative	36,231	33,285	<u>2,946</u>
Research and Development Cluster			<u>\$ 109,399</u>

**Cause:**

For fringe benefits, before the system conversion on October 1, 2016 the old composite rate was used. When the expenditures went over to the new system there was an overall adjustment to the fringe benefit expense for the new composite, however it was not applied on a grant level. For indirect cost expenditures, either the wrong rate was used or accounts were missing from the calculation the University was performing.

**Effect:**

As of June 30, 2017, fringe benefits or indirect costs were improperly charged to the grant.

**Questioned Costs:**

The difference between the amount charged to the grants and the calculation of indirect costs resulted in an overcharge of fringe benefits and indirect costs to Local Technical Assistance Program 2016-2018 of \$26,786, an overcharge of fringe benefits and indirect cost to Improving Retention in Care and HIV Virologic Suppression of \$3,440 and an overcharge of fringe benefits of to 2016 Pavement Support Program Workplan of \$12,921.

**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 cost accounts are included in the calculation and that the correct fringe benefit and indirect cost rates are used within the calculation during the interim and final reporting.



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

Schedule of Findings and Questioned Costs

June 30, 2017

**Views 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 the transition to a unified University general ledger, the University is 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 to ensure that the correct fringe rate as approved by the 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.

***Finding 2017-004 Reporting***

Research and Development Cluster:

State of New Jersey, Department of Human Services  
Impacts of Internet Gaming for the State of New Jersey

**State Grant Number:**

037396-001-001 (01/01/15 – 12/31/17)

**Statistically Valid Sample:** No, and it was not intended to be

**Prior Year Finding:** N/A

**Finding Type:** Significant Deficiency and Noncompliance

**Criteria:**

Per the grant agreement, expenditure reports are required. If applicable, these will be submitted, by the Service Provider agency (the University) no later than fifteen (15) days after the end of each quarter during the fiscal year.

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

**Condition and Context:**

The University is required to submit a quarterly expenditure report to the State of New Jersey, Department of Human Services. Each quarter the grant accountant pulls the general ledger detail showing expenditures which have been incurred for the grant and prepare an expenditure report detailing expenditures for the period. This expenditure report is submitted to the State of New Jersey to request reimbursement for the expenditures incurred for the period.

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

Schedule of Findings and Questioned Costs

June 30, 2017

Out of a total of forty expenditure reports selected for testwork within the Research and Development Cluster, there were two quarterly expenditure reports for a grant selected that were not filed for the quarters ending March 31, 2017 and June 30, 2017 as required.

**Cause:**

There was an oversight on this grant causing the University not to file the March 31, 2017 and June 30, 2017 quarterly reports as required.

**Effect:**

The University is not being reimbursed for their grant related expenditures and the University is not in compliance with the terms of the grant agreement. By not submitting these required expenditure reports to the State of New Jersey, the University is not being reimbursed for the expenses they incurred on this grant. Further, the University is not in compliance with the reporting requirements of the grant agreement.

**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 reporting process to ensure that all required reports are submitted to the State of New Jersey within the required timeframe of the grant agreement.

**Views of Responsible Official:**

The University concurs with this finding and will strengthen the procedures to ensure that all required reports are submitted within the require timeframe of the grant agreement.

***Finding 2017-005 Types of Services Allowed and Disallowed and Reporting***

State of New Jersey, Higher Education Administration

FICA Reimbursements  
Fringe Benefit Other Than FICA

**State Grant Number:**

None

**Statistically Valid Sample:** No, and it was not intended to be

**Prior Year Finding:** N/A

**Finding Type:** Significant Deficiency and Noncompliance

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

Schedule of Findings and Questioned Costs

June 30, 2017

**Criteria:**

*FICA*

All employees' payments are initially funded by the senior public colleges and universities, according to federal requirements. The institutions are reimbursed by the State only for FICA payments made on behalf of employees whose positions are authorized as State-funded by the annual Appropriations Act. Institutions submit reimbursement requests on a weekly or biweekly basis.

Reimbursement is provided only for payments made on behalf of employees up to the total authorized in the annual Appropriations Act. Payments made for positions beyond the number authorized in the annual Appropriations Act must be deducted from weekly or biweekly reimbursement requests or remitted to the state on a quarterly basis.

Institutions must provide a reconciliation of gross payroll to the State-funded payroll amount used as the basis for calculating the FICA reimbursement with each request for reimbursement.

*Fringe Benefit Other Than FICA*

All employees' benefits are initially funded by State funds. The senior public colleges and universities must reimburse the State on a quarterly basis for fringe benefit payments made on behalf of employees beyond the number authorized in the annual Appropriations Act, whether these employees' salaries are funded from State or non-State sources.

Reimbursement is required for payments made on behalf of employees beyond the number authorized in the annual Appropriations Act. Reimbursement is made on a quarterly basis, at rates established in OMB Circular 13-12; payments are due no later than the 30th of the month following the end of each quarter.

Quarterly remittance reports must include a reconciliation of the institution's gross non-State payroll to the non-State payroll amount used as the basis for calculating the other than FICA fringe benefit reimbursement.

*FICA and Fringe Benefit Other Than FICA*

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

**Condition and Context:**

The University files a monthly reimbursement requests for FICA reimbursement and quarterly reimbursement requests for Fringe Other Than FICA reimbursement to the State of New Jersey. In order to complete the reimbursement requests required under these programs, the University will compile various information from the payroll system including the payroll distribution report. This report is sorted in particular ways, usually from highest paid to lowest paid, for the University to obtain the employees that will be reported as State-funded and the employees who will be reported as not State-funded. The University will calculate the total number of State funded positions to be included on each request for the time period based on the authorized

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

Schedule of Findings and Questioned Costs

June 30, 2017

positions for the University. The number of employees per category is then recorded on the report and the salary/wages for those employees is also reported and submitted to the State.

KPMG selected a sample of three monthly FICA reports (October 2016, December 2016, and June 2017) and two quarterly Fringe Benefit Other Than FICA reports (December 31, 2017 and June 30, 2017). The University was able to provide supporting documentation for the numbers reported on the reimbursement requests, however the University was not able to provide a reconciliation of these amounts to the University's general ledger to validate the accuracy of the information reported for the period.

**Cause:**

Due to the general ledger system implementation in October 2016, various entries were posted to the University's general ledger after submission of the FICA and Fringe Benefit Other Than FICA reimbursement requests. As a result, the submitted reimbursement requests do not reconcile to the general ledger for the period of submission.

**Effect:**

The University was not able to reconcile the amounts reported in the FICA and Fringe Benefit Other Than FICA reimbursement requests to the general ledger, therefore the amounts submitted to be reimbursed by the State of New Jersey may not be accurate.

**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 FICA and Fringe Benefit Other Than FICA reimbursement process to ensure that payroll reports used to compile the submissions are reconciled to the general ledger prior to submission of the reports.

**Views of Responsible Official:**

The University agrees with the finding and recommendation. During the third quarter of fiscal year 2018, the University started to develop and implement new policies and procedures to strengthen its policies and procedures over the FICA and Fringe Benefit Other Than FICA reimbursement process to ensure that payroll reports used to compile the submissions reconcile to the general ledger prior to submission of the reports. In addition, the University launched a longer term project to more comprehensively evaluate and improve related business processes. The results of that long-term effort are expected to further evolve and improve controls in fiscal year 2019 and possibly beyond as we expect to implement a new Human Resources and Payroll system in the next two to three years.



**Corrective Action Plan  
Year Ended June 30, 2017**

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

***2017-001 Grants Management***

**Contact Person:** Angelo Chrisomalis, Director, Grant & Contract Accounting, 848-932-4146

**Corrective Action:**

The University identified this issue during the conversion process and agrees with the recommendations. The Grant and Contract Accounting (GCA) Office is actively working to rectify conversion and implementation issues during FY2018. GCA and the University Controller's Office (UCO) are also actively engaged in creating standard reports for aging of receivables as well as a process to analyze and remediate potential doubtful accounts with the goal of calculating reserves on a regular basis.

**Anticipated Completion Date:** June 2018

***2017-002 Timeliness of Account Reconciliations***

**Contact Person:** Peter Larson, Associate Vice President and University Controller, 848-445-5012

**Corrective Action:**

The University identified this issue during the conversion process and agrees with the recommendations. During FY2018, the UCO will evaluate the impact of the conversion on the account reconciliations processes and implement appropriate new processes to accomplish the goal of monthly closes and reconciliations.

**Anticipated Completion Date:** June 2018



## **Findings Related to State Financial Assistance**

### ***Finding 2017-003 Types of Services Allowed or Disallowed and Reporting – Fringe Benefits and Indirect Costs***

**State of New Jersey Agencies:** State of New Jersey, Department of Health, State of New Jersey, Department of Human Services, State of New Jersey, Department of Children and Families, State of New Jersey, Department of Transportation

**Program Titles:** Research and Development Cluster: Coordination of Prevention and Care Planning and Capacity Development Initiative, Lattimore Practice-State, Screening Access of Value for Essex (SAVE) Women and Men FY17, HIV Prevention Services in Healthcare Settings, Improving Retention In Care and HIVE Virologic Suppression Through Intensive Medical Care Management, Developmental Disabilities, New Jersey Center Of Excellence (NJCE) Program Site Grant 2012, Promising Pathway to Success, Training and Technical Assistance, Pavement Support Program 2016, 2016 New Jersey Local Technical Assistance Program (LTAP), Bicycle and Pedestrian Resource Center, Technical Support For Snow Storm As A Part Of On-call Technical Support Services (Part C), Child Health Program

**State Grant Numbers:** 2010R003 T.O 338 (01/01/2016-12/31/2018), 2010R003 T.O 337 (01/01/2016-12/31/2017), 18ML17R (07/01/2016-06/30/2017), CAUT12APS006 (06/15/2012-06/30/2018), 112-15 T.O. #D-1, Part A (07/21/2015-07/20/2017), MOA HIV/AIDS 2017 (01/01/2017-12/31/2017), 2010R003 T.O 334 (01/04/2016-01/04/2017), EPID17TBS006 (07/01/2016-06/30/2017), 16SAMSHAPPOS (10/01/2015-09/30/2016), 16EGMR (01/01/2016-12/31/2016), DFHS17CED008 (07/01/2016-06/30/2017), AIDS17CTR027 (07/01/2016-06/30/2017), AIDS17CTN013 (07/01/2016-06/30/2017), 16RNGM (07/01/2015-06/30/2016), 17RNGM (07/01/2016-06/30/2017)

**Contact Person:** Angelo Chrisomalis, Director, Grant & Contract Accounting, 848-932-4146

### **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 the transition to a unified Rutgers general ledger, the University is 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 to ensure that the correct fringe rate as approved by the 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:** June 2018



***Finding 2017-004 Reporting***

**State of New Jersey Agency:** State of New Jersey, Department of Human Services

**Program Title:** Research and Development Cluster: Impacts of Internet Gaming for the State of New Jersey

**State Grant Number:** 037396-001-001 (01/01/15 – 12/31/17)

**Contact Person:** Angelo Chrisomalis, Director, Grant & Contract Accounting, 848-932-4146

**Corrective Action:**

The University will strengthen the procedures to ensure that all required reports are submitted within the require timeframe of the grant agreement.

**Anticipated Completion Date:** June 2018

***Finding 2017-005 – Types of Services Allowed and Disallowed and Reporting***

**State of New Jersey Agency:** State of New Jersey, Higher Education Administration

**Program Title:** FICA Reimbursements, Fringe Benefit Other Than FICA

**State Grant Number:** None

**Contact Person:** Peter Larson, Associate Vice President and University Controller, 848-445-5012

**Corrective Action:**

During the third quarter of fiscal year 2018, the University started to develop and implement new policies and procedures to strengthen its policies and procedures over the FICA and Fringe Benefit Other Than FICA reimbursement process to ensure that payroll reports used to compile the submissions reconcile to the general ledger prior to submission of the reports. In addition, the University launched a longer term project to more comprehensively evaluate and improve related business processes. The results of that long-term effort are expected to further evolve and improve controls in fiscal year 2019 and possibly beyond as we expect to implement a new Human Resources and Payroll system in the next two to three years.

**Anticipated Completion Date:** June 2019



**Summary of Prior Year Findings  
Year Ended June 30, 2017**

**Findings Related 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 post-award 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.

**Contact Person:** Angelo Chrisomalis, Director, Grant & Contract Accounting, 848-932-4146

**Status:** The University implemented a consolidated general ledger with a new grants module in October 2016. The evaluation of the net realizable value of the grant receivables is currently in progress and is expected to continue through fiscal year 2018.

**Anticipated Completion Date:** June 2018





## **Findings Related to State Financial Assistance**

### ***Finding 2016-002 Types of Services Allowed or Disallowed and Reporting – Fringe Benefits and Indirect Costs***

#### **State of New Jersey Agencies and Program Titles:**

Research and Development Cluster: State of New Jersey, Department of Health: SEER; Council Treatment of Autism; New Jersey AIDS Line, State of New Jersey, Department of Human Services (DHS): Developmental Disabilities; Training and Technical Assistance, State of New Jersey, Department of Children and Families (DCF): Promising Path to Success; Training and Technical Assistance, State of New Jersey, Department of Health, Vets4Warriors; TB Specialty Clinic Services 2016, State of New Jersey, Department of Human Services: Rapid HIV Testing

**State Grant Numbers:** AIDS14CTN017, CSCR12IRG007, 10-407-SCH-E0, TP000564-01, CBIR13IRG017, 15EGMR, C20101 and 04ME15C

**Contact Person:** Angelo Chrisomalis, Director, Grant & Contract Accounting, 848-932-4146

**Status:** The University has transitioned to a unified general ledger which improved the application and recalculation of fringe benefit rates. The University has implemented a standard practice that all fringe benefits and F&A charged to an award be verified and, if necessary, adjusted at time of billing to ensure that the correct fringe rate as approved by the cognizant agency is being applied. New procedures have been put in place to ensure the correct fringe benefits and indirect costs are calculated for the respective State grants throughout the grant period and include the reconciliation at interim and final reporting.

**Anticipated Completion Date:** June 2018