



CORNELL UNIVERSITY

OMB Circular A-133 Audit Reports

June 30, 2007

(With Independent Auditors' Report Thereon)

CORNELL UNIVERSITY

Table of Contents

	Page
Independent Auditors' Report on Consolidated Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	1
Basic Consolidated Financial Statements	3
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	39
Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	43
Schedule of Findings and Questioned Costs	45



KPMG LLP
515 Broadway
Albany, NY 12207

Independent Auditors' Report on Consolidated Financial Statements and Supplementary Schedule of Expenditures of Federal Awards

The Board of Trustees
Cornell University:

We have audited the accompanying consolidated statement of financial position of Cornell University (the University) as of June 30, 2007, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the University's 2006 financial statements and, in our report dated September 28, 2006, we expressed an unqualified opinion on those consolidated financial statements.

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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cornell University as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in notes 1(O) and 5(C) to the consolidated financial statements, in 2007 the University adopted the provisions of Financial Accounting Standards Board Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2007, on our consideration of Cornell University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

KPMG LLP

September 20, 2007
Albany, New York

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2007 (in thousands)

(WITH COMPARATIVE INFORMATION AS OF JUNE 30, 2006)

	2007	2006
Assets		
1 Cash and cash equivalents	\$ 27,569	\$ 23,089
2 Collateral for securities loaned	346,804	232,455
3 Accounts receivable, net (note 2-A)	247,965	209,125
4 Contributions receivable, net (note 2-B)	495,910	335,625
5 Inventories and prepaid expenses	75,176	62,727
6 Student loans receivable, net (note 2-C)	64,931	63,707
7 Investments (note 3)	6,369,225	5,260,449
8 Land, buildings, and equipment, net (note 4)	2,348,223	2,085,076
9 Funds held in trust by others	103,550	111,752
10 Total assets	<u>\$ 10,079,353</u>	<u>\$ 8,384,005</u>
Liabilities		
11 Accounts payable and accrued expenses	\$ 245,374	\$ 208,066
12 Payable under securities loan agreements	346,804	232,455
13 Deferred revenue and other liabilities	120,210	154,417
14 Obligations under split interest agreements	125,131	103,585
15 Deferred benefits (note 5)	374,557	260,802
16 Funds held in trust for others (note 6)	184,830	93,404
17 Bonds and notes payable (note 7)	800,107	702,064
18 Government advances for student loans	43,875	43,857
19 Total liabilities	<u>2,240,888</u>	<u>1,798,650</u>
Net assets (note 10)		
20 Unrestricted	5,303,889	4,351,561
21 Temporarily restricted	777,922	646,190
22 Permanently restricted	1,756,654	1,587,604
23 Total net assets	<u>7,838,465</u>	<u>6,585,355</u>
24 Total liabilities and net assets	<u>\$ 10,079,353</u>	<u>\$ 8,384,005</u>

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)

(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2006)

	Unrestricted	Temporarily Restricted
Operating revenues		
1 Tuition and fees	\$ 633,387	\$ -
2 Scholarship allowance	(189,225)	-
3 Net tuition and fees	444,162	-
4 State and federal appropriations	173,360	-
5 Grants, contracts and similar agreements		
6 Direct	381,003	-
7 Indirect cost recoveries	119,837	-
8 Contributions	91,188	127,948
9 Investment return, distributed	216,355	74,300
10 Medical Physicians' Organization	438,355	-
11 Auxiliary enterprises	134,377	-
12 Educational activities and other sales and services	304,861	-
13 Net assets released from restrictions	130,116	(130,116)
14 Total operating revenues	2,433,614	72,132
Operating expenses (note 9)		
15 Compensation and benefits	1,620,037	-
16 Purchased services	114,785	-
17 Supplies and general	440,481	-
18 Utilities, rents and taxes	120,853	-
19 Interest expense	30,509	-
20 Depreciation	147,639	-
21 Total operating expenses	2,474,304	-
22 Change in net assets from operating activities	(40,690)	72,132
Nonoperating revenues and (expenses)		
23 State and federal appropriations for capital acquisitions	25,220	-
24 Grants, contracts and similar agreements for capital acquisitions	6,805	-
25 Contributions for capital acquisitions, trusts and endowments	19,137	149,033
26 Investment return, net of amount distributed	911,254	3,162
27 Change in value of split interest agreements	2,959	3,528
28 Other	21,754	-
29 Net asset released for capital acquisitions and reclassifications	83,022	(96,123)
30 Change in net assets from nonoperating activities	1,070,151	59,600
31 Change in net assets before cumulative effect and effect of adoption of FASB Statement No. 158	1,029,461	131,732
32 Cumulative effect of change in accounting principle	-	-
33 Effect of adoption of FASB Statement No. 158 (notes 1-O, 5-C)	(77,133)	-
34 Change in net assets	952,328	131,732
35 Net assets, beginning of the year	4,351,561	646,190
36 Net assets, end of the year	\$ 5,303,889	\$ 777,922

The accompanying notes are an integral part of the consolidated financial statements.

Permanently Restricted	2007 Total	2006 Total	
\$ -	\$ 633,387	\$ 593,194	1
-	(189,225)	(177,999)	2
-	444,162	415,195	3
-	173,360	162,839	4
			5
-	381,003	394,082	6
-	119,837	122,273	7
-	219,136	271,170	8
-	290,655	248,388	9
-	438,355	388,871	10
-	134,377	125,975	11
-	304,861	310,999	12
-	-	-	13
-	2,505,746	2,439,792	14
-	1,620,037	1,541,207	15
-	114,785	116,210	16
-	440,481	431,979	17
-	120,853	121,544	18
-	30,509	28,584	19
-	147,639	128,246	20
-	2,474,304	2,367,770	21
-	31,442	72,022	22
-	25,220	25,547	23
-	6,805	15,744	24
153,244	321,414	138,392	25
(2,955)	911,461	448,164	26
5,660	12,147	16,639	27
-	21,754	15,573	28
13,101	-	-	29
169,050	1,298,801	660,059	30
169,050	1,330,243	732,081	31
-	-	(17,192)	32
-	(77,133)	-	33
169,050	1,253,110	714,889	34
1,587,604	6,585,355	5,870,466	35
\$ 1,756,654	\$ 7,838,465	\$ 6,585,355	36

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2007 (in thousands)
(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2006)

	2007	2006
Cash flows from operating activities		
1 Change in net assets	\$ 1,253,110	\$ 714,889
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities		
Nonoperating items		
2 Contributions for capital acquisitions, trusts and endowments	(240,231)	(144,342)
3 Gifts in kind	(10,211)	(4,538)
4 Income for endowments and other donor restricted funds	(7,588)	(11,458)
Non-cash items		
5 Depreciation	147,639	128,246
6 Net realized (gains)/losses on investments	(394,161)	(318,560)
7 Net unrealized (gains)/losses on investments	(702,309)	(274,997)
8 Loss on equipment disposals	5,580	4,105
9 Accretion of bond discount	228	1,367
10 Cumulative effect of change in accounting principle	-	17,192
11 Effect of adoption of FASB Statement No. 158	77,133	-
12 Other non-cash items	(21,619)	(20,007)
Change in assets and liabilities		
13 Accounts receivable, net	(38,840)	9,328
14 Contributions receivable, net	(160,285)	(23,676)
15 Inventories and prepaid expenses	(13,012)	(14,927)
16 Accounts payable and accrued expenses	37,308	(24,683)
17 Deferred revenue and other liabilities	(34,207)	15,036
18 Deferred benefits	36,622	53,363
19 Government advances for student loans	18	(962)
20 Net cash provided/(used) by operating activities	<u>(64,825)</u>	<u>105,376</u>
Cash flows from investing activities		
21 Proceeds from the sale and maturities of investments	8,049,830	10,351,677
22 Purchase of investments	(8,036,595)	(10,406,671)
23 Acquisition of land, buildings, and equipment (net)	(406,155)	(340,649)
24 Student loans granted	(15,725)	(15,331)
25 Student loans repaid	14,466	16,932
26 Change in funds held in trust for others	91,426	(5,887)
27 Net cash used by investing activities	<u>(302,753)</u>	<u>(399,929)</u>
Cash flows from financing activities		
Resources for long-term purposes		
Contributions restricted to		
28 Investment in endowments	101,531	73,971
29 Investment in physical plant	116,213	51,538
30 Investment subject to living trust agreements	22,487	18,833
31 Income for endowments and other donor restricted funds	7,588	11,458
Other financing activities		
32 Principal payments of bonds and notes payable	(117,936)	(278,324)
33 Proceeds from issuance of bonds and notes payable	215,751	402,643
34 Bond issuance costs incurred	(3,324)	(3,312)
35 Change in obligations under living trust agreements	29,748	(13,708)
36 Net cash provided by financing activities	<u>372,058</u>	<u>263,099</u>
37 Net change in cash and cash equivalents	4,480	(31,454)
38 Cash and cash equivalents, beginning of year	23,089	54,543
39 Cash and cash equivalents, end of year	<u>\$ 27,569</u>	<u>\$ 23,089</u>
Supplemental disclosure of cash flow information		
40 Cash paid for interest	\$ 33,682	\$ 25,799

The accompanying notes are an integral part of the consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Organization

Cornell University (the University) consists of three major organizational units: Endowed Ithaca, which includes the endowed colleges, the central university administration, and the enterprise and service operations for the Ithaca campus; Contract Colleges at Ithaca (colleges operated by the University on behalf of New York State); and the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences (Medical College) in New York City. These three units are subject to the common administrative authority and control of the Cornell University Board of Trustees, but generally operate as financially discrete entities. The laws establishing the Contract Colleges at Ithaca prohibit other units of the University from using funds attributable to those colleges. Except as specifically required by law, the contract and endowed colleges at Ithaca are, to the extent practicable, governed by common management principles and policies determined at the private discretion of the University. In addition to the three major organizational units, the University's subsidiaries and certain affiliated organizations are included in the consolidated financial statements. All significant intercompany transactions and balances are eliminated in the accompanying consolidated financial statements.

B. Basis of Presentation

The accompanying consolidated financial statements have been prepared on an accrual basis in accordance with U.S. generally accepted accounting principles and presented in accordance with the AICPA Audit and Accounting Guide for Not-for-Profit Organizations (the Guide). The standards for general purpose financial statements of not-for-profit organizations require a statement of financial position, a statement of activities, and a statement of cash flows, and that they be displayed based on the concept of net assets. The Guide requires presentation of revenues, expenses, gains, losses, and net assets in three categories based on the presence or absence of donor-imposed restrictions: permanently restricted, temporarily restricted, and unrestricted.

Permanently restricted net assets include the historical dollar amount of gifts, pledges, trusts, and gains explicitly required by donors to be permanently retained. Pledges and trusts are reported at their estimated fair value on the date of donation.

Temporarily restricted net assets include gifts, pledges, trusts, income, and gains that can be expended, but for which the donor restrictions have not yet been met. Such restrictions include purpose restrictions where donors have specified the purpose for which the net assets are to be spent, or time restrictions imposed by donors or implied by the nature of the gift (e.g., future capital projects, pledges to be paid in the future, life income funds).

Unrestricted net assets are the remaining net assets of the University, including appreciation on true endowments where the donor restrictions are deemed to have been met.

Expiration of donor restrictions is reported in the consolidated statement of activities as net assets released from restrictions. The expiration is recorded as a reclassification from temporarily restricted net assets to unrestricted net assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

The consolidated statement of activities presents the changes in net assets of the University from both operating and nonoperating activities. Operating activities are primarily revenues and expenses that relate to carrying out the University's educational, research, and public service missions. Operating revenues include investment income and appreciation utilized to fund current operations, the largest portion of which is the distribution of investment payout as determined by the University's spending policy. Nonoperating activities primarily consist of the excess of investment earnings over amounts utilized in operating activities, contributions and net assets released from restrictions for endowment and facilities, and other activities not in direct support of the University's annual operations.

All numbers in the consolidated financial statements and accompanying notes are presented, unless otherwise indicated, in thousands.

C. Cash and Cash Equivalents

The University considers all instruments that bear original maturity dates of ninety days or less to be cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity.

D. Collateral for Securities Loaned

The University has an agreement with its investment custodian to lend university securities to approved brokers in exchange for a fee. The agreement specifies that, to limit the University's risk, the securities on loan must be collateralized by cash deposits. Cash collateral is reported as both an asset and liability of the University. The collateral is invested in short-term securities, and the earnings are recorded as additional income to the investment pools.

E. Contributions

Contributions, including unconditional promises to give (pledges), are recognized as revenues in the appropriate category of net assets in the period received. Pledges are recorded at the present value of estimated future cash flows, based on an appropriate discount rate at the time of the gift. Amortization of the discount in subsequent years is included in contribution revenue. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributions for capital projects, endowments, and similar funds are reported as nonoperating revenues. Conditional promises to donate to the University are not recognized until the conditions are substantially met.

F. Investments

The University's investments are recorded in the consolidated financial statements at fair value. The value of publicly traded securities is based upon quoted market prices and exchange rates, if applicable. Nonmarketable securities are recorded at the estimated fair value provided by external investment managers. These investments are generally less liquid than other investments and the values reported by the general partner or investment manager may differ from the values that would have been reported had a ready market for these securities existed. The University believes the carrying amount of these financial instruments is a reasonable estimate of fair value.

Investment income is recorded on an accrual basis, and purchases and sales of investment securities are reflected on a trade-date basis. Realized gains and losses are calculated using average cost for securities sold.

G. Derivative Instruments and Hedging Activities

The University holds derivative instruments for investment, and records the fair value within the applicable portfolio. The change in the fair value of a derivative instrument held for investment is included in nonoperating investment return in the consolidated statement of activities.

In addition, the University holds derivatives to manage its current and/or future long-term debt. These instruments are recorded at fair value as either prepaid expenses or other liabilities on the consolidated statement of financial position, and the change in fair value is recorded in other nonoperating revenues and expenses on the consolidated statement of activities.

H. Land, Buildings, and Equipment

Physical plant and equipment are stated at cost on the date of acquisition or at fair value on the date of donation, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets and is reflected as an operating expense. Expenditures associated with the construction of new facilities are recorded as construction in progress until the projects are completed.

The University's collections, whether paintings, rare books, or other tangible property, have been acquired through purchases and contributions since the University's inception. They are recognized as capital assets, net of accumulated depreciation, in the consolidated statement of financial position. A collection given as a gift is recorded at fair value as an increase in net assets in the year in which the collection is received.

I. Funds Held in Trust by Others

Funds held in trust by others represent resources that are not in the possession or under the control of the University. These funds are administered by outside trustees, with the University receiving income or residual interest. Funds held in trust by others are recognized at the estimated fair value of the assets, or the present value of the future cash flows due the University when the irrevocable trust is established or the University is notified of its existence.

J. Living Trust Agreements

The University's living trust agreements with donors consist primarily of charitable gift annuities, charitable remainder trusts, and pooled income funds for which the University serves as trustee. Assets held in trust are either separately invested or included in the University's investment pools in accordance with trust agreements. Contribution revenue and the assets related to living trust agreements, net of related liabilities, are classified as increases in temporarily restricted net assets or permanently restricted net assets. Liabilities associated with charitable gift annuities and charitable remainder trusts represent the present value of the expected payments to the beneficiaries over the term of the agreement. Pooled income funds are recognized at the net present value of the net assets expected at a future date. Gains or losses resulting from changes in actuarial assumptions and amortization of the discount are recorded as changes in value of split interest agreements in the appropriate restriction category in the nonoperating section of the consolidated statement of activities.

K. Sponsored Agreements

Revenues under grants, contracts, and similar agreements are recognized at the time expenditures are incurred. These revenues include the recovery of facilities and administrative costs which are recognized according to negotiated predetermined rates. Amounts received in advance, in excess of incurred expenditures, are recorded as deferred revenues.

L. Medical Physicians' Organization

The Medical Physicians' Organization provides the management structure for the practice of medicine in an academic medical center. Physician members generate clinical practice income from their professional services to patients, in addition to conducting instructional and research activities. Medical Physicians' Organization fees are reflected as University revenues. Expenses of the clinical practice, including physician compensation, administrative operations, and provision for uncollectible accounts, are reflected as University expenses. Net assets resulting from the activities of the Medical Physicians' Organization are designated for the respective clinical departments of the Medical College.

M. 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, liabilities, revenues, and expenses during the reporting period. The University uses a discount rate based on Moody's AA rating for calculating present value. Actual results may differ from those estimates.

N. Comparative Financial Information

The consolidated statement of activities includes prior year summarized information rather than by restriction class. Such information does not include sufficient detail to constitute a presentation of prior year data in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's consolidated financial statements for the prior fiscal year from which the summarized information was derived.

O. Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 158: *Employers' Accounting for Defined Benefit Pension and other Postretirement Benefit Plans* (FAS 158), effective for fiscal year ended June 30, 2007. FAS 158 requires recognition of the funded status of these employee benefit plans on the consolidated statement of financial position as either a prepaid expense or accrued liability. The gain or loss related to recording the funded status in compliance with FAS 158 is presented as a separate line in unrestricted net assets and not as operating income or expense on the consolidated statement of activities. The University recorded an additional liability of \$77,133 to reflect the unfunded status of its plans at June 30, 2007.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

In the year ended June 30, 2006, the University, following guidelines issued in FASB Interpretation No. 47: *Accounting for Conditional Asset Retirement Obligations* (FIN 47), recorded a reduction of unrestricted net assets of \$17,192, primarily for the estimated costs of future asbestos removal. This adjustment is reflected as a cumulative effect of change in accounting principle in the summarized statement of activities for the year ended June 30, 2006.

P. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Q. Income Taxes

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income pursuant to the appropriate sections of the Internal Revenue Code.

2. RECEIVABLES

A. Accounts Receivable

Accounts receivable from the following sources were outstanding as of June 30:

SUMMARY OF ACCOUNTS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Grants and contracts	\$ 49,996	\$ 43,709
Patients (net of contractual allowances)	75,512	66,278
Student accounts	5,766	4,471
Other	133,146	109,868
Subtotal	\$ 264,420	\$ 224,326
Less: allowance for doubtful accounts	(16,455)	(15,201)
Net accounts receivable	\$ 247,965	\$ 209,125

The patient accounts receivable for medical services were comprised of the following at June 30, 2007 and 2006, respectively: commercial third parties 54 percent and 59 percent; federal/state government 14 percent and 12 percent; and patients 32 percent and 29 percent. The other accounts receivable include payments expected from the Dormitory Authority of the State of New York (DASNY) for reimbursement of construction, the New York-Presbyterian Hospital for services provided by the Medical College, sponsoring agencies for grants and contracts, and matured bequests.

B. Contributions Receivable

Unconditional promises to give, or pledges, are recorded in the consolidated financial statements at present value using discount rates ranging from 5 percent to 7 percent. Contributions are expected to be realized as follows:

SUMMARY OF CONTRIBUTIONS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Less than one year	\$ 147,653	\$ 161,661
Between one and five years	243,849	227,282
More than five years	448,769	60,172
Gross contributions receivable	\$ 840,271	\$ 449,115
Less: unamortized discount	(318,260)	(95,826)
Less: allowance for uncollectible amounts	(26,101)	(17,664)
Net contributions receivable	\$ 495,910	\$ 335,625

Contributions receivable as of June 30 are intended for the following purposes:

EXPECTED PURPOSE OF CONTRIBUTIONS RECEIVABLE		
	2007	2006
Support of University operations	\$ 239,604	\$ 231,067
Capital purposes	117,383	40,596
Endowments and similar funds	138,923	63,962
Net contributions receivable	\$ 495,910	\$ 335,625

At June 30, 2007 and 2006, conditional promises not reflected in the consolidated financial statements, which consist primarily of bequest intentions, were approximately \$160,273 and \$128,502, respectively.

C. Student Loans Receivable

The University participates in various federal revolving loan programs, in addition to administering institutional loan programs. Loans receivable from students as of June 30 are as follows:

SUMMARY OF STUDENT LOANS RECEIVABLE		
	2007	2006
Federal revolving loans	\$ 48,225	\$ 48,462
Institutional loans	26,498	25,062
Gross student loans receivable	\$ 74,723	\$ 73,524
Less: allowance for doubtful accounts	(9,792)	(9,817)
Net student loans receivable	\$ 64,931	\$ 63,707

The allowance for doubtful accounts is for loans in both repayment status and those not yet in repayment status because the borrowers are still in school or in the grace period following graduation.

Due to the nature and terms of student loans, which are subject to significant restrictions, it is not feasible to determine the fair value of such loans.

3. INVESTMENTS

A. General Information

The University's investment holdings as of June 30 are summarized in the following table:

INVESTMENTS AT FAIR VALUE		
	2007	2006
Cash and cash equivalents	\$ 137,757	\$ 181,968
Domestic equities	923,789	929,441
Foreign equities	1,097,843	896,782
Absolute return	519,094	463,693
Hedged equities	1,299,482	980,944
Fixed income	728,462	679,207
Private equities	738,445	545,693
Real assets	892,774	551,556
Other	31,579	31,165
Total	\$ 6,369,225	\$ 5,260,449

The University's investments are overseen by the Investment Committee of the Board of Trustees. The University's investment strategy incorporates a diversified asset allocation approach and maintains, within defined limits, exposure to the movements of the world equity, fixed income, commodities, real estate, and private equity markets. Based on guidelines established by the Investment Committee, the University's Investment Office directs the investment of endowment and trust assets, certain working capital, and temporarily invested expendable funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

Under the terms of certain limited partnership agreements, the University is obligated to make additional capital contributions up to contractual levels. At June 30, 2007 and 2006, the University had commitments of \$1,066,802 and \$1,083,357, respectively, for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses. The University maintains sufficient liquidity in its investment portfolio to cover such calls.

The University maintains a number of investment pools or categories for specified purposes, the most significant of which are the Long-Term Investment Pool (LTIP), described below, and the Pooled Balances Investment Fund (PBIF), established to maximize total return derived from the investment of intermediate-term cash balances. The fair values as of June 30 were as follows:

INVESTMENTS POOLS/CATEGORIES AT FAIR VALUE		
	2007	2006
Working capital	\$ 3,807	\$ 22,735
Intermediate-term (PBIF)	609,353	540,290
Long-term investment pool (LTIP)	5,197,503	4,180,389
Separately invested portfolio	478,902	360,682
Pooled life income funds	16,935	17,712
Other	62,725	138,641
Total	\$ 6,369,225	\$ 5,260,449

Additional information about the University's investment return for the years ended June 30 is presented in the following table:

SUMMARY OF INVESTMENT RETURN		
	2007	2006
Interest and dividends, net of investment fees	\$ 105,646	\$ 102,995
Net realized gains	394,161	318,560
Net unrealized gains	702,309	274,997
Total investment return	\$ 1,202,116	\$ 696,552
Investment return, distributed	\$ 290,655	\$ 248,388
Investment return, undistributed	911,461	448,164
Total investment return	\$ 1,202,116	\$ 696,552

B. Long-Term Investment Pool

The LTIP is a mutual fund-like vehicle used for investing the University's true endowment funds, funds functioning as endowment, and other funds that are not expected to be expended for at least three years. The objective is to achieve a total return, net of expenses, of at least 5 percent in excess of inflation, as measured by a rolling 5-year average of the Consumer Price Index.

The University employs a unit method of accounting for the LTIP. Each participating fund enters into and withdraws from the pooled investment account based on monthly unit market values. At June 30, 2007 and 2006, the fair values per unit were \$66.62 and \$55.42, respectively. The total return on the University's long-term investments, of which the LTIP is the major component, was 25.9 percent for the year ended June 30, 2007. The changes in the fair value and cost of the LTIP and information about its participating units as of June 30, 2007 and 2006 are as follows:

SUMMARY INFORMATION - LONG-TERM INVESTMENT POOL

	Fair value (in thousands)	Cost (in thousands)	Appreciation (in thousands)	Fair value per unit	Number of units
End of year	\$ 5,197,503	\$ 3,800,321	\$ 1,397,182	\$ 66.62	78,016,232
Beginning of year	\$ 4,180,389	\$ 3,426,160	\$ 754,229	\$ 55.42	75,425,544
Unrealized net gain for year			\$ 642,953		
Realized net gain for year			\$ 370,533		
Net gain for year			\$ 1,013,486		

The University has a total distribution policy. Under this policy, a distribution is provided from the pool that is independent of the cash yield and investment changes occurring in a given year. This insulates investment policy from budgetary pressures and insulates the distribution from fluctuations in capital markets. Distributions from the pool are approved by the Board of Trustees as part of the financial planning process. The annual distribution is set so that, over time, a sufficient portion of the return is reinvested to maintain the purchasing power of the endowment and provide reasonable growth in support of program budgets.

For the year ended June 30, 2007, distributions for investment payout totaled \$185,508 (\$2.42 per unit). \$167,674 was paid out for the University's operations, and the balance of the distribution in the amount of \$17,834 was either returned to principal or distributed to funds held in trust for others. The distribution for the year ended June 30, 2007 was comprised of \$44,726 in net investment income and \$140,782 paid from accumulated gains. For the year ended June 30, 2006, the investment payout was \$168,955 (\$2.30 per unit), and was comprised of \$45,193 in net investment income and \$123,762 paid from accumulated gains.

C. Separately Invested Portfolio, Pooled Life Income Funds, and Other

The University maintains a category of assets referred to as the separately invested portfolio. This category consists of assets that, for legal or other reasons, or by request of the donor, could not participate in any of the investment pools.

Life income fund pools consist of donated funds, the income from which is payable to one or more beneficiaries during their lifetimes. On the termination of life interests, the principal becomes available for University purposes, which may or may not have been restricted by the donor.

Other investments consist primarily of University funds on deposit at DASNY as reserves for retirement of debt and bond proceeds not yet expended. The total funds on deposit are \$37,480 and \$113,809 as of June 30, 2007 and 2006, respectively. The amount of bond proceeds not yet expended included in the total reserves at DASNY are \$21,550 and \$77,546 as of June 30, 2007 and 2006, respectively.

D. Derivative Financial Instruments

The University has approved the use of derivatives by outside investment managers, based on investment guidelines negotiated at the time the manager was appointed. They are used to adjust fixed income duration and rates, to create "synthetic exposures" to certain types of investments, and to hedge foreign currency fluctuations.

Certain investment transactions, including derivative financial instruments, involve counterparty credit exposure. The University's investment guidelines require that investment managers use only counterparties with very strong credit ratings for these derivatives. For the years ended June 30, 2007 and 2006, the University recorded an unrealized gain of \$2,385 and \$5,768, respectively.

4. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are detailed as follows:

LAND, BUILDINGS, AND EQUIPMENT

	Book value at June 30, 2006	Additions	Disposals and closed projects	Book value at June 30, 2007
Land, buildings, and equipment	\$ 2,197,336	\$ 426,396	\$ (7,530)	\$ 2,616,202
Furniture, equipment, books, and collections	843,865	73,479	(30,824)	886,520
Construction in progress	435,101	336,297	(419,806)	351,592
Total before accumulated depreciation	\$ 3,476,302	\$ 836,172	\$ (458,160)	\$ 3,854,314
Accumulated depreciation	(1,391,226)			(1,506,091)
Net land, buildings, and equipment	\$ 2,085,076			\$ 2,348,223

Certain properties to which the University does not have title are included in physical assets at net book value as follows: (1) land, buildings, and equipment of the Contract Colleges aggregating \$368,215 and \$343,018 at June 30, 2007 and 2006, respectively, the acquisition cost of which was borne primarily by New York State and (2) land, buildings, and equipment for which title rests with government and corporate agencies aggregating \$17,293 and \$21,600 at June 30, 2007 and 2006, respectively.

5. DEFERRED BENEFITS

A. General Information

Accrued employee benefit obligations as of June 30 include:

SUMMARY OF DEFERRED BENEFITS		
	2007	2006
Postemployment benefits	\$ 21,765	\$ 23,481
Pension and other postretirement benefits	212,066	119,451
Other deferred benefits	140,726	117,870
Total deferred benefits	\$ 374,557	\$ 260,802

Accrued postemployment benefits include workers' compensation and medical continuation benefits for those on long-term disability. The University also provides various benefits to former or inactive employees after employment, but before retirement, that are recognized when they are earned.

B. Pension and Postretirement Plans

The University's employee pension plan coverage is provided by two basic types of plan: one based on a predetermined level of funding (defined contribution), and the other based on a level of benefit to be provided (defined benefit).

The primary defined contribution plans for Endowed Ithaca and for exempt employees (those not subject to the overtime provisions of the Fair Labor Standards Act) at the Medical College are carried by the Teachers Insurance and Annuity Association, the College Retirement Equities Fund, the Vanguard Group (Medical College only), and Fidelity Investments (Endowed Ithaca only), all of which permit employee contributions. Total pension costs of the Endowed Ithaca and Medical College plans for the years ended June 30, 2007 and 2006 amounted to \$72,771 and \$68,812, respectively.

The Medical College maintains a defined benefit plan for non-exempt employees. The defined benefit plan for exempt employees was frozen in 1976, and the accrued benefits were merged with the active non-exempt retirement plan in 1989.

In addition, certain non-exempt employees of Endowed Ithaca are covered by the Cornell University Retirement Plan for Non-Exempt Employees of the Endowed Colleges at Ithaca (NERP), a defined benefit plan. In June 2006, the Board of Trustees voted to terminate this frozen plan effective December 31, 2006, with all surplus assets inuring to the plan participants. During the year ended June 30, 2007, lump sum payments were made to, or annuity contracts were purchased for, retirees and former employees with a vested benefit in NERP. The settlements totaled \$19,281. The University has received authorization from the Internal Revenue Service to proceed with settlements for all remaining plan participants.

In accordance with Employee Retirement Income Security Act (ERISA) requirements for the defined benefit plans, the University must fund annually with an independent trustee an actuarially determined amount that represents normal costs plus amortization of prior service costs over a forty-year period that began on July 1, 1976.

The University also provides health and life insurance benefits for eligible retired employees and their dependents. Although there is no legal obligation for future benefits, the cost of postretirement benefits must be accrued during the service lives of employees. The University elected the prospective transition approach and is amortizing the transition obligation over 20 years, through fiscal year 2012-13.

C. Obligations and Funded Status

FAS 158 requires employers to recognize the over-funded or under-funded status of defined benefit pension and postretirement plans as assets or liabilities in its statement of financial position. The incremental effect of adopting FAS 158 was an increase in deferred benefits liability of \$77,133.

The following table sets forth the pension and postretirement plans' obligations and funded status as of June 30:

SUMMARY OF OBLIGATIONS AND FUNDED STATUS

	Pension benefits		Other postretirement	
	2007	2006	2007	2006
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	\$ 64,846	\$ 63,399	\$ 101,552	\$ 86,010
Actual return on plan assets	7,801	5,083	21,276	10,679
Employer contribution	3,800	900	5,093	4,863
Benefits paid	(4,056)	(4,536)	-	-
Settlements	(19,281)	-	-	-
Fair value of plan assets at end of year	<u>\$ 53,110</u>	<u>\$ 64,846</u>	<u>\$ 127,921</u>	<u>\$ 101,552</u>
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year	\$ 67,721	\$ 70,861	\$ 314,733	\$ 337,159
Service cost (benefits earned during the period)	3,212	3,450	13,660	16,124
Interest cost	4,028	3,543	18,734	17,492
Plan amendments	-	-	-	-
Actuarial (gain)/loss	8,295	(5,597)	(11,435)	(45,837)
Settlements	(19,281)	-	-	-
Benefits paid	(4,056)	(4,536)	(9,596)	(10,205)
Projected benefit obligation at end of year	<u>\$ 59,919</u>	<u>\$ 67,721</u>	<u>\$ 326,096</u>	<u>\$ 314,733</u>
FUNDED STATUS				
Funded status	\$ (6,809)	\$ (2,875)	\$ (198,175)	\$ (213,181)
Unrecognized net transition obligation	-	-	-	25,510
Unamortized prior service cost	-	-	-	903
Unrecognized actuarial (gain)/loss	-	11,872	-	75,403
Accrued benefit liability recognized in the consolidated statement of financial position	<u>\$ (6,809)</u>	<u>\$ 8,997</u>	<u>\$ (198,175)</u>	<u>\$ (111,365)</u>
AMOUNTS RECORDED IN UNRESTRICTED NET ASSETS NOT YET AMORTIZED AS COMPONENTS OF NET PERIODIC BENEFIT COST				
Net transition obligation	-	-	\$ 21,866	-
Prior service cost	-	-	639	-
Net actuarial (gain)/loss	5,992	-	48,636	-
Amount recognized as reduction in unrestricted net assets	<u>\$ 5,992</u>	<u>\$ -</u>	<u>\$ 71,141</u>	<u>\$ -</u>

The accumulated benefit obligation for the pension plans was \$46,737 at June 30, 2007 and \$55,798 at June 30, 2006. The accumulated benefit obligation differs from the projected benefit obligation in the table above in that it includes no assumptions about future compensation levels. It represents the actuarial present value of future payments to plan participants using current and past compensation levels. For postretirement plans other than pensions, the accumulated benefit obligation is the same as the projected benefit obligations because the liabilities are not compensation-related.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

D. Net Periodic Benefit Cost

Net benefit expense related to the pension and postretirement plans for the years ended June 30 includes the following components:

NET PERIODIC BENEFIT COST

	Pension benefits		Other postretirement	
	2007	2006	2007	2006
Service cost (benefits earned during the period)	\$ 3,212	\$ 3,450	\$ 13,660	\$ 16,124
Interest cost	4,028	3,543	18,734	17,492
Expected return on plan assets	(4,923)	(4,741)	(8,309)	(7,025)
Amortization of initial transition obligation	-	-	3,644	3,644
Amortization of prior service cost	-	-	264	313
Amortization of net (gain)/loss	612	1,280	2,365	7,133
Settlement (gain)/loss	10,685	-	-	-
Net periodic benefit cost	\$ 13,614	\$ 3,532	\$ 30,358	\$ 37,681

The amounts of transition obligation, prior service costs, and actuarial gains/losses that will be amortized into net periodic benefit cost for the year ending June 30, 2008 are estimated as follows:

ESTIMATED COMPONENTS OF NET PERIODIC BENEFIT COST

	Pension benefits	Other postretirement
Transition obligation	\$ -	\$ 3,644
Prior service cost	-	264
Net actuarial (gain)/loss	309	1,382
Total	\$ 309	\$ 5,290

E. Actuarial Assumptions

Assumptions used in determining the pension and postretirement plans benefit obligations and net periodic costs are:

SUMMARY OF ACTUARIAL ASSUMPTIONS

	Pension benefits		Other postretirement	
	2007	2006	2007	2006
USED TO CALCULATE BENEFIT OBLIGATIONS AT JUNE 30				
Discount rate	6.00%	6.00%	6.00%	6.00%
Rate of compensation increase	6.10%	6.10%		
USED TO CALCULATE NET PERIODIC COST AT JULY 1				
Discount rate	6.00%	5.00%	6.00%	5.00%
Expected return on plan assets	8.00%	8.00%	8.00%	8.00%
Rate of compensation increase	6.10%	6.10%		
ASSUMED HEALTHCARE COST TREND RATES				
Healthcare cost trend rate assumed for next year			8.00%	9.00%
Ultimate trend rate			5.00%	5.00%
Years to reach ultimate trend rate			3	4

The healthcare cost trend rate assumption has a significant effect on the amounts reported for other postretirement (health-care) plans. Increasing the healthcare cost trend rate by 1 percent in each future year would increase the benefit obligation by \$56,988 and the annual service and interest cost by \$6,754. Decreasing the healthcare cost trend rate by 1 percent in each future year would decrease the benefit obligation by \$45,820 and the annual service and interest cost by \$5,297.

F. Plan Assets

The plan assets for Endowed Ithaca and the Medical College are invested with an outside trustee for the sole benefit of the plan participants. Consistent with that objective, investments are managed to maximize total return while maintaining a prudent limitation on risk.

Risk mitigation is achieved by diversifying investments across multiple asset classes, by investing in high quality securities, and by permitting flexibility in the balance of investments in the permitted asset classes. The expected return on assets was derived based on long-term assumptions of inflation, real returns (primarily historically based), anticipated value added by the investment managers, and expected average asset class allocations. The expected returns on plan assets by category are 9.25 percent on equity securities, 6.00 percent on debt securities, and 7.50 percent on real estate.

Plan asset allocations by category at June 30 are as follows:

SUMMARY OF PLAN ASSETS

	Target allocation	Pension benefits		Other postretirement	
		2007	2006	2007	2006
PERCENTAGE OF PLAN ASSETS					
Equity securities	39-85%	52.0%	61.0%	70.1%	75.0%
Debt securities	15-55%	44.6%	33.0%	29.9%	25.0%
Real estate	0-5%	3.4%	6.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%	100.0%

G. Expected Contributions and Benefit Payments

The expected annual contributions and benefit payments that reflect anticipated service are as follows:

EXPECTED CONTRIBUTIONS AND BENEFIT PAYMENTS

	Pension benefits	Other postretirement	
		Employer paid	Government subsidy
UNIVERSITY CONTRIBUTIONS			
2008	\$ 3,000	\$ 5,336	
FUTURE BENEFIT PAYMENTS			
2008	\$ 9,190	\$ 10,957	\$ 1,544
2009	2,778	11,944	1,735
2010	2,841	13,101	1,918
2011	3,478	14,334	2,096
2012	3,727	15,422	2,285
2013-2017	22,309	97,467	14,983

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established a prescription drug benefit known as "Medicare Part D" that also established a federal subsidy to sponsors of retiree healthcare benefit plans. The estimated future government subsidy amounts are reflected in the table above.

H. Contract College Employees

Employees of the Contract Colleges are covered under the New York State pension plans. Contributions to the state retirement system and other employee benefit costs are paid directly by the state. The amounts of the direct payments applicable to the University as revenue and expenditures are not currently determinable and are not included in the consolidated financial statements. The University reimburses the state for employee benefit costs on certain salaries, principally those associated with externally sponsored programs. The amount reimbursed to the state during the years ended June 30, 2007 and 2006, was \$17,488 and \$17,889, respectively, and are included in operating expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

6. FUNDS HELD IN TRUST FOR OTHERS

The University, in limited instances, invests funds as a custodian for other closely related parties. Independent trustees are responsible for the funds and for the designation of income distribution. The New York Hospital-Cornell Medical Center Fund, Inc., which benefits the New York Weill Cornell Medical Center of the New York-Presbyterian Hospital, is the major external organization invested in the University's long-term investment pool with assets having a market value of \$186,461 and \$96,824 at June 30, 2007 and 2006, respectively. Of these investments, a portion of the future income stream has been directed in perpetuity to benefit the Medical College. The present value of this income stream, calculated to be \$74,141 and \$57,241 at June 30, 2007 and 2006, respectively, has been recorded as a reduction of the funds held in trust for others liability.

7. BONDS AND NOTES PAYABLE

Bonds and notes payable as of June 30 are summarized as follows:

SUMMARY OF BONDS AND NOTES PAYABLE

	<u>2007</u>	<u>2006</u>	<u>Interest rates</u>	<u>Maturity date</u>
Dormitory Authority of the State of New York (DASNY)				
Revenue Bond Series				
1990B	\$ 57,300	\$ 57,800	3.04 to 4.05*	2025
2000A	58,320	59,960	2.99	2029
2000B	76,765	78,615	4.63	2030
2004	90,150	92,100	3.51	2033
2006	239,750	248,570	4.00 to 5.00	2035
1993 Student loan bond capital appreciation	-	1,155	n/a	2007
1995 Student loan bond capital appreciation	6,339	8,150	5.80 to 6.15	2008
Tax-exempt commercial paper	89,005	19,205	2.99 to 3.72*	2037
Bond Series 1987B	10,370	11,760	11.11	2012
Taxable commercial paper	86,979	37,791	5.08 to 5.40*	-
Industrial Development Agency				
2000	4,335	5,290	5.00 to 5.25	2011
2002A	42,710	42,780	4.52	2030
2002B	15,390	15,390	4.33	2015
Student Loan Marketing Association	5,340	5,635	5.75 to 6.50	2019
Urban Development Corporation	2,750	2,875	-	2029
Capitalized leases				
312 College Ave	11,296	11,836	various	2020
Other	3,308	3,152	various	2009-2029
Total bonds and notes payable	<u>\$ 800,107</u>	<u>\$ 702,064</u>		

* Rates presented are the actual rates paid during the year ended June 30, 2007. These rates are variable based on market conditions.

The University's bonds and notes payable had a carrying amount of \$800,107 and \$702,064 at June 30, 2007 and 2006, respectively, compared to an estimated fair value of approximately \$808,513 and \$710,655 at June 30, 2007 and 2006, respectively. The estimated fair value of bonds is based on quoted market prices for the same or similar issues. The market prices utilized reflect the amount a third party would pay to purchase the bonds and not an additional liability to the University. Interest expense during the years ended June 30, 2007 and 2006 was approximately \$30,280 and \$27,217, respectively. Effective for the year ended June 30, 2007, the University capitalized interest on self-constructed assets, such as buildings, in the amount of \$4,218.

Debt and debt service related to borrowings by New York State for the construction and renovation of facilities of the Contract Colleges are not included in the consolidated financial statements because they are not liabilities of the University.

Under agreement with DASNY, certain revenues, principally rental income from facilities financed by bond proceeds plus a portion of tuition, are pledged by the University to meet debt service requirements. Also, certain revenue bonds require compliance with an asset-to-liability ratio and an unencumbered securities-to-operating-expense ratio.

The University has eight interest rate swap agreements to exchange variable rate debt for a fixed rate obligation without the exchange of the underlying principal amount. Net payments or receipts under the swap agreements are recorded as adjustments to interest expense. Three of the eight interest rate swap agreements are forward-starting swaps negotiated in the year ended June 30, 2007. Under four agreements in effect at June 30, 2007, the counterparty pays the University a variable interest rate equal to the Securities Industry and Financial Markets Association (SIFMA) index (formerly the Bond Market Association index), and under four other agreements, the counterparty pays a variable interest rate equal to a percentage of the one month London Interbank Offered Rates (LIBOR) rate. Detailed information about the interest rate swaps is shown in the following table:

SUMMARY OF INTEREST RATE SWAPS

Notional amount	Interest rate	Commencement	Expiration date	Basis
\$ 78,320	2.99%		October 1, 2007	SIFMA
15,390	4.33%		July 1, 2010	SIFMA
42,710	4.52%		July 1, 2030	SIFMA
76,100	4.63%		July 1, 2030	LIBOR
90,150	3.51%		July 1, 2033	LIBOR
200,000	3.84%	July 1, 2008	July 1, 2037	SIFMA
200,000	3.45%	July 1, 2010	July 1, 2039	LIBOR
200,000	3.48%	July 1, 2012	July 1, 2041	LIBOR

The University continues to issue tax-exempt commercial paper under an agreement entered into in the year ended June 30, 1999. The University amended the agreement in the year ended June 30, 2007, increasing the maximum amount outstanding at any one time from \$100,000 to \$200,000. In addition, there is no longer a cap on the maximum amount of commercial paper to be issued for the program. The funds may be used for capital projects and equipment purchases for the Ithaca and Medical College campuses.

The University also has a taxable commercial paper program to finance working capital, capital projects, and equipment purchases for the Ithaca and Medical College campuses. The University amended the program in the year ended June 30, 2007, increasing the maximum amount outstanding at any one time from \$100,000 to \$200,000.

Scheduled principal and interest payments on notes and bonds for the next five fiscal years and thereafter are shown below:

ANNUAL DEBT SERVICE REQUIREMENTS

Year	Principal	Interest	Total
2008	\$ 25,031	\$ 36,703	\$ 61,734
2009	22,672	35,326	57,998
2010	23,248	34,264	57,512
2011	23,853	33,077	56,930
2012	24,518	31,752	56,270
Thereafter	680,785	439,120	1,119,905
Total	\$ 800,107	\$ 610,242	\$ 1,410,349

The University increased the working capital line of credit from \$75,000 to \$100,000 for short-term cash flow needs in the year ended June 30, 2007. As of June 30, 2007 and 2006, the \$30,500 and \$54,400, respectively, borrowed against the line of credit is recorded as other liabilities in the consolidated statement of financial position.

8. OPERATING LEASES

Although the University generally purchases, rather than leases, machinery and equipment, the University does enter operating lease agreements for the use of real property. Total lease expense was \$18,011 and \$15,444 for the years ended June 30, 2007 and 2006, respectively. The future annual minimum lease payments in the following table are payments under operating leases expiring at various dates through November 1, 2054.

ANNUAL MINIMUM OPERATING LEASE PAYMENTS	
Year	Payments
2008	\$ 16,755
2009	15,652
2010	15,259
2011	13,891
2012	11,437
Thereafter	69,897
Total minimum operating lease payments	\$ 142,891

9. FUNCTIONAL EXPENSES AND STUDENT AID

Total expenses by functional categories for the years ended June 30 are as follows:

FUNCTIONAL EXPENSES		
	2007	2006
Instruction	\$ 555,434	\$ 534,837
Research	505,452	497,933
Public service	108,847	105,893
Academic support	236,784	220,012
Student services	111,279	106,667
Medical services	412,270	392,079
Institutional support	360,426	330,948
Enterprises and subsidiaries	183,812	179,401
Total expenses	\$ 2,474,304	\$ 2,367,770

The expenses for operations and maintenance of facilities, depreciation, and interest are allocated to functional categories based on square footage. The amount allocated for operations and maintenance was approximately \$143,344 and \$138,221 for the years ended June 30, 2007 and 2006, respectively.

Student financial assistance, other than assistance in exchange for services, is shown as a component of instruction expense unless the assistance is for tuition and mandatory fees. If the assistance is for tuition and mandatory fees, the amounts are recorded as a discount from tuition revenue, not an expense. Total financial assistance classified as instruction expense was \$23,401 and \$21,463 for the years ended June 30, 2007 and 2006, respectively.

10. NET ASSETS

The University's net assets as of June 30 are as follows:

SUMMARY OF NET ASSETS

	Unrestricted	Temporarily restricted	Permanently restricted	2007 Total	2006 Total
Operations	\$ 17,979	\$ 391,996	\$ -	\$ 409,975	\$ 444,818
Student loans	7,064	-	30,711	37,775	41,458
Facilities and equipment	1,702,323	154,497	-	1,856,820	1,621,301
Endowment and similar funds	3,576,523	163,741	1,684,469	5,424,733	4,385,161
Living trust funds	-	67,688	41,474	109,162	92,617
Total net assets	\$ 5,303,889	\$ 777,922	\$ 1,756,654	\$ 7,838,465	\$ 6,585,355

11. CONTINGENT LIABILITIES

The University is a defendant in various legal actions, some of which are for substantial monetary amounts, that arise out of the normal course of its operations. Although the final outcome of the actions cannot be determined currently, the University's administration is of the opinion that eventual liability, if any, will not have a material effect on the University's financial position.

The University retains self insurance for property, general liability, and certain health benefits, and has an equity interest in a multi-provider captive insurance company.

12. SUBSEQUENT EVENT

In July 2007, a hedge fund in which the University was invested was unexpectedly liquidated. The University estimates its loss at approximately \$20,000.

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Research and Development:				
Department of Agriculture:				
Department of Agriculture	10.000	\$ 331,121	—	331,121
Department of Agriculture/Pass-through California Polytechnic State University	10.000	—	1,148	1,148
Department of Agriculture/Pass-through Centro Internacional De Mejoramiento	10.000	—	149,387	149,387
Department of Agriculture/Pass-through Consulting Group on International Agriculture	10.000	—	107,167	107,167
Department of Agriculture/Pass-through Dairy Management Inc.	10.000	—	129,936	129,936
Department of Agriculture/Pass-through NYS Department of Environmental Conservation	10.000	—	53,529	53,529
Department of Agriculture/Pass-through Purdue University	10.000	—	14,669	14,669
Department of Agriculture/Pass-through Upper Susquehanna Coalition	10.000	—	47,231	47,231
Agricultural Research – Basic and Applied Research	10.001	4,024,980	—	4,024,980
Agricultural Research – Basic and Applied Research/Pass-through University of Nebraska	10.001	—	1,800	1,800
Plant and Animal Disease, Pest Control, and Animal Care	10.025	21,607	—	21,607
Plant and Animal Disease, Pest Control, and Animal Care/Pass through NYS Department of Agriculture and Markets	10.025	—	14,758	14,758
Wildlife Services	10.028	40,210	—	40,210
Federal-State Marketing Improvement Program	10.156	35,463	—	35,463
Inspection Grading and Standardization	10.162	133,103	—	133,103
Grants for Agricultural Research, Special Research Grants	10.200	6,433,729	—	6,433,729
Grants for Agricultural Research, Special Research Grants/Pass-through Interregional Research Project #4	10.200	—	60,379	60,379
Grants for Agricultural Research, Special Research Grants/Pass-through Rutgers State University of New Jersey	10.200	—	191,661	191,661
Grants for Agricultural Research, Special Research Grants/Pass-through South Dakota State University	10.200	—	72,583	72,583
Grants for Agricultural Research, Special Research Grants/Pass-through University of California, Davis	10.200	—	194,262	194,262
Grants for Agricultural Research, Special Research Grants/Pass-through University of Florida	10.200	—	25,000	25,000
Grants for Agricultural Research, Special Research Grants/Pass-through University of Georgia	10.200	—	1,569	1,569
Grants for Agricultural Research, Special Research Grants/Pass-through University of Maine	10.200	—	43,189	43,189
Grants for Agricultural Research, Special Research Grants/Pass-through University of Minnesota	10.200	—	52,955	52,955
Grants for Agricultural Research, Special Research Grants/Pass-through University of Vermont	10.200	—	218,452	218,452
Cooperative Forestry Research	10.202	123,453	—	123,453
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	4,445,445	—	4,445,445
Payments to 1890 Land-Grant Colleges and Tuskegee University/Pass-through NYS Department of Transportation	10.205	—	50,000	50,000
Grants for Agricultural Research – Competitive Research Grants	10.206	5,936,595	—	5,936,595
Grants for Agricultural Research – Competitive Research Grants/Pass-through Innovative Biotechnologies Inc.	10.260	—	42,854	42,854
Grants for Agricultural Research – Competitive Research Grants/Pass-through Kansas State University	10.206	—	8,030	8,030
Grants for Agricultural Research – Competitive Research Grants/Pass-through North Carolina State University	10.206	—	68,554	68,554
Grants for Agricultural Research – Competitive Research Grants/Pass-through Ohio State University	10.206	—	31,084	31,084
Grants for Agricultural Research – Competitive Research Grants/Pass-through Pennsylvania State University	10.206	—	56,487	56,487
Grants for Agricultural Research – Competitive Research Grants/Pass-through University of California, Davis	10.206	—	70,348	70,348
Grants for Agricultural Research – Competitive Research Grants/Pass-through University of Georgia	10.206	—	1,127	1,127
Grants for Agricultural Research – Competitive Research Grants/Pass-through University of Massachusetts, Amherst	10.206	—	139,074	139,074
Grants for Agricultural Research – Competitive Research Grants/Pass-through University of Minnesota	10.206	—	90,799	90,799
Grants for Agricultural Research – Competitive Research Grants/Pass-through University of Missouri	10.206	—	19,189	19,189
Grants for Agricultural Research – Competitive Research Grants/Pass-through University of Rochester	10.206	—	47,421	47,421

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Grants for Agricultural Research – Competitive Research Grants/Pass-through University of Vermont	10.206	\$ —	39,673	39,673
Grants for Agricultural Research – Competitive Research Grants/Pass-through Yale University	10.206	—	43,171	43,171
Animal Health and Disease Research	10.207	202,387	—	202,387
Small Business Innovation Research/Pass-through Controlled Environment Agriculture Systems	10.212	—	(311)	(311)
Sustainable Agriculture Research and Education/Pass-through Northeast Organic Farming Association of Vermont	10.215	—	18,284	18,284
Sustainable Agriculture Research and Education/Pass-through University of Vermont	10.215	—	1,851	1,851
1890 Institution Capacity Building Grants/Pass-through West Virginia University	10.216	—	11,038	11,038
Fund for Rural America Research, Education, and Extension Activities	10.224	(47)	—	(47)
Agricultural and Rural Economic Research	10.250	11,109	—	11,109
Initiative for Future Agriculture and Food Systems	10.302	213,128	—	213,128
Initiative for Future Agriculture and Food Systems/Pass-through University of Pennsylvania	10.302	—	14,521	14,521
Integrated Programs	10.303	1,450,869	—	1,450,869
Integrated Programs/Pass-through Colorado State University	10.303	—	261,622	261,622
Integrated Programs/Pass-through Iowa State University	10.303	—	56,894	56,894
Integrated Programs/Pass-through Michigan State University	10.303	—	117,334	117,334
Integrated Programs/Pass-through North Carolina State University	10.303	—	52,711	52,711
Integrated Programs/Pass-through Pennsylvania State University	10.303	—	(3,225)	(3,225)
Integrated Programs/Pass-through Rutgers State University of New Jersey	10.303	—	254,550	254,550
Integrated Programs/Pass-through University of California, Davis	10.303	—	24,405	24,405
Integrated Programs/Pass-through University of Massachusetts Amherst	10.303	—	4,426	4,426
Homeland Security Agricultural	10.304	322,097	—	322,097
Homeland Security Agricultural/Pass-through Kansas State University	10.304	—	13,918	13,918
Homeland Security Agricultural/Pass-through Purdue University	10.304	—	4,819	4,819
Organic Agriculture Research and Extension Initiative	10.307	170,143	—	170,143
Cooperative Extension Service	10.500	12,061	—	12,061
Cooperative Extension Service/Pass-through North Carolina State University	10.500	—	9,775	9,775
Cooperative Extension Service/Pass-through NYS Office of Temporary and Disability Assistance	10.500	—	79,648	79,648
Cooperative Extension Service/Pass-through University of Vermont	10.500	—	3,000	3,000
Forestry Research	10.652	116,077	—	116,077
Cooperative Forestry Assistance	10.664	18,070	—	18,070
Cooperative Forestry Assistance/Pass-through Virginia Polytechnic Institute & State University	10.664	—	14,197	14,197
Urban and Community Forestry Program	10.675	29,138	—	29,138
Forest Stewardship Program	10.678	20,226	—	20,226
Forest Stewardship Program/Pass-through Watershed Agricultural Council	10.678	—	42,883	42,883
Forest Health Protection (A, B)	10.680	25,536	—	25,536
1890 Land Grant Institutions Rural Entrepreneurial Outreach Program	10.856	91	—	91
Environmental Quality Incentives Program	10.912	141,262	—	141,262
Technical Agricultural Assistance	10.960	7,928	—	7,928
Scientific Cooperation and Research	10.961	13,322	—	13,322
Department of Agriculture total		<u>24,279,103</u>	<u>3,069,826</u>	<u>27,348,929</u>
Department of Commerce:				
Department of Commerce	11.000	58,377	—	58,377
Department of Commerce/Pass-through ABT Associates	11.000	—	(21)	(21)
Census Geography	11.003	155,855	—	155,855
ITA Special Projects/Pass-through National Textile Center	11.113	—	766,517	766,517
Sea Grant Support/Pass-through New York Sea Grant Institute, Stony Brook	11.417	—	105,530	105,530
Sea Grant Support/Pass-through Woods Hole Oceanographic Institute	11.417	—	38,433	38,433
Sea Grant Support/Pass-through Woods Hole Research Center	11.417	—	19,164	19,164
Climate and Atmospheric Research	11.431	183,280	—	183,280
Applied Meteorological Research	11.468	362,113	—	362,113
Unallied Science Program	11.472	93,302	—	93,302
Unallied Science Program/Pass-through Woods Hole Oceanographic Institute	11.472	—	27,905	27,905
Atlantic Coastal Fisheries Cooperative Management Act/Pass-through Information Management Corporation	11.474	—	75,000	75,000

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Center for Sponsored Coastal Ocean Research-Coastal Ocean Program/Pass-through University of Michigan	11.478	\$ —	97,171	97,171
Measurement and Engineering Research and Standards	11.609	113,500	—	113,500
Department of Commerce total		966,427	1,129,699	2,096,126
Department of Defense:				
Department of Defense	12.000	2,825,471	—	2,825,471
Department of Defense/Pass-through Anteon Corporation	12.000	—	25,471	25,471
Department of Defense/Pass-through ATC-NY Inc.	12.000	—	30,000	30,000
Department of Defense/Pass-through BAE Systems	12.000	—	161,478	161,478
Department of Defense/Pass-through Carnegie-Mellon University	12.000	—	112,246	112,246
Department of Defense/Pass-through Georgia Institute of Technology	12.000	—	111,976	111,976
Department of Defense/Pass-through Geosyntec Consultants Inc.	12.000	—	131,093	131,093
Department of Defense/Pass-through IBM, Yorktown Heights	12.000	—	133,002	133,002
Department of Defense/Pass-through ITT Industries, Inc.	12.000	—	133,402	133,402
Department of Defense/Pass-through Northrop Grumman Corporation	12.000	—	479,002	479,002
Department of Defense/Pass-through Rockwell Collins	12.000	—	229,506	229,506
Department of Defense/Pass-through SRI International	12.000	—	(5,680)	(5,680)
Department of Defense/Pass-through Stanford University	12.000	—	154,623	154,623
Department of Defense/Pass-through Structured Materials Industries Inc.	12.000	—	181,689	181,689
Department of Defense/Pass-through Telcordia Technologies Inc.	12.000	—	91,197	91,197
Department of Defense/Pass-through Tetragenetics Inc.	12.000	—	35,975	35,975
Department of Defense/Pass-through UES Inc.	12.000	—	15,256	15,256
Department of Defense/Pass-through University of California, Los Angeles	12.000	—	(15,415)	(15,415)
Department of Defense/Pass-through University of Pittsburgh	12.000	—	51,911	51,911
Department of Defense/Pass-through University of Virginia	12.000	—	5,846	5,846
Department of Defense/Pass-through Vital Probes Inc.	12.000	—	58,536	58,536
Department of Defense/Pass-through Weidlinger Associates Incorporated	12.000	—	45,000	45,000
Basic and Applied Scientific Research	12.300	3,376,427	—	3,376,427
Basic and Applied Scientific Research/Pass-through Georgia Institute of Technology	12.300	—	208,274	208,274
Basic and Applied Scientific Research/Pass-through North Carolina State University	12.300	—	(11,497)	(11,497)
Basic and Applied Scientific Research/Pass-through Rochester Institute of Technology	12.300	—	(1,075)	(1,075)
Basic and Applied Scientific Research/Pass-through Telcordia Technologies Inc.	12.300	—	94,334	94,334
Basic and Applied Scientific Research/Pass-through The Kohala Center	12.300	—	32,418	32,418
Basic and Applied Scientific Research/Pass-through University of Alaska Fairbanks	12.300	—	158,969	158,969
Basic and Applied Scientific Research/Pass-through University of California, Santa Barbara	12.300	—	351,699	351,699
Basic and Applied Scientific Research/Pass-through University of Pennsylvania	12.300	—	61,171	61,171
Basic and Applied Scientific Research/Pass-through University of Rochester	12.300	—	263,992	263,992
Basic and Applied Scientific Research/Pass-through Widetronix Inc.	12.300	—	150,978	150,978
Military Medical Research and Development	12.420	327,840	—	327,840
Basic Scientific Research	12.431	2,109,618	—	2,109,618
Basic Scientific Research/Pass-through Active Signal Technologies	12.431	—	33,416	33,416
Basic Scientific Research/Pass-through Lockheed Martin Corporation	12.431	—	13,733	13,733
Basic Scientific Research/Pass-through Nano Engineering Innovation	12.431	—	34,619	34,619
Basic Scientific Research/Pass-through Pennsylvania State University	12.431	—	(1,776)	(1,776)
Basic Scientific Research/Pass-through University of Kentucky	12.431	—	14,929	14,929
Basic Scientific Research/Pass-through University of Pittsburgh	12.431	—	476,215	476,215
Basic Scientific Research/Pass-through University of Washington	12.431	—	161,854	161,854
Basic Scientific Research/Pass-through Virginia Polytechnic Institute & State University	12.431	—	161,576	161,576
Basic, Applied, and Advanced Research in Science and Engineering	12.630	1,110,190	—	1,110,190
Basic, Applied, and Advanced Research in Science and Engineering/ Pass-through Georgia Institute of Technology	12.630	—	260,961	260,961
Basic, Applied, and Advanced Research in Science and Engineering/ Pass-through Giner Inc.	12.630	—	(226)	(226)
Basic, Applied, and Advanced Research in Science and Engineering/ Pass-through Massachusetts Institute of Technology	12.630	—	6,167	6,167
Basic, Applied, and Advanced Research in Science and Engineering/ Pass-through Telcordia Technologies Inc.	12.630	—	195,372	195,372

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Basic, Applied, and Advanced Research in Science and Engineering/ Pass-through University of Maryland	12.630	\$ —	185,001	185,001
Air Force Defense Research Sciences Program	12.800	4,691,375	—	4,691,375
Air Force Defense Research Sciences Program/Pass-through CACI International Inc.	12.800	—	35,000	35,000
Air Force Defense Research Sciences Program/Pass-through IBM, Yorktown Heights	12.800	—	(6)	(6)
Air Force Defense Research Sciences Program/Pass-through Insitu Group	12.800	—	77,706	77,706
Air Force Defense Research Sciences Program/ Pass-through Massachusetts Institute of Technology	12.800	—	99,426	99,426
Air Force Defense Research Sciences Program/ Pass-through New Jersey Institute of Technology	12.800	—	99,837	99,837
Air Force Defense Research Sciences Program/ Pass-through SVT Associates Inc.	12.800	—	9,473	9,473
Air Force Defense Research Sciences Program/Pass-through UES Inc.	12.800	—	11,143	11,143
Air Force Defense Research Sciences Program/University of California, Berkeley	12.800	—	555,233	555,233
Mathematical Sciences Grants Program	12.901	152,129	—	152,129
Research and Technology Development	12.910	1,300,669	—	1,300,669
Research and Technology Development/Pass-through Auburn University	12.910	—	40,392	40,392
Research and Technology Development/Pass-through BAE Systems	12.910	—	75,637	75,637
Research and Technology Development/Pass-through Boyce Thompson Institute	12.910	—	198,208	198,208
Research and Technology Development/Pass-through University of Texas Medical Branch	12.910	—	15,124	15,124
Department of Defense total		<u>15,893,719</u>	<u>6,234,391</u>	<u>22,128,110</u>
Department of Housing and Urban Development:				
Department of Housing and Urban Development	14.000	1,255	—	1,255
Department of Housing and Urban Development total		<u>1,255</u>	<u>—</u>	<u>1,255</u>
Department of the Interior:				
Department of Interior	15.000	131,037	—	131,037
Department of the Interior/Pass-through National Commission for the Knowledge and Use of Bio	15.000	—	1,810	1,810
Department of the Interior/Pass-through The Ecological Society of America	15.000	—	49,801	49,801
Fish and Wildlife Management Assistance	15.608	69,082	—	69,082
Cooperative Endangered Species Conservation Fund	15.615	142,728	—	142,728
African Elephant Conservation	15.620	16,367	—	16,367
State Wildlife Grants/Pass-through New Hampshire Fish & Game Department	15.634	—	21,577	21,577
Assistance to State Water Resources Research Institutes	15.805	89,458	—	89,458
U.S. Geological Survey – Research and Data Collection	15.808	386,821	—	386,821
U.S. Geological Survey – Research and Data Collection/Pass-through The Wildlife Society	15.808	—	40,589	40,589
Gap Analysis Program	15.811	8,284	—	8,284
Cooperative Research Units Program	15.812	115,802	—	115,802
Rivers, Trails, and Conservation Assistance	15.921	135,159	—	135,159
Department of the Interior total		<u>1,094,738</u>	<u>113,777</u>	<u>1,208,515</u>
Department of Justice:				
Criminal Justice Research and Development:				
Department of Justice	16.000	232,463	—	232,463
National Institute of Justice Domestic Anti-Terrorism Technology Development Program (Counterterrorism Research and Development)/Pass-through Institute for Information Infrastructure Protection	16.565	—	139,984	139,984
Department of Justice total		<u>232,463</u>	<u>139,984</u>	<u>372,447</u>
Department of Labor:				
Employment Programs for People with Disabilities/Pass-through Syracuse University	17.720	—	20,327	20,327
Department of Labor total		<u>—</u>	<u>20,327</u>	<u>20,327</u>
Department of State:				
Department of State	19.000	31,500	—	31,500

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Department of State/Pass-through Academy for Educational Development	19.000	\$ —	19,614	19,614
Department of State/Pass-through African Economic Research Consortium	19.000	—	2,738	2,738
Department of State/Pass-through American Council on Education	19.000	—	99,389	99,389
Department of State/Pass-through Centro Internacional De Mejoramiento	19.000	—	123,436	123,436
Department of State/Pass-through International Rice Research Institute	19.000	—	48,444	48,444
Department of State/Pass-through University of Hawaii	19.000	—	771,344	771,344
Department of State total		31,500	1,064,965	1,096,465
Department of Transportation:				
Department of Transportation	20.000	118,294	—	118,294
Highway Planning and Construction/Pass-through NYS Department of Transportation	20.205	—	2,056,981	2,056,981
Highway Training and Education	20.215	1,500	—	1,500
Highway Training and Education/Pass-through University of Texas Austin	20.215	—	86,804	86,804
Research Grants	20.762	224,738	—	224,738
Department of Transportation total		344,532	2,143,785	2,488,317
National Aeronautics and Space Administration:				
Aerospace Education Services Program	43.001	4,273,498	—	4,273,498
Aerospace Education Services Program/Pass-through Applied Physics Laboratory	43.001	—	11,120	11,120
Aerospace Education Services Program/Pass-through Arizona State University	43.001	—	37,712	37,712
Aerospace Education Services Program/Pass-through California Institute of Technology	43.001	—	137,272	137,272
Aerospace Education Services Program/Pass-through Jet Propulsion Laboratory	43.001	—	6,853,077	6,853,077
Aerospace Education Services Program/Pass-through Lunar & Planetary Institute-Houston, NASA	43.001	—	954,553	954,553
Aerospace Education Services Program/Pass-through Malin Space Sciences Systems	43.001	—	95,496	95,496
Aerospace Education Services Program/Pass-through Massachusetts Institute of Technology	43.001	—	60,916	60,916
Aerospace Education Services Program/Pass-through NASA Institute for Advanced Concepts	43.001	—	190,900	190,900
Aerospace Education Services Program/Pass-through New Mexico State University	43.001	—	24,774	24,774
Aerospace Education Services Program/Pass-through Northwestern University	43.001	—	12,821	12,821
Aerospace Education Services Program/Pass-through Purdue University	43.001	—	116,423	116,423
Aerospace Education Services Program/Pass-through Smithsonian Astrophysical Observatory	43.001	—	75,389	75,389
Aerospace Education Services Program/Pass-through Syracuse University	43.001	—	203,421	203,421
Aerospace Education Services Program/Pass-through Universities Space Research Association	43.001	—	25,565	25,565
Aerospace Education Services Program/Pass-through University of Arizona	43.001	—	130,896	130,896
Aerospace Education Services Program/Pass-through University of Florida	43.001	—	203,152	203,152
Aerospace Education Services Program/Pass-through University of Maine	43.001	—	124,040	124,040
Aerospace Education Services Program/Pass-through University of Maryland-College Park	43.001	—	126,653	126,653
Aerospace Education Services Program/Pass-through University of Puerto Rico	43.001	—	100,145	100,145
Aerospace Education Services Program/Pass-through Washington Headquarters, NASA	43.001	—	84,822	84,822
Technology Transfer	43.002	225,419	—	225,419
Technology Transfer/Pass-through Orbital Technologies, Inc.	43.002	—	69,746	69,746
National Aeronautics and Space Administration total		4,498,917	9,638,893	14,137,810
National Foundation on the Arts and the Humanities:				
National Leadership Grants	45.312	8,231	—	8,231
National Leadership Grants total		8,231	—	8,231

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
National Science Foundation:				
Engineering Grants	47.041	\$ 26,826,541	—	26,826,541
Engineering Grants/Pass-through Lehigh University	47.041	—	48,930	48,930
Engineering Grants/Pass-through Pennsylvania State University	47.041	—	(13,061)	(13,061)
Engineering Grants/Pass-through SUNY Buffalo State	47.041	—	195,498	195,498
Engineering Grants/Pass-through Texas A&M University	47.041	—	11,908	11,908
Engineering Grants/Pass-through University of Arizona	47.041	—	164,795	164,795
Engineering Grants/Pass-through University of California, Berkeley	47.041	—	639,512	639,512
Engineering Grants/Pass-through University of Massachusetts-Amherst	47.041	—	27,464	27,464
Mathematical and Physical Sciences	47.049	56,180,355	—	56,180,355
Mathematical and Physical Sciences/Pass-through American Institute of Mathematics	47.049	—	14,110	14,110
Mathematical and Physical Sciences/Pass-through Association of Universities for Research in Astronomy	47.049	—	392,673	392,673
Mathematical and Physical Sciences/Pass-through Georgia Institute of Technology	47.049	—	203,626	203,626
Mathematical and Physical Sciences/Pass-through Norfolk State University	47.049	—	51,059	51,059
Mathematical and Physical Sciences/Pass-through Pennsylvania State University	47.049	—	57,771	57,771
Mathematical and Physical Sciences/Pass-through Tuskegee University	47.049	—	139,161	139,161
Mathematical and Physical Sciences/Pass-through University of California	47.409	—	5,041	5,041
Mathematical and Physical Sciences/Pass-through University of California, Berkeley	47.049	—	162,184	162,184
Mathematical and Physical Sciences/Pass-through University of California, Los Angeles	47.409	—	319,523	319,523
Mathematical and Physical Sciences/Pass-through University of Florida	47.049	—	93,546	93,546
Mathematical and Physical Sciences/Pass-through University of Oregon	47.049	—	8,592	8,592
Mathematical and Physical Sciences/Pass-through University of Washington	47.049	—	105,631	105,631
Mathematical and Physical Sciences/Pass-through University of Wisconsin	47.049	—	47,013	47,013
Geosciences	47.050	6,620,686	—	6,620,686
Geosciences/Pass-through Network for Earthquake Engineering Simulation	47.050	—	664,129	664,129
Geosciences/Pass-through Pennsylvania State University	47.050	—	30,369	30,369
Geosciences/Pass-through Space Environment Corporation	47.050	—	13,054	13,054
Geosciences/Pass-through University Corp.-Atmospheric Research	47.050	—	86,149	86,149
Geosciences/Pass-through Woods Hole Oceanographic Institute	47.050	—	84,101	84,101
Computer and Information Science and Engineering	47.070	9,227,022	—	9,227,022
Computer and Information Science and Engineering/Pass-through University Corp.-Atmospheric Research	47.070	—	620,302	620,302
Computer and Information Science and Engineering/Pass-through University of California, Berkeley	47.070	—	4	4
Computer and Information Science and Engineering/Pass-through University of Illinois-Chicago	47.070	—	165,046	165,046
Computer and Information Science and Engineering/Pass-through University of Vermont	47.070	—	1,717	1,717
Biological Sciences	47.074	16,934,551	—	16,934,551
Biological Sciences/Pass-through Boyce Thompson Institute	47.074	—	162,525	162,525
Biological Sciences/Pass-through Cold Spring Harbor Laboratory	47.074	—	932,056	932,056
Biological Sciences/Pass-through Colorado State University	47.074	—	18,220	18,220
Biological Sciences/Pass-through Indiana University	47.074	—	129,328	129,328
Biological Sciences/Pass-through North Carolina State University	47.074	—	430,942	430,942
Biological Sciences/Pass-through Old Dominion University	47.074	—	118,660	118,660
Biological Sciences/Pass-through Pennsylvania State University	47.074	—	65,300	65,300
Biological Sciences/Pass-through University of Arizona	47.074	—	236,042	236,042
Biological Sciences/Pass-through University of California, Berkeley	47.074	—	171,958	171,958
Biological Sciences/Pass-through University of California, Riverside	47.074	—	12,760	12,760
Biological Sciences/Pass-through University of Florida	47.074	—	191,465	191,465
Biological Sciences/Pass-through University of Georgia	47.074	—	9,630	9,630
Biological Sciences/Pass-through University of Illinois Urbana-Champaign	47.074	—	63,343	63,343
Biological Sciences/Pass-through University of Kansas	47.074	—	6,872	6,872
Biological Sciences/Pass-through University of Oregon	47.074	—	278,090	278,090
Biological Sciences/Pass-through University of Washington	47.074	—	225	225
Biological Sciences/Pass-through University of Wisconsin	47.074	—	211,510	211,510
Biological Sciences/Pass-through University of Wisconsin Madison	47.074	—	233,808	233,808

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Biological Sciences/Pass-through Virginia Polytechnic Institute & State University	47.074	\$ —	84,804	84,804
Social, Behavioral, and Economic Sciences	47.075	2,776,585	—	2,776,585
Social, Behavioral, and Economic Sciences/Pass-through National Research Council	47.075	—	1,948	1,948
Education and Human Resources	47.076	3,680,394	—	3,680,394
Education and Human Resources/Pass-through Boston Museum of Science	47.076	—	155,830	155,830
Education and Human Resources/Pass-through Clark Atlanta University	47.076	—	5,641	5,641
Education and Human Resources/Pass-through Tuskegee University	47.076	—	14,992	14,992
Polar Programs	47.078	(2,124)	—	(2,124)
National Science Foundation total		122,244,010	7,875,796	130,119,806
Environmental Protection Agency:				
Environmental Protection Agency	66.000	30,000	—	30,000
Environmental Protection Agency/Pass-through Delaware County Department of Watershed Affairs	66.000	—	62,323	62,323
Environmental Protection Agency/Pass-through National Fish & Wildlife Foundation	66.000	—	6,104	6,104
Environmental Protection Agency/Pass-through NYS Dept. of Environmental Conservation	66.000	—	114,319	114,319
Environmental Protection Agency/Pass-through Ulster County Cooperative Extension	66.000	—	4,989	4,989
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements	66.436	14,612	—	14,612
National Estuary Program	66.456	16,169	—	16,169
Nonpoint Source Implementation Grants	66.460	29,937	—	29,937
Water Quality Cooperative Agreements	66.463	16,157	—	16,157
Environmental Protection – Consolidated Research/Pass-through Mount Sinai School of Medicine	66.500	—	271	271
Science To Achieve Results (STAR) Program	66.509	149,912	—	149,912
Office of Research & Development Consolidated Research/Pass-through Syracuse University	66.511	—	76,685	76,685
P3 Award: National Student Design Competition for Sustainability	66.516	16,922	—	16,922
Surveys, Studies, Investigations, and Special Purpose Grants/Pass-through SUNY Research Foundation	66.606	—	9,193	9,193
Surveys, Studies, Investigations, and Special Purpose Grants/Pass-through Syracuse Center of Excellence	66.606	—	7,862	7,862
Surveys, Studies, Investigations, and Special Purpose Grants/Pass-through Syracuse University	66.606	—	87,728	87,728
Pollution Prevention Grants Program	66.708	49,021	—	49,021
Environmental Protection Agency total		322,730	369,474	692,204
Department of Energy:				
Department of Energy	81.000	1,276,021	—	1,276,021
Department of Energy/Pass-through Brookhaven National Laboratory	81.000	—	28,088	28,088
Department of Energy/Pass-through Eastman Kodak	81.000	—	166,552	166,552
Department of Energy/Pass-through Fermi National Accelerator Lab	81.000	—	287,262	287,262
Department of Energy/Pass-through Gene Network Sciences	81.000	—	105,081	105,081
Department of Energy/Pass-through Lawrence Berkeley Laboratory	81.000	—	92,558	92,558
Department of Energy/Pass-through National Renewable Energy Laboratory	81.000	—	73,042	73,042
Department of Energy/Pass-through Sandia Laboratories	81.000	—	268,983	268,983
Department of Energy/Pass-through Structured Materials Industries Inc.	81.000	—	26,000	26,000
Department of Energy/Pass-through SUNY College of Environmental Science and Forestry	81.000	—	71,575	71,575
Department of Energy/Pass-through Washington Savannah River Co.	81.000	—	8,164	8,164
Office of Science Financial Assistance Program	81.049	3,224,377	—	3,224,377
Office of Science Financial Assistance Program/Pass-through Pennsylvania State University	81.049	—	33,342	33,342
Office of Science Financial Assistance Program/Pass-through Princeton University	81.049	—	91,231	91,231
Office of Science Financial Assistance Program/Pass-through Sandia Laboratories	81.049	—	200,059	200,059
Office of Science Financial Assistance Program/Pass-through Stanford University	81.049	—	663,183	663,183
Office of Science Financial Assistance Program/Pass-through Texas A&M University	81.049	—	93,655	93,655
Office of Science Financial Assistance Program/Pass-through University of California, Davis	81.049	—	53,037	53,037

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Office of Science Financial Assistance Program/Pass-through University of Oregon	81.049	\$ —	4,077	4,077
Renewable Energy Research and Development/Pass-through New Energy Solutions Inc.	81.087	—	34,349	34,349
University Reactor Infrastructure and Education Support	81.114	1,890,183	—	1,890,183
Department of Energy total		<u>6,390,581</u>	<u>2,300,238</u>	<u>8,690,819</u>
Department of Education:				
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	579,723	—	579,723
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies/Pass- through University of Pittsburgh	84.015	—	1,187	1,187
International Research and Studies	84.017	37,296	—	37,296
International Research and Studies/Pass-through SUNY Albany	84.017	—	(2,448)	(2,448)
Overseas Doctoral Dissertation	84.022	191,163	—	191,163
National Institute on Disability and Rehabilitation Research	84.133	1,602,398	—	1,602,398
National Institute on Disability and Rehabilitation Research/Pass- through University of Kansas	84.133	—	11,194	11,194
Education Research, Development, and Dissemination	84.305	399,123	—	399,123
Department of Education total		<u>2,809,703</u>	<u>9,933</u>	<u>2,819,636</u>
United States Institute of Peace:				
Solicited Grant Program	91.002	13,114	—	13,114
United States Institute of Peace total		<u>13,114</u>	<u>—</u>	<u>13,114</u>
Department of Health and Human Services:				
Department of Health and Human Services	93.000	6,354,127	—	6,354,127
Department of Health and Human Services/Pass-through ABT Associates	93.000	—	36,055	36,055
Department of Health and Human Services/Pass-through Agency for HRQ	93.000	—	622,369	622,369
Department of Health and Human Services/Pass-through American Psychiatric Association	93.000	—	(1,959)	(1,959)
Department of Health and Human Services/Pass-through Beth Israel Deaconess	93.000	—	166,727	166,727
Department of Health and Human Services/Pass-through Boston University	93.000	—	58,653	58,653
Department of Health and Human Services/Pass-through Brentwood Biomed RI	93.000	—	5,802	5,802
Department of Health and Human Services/Pass-through Brigham & Women's Hospital	93.000	—	15,872	15,872
Department of Health and Human Services/Pass-through Burke MRI	93.000	—	472,052	472,052
Department of Health and Human Services/Pass-through CALGB Foundation	93.000	—	6,372	6,372
Department of Health and Human Services/Pass-through Case Western University	93.000	—	183,547	183,547
Department of Health and Human Services/Pass-through Cold Spring Harbor Laboratory	93.000	—	52,635	52,635
Department of Health and Human Services/Pass-through Columbia University	93.000	—	873,354	873,354
Department of Health and Human Services/Pass-through Dartmouth College	93.000	—	52,853	52,853
Department of Health and Human Services/Pass-through Emory University	93.000	—	339,464	339,464
Department of Health and Human Services/Pass-through Fox Chase Cancer Center	93.000	—	65,891	65,891
Department of Health and Human Services/Pass-through Fred Hutchinson CRC	93.000	—	505,640	505,640
Department of Health and Human Services/Pass-through George Washington University	93.000	—	15,828	15,828
Department of Health and Human Services/Pass-through Gheskio Center	93.000	—	153,858	153,858
Department of Health and Human Services/Pass-through Harvard Clinical RI	93.000	—	40,768	40,768
Department of Health and Human Services/Pass-through Health Research Inc.	93.000	—	160,296	160,296
Department of Health and Human Services/Pass-through Hospital for Special Surgery	93.000	—	18,214	18,214

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Department of Health and Human Services/Pass-through Iowa State University	93.000	\$ —	81,253	81,253
Department of Health and Human Services/Pass-through James Bell Associates Inc.	93.000	—	18,837	18,837
Department of Health and Human Services/Pass-through Johns Hopkins University	93.000	—	358,883	358,883
Department of Health and Human Services/Pass-through Los Alamos National Lab	93.000	—	16,798	16,798
Department of Health and Human Services/Pass-through Mass General Hospital	93.000	—	69,105	69,105
Department of Health and Human Services/Pass-through Medical University of Ohio	93.000	—	60,603	60,603
Department of Health and Human Services/Pass-through Medstar Res Institute	93.000	—	200,456	200,456
Department of Health and Human Services/Pass-through Medstat Group	93.000	—	11,333	11,333
Department of Health and Human Services/Pass-through Montclair State University	93.000	—	181	181
Department of Health and Human Services/Pass-through Montefiore Medical Center	93.000	—	415,839	415,839
Department of Health and Human Services/Pass-through Mount Sinai School of Medicine	93.000	—	563,291	563,291
Department of Health and Human Services/Pass-through New York University	93.000	—	110,820	110,820
Department of Health and Human Services/Pass-through NY Academy of Medicine	93.000	—	59,820	59,820
Department of Health and Human Services/Pass-through NY Medical College	93.000	—	39,569	39,569
Department of Health and Human Services/Pass-through Perception Res System	93.000	—	30,739	30,739
Department of Health and Human Services/Pass-through Princeton University	93.000	—	183,001	183,001
Department of Health and Human Services/Pass-through Progenics Pharmaceuticals	93.000	—	719,199	719,199
Department of Health and Human Services/Pass-through Research Foundation of SUNY at Binghamton	93.000	—	28,931	28,931
Department of Health and Human Services/Pass-through Rice University	93.000	—	54,529	54,529
Department of Health and Human Services/Pass-through Riverside Res Institute	93.000	—	147,843	147,843
Department of Health and Human Services/Pass-through Rockefeller University	93.000	—	85,440	85,440
Department of Health and Human Services/Pass-through Roswell Park Cancer Institute	93.000	—	22,499	22,499
Department of Health and Human Services/Pass-through RTI-NHLBI	93.000	—	178,142	178,142
Department of Health and Human Services/Pass-through Rutgers State University of NJ	93.000	—	185,264	185,264
Department of Health and Human Services/Pass-through SAIC Fredrick	93.000	—	117,195	117,195
Department of Health and Human Services/Pass-through Sloan Kettering	93.000	—	235,892	235,892
Department of Health and Human Services/Pass-through Social & Scientific System	93.000	—	783,300	783,300
Department of Health and Human Services/Pass-through St. Luke Roosevelt	93.000	—	34,583	34,583
Department of Health and Human Services/Pass-through Strang Cancer Prevention Center	93.000	—	92,499	92,499
Department of Health and Human Services/Pass-through The Lewin Group	93.000	—	18,424	18,424
Department of Health and Human Services/Pass-through Toconic IPA	93.000	—	112,230	112,230
Department of Health and Human Services/Pass-through University Central Del Caribe	93.000	—	129,548	129,548
Department of Health and Human Services/Pass-through University of California	93.000	—	17,752	17,752
Department of Health and Human Services/Pass-through University of Miami	93.000	—	12,029	12,029
Department of Health and Human Services/Pass-through University of Minnesota	93.000	—	101,428	101,428
Department of Health and Human Services/Pass-through University of Pittsburgh	93.000	—	63,182	63,182

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Department of Health and Human Services/Pass-through University of Rochester	93.000	\$ —	13,472	13,472
Department of Health and Human Services/Pass-through University of Texas HSC @ Houston	93.000	—	114,393	114,393
Department of Health and Human Services/Pass-through University of Texas MD Anderson	93.000	—	204,182	204,182
Department of Health and Human Services/Pass-through University of Washington	93.000	—	313,018	313,018
Department of Health and Human Services/Pass-through US Israel Binational Science Fund	93.000	—	(17)	(17)
Department of Health and Human Services/Pass-through Vanderbilt University	93.000	—	347,874	347,874
Department of Health and Human Services/Pass-through Virtually Better Inc.	93.000	—	35,606	35,606
Department of Health and Human Services/Pass-through Visiting Nurse Services	93.000	—	50,702	50,702
Department of Health and Human Services/Pass-through Westat Innovations in Applied Public Health Research	93.000	—	3,143	3,143
Food and Drug Administration – Research	93.061	664,622	—	664,622
Food and Drug Administration – Research/Pass-through University of Maryland College Park	93.103	148,528	—	148,528
Food and Drug Administration – Research/Pass-through University of Maryland College Park	93.103	—	44,819	44,819
Maternal and Child Health Federal Consolidated Programs	93.110	133,097	—	133,097
Biological Response to Environmental Health Hazards	93.113	683,865	—	683,865
Biological Response to Environmental Health Hazards Pass-through Boston University	93.113	—	44,582	44,582
Biological Response to Environmental Health Hazards/Pass-through Mount Sinai School of Medicine	93.113	—	3,610	3,610
Applied Toxicological Research and Testing Acquired Immunodeficiency Syndrome (AIDS) Activity/Pass- through Concept Systems Inc.	93.114	(27,080)	—	(27,080)
Oral Diseases and Disorders Research	93.118	—	28,046	28,046
Oral Diseases and Disorders Research/Pass-through New York University	93.121	301,279	—	301,279
Oral Diseases and Disorders Research/Pass-through Yale University	93.121	—	169,078	169,078
AIDS Education and Training Centers/Pass-through Columbia University	93.145	—	217,798	217,798
Human Genome Research	93.172	242,073	—	242,073
Human Genome Research/Pass-through Princeton University	93.172	—	78,575	78,575
Research Related to Deafness and Communication Disorders	93.173	2,215,651	—	2,215,651
Research and Training in Complementary and Alternative Medicine	93.213	137,712	—	137,712
National Research Service Awards Health Services Research Training	93.225	264,417	—	264,417
Research on Healthcare Costs, Quality, and Outcomes	93.226	523,645	—	523,645
Research on Healthcare Costs, Quality, and Outcomes/Pass- through Brigham & Women's Hospital	93.226	—	78,700	78,700
Mental Health Research Grants	93.242	9,110,427	—	9,110,427
Mental Health Research Grants/Pass-through Columbia University	93.242	—	5,711	5,711
Mental Health Research Grants/Pass-through Dartmouth College	93.242	—	28,190	28,190
Mental Health Research Grants/Pass-through New York University	93.242	—	823,290	823,290
Mental Health Research Grants/Pass-through RFMH	93.242	—	39,416	39,416
Mental Health Research Grants/Pass through University of Chicago	93.242	—	12,887	12,887
Mental Health Research Grants/Pass-through University of North Texas	93.242	—	31,985	31,985
Mental Health Research Grants/Pass-through University of Pennsylvania	93.242	—	52,006	52,006
Mental Health Research Grants/Pass-through University of Rochester	93.242	—	3,763	3,763
Alcohol Research Programs	93.273	650,384	—	650,384
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	645,521	—	645,521
Drug Abuse National Research Service Award for Research Training	93.278	379,780	—	379,780
Drug Abuse Research Programs	93.279	8,012,958	—	8,012,958
Drug Abuse Research Programs/Pass-through Rockefeller University	93.279	—	406,493	406,493
Drug Abuse Research Programs/Pass-through University of California	93.279	—	172,224	172,224
Drug Abuse Research Programs/Pass-through University of Illinois-Chicago	93.279	—	149,186	149,186
Mental Health Research Career Scientist Development Awards	93.281	1,262,494	—	1,262,494
Mental Health Research Career Scientist Development Awards/ Pass-through Stanford University	93.281	—	240,295	240,295
Mental Health National Research Service Awards for Research Training Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.282	367,770	—	367,770
Discovery and Applied Research	93.283	173,346	—	173,346
Discovery and Applied Research	93.286	1,853,824	—	1,853,824
Discovery and Applied Research/Pass-through Boston University	93.286	—	17,887	17,887

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Discovery and Applied Research/Pass-through Mayo Clinic College of Medicine	93.286	\$ —	23,951	23,951
Discovery and Applied Research/Riverside Res Inst.	93.286	—	1,176	1,176
Discovery and Applied Research/Pass-through University of Maryland Comparative Medicine Program	93.286	—	24,763	24,763
Minority Health and Health Disparities Research	93.306	279,892	—	279,892
Trans-NIH Research Support (B, M)	93.307	159,710	—	159,710
General Clinical Research Centers	93.310	188,520	—	188,520
Nursing Research	93.333	5,191,833	—	5,191,833
Biomedical Research Technology	93.361	9,631	—	9,631
Biomedical Research Technology/Pass-through Area Detector Systems Corporation	93.371	28,918	—	28,918
National Center for Research Resources	93.371	—	293,774	293,774
Cancer Cause and Prevention Research	93.389	4,360,574	—	4,360,574
Cancer Cause and Prevention Research/Pass-through Baylor College of Medicine	93.393	3,826,100	—	3,826,100
Cancer Cause and Prevention Research/Pass-through University of Tennessee	93.393	—	31,085	31,085
Cancer Detection and Diagnosis Research	93.393	—	61,011	61,011
Cancer Detection and Diagnosis Research/Pass-through University of California, Santa Cruz	93.394	2,611,138	—	2,611,138
Cancer Treatment Research	93.394	—	117,372	117,372
Cancer Treatment Research/Pass-through National Childhood Cancer Foundation	93.395	1,811,957	—	1,811,957
Cancer Treatment Research/Pass-through University of Chicago	93.395	—	990	990
Cancer Biology Research	93.395	—	108,056	108,056
Cancer Centers Support Grants/Pass-through Fox Chase Cancer Center	93.396	3,445,988	—	3,445,988
Cancer Research Manpower	93.397	—	55,832	55,832
Cancer Control	93.398	1,842,594	—	1,842,594
Cancer Control/Pass-through Baylor College of Medicine	93.399	1,259,866	—	1,259,866
Cancer Control/Pass-through Southwest Oncology Group	93.399	—	141,482	141,482
Cancer Control/Pass-through University of Chicago	93.399	—	12,300	12,300
Cancer Control/Pass-through University of Texas MD Anderson	93.399	—	9,263	9,263
Social Services Research and Demonstration	93.399	—	187,172	187,172
Child Abuse and Neglect Discretionary Activities	93.647	18,481	—	18,481
Child Abuse and Neglect Discretionary Activities/Pass-through Research Triangle Institute	93.670	578,600	—	578,600
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities/Pass-through University of Massachusetts Worcester	93.670	—	358	358
Cell Biology and Biophysics Research	93.768	—	6	6
Cell Biology and Biophysics Research/Pass-through Stanford University	93.821	999,619	—	999,619
Cell Biology and Biophysics Research/Pass-through University of South Carolina	93.821	—	1,647	1,647
Heart and Vascular Diseases Research	93.821	—	91,536	91,536
Heart and Vascular Diseases Research/Pass-through Columbia University	93.837	19,925,859	—	19,925,859
Heart and Vascular Diseases Research/Pass-through University of Alabama	93.837	—	230,261	230,261
Heart and Vascular Diseases Research/Pass-through University of California	93.837	—	35,174	35,174
Heart and Vascular Diseases Research/Pass-through University of California, Los Angeles	93.837	—	16,591	16,591
Heart and Vascular Diseases Research/Pass-through University of California, San Diego	93.837	—	34,597	34,597
Heart and Vascular Diseases Research/Pass-through University of Iowa	93.837	—	88,306	88,306
Heart and Vascular Diseases Research/Pass-through University of Rochester	93.837	—	111,388	111,388
Lung Diseases Research	93.837	—	255	255
Lung Diseases Research/Pass-through Baylor College of Medicine	93.838	6,937,030	—	6,937,030
Lung Diseases Research/Pass-through Columbia University	93.838	—	107	107
Lung Diseases Research/Pass-through University of Pennsylvania	93.838	—	45,955	45,955
Blood Diseases and Resources Research	93.838	—	137,286	137,286
Blood Diseases and Resources Research/Pass-through University of Med & Dentistry NJ	93.839	2,948,024	—	2,948,024
Arthritis, Musculoskeletal, and Skin Diseases Research	93.839	—	24,743	24,743
Arthritis, Musculoskeletal, and Skin Diseases Research/Pass-through Hospital for Special Surgery	93.846	2,054,494	—	2,054,494
Diabetes, Endocrinology, and Metabolism Research	93.846	—	166,060	166,060
	93.847	5,077,896	—	5,077,896

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Diabetes, Endocrinology, and Metabolism Research/Pass-through Gene Network Sciences	93.847	\$ —	74,181	74,181
Diabetes, Endocrinology, and Metabolism Research	93.847	—	(308)	(308)
Digestive Diseases and Nutrition Research	93.848	2,636,017	—	2,636,017
Digestive Diseases and Nutrition Research/Pass-through Case Western University	93.848	—	9,139	9,139
Digestive Diseases and Nutrition Research/Pass-through Columbia University	93.848	—	(2,598)	(2,598)
Digestive Diseases and Nutrition Research/Pass-through St. Francis Hospital and Medical Center	93.848	—	73,028	73,028
Digestive Diseases and Nutrition Research/Pass-through Strang Cancer Prevention Center	93.848	—	34,239	34,239
Kidney Diseases, Urology, and Hematology Research	93.849	3,048,884	—	3,048,884
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	10,103,014	—	10,103,014
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Columbia University	93.853	—	31,714	31,714
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Health Research Inc.	93.853	—	103,703	103,703
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Rockefeller University	93.853	—	9,011	9,011
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Transonic Systems, Inc.	93.853	—	12,500	12,500
Extramural Research Programs in the Neurosciences and Neurological Disorders/University of Florida	93.853	—	13,272	13,272
Extramural Research Programs in the Neurosciences and Neurological Disorders/University of Miami	93.853	—	27,328	27,328
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through University of Missouri	93.853	—	138,614	138,614
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through University of Pittsburgh	93.853	—	9,703	9,703
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through University of Washington	93.853	—	7,458	7,458
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Yale University	93.853	—	83,689	83,689
Biological Basis Research in the Neurosciences	93.854	66,636	—	66,636
Allergy, Immunology, and Transplantation Research	93.855	9,165,932	—	9,165,932
Allergy, Immunology, and Transplantation Research/Pass-through Burke MRI	93.855	—	34,644	34,644
Allergy, Immunology, and Transplantation Research/Pass-through Health Research Inc.	93.855	—	825,663	825,663
Allergy, Immunology, and Transplantation Research/Pass-through Johns Hopkins University	93.855	—	229,888	229,888
Allergy, Immunology, and Transplantation Research/Pass-through University of Pennsylvania	93.855	—	264,601	264,601
Microbiology and Infectious Diseases Research	93.856	16,714,099	—	16,714,099
Microbiology and Infectious Diseases Research/Pass-through Drexel Institute for Biotechnology & Virology Research	93.856	—	170,790	170,790
Microbiology and Infectious Diseases Research/Pass-through Duke University	93.856	—	26,294	26,294
Microbiology and Infectious Diseases Research/Pass-through Federal University of Bahia	93.856	—	202,582	202,582
Microbiology and Infectious Diseases Research/Pass-through Fred Hutchinson CRC	93.856	—	577,832	577,832
Microbiology and Infectious Diseases Research/Pass-through Gheskio Center	93.856	—	128,681	128,681
Microbiology and Infectious Diseases Research/Pass-through University of Alabama	93.856	—	86,653	86,653
Biomedical Research and Research Training	93.859	24,180,402	—	24,180,402
Biomedical Research and Research Training/Pass-through Hauptman-Woodward Medical Research Institute Inc.	93.859	—	224,438	224,438
Biomedical Research and Research Training/Pass-through Pennsylvania State University	93.859	—	8,291	8,291
Biomedical Research and Research Training/Pass-through Tetragenetics Inc.	93.859	—	38,033	38,033
Biomedical Research and Research Training/Pass-through University of Maryland, Baltimore	93.859	—	13,944	13,944
Biomedical Research and Research Training/Pass-through University of Minnesota	93.859	—	119,047	119,047
Biomedical Research and Research Training/Pass-through University of Pittsburgh	93.859	—	19,088	19,088

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Genetics and Developmental Biology Research/Pass-through University of Michigan	93.862	\$ —	184,346	184,346
Population Research	93.864	665,914	—	665,914
Population Research/Pass-through University of Pennsylvania	93.864	—	12,076	12,076
Child Health and Human Development Extramural Research	93.865	5,475,842	—	5,475,842
Child Health and Human Development Extramural Research/Pass- through Jackson Laboratory	93.865	—	204,607	204,607
Child Health and Human Development Extramural Research/Pass- through University of Alabama	93.865	—	136	136
Child Health and Human Development Extramural Research/Pass- through University of Colorado	93.865	—	19,786	19,786
Child Health and Human Development Extramural Research/Pass- through University of Rochester	93.865	—	246,550	246,550
Aging Research	93.866	3,974,311	—	3,974,311
Aging Research/Pass-through Columbia University	93.866	—	16,413	16,413
Aging Research/Pass-through Northwestern University	93.866	—	66,345	66,345
Aging Research/Pass-through Rockefeller University	93.866	—	4,899	4,899
Vision Research	93.867	4,671,136	—	4,671,136
Vision Research/Pass-through University of Florida	93.867	—	40,402	40,402
Vision Research/Pass-through University of Rochester	93.867	—	11,030	11,030
Vision Research/Pass-through Viewplus Technologies	93.867	—	29,925	29,925
Minority Access to Research Careers	93.880	3,640	—	3,640
Grants for Physician Assistant Training Program	93.886	488,135	—	488,135
Resource and Manpower Development in the Environment Health Sciences	93.894	184,819	—	184,819
Fogarty International Research Collaboration Award	93.934	1,116	—	1,116
International Research and Research Training	93.989	1,576,223	—	1,576,223
Department of Health and Human Services total		<u>180,611,284</u>	<u>19,504,849</u>	<u>200,116,133</u>
Social Security Administration				
Social Security Disability Insurance	96.001	149,212	—	149,212
Social Security Research and Demonstration/Pass-through ABT Associates	96.007	—	526,860	526,860
Social Security Research and Demonstration/Pass-through Mathematica Policy Research	96.007	—	29,063	29,063
Social Security Research and Demonstration/Pass-through University of Michigan	96.007	—	49,616	49,616
Social Security Administration total		<u>149,212</u>	<u>605,539</u>	<u>754,751</u>
Department of Homeland Security				
Aviation Research Grants	97.069	74,346	—	74,346
Department of Homeland Security total		<u>74,346</u>	<u>—</u>	<u>74,346</u>
United States Agency for International Development (USAID):				
United States Agency for International Development	98.000	3,055,081	—	3,055,081
United States Agency for International Development/Pass-through Centro Internacional De Mejoramiento	98.000	—	5,339	5,339
United States Agency for International Development/Pass-through International Rice Research Institute	98.000	—	3,621	3,621
United States Agency for International Development/Pass-through University of Wisconsin Madison	98.000	—	111,936	111,936
United States Agency for International Development/Pass-through Utah State University	98.000	—	20,205	20,205
United States Agency for International Development/Pass-through Western Michigan University	98.000	—	88,900	88,900
USAID Foreign Assistance for Programs Overseas	98.001	612,417	—	612,417
USAID Foreign Assistance for Programs Overseas/Pass-through International Livestock Research Institute	98.001	—	6,326	6,326
USAID Foreign Assistance for Programs Overseas/Pass-through Michigan State University	98.001	—	48,000	48,000
USAID Foreign Assistance for Programs Overseas/Pass-through Syracuse University	98.001	—	18,259	18,259
USAID Foreign Assistance for Programs Overseas/Pass-through University of California, Davis	98.001	—	29,005	29,005
USAID Foreign Assistance for Programs Overseas/Pass-through University of Hawaii	98.001	—	106,294	106,294
USAID Foreign Assistance for Programs Overseas/Pass-through Virginia Polytechnic Institute & State University	98.001	—	402,084	402,084

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
USAID Development Partnerships for University Cooperative and Development (B)	98.012	\$ —	45,275	45,275
United States Agency for International Development total		3,667,498	885,244	4,552,742
Research and Development total		363,633,363	55,106,720	418,740,083
Student Financial Aid:				
Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	4,257,250	—	4,257,250
Federal Family Education Loans	84.032	23,806,510	—	23,806,510
Federal Work-Study Program	84.033	2,861,036	—	2,861,036
Federal Perkins Loan Program	84.038	10,525,973	—	10,525,973
Federal Pell Grant Program	84.063	5,030,171	—	5,030,171
Federal Direct Student Loans	84.268	49,668,490	—	49,668,490
Academic Competitive Grants (ACG)	84.375	526,200	—	526,200
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)	84.376	624,000	—	624,000
Department of Education total		97,299,630	—	97,299,630
Department of Health and Human Services:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	614,249	—	614,249
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	131,897	—	131,897
Department of Health and Human Services total		746,146	—	746,146
Student Financial Aid total		98,045,776	—	98,045,776
Department of Agriculture:				
Department of Agriculture	10.000	74,704	—	74,704
Department of Agriculture/Pass-through National Association of State Universities and Lan	10.000	—	77,274	77,274
Department of Agriculture/Pass-through University of Vermont	10.000	—	4,922	4,922
Agricultural Research Basic and Applied Research	10.001	17,142	—	17,142
Plant and Animal Disease, Pest Control, and Animal Care	10.025	79,803	—	79,803
Plant and Animal Disease, Pest Control, and Animal Care/Pass-through NYS Dept. of Agriculture & Markets	10.025	—	1,406,306	1,406,306
Wildlife Services/Pass-through NYS Dept. of Agric. & Markets	10.028	—	171,119	171,119
Minority Research and Teaching Grants	10.140	63,485	—	63,485
Marketing Agreements and Orders	10.155	73,876	—	73,876
Grants for Agricultural Research, Special Research Grants	10.200	47,991	—	47,991
Grants for Agricultural Research, Special Research Grants/Pass-through Pennsylvania State University	10.200	—	12,236	12,236
Grants for Agricultural Research, Special Research Grants/Pass-through University of Vermont	10.200	—	45,570	45,570
Payments to Agricultural Experiment Stations Under the Act	10.203	267,942	—	267,942
Grants for Agricultural Research – Competitive Research Grants	10.206	5,600	—	5,600
Animal Health and Disease Research	10.207	92,503	—	92,503
Food and Agricultural Sciences National Needs				
Graduate Fellowship Grants	10.210	29,147	—	29,147
Sustainable Agriculture Research Education/Pass-through University of Vermont	10.215	—	3,238	3,238
Higher Education Challenge Grants	10.217	76,755	—	76,755
Higher Education Challenge Grants/Pass-through University of Delaware	10.217	—	28,106	28,106
Higher Education Multicultural Scholars Program	10.220	90,255	—	90,255
Fund for Rural America – Research, Education, and Extension Activities/Pass-through Council on Environment NYC Initiative for Future Agriculture and Food Systems	10.224	—	7,413	7,413
Integrated Programs/Pass-through Michigan State University	10.302	4,721	—	4,721
Integrated Programs/Pass-through Pennsylvania State University	10.303	—	27,147	27,147
Integrated Programs/Pass-through Pennsylvania State University	10.303	—	410,715	410,715
Homeland Security Agricultural	10.304	209,226	—	209,226
Crop Insurance Education in Targeted States/Pass-through NYS Dept. of Agriculture & Markets	10.458	—	146,733	146,733
Cooperative Extension	10.500	13,183,279	—	13,183,279
Cooperative Extension/Pass-through North Carolina University	10.500	—	1,775	1,775
Cooperative Extension/Pass-through Pennsylvania State University	10.500	—	85,052	85,052
Cooperative Extension/Pass-through Regional Farm & Food Project	10.500	—	5,294	5,294
Cooperative Extension/Pass-through Texas A&M University	10.500	—	127,418	127,418
Cooperative Extension/Pass-through University of Delaware	10.500	—	7,536	7,536
Cooperative Extension/Pass-through University of Kentucky	10.500	—	21,279	21,279

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Cooperative Extension/Pass-through University of Maine	10.500	\$ —	467	467
Cooperative Extension/Pass-through University of Nebraska	10.500	—	18,131	18,131
Cooperative Extension/Pass-through University of Vermont	10.500	—	170,509	170,509
Food Stamps/Pass-through NYS Office of Temporary & Disability Assistance	10.551	—	32,492	32,492
Food Stamps/Pass-through Office. Of Domestic Violence & Emergency Intervention	10.551	—	569,451	569,451
State Administrative Matching Grants for Food Stamp Program/Pass-through NYS Office of Temporary & Disability Assistance	10.561	—	65,720	65,720
Young Adult Conservation Corps	10.663	1,289	—	1,289
Cooperative Forestry Assistance	10.664	22,525	—	22,525
Forest Land Enhancement Program	10.677	109,286	—	109,286
Forest Stewardship Program	10.678	20,989	—	20,989
Environmental Quality Incentives Program	10.912	9,848	—	9,848
International Training – Foreign Participant	10.962	62,688	—	62,688
Department of Agriculture total		<u>14,543,054</u>	<u>3,445,903</u>	<u>17,988,957</u>
Department of Commerce:				
Census Geography	11.003	43,517	—	43,517
Census Intergovernmental Services	11.004	207,584	—	207,584
Economic Development – Technical Assistance	11.303	135,000	—	135,000
Sea Grant Support	11.417	68,003	—	68,003
Sea Grant Support/Pass-through Massachusetts Institute of Technology	11.417	—	9,192	9,192
Sea Grant Support/NY Sea Grant Institute, Stony Brook	11.417	—	664,672	664,672
Sea Grant Support/Pass-through SUNY Research Foundation	11.417	—	24,716	24,716
Sea Grant Support/Pass-through SUNY Stony Brook	11.417	—	74,777	74,777
Sea Grant Support/Pass-through University of Michigan	11.417	—	32,125	32,125
Unallied Science Program/Pass-through SUNY Research Foundation	11.472	—	12,457	12,457
Department of Commerce total		<u>454,104</u>	<u>817,939</u>	<u>1,272,043</u>
Department of Defense:				
Department of Defense	12.000	25,454	—	25,454
Basic and Applied Scientific Research	12.300	23,704	—	23,704
Military Medical Research and Development	12.420	61,490	—	61,490
Air Force Defense Research Sciences Program	12.431	5,000	—	5,000
Department of Defense total		<u>115,648</u>	<u>—</u>	<u>115,648</u>
Department of Housing and Urban Development:				
Department of Housing and Urban Development/Pass-through Voices Inc.	14.000	—	25,417	25,417
Lead Outreach Grants/Pass-through New York Indoor Environmental Quality Center Inc.	14.904	—	10,019	10,019
Department of Housing and Urban Development total		<u>—</u>	<u>35,436</u>	<u>35,436</u>
Department of the Interior:				
Department of Interior	15.000	906	—	906
Wildlife Conservation and Appreciation	15.617	3,053	—	3,053
Administrative Grants for Federal Aid in Sport and Wildlife Restoration/Pass-through Recreational Boating & Fishing Foundation	15.618	—	(785)	(785)
Assistance to State Water Resources Research Institutes	15.805	5,257	—	5,257
Department of the Interior total		<u>9,216</u>	<u>(785)</u>	<u>8,431</u>
Department of Labor:				
Employment Programs for People with Disabilities/Pass-through New York City	17.720	—	3,463	3,463
Department of Labor total		<u>—</u>	<u>3,463</u>	<u>3,463</u>
Department of State:				
Department of State/Pass-through Inst. Of International Education	19.000	—	9,096	9,096
Department of State/Pass-through Virginia Polytechnic Institute & State University	19.000	—	6,054	6,054
Educational Exchange Graduate Students/Pass-through Institute of International Education	19.400	—	163,376	163,376
Department of State total		<u>—</u>	<u>178,526</u>	<u>178,526</u>
Department of Transportation:				
State and Community Highway Safety/Pass-through NYS Dept. of Motor Vehicles	20.600	—	31,442	31,442
Department of Transportation total		<u>—</u>	<u>31,442</u>	<u>31,442</u>

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
National Aeronautics and Space Administration: Aerospace Education Services Program/Pass-through University of Puerto Rico	43.001	\$ —	10,000	10,000
National Aeronautics and Space Administration total		—	10,000	10,000
National Foundation on the Arts and the Humanities:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	23,361	—	23,361
Promotion of the Humanities-Challenge Grants	45.130	125,000	—	125,000
Promotion of the Humanities-Basic Research	45.140	15,466	—	15,466
Promotion of the Humanities Research Materials: Editions	45.146	127,403	—	127,403
Promotion of the Humanities – Division of Preservation and Access	45.149	193,873	—	193,873
Promotion of the Humanities-Teaching and Learning Resources and and Curriculum Development	45.162	72,660	—	72,660
Museum for America Grants	45.301	23,222	—	23,222
National Leadership Grants	45.312	105,287	—	105,287
National Foundation on the Arts and the Humanities total		686,272	—	686,272
National Science Foundation:				
Engineering Grants	47.041	103,182	—	103,182
Mathematical and Physical Sciences	47.049	27,847	—	27,847
Computer and Information Science and Engineering	47.070	143,503	—	143,503
Biological Sciences	47.074	107,589	—	107,589
Social, Behavioral, and Economic Sciences	47.075	313,345	—	313,345
Education and Human Resources	47.076	2,945,200	—	2,945,200
Education and Human Resources/Pass-through Hobart & William Smith Colleges	47.076	—	21,147	21,147
Education and Human Resources/Pass-through Syracuse University	47.076	—	88,615	88,615
Education and Human Resources/Pass-through University of Puerto Rico	47.076	—	13,827	13,827
National Science Foundation total		3,640,666	123,589	3,764,255
Securities and Exchange Commission:				
Securities Investigation of Complaints and SEC Information	58.001	210,162	—	210,162
Securities and Exchange Commission total		210,162	—	210,162
Environmental Protection Agency:				
Environmental Protection Agency	66.000	22,120	—	22,120
Environmental Protection Agency/Pass-through NYS Dept. of Agriculture & Markets	66.000	—	30,000	30,000
Long Island Sound Program	66.437	131,970	—	131,970
National Estuary Program	66.456	77,265	—	77,265
National Estuary Program/Pass-through Suffolk County. Dept. of Health Peconic Estuary Program	66.456	—	10,459	10,459
Nonpoint Source Implementation Grants/Pass-through NYS Dept. of Environmental Conservation	66.460	—	121,190	121,190
Great Lakes Program/Pass-through Nat'l Fish & Wildlife Foundation	66.469	—	30,029	30,029
Environmental Protection – Consolidated Research	66.500	160,553	—	160,553
Surveys, Studies, Investigations, and Special Purpose Grants	66.606	60,474	—	60,474
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through Central New York Regional Planning and Development	66.606	—	30,371	30,371
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through New York State Department of Agriculture and Markets	66.606	—	56,257	56,257
Surveys, Studies, Investigations, and Training Demonstrations	66.716	15,933	—	15,933
Environmental Protection Agency total		468,315	278,306	746,621
Nuclear Regulatory Commission:				
Nuclear Regulatory Commission	77.000	73,000	—	73,000
Nuclear Regulatory Commission Total		73,000	—	73,000
Department of Education:				
Department of Education/Pass-through NYS Department of Education	84.000	—	409,345	409,345
Department of Education/Pass-through NYS Office of Children and Family Services	84.000	—	371,690	371,690
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	1,754,720	—	1,754,720
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies Pass-through University of Pittsburgh	84.015	—	15,837	15,837

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Special Education – Grants to States/ Pass-through NYS Department of Education	84.027	\$ —	5,214	5,214
Fund for the Improvement of Postsecondary Education/ Pass-through University of California, Davis	84.116	—	22,023	22,023
National Institute on Disability and Rehabilitation Research Javits Fellowships	84.133 84.170	933,656 287,025	—	933,656 287,025
Graduate Assistance in Areas of National Need Language Resource Centers/Pass-through University of Chicago	84.200 84.229	660,293 —	— 3,625	660,293 3,625
Department of Education total		3,635,694	827,734	4,463,428
United States Institute of Peace: United States Institute of Peace Solicited Grant Program	91.000 91.002	(2,658) 17,531	— —	(2,658) 17,531
United States Institute of Peace total		14,873	—	14,873
Department of Health and Human Services: Department of Health and Human Services Department of Health and Human Services/Pass-through SUNY Buffalo	93.000 93.000	87,669 —	— 63,694	87,669 63,694
Occupational Safety and Health Research Projects/Pass-through Health Research Inc.	93.262	—	4,460	4,460
Cancer Cause and Prevention Research Cancer Cause and Prevention Research/Pass-through University of Washington	93.393 93.393	31,304 —	— 32,905	31,304 32,905
Developmental Disabilities Basic Support and Advocacy Grants/ Pass-through Developmental Disabilities Planning Council	93.630	—	173,554	173,554
Child Welfare Services Training Grants/Pass-through SUNY Buffalo	93.648	—	429,403	429,403
Foster Care – Title IV-E/Pass-through New York State Office of Children and Family Services	93.658	—	349,432	349,432
Foster Care – Title IV-E/Pass-through New York State Office of Temporary and Disability Assistance	93.658	—	317,716	317,716
Cell Biology and Biophysics Research	93.821	12,479	—	12,479
Digestive Diseases and Nutrition Research	93.848	35,316	—	35,316
Child Health and Human Development Extramural Research	93.865	45,259	—	45,259
Vision Research	93.867	34,832	—	34,832
Minority Access to Research Careers	93.880	18,680	—	18,680
Department of Health and Human Services Total		265,539	1,371,164	1,636,703
Corporation for National and Community Service Learn and Serve America Higher Education/Pass-through Foundation for Long-Term Care	94.005	—	6,969	6,969
Americorps	94.006	12,093	—	12,093
Americorps/Pass-through Pennsylvania Campus Compact Volunteers in Service to America	94.006 94.013	— 36,142	16,678 —	16,678 36,142
Corporation for National and Community Service Total		48,235	23,647	71,882
Social Security Administration: Social Security Agency	96.000	298,278	—	298,278
Social Security Administration total		298,278	—	298,278
United States Agency for International Development: United States Agency for International Development United States Agency for International Development/ Pass-through Oregon State University	98.000 98.000	158,203 —	— 45,192	158,203 45,192
United States Agency for International Development/ Pass-through University of California, Davis	98.000	—	18,527	18,527
USAID Foreign Assistance Programs Overseas	98.001	183,456	—	183,456
USAID Foreign Assistance Programs Overseas/Pass-through Centro Internacional De Mejoramiento	98.001	—	16,739	16,739
United States Agency for International Development total		341,659	80,458	422,117
Total other federal financial assistance		24,804,715	7,226,822	32,031,537
Grand total		\$ 486,483,854	62,333,542	548,817,396

See accompanying notes to schedule of expenditures of federal awards.

CORNELL UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cornell University (the University) and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

Significant categories of awards for the University are as follows:

Research and development – Includes awards for research and development work of the University under grants and contracts primarily funded by the Department of Health and Human Services, the National Science Foundation, the Department of Agriculture, the Department of Defense, the National Aeronautics Space Administration, and the Department of Energy.

Student financial assistance – Includes certain awards to provide financial assistance to students, under the Federal Work-Study (FWS), Federal Pell Grant (Pell), and Federal Supplemental Educational Opportunity Grant (FSEOG) programs. Student financial assistance also includes the Federal Perkins, Federal Family Education, Federal Direct, and Health Professions Student guaranteed loan programs of the Department of Education or Department of Health and Human Services. The University receives awards to make loans to eligible students under certain federal student loan programs and federally guaranteed loans are issued to students of the University either by various financial institutions or directly by the University.

Cooperative extension service – Includes awards issued by the Department of Agriculture under the Smith-Lever Act for public services and education provided by cooperative extension locations in each county of New York and New York City.

Education and Human Resources (EHR) – Supports the development of models and strategies for providing all students with access to high-quality, standards-based education. This program includes support for research on learning and teaching that informs education practice; comprehensive, standards-based instructional materials effective in increasing student achievement; strategies for developing deep content knowledge and teaching skills for the instructional workforce; and research, development, and implementation of next-generation learning technologies.

(2) Facilities and Administrative Costs

Certain expenditures include a portion of costs associated with general university activities (Facilities and Administrative Costs), which are allocated to awards under negotiated formulas commonly referred to as Facilities and Administrative (F&A) cost rates (formerly known as indirect cost rates).

Federal F&A cost recoveries for the fiscal year ended June 30, 2007 totaled \$109,304,773, including \$68,964,779 for the Ithaca campus and \$40,339,994 for Weill Medical College (WMC).

Ithaca Campus

F&A cost rates for the Ithaca Campus have been finalized through fiscal year 2009 as predetermined rates pursuant to the Department of Health and Human Services (DHHS) rate agreement dated October 26, 2005. Provisional rates have been established for fiscal year 2010 and beyond.

CORNELL UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Weill Medical College

F&A cost rates for the WMC have been finalized through fiscal year 2007 as predetermined rates pursuant to the Department of Health and Human Services (DHHS) rate agreement dated June 7, 2006. Provisional rates have been established for fiscal year 2008 and beyond.

(3) Student Loan Programs

The University had the following loan balances outstanding at June 30, 2007. These balances are not included in the federal expenditures presented in the schedule.

	<u>CFDA number</u>		<u>Amount outstanding</u>
Federal Perkins Loan Program	84.038	\$	42,514,018
Health Professions Student Loan Program, including Primary Care Loans and Loans for Disadvantaged Students	93.342		<u>3,626,427</u>
		\$	<u><u>46,140,445</u></u>

The loan programs noted above are administered directly by the University and balances and transactions relating to these programs are included in the University's basic consolidated financial statements. The schedule of expenditures of federal awards includes loan expenditures and disbursements to students and administrative costs of the loan programs for the year ended June 30, 2007.

The University issued the following amounts of new loans under the Federal Direct Loan and Federal Family Education Loan Programs to students of the University during the year ended June 30, 2007:

Federal Direct Loan Program (FDLP):	
Federal subsidized	\$ 29,657,841
Federal unsubsidized	<u>20,010,649</u>
Total FDLP	<u>\$ 49,668,490</u>
Federal Family Education Loan Program	\$ 23,806,510

The University is responsible only for the performance of certain administrative duties with respect to the Federal Family Education Loan and the Federal Direct Loan programs and, accordingly, these loans are not included in the University's basic consolidated financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2007.

(4) Pass-Through Awards and Subrecipients

The University receives pass-through awards from nonfederal organizations. The University has identified in the schedule of expenditures of federal awards each organization from which the University receives such pass-through awards. In addition, the University has 520 subcontracts of its federal funds, which have been issued to subrecipients. Due to the large number of programs and sponsors, it is not practical to disclose the amount of payments to subrecipients.



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

The Board of Trustees
Cornell University:

We have audited the consolidated financial statements of Cornell University as of and for the year ended June 30, 2007, and have issued our report thereon dated September 20, 2007, which included an explanatory paragraph regarding the University's adoption of the provisions of Financial Accounting Standards Board Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Cornell University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cornell University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cornell University's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiency described as 07-01 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiency described above is not believed to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Cornell University in a separate letter dated November 5, 2007.

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

KPMG LLP

September 20, 2007
Albany, New York



KPMG LLP
515 Broadway
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**Independent Auditors' Report on Compliance with Requirements
Applicable to each Major Program and Internal Control over
Compliance in Accordance with OMB Circular A-133**

The Board of Trustees
Cornell University:

Compliance

We have audited the compliance of Cornell University with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Cornell University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cornell University's management. Our responsibility is to express an opinion on Cornell University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cornell University's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cornell University's compliance with those requirements.

In our opinion, Cornell University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control over Compliance

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

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

KPMG LLP

March 21, 2008
Albany, New York

CORNELL UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA number(s)</u>	<u>Name of federal programs or clusters</u>
Various	Research and Development Cluster
84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 93.342, and 93.925	Student Financial Assistance Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000

Auditee qualified as low-risk auditee? yes no

CORNELL UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

II. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

Finding 07-1: Contributions Receivable

Criteria

Contributions receivable (pledges) are recorded by the Division of Alumni Affairs and Development (AA&D) in the PeopleSoft Contributor Relations System (CRS). New pledges are recorded in CRS and are mapped to the University's general ledger to various accounts based on the existence or absence of donor restrictions. Some new pledges, regardless of restriction, are mapped to a single general ledger account (holding account) for tracking purposes until a payment is received against the pledge. The holding account is mapped to a temporarily restricted general ledger account. Once a payment is received, the pledge is remapped to the corresponding general ledger account (i.e. restricted or endowed).

Condition and Context

We noted that there were certain pledges, approximating \$49.8 million, which were recorded in the holding account that were permanently restricted by the donor.

Effect

The University's policy to record pledges to the holding account resulted in these pledges being erroneously recorded in its temporarily restricted net assets, rather than the permanently restricted net assets. The University was required to record an adjusting journal entry to properly state its temporarily and permanently restricted net assets.

Cause

While the University has policies and procedures to review all significant pledges to ensure that they are recorded in CRS based on donor restrictions, to determine whether the pledge is recordable in accordance with generally accepted accounting principles and to review the pledges for collectibility, there was no process in place to ensure that pledges with no payments against them were recorded in the general ledger in the appropriate net asset class.

Recommendation

We recommend the University review its current policies and procedures for recording pledges in CRS and mapping those pledges to the general ledger based on donor restriction. The University should create three separate holding accounts (unrestricted, temporarily restricted, permanently restricted) to record pledges by the appropriate net asset class. We also recommend the University review all pledges with no payments received to ensure the pledges are properly recorded in the newly created holding accounts. In addition, we recommend the University implement a policy to review all pledges mapped to these holding accounts on a regular basis (e.g. quarterly) to ensure that they continue to be appropriately accounted for in accordance with generally accepted accounting principles.

CORNELL UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

Views of Responsible Officials and Planned Corrective Actions

Management agrees that enhanced policies and procedures are required for recording pledges in CRS and mapping those pledges to an appropriate general ledger account based on donor restrictions. Management immediately implemented additional policies and procedures upon identification of the control weakness.

Management established a general ledger holding account with the appropriate restriction classification so that pledges for which no payment has been received are recorded in a general ledger account with the appropriate restriction classification. There are now three such holding accounts: unrestricted (rarely applicable to pledges), temporarily restricted, permanently restricted.

In addition, management undertook additional training of all staff within Alumni Affairs and Development (AA&D) responsible for reviewing donor restrictions for pledges and recording pledges in CRS. AA&D also implemented procedures to review all pledges for which no payments have been received to ensure they are properly recorded and mapped to the appropriate general ledger account based on donor restrictions.

The Division of Financial Affairs, as part of the financial statement closing process for interim financial statements (December 31 and March 31) and for the consolidated financial statements at fiscal year-end (June 30), will undertake reviews to ensure proper classification based on donor intentions.

III. Findings and Questioned Costs Relating to Federal Awards:

None Reported