



CORNELL UNIVERSITY

OMB Circular A-133 Audit Reports

June 30, 2008

(With Independent Auditors' Report Thereon)

CORNELL UNIVERSITY

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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, 2008, 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 2007 consolidated financial statements and, in our report dated September 20, 2007, we expressed an unqualified opinion on those consolidated financial statements. Our opinion on the University's 2007 consolidated financial statements 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. 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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2008, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing 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 26, 2008

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2008 (in thousands)

(WITH COMPARATIVE INFORMATION AS OF JUNE 30, 2007)

	2008	2007
Assets		
1 Cash and cash equivalents	\$ 41,279	\$ 27,569
2 Collateral for securities loaned	215,854	346,804
3 Accounts receivable, net (note 2-A)	276,891	247,965
4 Contributions receivable, net (note 2-B)	666,817	495,910
5 Inventories and prepaid expenses	62,829	75,176
6 Student loans receivable, net (note 2-C)	72,284	64,931
7 Investments (note 3)	6,549,288	6,369,225
8 Land, buildings, and equipment, net (note 4)	2,616,230	2,348,223
9 Funds held in trust by others	105,904	103,550
10 Total assets	<u>\$ 10,607,376</u>	<u>\$ 10,079,353</u>
Liabilities		
11 Accounts payable and accrued expenses	\$ 306,654	\$ 227,321
12 Payable under securities loan agreements	215,854	346,804
13 Deferred revenue and other liabilities (note 7)	299,283	138,263
14 Obligations under split interest agreements	128,540	125,131
15 Deferred benefits (note 5)	425,038	374,557
16 Funds held in trust for others (note 6)	147,036	184,830
17 Bonds and notes payable (note 7)	999,170	800,107
18 Government advances for student loans	47,146	43,875
19 Total liabilities	<u>2,568,721</u>	<u>2,240,888</u>
Net assets (note 10)		
20 Unrestricted	5,129,765	5,303,889
21 Temporarily restricted	919,960	777,922
22 Permanently restricted	1,988,930	1,756,654
23 Total net assets	<u>8,038,655</u>	<u>7,838,465</u>
24 Total liabilities and net assets	<u>\$ 10,607,376</u>	<u>\$ 10,079,353</u>

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

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008 (in thousands)
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2007)

	Unrestricted	Temporarily Restricted
Operating revenues		
1 Tuition and fees	\$ 669,681	\$ -
2 Scholarship allowance	(194,071)	-
3 Net tuition and fees	475,610	-
4 State and federal appropriations	190,885	-
5 Grants, contracts and similar agreements		
6 Direct	390,837	-
7 Indirect cost recoveries	114,121	-
8 Contributions	87,257	130,262
9 Investment return, distributed (note 3-A)	197,027	83,958
10 Medical Physicians' Organization	451,497	-
11 Auxiliary enterprises	140,993	-
12 Educational activities and other sales and services	373,970	2,740
13 Net assets released from restrictions	146,716	(146,716)
14 Total operating revenues	2,568,913	70,244
Operating expenses (note 9)		
15 Compensation and benefits	1,746,496	-
16 Purchased services	144,594	-
17 Supplies and general	478,041	-
18 Utilities, rents and taxes	138,223	-
19 Interest expense (note 7)	27,784	-
20 Depreciation	173,775	-
21 Total operating expenses	2,708,913	-
22 Change in net assets from operating activities	(140,000)	70,244
Nonoperating revenues and (expenses)		
23 State and federal appropriations for capital acquisitions	55,580	-
24 Grants, contracts and similar agreements for capital acquisitions	2,451	-
25 Contributions for capital acquisitions, trusts and endowments	57,616	110,323
26 Investment return, net of amount distributed (note 3-A)	(128,834)	6,747
27 Change in value of split interest agreements	8,627	(5,609)
28 Pension and postretirement changes other than net periodic costs (note 5-C)	(16,481)	-
29 Other	(62,791)	29,359
30 Net asset released for capital acquisitions and reclassifications	49,708	(69,026)
31 Change in net assets from nonoperating activities	(34,124)	71,794
32 Change in net assets before effect of change in accounting principle	(174,124)	142,038
33 Effect of adoption of FASB Statement No.158 (notes 1-O, 5-C)	-	-
34 Change in net assets	(174,124)	142,038
35 Net assets, beginning of the year	5,303,889	777,922
36 Net assets, end of the year	\$ 5,129,765	\$ 919,960

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

Permanently Restricted	2008 Total	2007 Total	
\$ -	\$ 669,681	\$ 633,387	1
-	(194,071)	(189,225)	2
-	475,610	444,162	3
-	190,885	173,360	4
			5
-	390,837	382,181	6
-	114,121	116,274	7
-	217,519	219,136	8
-	280,985	290,655	9
-	451,497	438,355	10
-	140,993	134,731	11
-	376,710	304,101	12
-	-	-	13
-	2,639,157	2,502,955	14
-	1,746,496	1,620,037	15
-	144,594	126,488	16
-	478,041	425,987	17
-	138,223	120,853	18
-	27,784	30,509	19
-	173,775	147,639	20
-	2,708,913	2,471,513	21
-	(69,756)	31,442	22
-	55,580	25,220	23
-	2,451	6,805	24
196,751	364,690	321,414	25
12,333	(109,754)	911,461	26
3,874	6,892	12,147	27
-	(16,481)	-	28
-	(33,432)	21,754	29
19,318	-	-	30
232,276	269,946	1,298,801	31
232,276	200,190	1,330,243	32
-	-	(77,133)	33
232,276	200,190	1,253,110	34
1,756,654	7,838,465	6,585,355	35
\$ 1,988,930	\$ 8,038,655	\$ 7,838,465	36

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2008 (in thousands)

(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2007)

	2008	2007
Cash flows from operating activities		
1 Change in net assets	\$ 200,190	\$ 1,253,110
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities		
2 Contributions for capital acquisitions, trusts and endowments	(357,356)	(240,231)
3 Income for endowments and other donor restricted funds	(7,907)	(7,588)
4 Depreciation	173,775	147,639
5 Net realized and unrealized (gain)/loss on investments	(58,543)	(1,096,470)
6 Pension and postretirement changes other than net periodic costs	16,481	-
7 Effect of adoption of FASB Statement No. 158	-	77,133
8 Other adjustments	66,800	(26,022)
Change in assets and liabilities		
9 Accounts receivable, net	(28,926)	(38,840)
10 Contributions receivable, net	(170,907)	(160,285)
11 Inventories and prepaid expenses	15,116	(13,012)
12 Accounts payable and accrued expenses	79,333	37,308
13 Deferred revenue and other liabilities	161,020	(34,207)
14 Deferred benefits	34,000	36,622
15 Government advances for student loans	3,271	18
16 Net cash provided/(used) by operating activities	<u>126,347</u>	<u>(64,825)</u>
Cash flows from investing activities		
17 Proceeds from the sale and maturities of investments	10,123,144	8,049,830
18 Purchase of investments	(10,299,858)	(8,036,595)
19 Acquisition of land, buildings, and equipment (net)	(456,933)	(406,155)
20 Student loans granted	(13,692)	(15,725)
21 Student loans repaid	9,835	14,466
22 Change in funds held in trust for others	(37,794)	91,426
23 Net cash used by investing activities	<u>(675,298)</u>	<u>(302,753)</u>
Cash flows from financing activities		
Contributions restricted to		
24 Investment in endowments	234,032	101,531
25 Investment in physical plant	110,120	116,213
26 Investment subject to living trust agreements	13,204	22,487
27 Income for endowments and other donor restricted funds	7,907	7,588
28 Principal payments of bonds and notes payable	(87,316)	(117,936)
29 Proceeds from issuance of bonds and notes payable	286,428	215,751
30 Bond issuance costs incurred	(2,769)	(3,324)
31 Change in obligations under living trust agreements	1,055	29,748
32 Net cash provided by financing activities	<u>562,661</u>	<u>372,058</u>
33 Net change in cash and cash equivalents	13,710	4,480
34 Cash and cash equivalents, beginning of year	27,569	23,089
35 Cash and cash equivalents, end of year	<u>\$ 41,279</u>	<u>\$ 27,569</u>
Supplemental disclosure of cash flow information		
36 Cash paid for interest	\$ 38,142	\$ 33,682

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 (“the 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 (GAAP), and are presented in accordance with the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations. The standards for 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. GAAP 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 values.

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). Expiration of donor restrictions is reported in the consolidated statement of activities as a reclassification from temporarily restricted net assets to unrestricted net assets on the net assets released from restrictions line.

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.

The consolidated statement of activities presents the changes in net assets of the University from both operating and nonoperating activities. Revenues and expenses that relate to carrying out the University’s educational, research, and public service missions are reported as operating activities. Operating revenues include investment income and appreciation utilized to fund current operations, the largest portion of which is the distribution of endowment return as determined by the University’s spending policy. The University reports as nonoperating activities the excess of investment earnings over amounts utilized

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

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

C. Cash and Cash Equivalents

The University classifies any instrument that has an original maturity term of ninety days or less as a cash equivalent. The carrying amount of cash equivalents approximates fair value because of their short terms of maturity.

D. Collateral for Securities Loaned

The University has an agreement with its investment custodian to lend University securities to approved brokers 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 categories of net assets in the period received. A pledge is recorded at present value of estimated future cash flows, based on an appropriate discount rate at the time of the contribution. Amortization of this discount in subsequent years is included in contribution revenue. A contribution of assets other than cash is recorded at its estimated fair value on the date of the contribution. 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.

Temporarily restricted net assets include contributions to a consolidated organization that maintains a donor-advised fund for which the donors will make recommendations to the fund's trustees regarding distributions to the University or other charitable organizations.

F. Investments

The University's investments are recorded in the consolidated financial statements at fair value. The values of publicly traded securities are based on quoted market prices and exchange rates, if applicable. The fair value of nonmarketable securities is based on valuations 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 exercises due diligence in assessing the policies, procedures, and controls implemented by its external investment managers, and believes the carrying amount of these assets 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 their 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 other 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 in the consolidated statement of financial position, and the change in fair value is recorded as other nonoperating revenues and expenses in the consolidated statement of activities.

H. Land, Buildings, and Equipment

Land, buildings, and equipment are stated in the consolidated statement of financial position 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 life of the asset, 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 and are reflected, net of accumulated depreciation, in the consolidated statement of financial position. A collection received as a gift is recorded at fair value as an increase in net assets in the year in which it 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 to 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 the 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 terms of the agreements. 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. In addition to conducting instructional and research activities, physician members generate clinical practice income from their professional services to patients. Also reflected as University revenues are Medical Physicians' Organization fees. 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 information in summary form, 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

Effective for the fiscal year ended June 30, 2008, the University adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48: *Accounting for Uncertainty in Income Taxes* (FIN 48). FIN 48 addresses the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. It prescribes a threshold of "more likely than not" for recognition of tax positions taken in a tax return, and provides related guidance on measurement, classification, interest and penalties, and disclosure. FIN 48 had no material impact on the University's results of operations and financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

In the fiscal year ended June 30, 2007, the University adopted Statement of Financial Accounting Standards No. 158: *Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefit Plans* (FAS 158), which required recognition of the funded status of these employee benefit plans in the consolidated statement of financial position as either a prepaid expense or an accrued liability. The adjustment necessary to comply with FAS 158 was presented as a separate line in unrestricted net assets and not as income or expense in 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. In subsequent years, the University will continue to record changes in the funded status as pension and postretirement changes other than net periodic costs in the consolidated statement of activities.

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 generally 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>2008</u>	<u>2007</u>
Grants and contracts	\$ 55,828	\$ 49,996
Patients (net of contractual allowances)	71,619	75,512
Student accounts	5,764	5,766
Other	158,843	133,146
Subtotal	\$ 292,054	\$ 264,420
Less: allowance for doubtful accounts	(15,163)	(16,455)
Net accounts receivable	\$ 276,891	\$ 247,965

The patient accounts receivable for medical services was comprised of the following at June 30, 2008 and 2007, respectively: commercial third parties 53 percent and 54 percent; federal/state government 12 percent and 14 percent; and patients 35 percent and 32 percent. Other accounts receivable include receivables 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>2008</u>	<u>2007</u>
Less than one year	\$ 212,667	\$ 147,653
Between one and five years	315,095	243,849
More than five years	474,898	448,769
Gross contributions receivable	\$ 1,002,660	\$ 840,271
Less: unamortized discount	(300,748)	(318,260)
Less: allowance for uncollectible amounts	(35,095)	(26,101)
Net contributions receivable	\$ 666,817	\$ 495,910

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

<u>EXPECTED PURPOSE OF CONTRIBUTIONS RECEIVABLE</u>		
	<u>2008</u>	<u>2007</u>
Support of University operations	\$ 297,287	\$ 239,604
Capital purposes	153,352	117,383
Endowments and similar funds	216,178	138,923
Net contributions receivable	\$ 666,817	\$ 495,910

At June 30, 2008 and 2007, conditional promises not reflected in the consolidated financial statements, which consist primarily of bequest intentions, were approximately \$165,458 and \$160,273, 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:

<u>SUMMARY OF STUDENT LOANS RECEIVABLE</u>		
	<u>2008</u>	<u>2007</u>
Federal revolving loans	\$ 48,962	\$ 48,225
Institutional loans	29,618	26,498
Gross student loans receivable	\$ 78,580	\$ 74,723
Less: allowance for doubtful accounts	(6,296)	(9,792)
Net student loans receivable	\$ 72,284	\$ 64,931

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.

Student loans are often subject to unique restrictions and conditions and, therefore, it is not feasible to determine their fair values.

3. INVESTMENTS

A. General Information

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

<u>INVESTMENTS AT FAIR VALUE</u>		
	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 267,836	\$ 129,614
Domestic equities	699,794	834,060
Foreign equities	911,636	1,107,758
Absolute return	625,452	572,721
Hedged equities	1,252,730	1,306,924
Fixed income	898,489	749,574
Private equities	902,677	751,801
Real assets	956,468	885,194
Other	34,206	31,579
Total	\$ 6,549,288	\$ 6,369,225

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, 2008 and 2007, the University had commitments of \$1,362,308 and \$1,066,802, 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

	<u>2008</u>	<u>2007</u>
Working capital	\$ 32,704	\$ 3,807
Intermediate-term (PBIF)	571,174	609,353
Long-term investment pool (LTIP)	5,378,096	5,197,503
Separately invested portfolio	411,614	478,902
Pooled life income funds	13,909	16,935
Other	141,791	62,725
Total	<u>\$ 6,549,288</u>	<u>\$ 6,369,225</u>

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

SUMMARY OF INVESTMENT RETURN

	<u>2008</u>	<u>2007</u>
Interest and dividends, net of investment fees	\$ 112,688	\$ 105,646
Net realized gain/(loss)	415,142	394,161
Net unrealized gain/(loss)	(356,599)	702,309
Total investment return	<u>\$ 171,231</u>	<u>\$ 1,202,116</u>
Investment return, distributed	\$ 280,985	\$ 290,655
Investment return, undistributed	(109,754)	911,461
Total investment return	<u>\$ 171,231</u>	<u>\$ 1,202,116</u>

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 of this vehicle 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, 2008 and 2007, the fair values per unit were \$65.37 and \$66.62, respectively. The total return on the University's long-term investments, of which the LTIP is the major component, was 2.7 percent for the fiscal year ended June 30, 2008. The changes in the fair value and cost of the LTIP and information about its participating units as of June 30, 2008 and 2007 are as follows:

SUMMARY INFORMATION - LONG-TERM INVESTMENT POOL

	<u>Fair value</u>	<u>Cost</u>	<u>Appreciation</u>	<u>Fair value per unit</u>	<u>Number of units</u>
End of year	\$ 5,378,096	\$ 4,267,499	\$ 1,110,597	\$ 65.37	82,269,929
Beginning of year	\$ 5,197,503	\$ 3,800,321	\$ 1,397,182	\$ 66.62	78,016,232
Unrealized net gain/(loss) for year			\$ (286,585)		
Realized net gain/(loss) for year			\$ 360,501		
Net gain/loss for year			<u>\$ 73,916</u>		

The University has a total distribution policy. Under this policy, a distribution is provided from the pool, independent of the cash yield and investment returns in a given year. This insulates investment policy from budgetary pressures and insulates the distribution from fluctuations in financial 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 fiscal year ended June 30, 2008, distributions of investment payout to participating funds totaled \$213,048 (\$2.66 per unit) of which \$191,724 was paid out for the University's operations, with the balance in the amount of \$21,324 either returned to principal or distributed to funds held for others. The distribution for the fiscal year ended June 30, 2008 was comprised of \$46,997 in net investment income and \$166,051 paid from accumulated gains. For the fiscal year ended June 30, 2007, the investment payout was \$185,508 (\$2.42 per unit), and was comprised of \$44,726 in net investment income and \$140,782 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 principals become available for University purposes, which may or may not have been restricted by the donors.

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 \$122,599 and \$37,480 as of June 30, 2008 and 2007, respectively. The amount of bond proceeds not yet expended included in the total reserves at DASNY are \$107,653 and \$21,550 as of June 30, 2008 and 2007, 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 of a manager's appointment. The derivatives are used to adjust fixed income durations 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 those counterparties with strong credit ratings for these derivatives. For the fiscal years ended June 30, 2008 and 2007, the University recorded unrealized gains of \$7,676 and \$2,385, respectively, on derivative holdings.

4. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are detailed as follows:

LAND, BUILDINGS, AND EQUIPMENT

	Book value at June 30, 2007	Additions	Disposals and closed projects	Book value at June 30, 2008
Land, buildings, and equipment	\$ 2,616,202	\$ 320,779	\$ (34,768)	\$ 2,902,213
Furniture, equipment, books, and collections	886,520	86,406	(39,414)	933,512
Construction in progress	351,592	453,257	(396,416)	408,433
Total before accumulated depreciation	\$ 3,854,314	\$ 860,442	\$ (470,598)	\$ 4,244,158
Accumulated depreciation	(1,506,091)			(1,627,928)
Net land, buildings, and equipment	\$ 2,348,223			\$ 2,616,230

Certain properties to which the University does not have title are included in physical assets at net book values as follows: (1) land, buildings, and equipment of the Contract Colleges aggregating \$421,439 and \$368,215 at June 30, 2008 and 2007, respectively, the acquisition cost of which was borne primarily by New York State and (2) land, buildings, and equipment for which titles rest with government and corporate agencies aggregating \$17,296 and \$17,293 at June 30, 2008 and 2007, respectively.

5. DEFERRED BENEFITS

A. General Information

Accrued employee benefit obligations as of June 30 include:

SUMMARY OF DEFERRED BENEFITS		
	2008	2007
Postemployment benefits	\$ 21,334	\$ 21,765
Pension and other postretirement benefits	239,950	212,066
Other deferred benefits	163,754	140,726
Total deferred benefits	\$ 425,038	\$ 374,557

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 fiscal years ended June 30, 2008 and 2007 amounted to \$76,873 and \$72,771, 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 were covered by the Cornell University Retirement Plan for Non-Exempt Employees of the Endowed Colleges at Ithaca (NERP), a defined benefit plan. The Board of Trustees voted to terminate this frozen plan effective December 31, 2006, with all surplus assets inuring to the plan participants. As of June 30, 2008, the majority of benefits have been paid out to retirees, former employees and active employees with a vested benefit in NERP.

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

In the fiscal year ended June 30, 2007, the University adopted FAS 158, which required employers to recognize the over-funded or under-funded status of defined benefit pension and postretirement plans in their statements of financial position. This resulted in an increase in deferred benefits liability of \$77,133. Adjustments in subsequent years will be recorded as pension and postretirement changes other than net periodic costs in the consolidated statement of activities.

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	
	2008	2007	2008	2007
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	\$ 53,110	\$ 64,846	\$ 127,921	\$ 101,552
Actual return on plan assets	(3,930)	7,801	(6,212)	21,276
Employer contribution	3,000	3,800	5,336	5,093
Benefits paid	(1,725)	(4,056)	-	-
Settlements	(9,736)	(19,281)	-	-
Fair value of plan assets at end of year	\$ 40,719	\$ 53,110	\$ 127,045	\$ 127,921
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year	\$ 59,919	\$ 67,721	\$ 326,096	\$ 314,733
Service cost (benefits earned during the period)	3,420	3,212	13,528	13,660
Interest cost	3,094	4,028	18,841	18,734
Plan amendments	3,132	-	-	-
Actuarial (gain)/loss	(727)	8,295	1,942	(11,435)
Settlements	(9,736)	(19,281)	-	-
Benefits paid	(1,725)	(4,056)	(10,272)	(9,596)
Projected benefit obligation at end of year	\$ 57,377	\$ 59,919	\$ 350,135	\$ 326,096
FUNDED STATUS	\$ (16,658)	\$ (6,809)	\$ (223,090)	\$ (198,175)
AMOUNTS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	\$ (16,658)	\$ (6,809)	\$ (223,090)	\$ (198,175)
AMOUNTS RECORDED IN UNRESTRICTED NET ASSETS NOT YET AMORTIZED AS COMPONENTS OF NET PERIODIC BENEFIT COST				
Net transition obligation	\$ -	\$ -	\$ 18,221	\$ 21,866
Prior service cost	-	-	510	639
Net actuarial (gain)/loss	8,681	5,992	66,202	48,636
Amount recognized as reduction in unrestricted net assets	\$ 8,681	\$ 5,992	\$ 84,933	\$ 71,141

The accumulated benefit obligation for the pension plans was \$44,061 and \$46,737 at June 30, 2008 and 2007, respectively. 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.

D. Net Periodic Benefit Cost

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

NET PERIODIC BENEFIT COST

	Pension benefits		Other postretirement	
	2008	2007	2008	2007
Service cost (benefits earned during the period)	\$ 3,420	\$ 3,212	\$ 13,528	\$ 13,660
Interest cost	3,094	4,028	18,841	18,734
Expected return on plan assets	(3,776)	(4,923)	(9,906)	(8,309)
Amortization of initial transition obligation	-	-	3,644	3,644
Amortization of prior service cost	3,133	-	129	264
Amortization of net (gain)/loss	3,593	612	495	2,365
Settlement (gain)/loss	696	10,685	-	-
Net periodic benefit cost	\$ 10,160	\$ 13,614	\$ 26,731	\$ 30,358

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

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, 2009 are estimated as follows:

ESTIMATED COMPONENTS OF NET PERIODIC BENEFIT COST

	Pension benefits	Other postretirement
Transition obligation	\$ -	\$ 3,644
Prior service cost	-	129
Net actuarial (gain)/loss	282	2,620
Total	\$ 282	\$ 6,393

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	
	2008	2007	2008	2007
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%	6.00%	6.00%	6.00%
Expected return on plan assets	8.00%	8.00%	8.00%	8.00%
Rate of compensation increase	6.10%	6.10%		
ASSUMED HEALTH CARE COST TREND RATES				
Health care cost trend rate assumed for next year	n/a	n/a	8.00%	8.00%
Ultimate trend rate	n/a	n/a	5.00%	5.00%
Years to reach ultimate trend rate	n/a	n/a	6	3

The health care cost trend rate assumption has a significant effect on the amounts reported for other postretirement (health care) plans. Increasing the health care cost trend rate by 1 percent in each future year would increase the benefit obligation by \$56,892 and the annual service and interest cost by \$6,629. Decreasing the health care cost trend rate by 1 percent in each future year would decrease the benefit obligation by \$46,023 and the annual service and interest cost by \$5,213.

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, 5.75 percent on debt securities, and 8.25 percent on real estate.

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

SUMMARY OF PLAN ASSETS

PERCENTAGE OF PLAN ASSETS	Target allocation	Pension benefits		Other postretirement	
		2008	2007	2008	2007
Equity securities	39-85%	59.7%	52.0%	69.7%	70.1%
Debt securities	15-55%	36.7%	44.6%	30.3%	29.9%
Real estate	0-5%	3.6%	3.4%	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

UNIVERSITY CONTRIBUTIONS	Pension benefits	Other postretirement	
		Employer paid	Government subsidy
2009	\$ 2,500	\$ 5,589	n/a
FUTURE BENEFIT PAYMENTS			
2009	\$ 3,024	\$ 11,181	\$ 1,502
2010	2,918	12,218	1,665
2011	3,588	13,450	1,820
2012	3,599	14,539	1,988
2013	3,540	15,683	2,178
2014-2018	23,326	98,741	14,244

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 amounts reimbursed to the state during the fiscal years ended June 30, 2008 and 2007, were \$18,459 and \$17,488, respectively, and were included in operating expenses.

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 Weill Cornell Medical Center of the New York-Presbyterian Hospital, is the major external organization invested in the LTIP with assets having market values of \$189,342 and \$186,461 at June 30, 2008 and 2007, respectively. Of these investments, a portion of the future income stream has been directed in perpetuity to benefit the Medical College. The present values of this income stream, calculated to be \$75,966 and \$74,141 at June 30, 2008 and 2007, respectively, are recorded as reductions in 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

	2008	2007	Interest rates	Final maturity
Dormitory Authority of the State of New York (DASNY)				
Revenue Bond Series				
1990B-Variable rate/daily	\$ 56,700	\$ 57,300	0.55 to 3.96	2025
2000A-Variable rate/weekly	56,620	58,320	2.99*	2029
2000B-Variable rate/weekly	74,835	76,765	4.63*	2030
2004-Variable rate/weekly	88,175	90,150	3.51*	2033
2006-Fixed rate	231,160	239,750	4.00 to 5.00	2035
2008B&C-Variable rate/daily	130,000	-	0.35 to 2.50	2037
1995 Student loan bond capital appreciation	-	6,339	5.90 to 6.15	2008
Tax-exempt commercial paper	149,875	89,005	1.00 to 3.72*	2037
Bond Series 1987B-Fixed rate	8,825	10,370	11.11	2012
Taxable commercial paper	60,911	86,979	2.25 to 5.33	-
Industrial Development Agency				
2000-Fixed rate	3,330	4,335	5.10 to 5.25	2011
2002A-Variable rate/weekly	42,530	42,710	4.52*	2030
2002B-Variable rate/weekly	15,390	15,390	4.33*	2015
2008A-Variable rate/daily	70,000	-	0.55 to 3.40	2037
Student Loan Marketing Association-Fixed rate	5,030	5,340	5.75 to 6.50	2019
Urban Development Corporation	2,625	2,750	-	2029
Capitalized leases				
312 College Ave	-	11,296	various	2008
Other	3,164	3,308	various	2009-2029
Total bonds and notes payable	\$ 999,170	\$ 800,107		

* Rates presented are the swap interest rates as noted in the following Summary of Interest Rate Swaps table.

The University's bonds and notes payable had carrying amounts of \$999,170 and \$800,107 at June 30, 2008 and 2007, respectively, compared to estimated fair values of approximately \$1,001,739 and \$808,513 at June 30, 2008 and 2007, respectively. Estimated fair value of bonds is based on quoted market prices for the same or similar issues. The market prices utilized reflect the amounts a third party would pay to purchase the bonds, and not an additional liability to the University. Interest expense during the fiscal year ended June 30, 2008 was \$27,784, of which \$25,926 was related to the bonds and notes payable displayed in the table above. During the fiscal year ended June 30, 2007, interest expense was \$30,509, of which \$28,890 was related to the bonds and notes payable. The University capitalized interest on self-constructed assets, such as buildings, in the amount of \$9,698 and \$4,218 for the fiscal years ended June 30, 2008 and 2007, respectively.

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 eleven interest rate swap agreements to exchange variable rate debt for fixed rate obligations 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 six forward-starting swaps were negotiated in the fiscal year ended June 30, 2008. Under four agreements in effect at June 30, 2008, the counterparty pays the University a variable interest rate equal to the Securities Industry and Financial Markets Association (SIFMA) index, and under seven other agreements, the counterparty pays a variable interest rate equal to a percentage of the one month London Interbank Offered Rates (LIBOR).

At June 30, 2008 and 2007, the total fair value was (\$34,504) for eleven swap agreements and \$20,691 for eight swap agreements, respectively. 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
\$ 15,390	4.33%		July 1, 2010	SIFMA
106,620	2.99%		October 1, 2012	SIFMA
42,530	4.52%		July 1, 2030	SIFMA
74,835	4.63%		July 1, 2030	LIBOR
88,175	3.51%		July 1, 2033	LIBOR
200,000	3.84%	July 1, 2008	July 1, 2037	SIFMA
100,000	3.55%	July 1, 2009	July 1, 2036	LIBOR
200,000	3.45%	July 1, 2010	July 1, 2039	LIBOR
275,000	3.65%	July 1, 2010	July 1, 2040	LIBOR
200,000	3.48%	July 1, 2012	July 1, 2041	LIBOR
200,000	3.77%	July 1, 2014	July 1, 2044	LIBOR

During the fiscal year ended June 30, 2008, the University issued \$70,000 of variable rate bonds to finance the central heating plant project, and \$130,000 of variable rate bonds to refund tax-exempt commercial paper. In addition, the University reoffered the Series 2004 bonds. There was no change in the underlying bonds other than from an auction rate to a variable rate mode.

The University continues to issue both tax-exempt and taxable commercial paper. Tax-exempt commercial paper is used to finance capital projects and equipment purchases for the Ithaca and Medical College campuses. Taxable commercial paper is also used for these purposes, as well as to finance short-term working capital needs. The maximum amount outstanding at any one time under each program is \$200,000.

The University paid \$3,252 in the fiscal year ended June 30, 2008 to defease the 1995 student loan capital appreciation bonds. In addition, the university terminated its capitalized lease.

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
2009	\$ 22,035	\$ 38,112	\$ 60,147
2010	22,556	37,091	59,647
2011	26,761	36,033	62,794
2012	27,543	34,651	62,194
2013	26,538	32,996	59,534
Thereafter	873,737	432,604	1,306,341
Total	\$ 999,170	\$ 611,487	\$ 1,610,657

The University records its working capital line of credit as other liabilities in the consolidated statement of financial position. During the fiscal year ended June 30, 2008, the University added an additional working capital line of credit with Bank of America for \$100,000 to support short-term cash flow needs, bringing the maximum amount outstanding at any one time for both lines of credit to \$200,000. At June 30, 2008, the interest rates were 2.58 percent and 3.00 percent for the University's two lines of credit. At June 30, 2007, the University had one line of credit with an interest rate of 6.25 percent. The two lines of credit have annual expiration dates of February 20 and December 31. As of June 30, 2008 and 2007, \$164,500 and \$30,500, respectively, were borrowed against the lines of credit.

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 expenses were \$18,058 and \$18,011 for the fiscal years ended June 30, 2008 and 2007, 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
2009	\$ 20,281
2010	16,526
2011	15,436
2012	13,222
2013	11,495
Thereafter	69,916
Total minimum operating lease payments	\$ 146,876

9. FUNCTIONAL EXPENSES AND STUDENT AID

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

FUNCTIONAL EXPENSES		
	2008	2007
Instruction	\$ 597,606	\$ 555,434
Research	511,158	502,661
Public service	114,143	108,847
Academic support	267,222	236,784
Student services	119,858	111,279
Medical services	474,471	412,270
Institutional support	414,747	360,426
Enterprises and subsidiaries	209,708	183,812
Total expenses	\$ 2,708,913	\$ 2,471,513

The expenses for operations and maintenance of facilities, depreciation, and interest are allocated to functional categories based on square footage. The amounts allocated for operations and maintenance were approximately \$154,430 and \$143,344 for the fiscal years ended June 30, 2008 and 2007, 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 scholarship allowance which reduces tuition revenue. Total financial assistance amounts classified as instruction expense were \$24,106 and \$23,401 for the fiscal years ended June 30, 2008 and 2007, 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	2008 Total	2007 Total
Endowment					
True endowment	\$ 1,979,508	\$ -	\$ 1,555,709	\$ 3,535,217	\$ 3,460,881
Funds functioning as endowment (FFE)	1,538,967	173,825	-	1,712,792	1,652,213
Total true endowment and FFE	\$ 3,518,475	\$ 173,825	\$ 1,555,709	\$ 5,248,009	\$ 5,113,094
Funds held by others, perpetual	-	-	137,473	137,473	134,003
Total University endowment	\$ 3,518,475	\$ 173,825	\$ 1,693,182	\$ 5,385,482	\$ 5,247,097
Other Net Assets					
Operations	(170,458)	134,756	-	(35,702)	165,396
Student loans	8,725	-	33,516	42,241	37,775
Facilities and equipment	1,773,023	48,136	-	1,821,159	1,739,438
Living trust funds	-	68,207	46,054	114,261	109,161
Funds held by others, other than perpetual	-	44,397	-	44,397	43,688
Contributions receivable, net	-	450,639	216,178	666,817	495,910
Total net assets	\$ 5,129,765	\$ 919,960	\$ 1,988,930	\$ 8,038,655	\$ 7,838,465

Unrestricted net asset balances for operations are primarily affected by operating activities and strategic decisions to invest expendable balances in funds functioning as endowment and capital projects.

Of the endowment assets held at the University, 98 percent and 97 percent were invested in the LTIP at June 30, 2008 and 2007, respectively. At June 30, 2008, 257 of 5,581 true endowment funds invested in the LTIP, with a book value of \$84,435, had fair values below book values by a total of \$2,287. The University holds significant unrestricted appreciation on endowments to offset these temporary decreases in value. The University has maintained these true endowment funds at their historical book value.

Changes in the endowment net assets, exclusive of funds held by others, for the fiscal years ended June 30 are presented below:

SUMMARY OF ENDOWMENT ACTIVITY

	Unrestricted	Temporarily restricted	Permanently restricted	2008 Total	2007 Total
True endowment and FFE beginning of year	\$ 3,576,523	\$ 120,053	\$ 1,416,518	\$ 5,113,094	\$ 4,152,207
Investment return					
Net investment income	27,489	17,338	2,376	47,203	44,352
Net realized and unrealized gains	1,741	66,743	4,534	73,018	979,166
Total investment return	\$ 29,230	\$ 84,081	\$ 6,910	\$ 120,221	\$ 1,023,518
New gifts	6,950	42,558	109,243	158,751	87,142
Net transfers to/(from) FFE	20,457	(9,097)	-	11,360	11,122
Distribution of endowment return to other funds	(115,072)	(76,651)	(2,763)	(194,486)	(170,134)
Other changes	(5,091)	(2,464)	6,475	(1,080)	5,210
Reclassifications	5,478	15,345	19,326	40,149	4,029
Total true endowment and FFE end of year	\$ 3,518,475	\$ 173,825	\$ 1,555,709	\$ 5,248,009	\$ 5,113,094

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 foreseen, 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.

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

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	\$ 540,611	—	540,611
Department of Agriculture/Pass-through Centro International De Mejoramiento	10.000	—	372,719	372,719
Department of Agriculture/Pass-through Dairy Management Inc.	10.000	—	135,850	135,850
Department of Agriculture/Pass-through NYS Department of Environmental Conservation	10.000	—	262,960	262,960
Department of Agriculture/Pass-through Tioga Soil & Water Conservation District	10.000	—	78,382	78,382
Agricultural Research – Basic and Applied Research	10.001	3,816,222	—	3,816,222
Plant and Animal Disease, Pest Control, and Animal Care	10.025	133,056	—	133,056
Plant and Animal Disease, Pest Control, and Animal Care/Pass through NYS Department of Agriculture and Markets	10.025	—	165,149	165,149
Wildlife Services	10.028	47,552	—	47,552
Federal – State Marketing Improvement Program	10.156	13,646	—	13,646
Inspection Grading and Standardization	10.162	118,065	—	118,065
Grants for Agricultural Research, Special Research Grants	10.200	4,392,239	—	4,392,239
Grants for Agricultural Research, Special Research Grants/Pass-through Controlled Environment Agriculture Systems	10.200	—	53,396	53,396
Grants for Agricultural Research, Special Research Grants/Pass-through Rutgers State University of New Jersey	10.200	—	107,300	107,300
Grants for Agricultural Research, Special Research Grants/Pass-through South Dakota State University	10.200	—	52,732	52,732
Grants for Agricultural Research, Special Research Grants/Pass-through Texas A&M Agricultural Extension Service	10.200	—	68,695	68,695
Grants for Agricultural Research, Special Research Grants/Pass-through University of California, Davis	10.200	—	189,177	189,177
Grants for Agricultural Research, Special Research Grants/Pass-through University of Maine	10.200	—	479	479
Grants for Agricultural Research, Special Research Grants/Pass-through University of Minnesota	10.200	—	(46,917)	(46,917)
Grants for Agricultural Research, Special Research Grants/Pass-through University of Vermont	10.200	—	166,280	166,280
Grants for Agricultural Research, Special Research Grants/Pass-through Virginia Polytechnic Institute & State University	10.200	—	6,187	6,187
Cooperative Forestry Research	10.202	203,333	—	203,333
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	7,152,244	—	7,152,244
Payments to 1890 Land – Grant Colleges and Tuskegee University/ Pass-through NYS Department of Transportation	10.205	—	75,562	75,562
Grants for Agricultural Research – Competitive Research Grants	10.206	4,769,344	—	4,769,344
Grants for Agricultural Research – Competitive Research Grants/ Pass-through Arizona State University	10.206	—	12	12
Grants for Agricultural Research – Competitive Research Grants/ Pass-through Innovative Biotechnologies Inc.	10.206	—	110,973	110,973
Grants for Agricultural Research – Competitive Research Grants/ Pass-through Institute for Genomic Research	10.206	—	13,327	13,327
Grants for Agricultural Research – Competitive Research Grants/ Pass-through North Carolina State University	10.206	—	66,192	66,192
Grants for Agricultural Research – Competitive Research Grants/ Pass-through Ohio State University	10.206	—	2,635	2,635
Grants for Agricultural Research – Competitive Research Grants/ Pass-through Pennsylvania State University	10.206	—	35,698	35,698
Grants for Agricultural Research – Competitive Research Grants/ Pass-through University of California, Davis	10.206	—	93,061	93,061
Grants for Agricultural Research – Competitive Research Grants/ Pass-through University of California, Santa Cruz	10.206	—	35	35
Grants for Agricultural Research – Competitive Research Grants/ Pass-through University of Georgia	10.206	—	69,189	69,189
Grants for Agricultural Research – Competitive Research Grants/ Pass-through University of Massachusetts, Amherst	10.206	—	156,688	156,688
Grants for Agricultural Research – Competitive Research Grants/ Pass-through University of Minnesota	10.206	—	148,279	148,279
Grants for Agricultural Research – Competitive Research Grants/ Pass-through University of Missouri	10.206	—	67,460	67,460
Grants for Agricultural Research – Competitive Research Grants/ Pass-through University of Rochester	10.206	—	43,635	43,635

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

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	\$ —	37,687	37,687
Grants for Agricultural Research – Competitive Research Grants/ Pass-through Virginia Polytechnic Institute & State University	10.206	—	23,086	23,086
Grants for Agricultural Research – Competitive Research Grants/ Pass-through Yale University	10.206	—	43,969	43,969
Animal Health and Disease Research	10.207	246,342	—	246,342
Small Business Innovation Research/Pass-through Biolik Life Sciences, Inc.	10.212	—	54,909	54,909
Sustainable Agriculture Research and Education/Pass-through Northeast Organic Farming Association of Vermont	10.215	—	16,282	16,282
Sustainable Agriculture Research and Education/Pass-through University of Vermont	10.215	—	15,053	15,053
1890 Institution Capacity Building Grants/Pass-through West Virginia University	10.216	—	15,109	15,109
Agricultural and Rural Economic Research	10.250	58,102	—	58,102
Integrated Programs	10.303	1,167,945	—	1,167,945
Integrated Programs/Pass-through Colorado State University	10.303	—	12,939	12,939
Integrated Programs/Pass-through Iowa State University	10.303	—	39,504	39,504
Integrated Programs/Pass-through Michigan State University	10.303	—	25,150	25,150
Integrated Programs/Pass-through North Carolina State University	10.303	—	49,254	49,254
Integrated Programs/Pass-through Pennsylvania State University	10.303	—	1,126	1,126
Integrated Programs/Pass-through Purdue University	10.303	—	284	284
Integrated Programs/Pass-through Rutgers State University of New Jersey	10.303	—	200,456	200,456
Integrated Programs/Pass-through University of California, Davis	10.303	—	11,808	11,808
Integrated Programs/Pass-through University of Idaho	10.303	—	1,332	1,332
Integrated Programs/Pass-through University of Illinois Urbana-Champaign	10.303	—	4,170	4,170
Integrated Programs/Pass-through University of Massachusetts Amherst	10.303	—	52,822	52,822
Homeland Security Agricultural	10.304	752,039	—	752,039
Homeland Security Agricultural/Pass-through Purdue University	10.304	—	5,144	5,144
Organic Agriculture Research and Extension Initiative	10.307	227,403	—	227,403
Crop Insurance Education in Targeted States/Pass-through Northeast Organic Farming Association of New York	10.458	—	21,772	21,772
Cooperative Extension Service/Pass-through Connecticut Agricultural Experiment Station	10.500	—	501	501
Cooperative Extension Service/Pass-through North Carolina State University	10.500	—	75,985	75,985
Cooperative Extension Service/Pass-through NYS Office of Temporary and Disability Assistance	10.500	—	157,532	157,532
Cooperative Extension Service/Pass-through Pennsylvania State University	10.500	—	3,665	3,665
Cooperative Extension Service/Pass-through University of Vermont	10.500	—	32,984	32,984
Forestry Research	10.652	14,227	—	14,227
Cooperative Forestry Assistance	10.664	1,930	—	1,930
Cooperative Forestry Assistance/Pass-through Virginia Polytechnic Institute & State University	10.664	—	1,189	1,189
Urban and Community Forestry Program	10.675	3,717	—	3,717
Forest Stewardship Program	10.678	14,629	—	14,629
Forest Stewardship Program/Pass-through Watershed Agricultural Council	10.678	—	19,463	19,463
Forest Health Protection (A, B)	10.680	72,554	—	72,554
Resource Conservation and Development	10.901	33,541	—	33,541
Environmental Quality Incentives Program	10.912	192,065	—	192,065
Technical Agricultural Assistance	10.960	6,697	—	6,697
Scientific Cooperation and Research	10.961	13,596	—	13,596
Department of Agriculture total		23,991,099	3,418,310	27,409,409
Department of Commerce:				
Department of Commerce	11.000	546,124	—	546,124
Census Bureau Data Products	11.001	25,628	—	25,628
Census Geography	11.003	118,592	—	118,592
Census Intergovernmental Services	11.004	255,185	—	255,185
ITA Special Projects/Pass-through National Textile Center	11.113	—	465,577	465,577
Sea Grant Support/Pass-through New York Sea Grant Institute, Stony Brook	11.417	—	131,356	131,356
Sea Grant Support/Pass-through Woods Hole Oceanographic Institute	11.417	—	59,104	59,104
Climate and Atmospheric Research	11.431	168,510	—	168,510

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Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Pacific Fisheries Data Program/Pass-through Pacific States Marine Fisheries Commission	11.437	\$ —	25,726	25,726
Applied Meteorological Research	11.468	(110,009)	—	(110,009)
Unallied Science Program	11.472	18,258	—	18,258
Coastal Services Center/Pass-through University of California, Santa Cruz	11.473	—	16,411	16,411
Center for Sponsored Coastal Ocean Research-Coastal Ocean Program/Pass-through University of Michigan	11.478	—	175,148	175,148
Measurement and Engineering Research and Standards	11.609	147,316	—	147,316
Department of Commerce total		<u>1,169,604</u>	<u>873,322</u>	<u>2,042,926</u>
Department of Defense:				
Department of Defense	12.000	2,070,699	—	2,070,699
Department of Defense/Pass-through ATC-NY Inc.	12.000	—	94,277	94,277
Department of Defense/Pass-through Atmosphere and Space Technology Research Associates	12.000	—	41,402	41,402
Department of Defense/Pass-through BAE Systems	12.000	—	158,322	158,322
Department of Defense/Pass-through Block Engineering	12.000	—	30,915	30,915
Department of Defense/Pass-through Boeing Integrated Defense System	12.000	—	138,859	138,859
Department of Defense/Pass-through Carnegie – Mellon University	12.000	—	111,089	111,089
Department of Defense/Pass-through Clemson University	12.000	—	19,842	19,842
Department of Defense/Pass-through Georgia Institute of Technology	12.000	—	106,565	106,565
Department of Defense/Pass-through Geosyntec Consultants Inc.	12.000	—	248,797	248,797
Department of Defense/Pass-through Northrop Grumman Corporation	12.000	—	86,942	86,942
Department of Defense/Pass-through Optech, Inc.	12.000	—	(735)	(735)
Department of Defense/Pass-through Rockwell Collins	12.000	—	191,673	191,673
Department of Defense/Pass-through Structured Materials Industries Inc.	12.000	—	14,513	14,513
Department of Defense/Pass-through Telcordia Technologies Inc.	12.000	—	(22)	(22)
Department of Defense/Pass-through Tetragenetics Inc.	12.000	—	71,100	71,100
Department of Defense/Pass-through UES Inc.	12.000	—	29,744	29,744
Department of Defense/Pass-through University of Pittsburgh	12.000	—	(10,241)	(10,241)
Basic and Applied Scientific Research	12.300	3,027,998	—	3,027,998
Basic and Applied Scientific Research/Pass-through Georgia Institute of Technology	12.300	—	224,525	224,525
Basic and Applied Scientific Research/Pass-through Telcordia Technologies Inc.	12.300	—	42,175	42,175
Basic and Applied Scientific Research/Pass-through University of California, Santa Barbara	12.300	—	320,178	320,178
Basic and Applied Scientific Research/Pass-through University of Pittsburgh	12.300	—	210,175	210,175
Basic and Applied Scientific Research/Pass-through University of Rochester	12.300	—	138,664	138,664
Basic and Applied Scientific Research/Pass-through Widetronix Inc.	12.300	—	10,241	10,241
Basic and Applied Scientific Research – Combating Weapons of Mass Destruction/Pass-through North Carolina State University	12.351	—	21,543	21,543
Military Medical Research and Development	12.420	1,443,406	—	1,443,406
Basic Scientific Research	12.431	2,354,297	—	2,354,297
Basic Scientific Research/Pass-through Active Signal Technologies	12.431	—	14,934	14,934
Basic Scientific Research/Pass-through Nano Engineering Innovation	12.431	—	58,429	58,429
Basic Scientific Research/Pass-through Northrop Grumman Corporation	12.431	—	61,527	61,527
Basic Scientific Research/Pass-through Rice University	12.431	—	119,725	119,725
Basic Scientific Research/Pass-through University of Kentucky	12.431	—	56,841	56,841
Basic Scientific Research/Pass-through University of Pittsburgh	12.431	—	718,492	718,492
Basic Scientific Research/Pass-through University of Virginia	12.431	—	56,084	56,084
Basic Scientific Research/Pass-through University of Washington	12.431	—	362,637	362,637
Basic Scientific Research/Pass-through Virginia Polytechnic Institute & State University	12.431	—	98	98
Basic, Applied, and Advanced Research in Science and Engineering	12.630	637,143	—	637,143
Basic, Applied, and Advanced Research in Science and Engineering/Pass-through Georgia Institute of Technology	12.630	—	4,880	4,880
Basic, Applied, and Advanced Research in Science and Engineering/Pass-through Structured Materials Industrials, Inc.	12.630	—	15,000	15,000
Basic, Applied, and Advanced Research in Science and Engineering/Pass-through Telcordia Technologies Inc.	12.630	—	350,941	350,941
Basic, Applied, and Advanced Research in Science and Engineering/Pass-through University of Maryland	12.630	—	47,575	47,575
Air Force Defense Research Sciences Program	12.800	4,486,347	—	4,486,347
Air Force Defense Research Sciences Program/Pass-through CACI International Inc.	12.800	—	35,000	35,000

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Air Force Defense Research Sciences Program/Pass-through Insitu Group	12.800	\$ —	67,337	67,337
Air Force Defense Research Sciences Program/ Pass-through Massachusetts Institute of Technology	12.800	—	177,309	177,309
Air Force Defense Research Sciences Program/ Pass-through New Jersey Institute of Technology	12.800	—	83,276	83,276
Air Force Defense Research Sciences Program/Pass-through University of California, Berkeley	12.800	—	313,341	313,341
Air Force Defense Research Sciences Program/Pass-through Vital Probes, Inc.	12.800	—	37,800	37,800
Mathematical Sciences Grants Program	12.901	20,003	—	20,003
Research and Technology Development	12.910	2,183,122	—	2,183,122
Research and Technology Development/Pass-through Auburn University	12.910	—	39,428	39,428
Research and Technology Development/Pass-through BAE Systems	12.910	—	151,363	151,363
Research and Technology Development/Pass-through Boyce Thompson Institute	12.910	—	404,104	404,104
Research and Technology Development/Pass-through California Institute of Technology	12.910	—	54,079	54,079
Research and Technology Development/Pass-through Stanford University	12.910	—	131,050	131,050
Department of Defense total		<u>16,223,015</u>	<u>5,661,793</u>	<u>21,884,808</u>
Department of the Interior:				
Department of Interior	15.000	51,591	—	51,591
Department of the Interior/Pass-through National Commission for the Knowledge and Use of Biodiversity	15.000	—	(4,484)	(4,484)
Department of the Interior/Pass-through The Ecological Society of America	15.000	—	8,790	8,790
Fish and Wildlife Management Assistance/Pass-through Arkansas Game and Fish Commission	15.600	—	3,450	3,450
Fish and Wildlife Management Assistance	15.608	99,087	—	99,087
Fish and Wildlife Management Assistance/Pass-through National Fish and Wildlife Foundation	15.608	—	86,832	86,832
Cooperative Endangered Species Conservation Fund	15.615	357,406	—	357,406
African Elephant Conservation	15.620	26,513	—	26,513
State Wildlife Grants/Pass-through Nature Conservancy	15.634	—	28,766	28,766
State Wildlife Grants/Pass-through New Hampshire Fish and Game Department	15.634	—	42,098	42,098
Assistance to State Water Resources Research Institutes	15.805	121,973	—	121,973
Earthquake Hazards Reduction Program	15.807	27,842	—	27,842
U.S. Geological Survey – Research and Data Collection	15.808	215,058	—	215,058
U.S. Geological Survey – Research and Data Collection/Pass-through The Wildlife Society	15.808	—	1	1
Cooperative Research Units Program	15.812	8,412	—	8,412
Rivers, Trails, and Conservation Assistance	15.921	44,278	—	44,278
Department of the Interior total		<u>952,160</u>	<u>165,453</u>	<u>1,117,613</u>
Department of Justice:				
Criminal Justice Research and Development:				
Department of Justice	16.000	117,504	—	117,504
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	163,066	—	163,066
National Institute of Domestic Anti-Terrorism Technology Development Program (Counterterrorism Research and Development)/Pass-through Dartmouth College	16.565	—	(31)	(31)
Department of Justice total		<u>280,570</u>	<u>(31)</u>	<u>280,539</u>
Department of Labor:				
Employment Programs for People with Disabilities/Pass-through Merck and Company, Inc.	17.720	—	61,923	61,923
Department of Labor total		<u>—</u>	<u>61,923</u>	<u>61,923</u>
Department of State:				
Department of State	19.000	12,934	—	12,934
Department of State/Pass-through Academy for Educational Development	19.000	—	14,496	14,496
Department of State/Pass-through American Council on Education	19.000	—	29,140	29,140

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Department of State/Pass-through Centro International De Mejoramiento	19.000	\$ —	(22,442)	(22,442)
Department of State/Pass-through University of Hawaii	19.000	—	303,851	303,851
Department of State total		<u>12,934</u>	<u>325,045</u>	<u>337,979</u>
Department of Transportation:				
Department of Transportation	20.000	45,798	—	45,798
Highway Planning and Construction/Pass-through NYS Department of Transportation	20.205	—	1,882,168	1,882,168
Highway Training and Education/Pass-through University of Texas Austin	20.215	—	24,539	24,539
Federal Transit Grant for University Research and Training/Pass-through City University of New York	20.502	—	33,000	33,000
Biobased Transportation Research	20.761	766,941	—	766,941
Department of Transportation total		<u>812,739</u>	<u>1,939,707</u>	<u>2,752,446</u>
National Aeronautics and Space Administration:				
Aerospace Education Services Program	43.001	4,349,078	—	4,349,078
Aerospace Education Services Program/Pass-through Arizona State University	43.001	—	84,551	84,551
Aerospace Education Services Program/Pass-through California Institute of Technology	43.001	—	256,333	256,333
Aerospace Education Services Program/Pass-through Jet Propulsion Laboratory	43.001	—	6,070,337	6,070,337
Aerospace Education Services Program/Pass-through Malin Space Sciences Systems	43.001	—	112,848	112,848
Aerospace Education Services Program/Pass-through Massachusetts Institute of Technology	43.001	—	87,405	87,405
Aerospace Education Services Program/Pass-through NASA Institute for Advanced Concepts	43.001	—	44,812	44,812
Aerospace Education Services Program/Pass-through New Mexico State University	43.001	—	4,218	4,218
Aerospace Education Services Program/Pass-through Purdue University	43.001	—	(71,922)	(71,922)
Aerospace Education Services Program/Pass-through SETI Institute	43.001	—	25,097	25,097
Aerospace Education Services Program/Pass-through Smithsonian Astrophysical Observatory	43.001	—	51,549	51,549
Aerospace Education Services Program/Pass-through Space Telescope Science Institute	43.001	—	24,956	24,956
Aerospace Education Services Program/Pass-through Structured Materials Industries, Inc.	43.001	—	36,891	36,891
Aerospace Education Services Program/Pass-through Syracuse University	43.001	—	63,198	63,198
Aerospace Education Services Program/Pass-through Universities Space Research Association	43.001	—	859,004	859,004
Aerospace Education Services Program/Pass-through University of Arizona	43.001	—	151,827	151,827
Aerospace Education Services Program/Pass-through University of Central Florida	43.001	—	27,500	27,500
Aerospace Education Services Program/Pass-through University of Florida	43.001	—	32,127	32,127
Aerospace Education Services Program/Pass-through University of Maine	43.001	—	(17,323)	(17,323)
Aerospace Education Services Program/Pass-through University of Maryland-College Park	43.001	—	187,385	187,385
Aerospace Education Services Program/Pass-through University of Puerto Rico	43.001	—	44,637	44,637
Aerospace Education Services Program/Pass-through Woods Hole Oceanographic Institute	43.001	—	116,879	116,879
Technology Transfer	43.002	179,400	—	179,400
Technology Transfer/Pass-through Orbital Technologies, Inc.	43.002	—	88,038	88,038
National Aeronautics and Space Administration total		<u>4,528,478</u>	<u>8,280,347</u>	<u>12,808,825</u>
National Foundation on the Arts and the Humanities:				
Promotion of the Humanities Research	45.161	19,365	—	19,365
National Foundation on the Arts and the Humanities total		<u>19,365</u>	<u>—</u>	<u>19,365</u>
National Science Foundation:				
National Science Foundation	47.000	161,770	—	161,770

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Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Engineering Grants	47.041	\$ 27,428,958	—	27,428,958
Engineering Grants/Pass-through Consortium of Universities for Research in Earthquake Engineering	47.041	—	2,630	2,630
Engineering Grants/Pass-through Lehigh University	47.041	—	32,867	32,867
Engineering Grants/Pass-through Massachusetts Institute of Technology	47.041	—	38,700	38,700
Engineering Grants/Pass-through SUNY Buffalo State	47.041	—	92,299	92,299
Engineering Grants/Pass-through Texas A&M University	47.041	—	90,921	90,921
Engineering Grants/Pass-through University of Arizona	47.041	—	105,382	105,382
Engineering Grants/Pass-through University of California, Berkeley	47.041	—	584,020	584,020
Engineering Grants/Pass-through University of Texas System	47.041	—	61,914	61,914
Mathematical and Physical Sciences	47.049	56,629,603	—	56,629,603
Mathematical and Physical Sciences/Pass-through Georgia Institute of Technology	47.049	—	26,108	26,108
Mathematical and Physical Sciences/Pass-through Iowa State University	47.049	—	67,402	67,402
Mathematical and Physical Sciences/Pass-through Norfolk State University	47.049	—	91,902	91,902
Mathematical and Physical Sciences/Pass-through Pennsylvania State University	47.049	—	94,578	94,578
Mathematical and Physical Sciences/Pass-through Tuskegee University	47.049	—	261,475	261,475
Mathematical and Physical Sciences/Pass-through University of California, Berkeley	47.049	—	177,937	177,937
Mathematical and Physical Sciences/Pass-through University of California, Los Angeles	47.409	—	228,903	228,903
Mathematical and Physical Sciences/Pass-through University of Florida	47.049	—	1,398	1,398
Mathematical and Physical Sciences/Pass-through University of Oregon	47.049	—	90,423	90,423
Mathematical and Physical Sciences/Pass-through University of Washington	47.049	—	60,107	60,107
Mathematical and Physical Sciences/Pass-through University of Wisconsin	47.049	—	93,033	93,033
Geosciences	47.050	7,040,144	—	7,040,144
Geosciences/Pass-through Network for Earthquake Engineering Simulation	47.050	—	479,951	479,951
Geosciences/Pass-through Pennsylvania State University	47.050	—	553	553
Geosciences/Pass-through Scientific Solutions	47.050	—	25,181	25,181
Geosciences/Pass-through Space Environment Corporation	47.050	—	(156)	(156)
Geosciences/Pass-through Woods Hole Oceanographic Institute	47.050	—	705	705
Computer and Information Science and Engineering	47.070	8,574,061	—	8,574,061
Computer and Information Science and Engineering/Pass-through University of California, Berkeley	47.070	—	2,878	2,878
Computer and Information Science and Engineering/Pass-through University of Illinois – Chicago	47.070	—	113,231	113,231
Computer and Information Science and Engineering/Pass-through University of Maryland	47.070	—	24,918	24,918
Computer and Information Science and Engineering/Pass-through University Corp. – Atmospheric Research	47.070	—	1,215,814	1,215,814
Biological Sciences	47.074	14,294,788	—	14,294,788
Biological Sciences/Pass-through Boyce Thompson Institute	47.074	—	663,586	663,586
Biological Sciences/Pass-through Carleton College	47.074	—	25,667	25,667
Biological Sciences/Pass-through Cold Spring Harbor Laboratory	47.074	—	815,923	815,923
Biological Sciences/Pass-through Colorado State University	47.074	—	190,275	190,275
Biological Sciences/Pass-through Indiana University	47.074	—	32,918	32,918
Biological Sciences/Pass-through New York University	47.074	—	127,026	127,026
Biological Sciences/Pass-through North Carolina State University	47.074	—	165,015	165,015
Biological Sciences/Pass-through Old Dominion University	47.074	—	16,289	16,289
Biological Sciences/Pass-through Pennsylvania State University	47.074	—	15,977	15,977
Biological Sciences/Pass-through University of Arizona	47.074	—	157,425	157,425
Biological Sciences/Pass-through University of California	47.074	—	62,204	62,204
Biological Sciences/Pass-through University of California, Berkeley	47.074	—	26,068	26,068
Biological Sciences/Pass-through University of California, Riverside	47.074	—	76,563	76,563
Biological Sciences/Pass-through University of Florida	47.074	—	164,645	164,645
Biological Sciences/Pass-through University of Illinois Urbana – Champaign	47.074	—	80,848	80,848
Biological Sciences/Pass-through University of Kansas	47.074	—	8,738	8,738
Biological Sciences/Pass-through University of Oregon	47.074	—	317,489	317,489
Biological Sciences/Pass-through University of Wisconsin	47.074	—	155,438	155,438
Biological Sciences/Pass-through University of Wisconsin Madison	47.074	—	429,688	429,688
Biological Sciences/Pass-through Virginia Polytechnic Institute & State University	47.074	—	1,208	1,208

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Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Biological Sciences/Pass-through Yale University	47.074	\$ —	441,601	441,601
Social, Behavioral, and Economic Sciences	47.075	2,528,706	—	2,528,706
Social, Behavioral, and Economic Sciences/Pass-through National Research Council	47.075	—	1,061	1,061
Education and Human Resources	47.076	89,470	—	89,470
International Science and Engineering	47.079	277,093	—	277,093
International Science and Engineering/Pass-through New Jersey Institute of Technology	47.079	—	24,043	24,043
Office of Cyber infrastructure/Pass-through University of Texas Austin	47.080	—	358,170	358,170
National Science Foundation total		<u>117,024,593</u>	<u>8,422,939</u>	<u>125,447,532</u>
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	—	51,772	51,772
Environmental Protection Agency/Pass-through NYS Dept. of Environmental Conservation	66.000	—	(1,427)	(1,427)
National Estuary Program	66.456	10,200	—	10,200
Nonpoint Source Implementation Grants	66.460	25,958	—	25,958
Water Quality Cooperative Agreements	66.463	(224)	—	(224)
Great Lakes Program	66.469	10,336	—	10,336
Great Lakes Program/Pass-through Great Lakes Commission	66.469	—	7,147	7,147
Science To Achieve Results (STAR) Program/Pass-through Mount Sinai School of Medicine	66.509	—	11,322	11,322
Office of Research & Development Consolidated Research P3 Award – National Student Design Competition for Sustainability	66.511	40,963	—	40,963
66.516	2,154	—	2,154	
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through Clarkson University	66.606	—	34,746	34,746
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through NYS Dept. of Environmental Conservation	66.606	—	54,790	54,790
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through SUNY Research Foundation	66.606	—	307	307
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through Syracuse Center of Excellence	66.606	—	15,667	15,667
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through Syracuse University	66.606	—	167,721	167,721
Environmental Policy and Innovation Grants	66.611	5,177	—	5,177
Pollution Prevention Grants Program	66.708	55,493	—	55,493
Environmental Protection Agency total		<u>120,057</u>	<u>342,045</u>	<u>462,102</u>
Department of Energy:				
Department of Energy	81.000	1,688,488	—	1,688,488
Department of Energy/Pass-through Brookhaven National Laboratory	81.000	—	383,030	383,030
Department of Energy/Pass-through Eastman Kodak	81.000	—	35,268	35,268
Department of Energy/Pass-through Fermi National Accelerator Lab	81.000	—	309,000	309,000
Department of Energy/Pass-through Lawrence Livermore National Laboratory	81.000	—	40,000	40,000
Department of Energy/Pass-through National Renewable Energy Laboratory	81.000	—	114,076	114,076
Department of Energy/Pass-through Stanford University	81.000	—	24,261	24,261
Department of Energy/Pass-through Structured Materials Industries Inc.	81.000	—	57,084	57,084
Department of Energy/Pass-through SUNY College of Environmental Science and Forestry	81.000	—	66,064	66,064
Department of Energy/Pass-through Sandia National Laboratories	81.000	—	498,222	498,222
Office of Science Financial Assistance Program	81.049	3,314,241	—	3,314,241
Office of Science Financial Assistance Program/Pass-through Lehigh University	81.049	—	102,697	102,697
Office of Science Financial Assistance Program/Pass-through National Renewable Energy Lab	81.049	—	19,440	19,440
Office of Science Financial Assistance Program/Pass-through Pennsylvania State University	81.049	—	40,332	40,332
Office of Science Financial Assistance Program/Pass-through Princeton University	81.049	—	104,595	104,595
Office of Science Financial Assistance Program/Pass-through Stanford University	81.049	—	819,807	819,807
Office of Science Financial Assistance Program/Pass-through Texas A&M University	81.049	—	115,732	115,732

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Schedule of Expenditures of Federal Awards

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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 Central Florida	81.049	\$ —	80,590	80,590
Office of Science Financial Assistance Program/Pass-through University of Oregon	81.049	—	2,585	2,585
Office of Science Financial Assistance Program/Pass-through Sandia National Laboratories	81.049	—	202,592	202,592
Regional Biomass Energy Programs/Pass-through National Renewable Energy Lab	81.079	—	157,436	157,436
Regional Biomass Energy Programs/Pass-through National Renewable Energy Lab	81.079	—	4,033	4,033
Renewable Energy Research and Development	81.087	35,632	—	35,632
Renewable Energy Research and Development/Pass-through New Energy Solutions Inc.	81.087	—	28	28
Stewardship Science Grant Program	81.112	52,925	—	52,925
University Reactor Infrastructure and Education Support	81.114	2,007,271	—	2,007,271
Nuclear Energy Research, Development and Demonstration	81.121	132,382	—	132,382
Department of Energy total		<u>7,230,939</u>	<u>3,176,872</u>	<u>10,407,811</u>
Department of Education:				
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	696,014	—	696,014
International Research and Studies/Pass-through SUNY Albany	84.017	—	(5)	(5)
Overseas Doctoral Dissertation	84.022	27,476	—	27,476
Vocational Education National Programs/Pass-through University of Louisville	84.051	—	16,312	16,312
National Institute on Disability and Rehabilitation Research	84.133	1,177,811	—	1,177,811
National Institute on Disability and Rehabilitation Research/ Pass-through University of Kansas	84.133	—	(6,519)	(6,519)
Graduate Assistance in Areas of National Need	84.200	106,568	—	106,568
Education Research, Development, and Dissemination	84.305	193,887	—	193,887
Mathematics and Science Partnerships/Pass-through Syracuse City School District	84.366	—	17,876	17,876
Department of Education total		<u>2,201,756</u>	<u>27,664</u>	<u>2,229,420</u>
United States Institute of Peace:				
Solicited Grant Program	91.002	11,029	—	11,029
United States Institute of Peace total		<u>11,029</u>	<u>—</u>	<u>11,029</u>
Department of Health and Human Services:				
Department of Health and Human Services	93.000	6,804,013	—	6,804,013
Department of Health and Human Services/Pass-through ABT Associates	93.000	—	136,825	136,825
Department of Health and Human Services/Pass-through Aces, Inc.	93.000	—	36,971	36,971
Department of Health and Human Services/Pass-through Bedford Va R.C.I	93.000	—	38,433	38,433
Department of Health and Human Services/Pass-through Beth Israel Deaconess	93.000	—	39,557	39,557
Department of Health and Human Services/Pass-through Boyce Thompson Institute	93.000	—	27,197	27,197
Department of Health and Human Services/Pass-through Burke MRI	93.000	—	458,010	458,010
Department of Health and Human Services/Pass-through CALGB Foundation	93.000	—	33,605	33,605
Department of Health and Human Services/Pass-through Case Western Reserve University	93.000	—	266,601	266,601
Department of Health and Human Services/Pass-through Cold Spring Harbor Laboratory	93.000	—	48,794	48,794
Department of Health and Human Services/Pass-through Columbia University	93.000	—	183,505	183,505
Department of Health and Human Services/Pass-through Concept Systems, Inc.	93.000	—	148,155	148,155
Department of Health and Human Services/Pass-through Create, Inc.	93.000	—	7,955	7,955
Department of Health and Human Services/Pass-through Dartmouth College	93.000	—	(2,021)	(2,021)
Department of Health and Human Services/Pass-through Discovery Logic, Inc.	93.000	—	9,267	9,267

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

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 Emory University	93.000	\$ —	206,667	206,667
Department of Health and Human Services/Pass-through Fox Chase Cancer Center	93.000	—	90,369	90,369
Department of Health and Human Services/Pass-through Health Research Inc.	93.000	—	131,034	131,034
Department of Health and Human Services/Pass-through Hospital for Special Surgery	93.000	—	17,857	17,857
Department of Health and Human Services/Pass-through Indiana University	93.000	—	122,918	122,918
Department of Health and Human Services/Pass-through Iowa State University	93.000	—	(34)	(34)
Department of Health and Human Services/Pass-through Johns Hopkins University	93.000	—	319,642	319,642
Department of Health and Human Services/Pass-through Long Island Jewish Medical Center	93.000	—	12,140	12,140
Department of Health and Human Services/Pass-through Mass General Hospital	93.000	—	23,920	23,920
Department of Health and Human Services/Pass-through Medstar Research Institute	93.000	—	29,409	29,409
Department of Health and Human Services/Pass-through Medstat Group	93.000	—	6,172	6,172
Department of Health and Human Services/Pass-through Montefiore Medical Center	93.000	—	139,297	139,297
Department of Health and Human Services/Pass-through Mount Sinai School of Medicine	93.000	—	256,600	256,600
Department of Health and Human Services/Pass-through NY Academy of Medicine	93.000	—	15,431	15,431
Department of Health and Human Services/Pass-through New York University	93.000	—	12,834	12,834
Department of Health and Human Services/Pass-through Oak Ridge Association	93.000	—	11,713	11,713
Department of Health and Human Services/Pass-through Progenies Pharmaceuticals	93.000	—	596,815	596,815
Department of Health and Human Services/Pass-through Rice University	93.000	—	40,509	40,509
Department of Health and Human Services/Pass-through Rockefeller University	93.000	—	60,116	60,116
Department of Health and Human Services/Pass-through Rutgers State University of NJ	93.000	—	(110)	(110)
Department of Health and Human Services/Pass-through SAIC Fredrick	93.000	—	160,052	160,052
Department of Health and Human Services/Pass-through Sloan Kettering	93.000	—	252,429	252,429
Department of Health and Human Services/Pass-through SRI International	93.000	—	103,941	103,941
Department of Health and Human Services/Pass-through Stanford University	93.000	—	390,859	390,859
Department of Health and Human Services/Pass-through Strang Cancer Prevention Center	93.000	—	120,253	120,253
Department of Health and Human Services/Pass-through Toconic IPA	93.000	—	105,894	105,894
Department of Health and Human Services/Pass-through University Central Del Caribe	93.000	—	73,120	73,120
Department of Health and Human Services/Pass-through University College of London	93.000	—	21,322	21,322
Department of Health and Human Services/Pass-through University of California	93.000	—	266,634	266,634
Department of Health and Human Services/Pass-through University of Illinois	93.000	—	59,236	59,236
Department of Health and Human Services/Pass-through University of Rochester	93.000	—	300,015	300,015
Department of Health and Human Services/Pass-through University of Texas HSC @ Houston	93.000	—	16,879	16,879
Department of Health and Human Services/Pass-through University of Texas MD Anderson	93.000	—	117,640	117,640
Department of Health and Human Services/Pass-through University of Chicago Health and Science Center	93.000	—	(8)	(8)
Department of Health and Human Services/Pass-through Urban Institute	93.000	—	33,563	33,563

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Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

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 Vanderbilt University	93.000	\$ —	224,376	224,376
Department of Health and Human Services/Pass-through Virtually Better Inc.	93.000	—	1,038	1,038
Department of Health and Human Services/Pass-through Visiting Nurse Services	93.000	—	27,366	27,366
Department of Health and Human Services/Pass-through Westat	93.000	—	3,406	3,406
Department of Health and Human Services/Pass-through RTI-NHLBI	93.000	—	252,626	252,626
Department of Health and Human Services/Pass-through Harvard Clinical RI	93.000	—	71,664	71,664
Department of Health and Human Services/Pass-through Brentwood Biomed Research Institute	93.000	—	34,401	34,401
Department of Health and Human Services/Pass-through Riverside Res Institute	93.000	—	134,949	134,949
Innovations in Applied Public Health Research	93.061	324,432	—	324,432
Food and Drug Administration – Research	93.103	50,024	—	50,024
Food and Drug Administration – Research/Pass-through University of Maryland College Park	93.103	—	2,342	2,342
Maternal and Child Health Federal Consolidated Programs	93.110	235,778	—	235,778
Biological Response to Environmental Health Hazards	93.113	1,160,013	—	1,160,013
Biological Response to Environmental Health Hazards/Pass-through Boston University	93.113	—	47,410	47,410
Biological Response to Environmental Health Hazards/Pass-through Mount Sinai School of Medicine	93.113	—	7,453	7,453
Applied Toxicological Research and Testing	93.114	23,755	—	23,755
Acquired Immunodeficiency Syndrome (AIDS) Activity/ Pass-through Concept Systems Inc.	93.118	—	(1,153)	(1,153)
Oral Diseases and Disorders Research	93.121	580,587	—	580,587
Oral Diseases and Disorders Research/Pass-through Yale University	93.121	—	29,503	29,503
AIDS Education and Training Centers/Pass-through Columbia University	93.145	—	209,574	209,574
AIDS Education and Training Centers/Pass-through University of Washington	93.145	—	269,659	269,659
Human Genome Research	93.172	48,449	—	48,449
Human Genome Research/Pass-through Princeton University	93.172	—	113,256	113,256
Research Related to Deafness and Communication Disorders	93.173	2,199,492	—	2,199,492
Research Related to Deafness and Communication Disorders/Pass-through SUNY Research Foundation at Binghamton	93.173	—	16,296	16,296
Research and Training in Complementary and Alternative Medicine	93.213	208,507	—	208,507
National Research Service Awards Health Services Research Training	93.225	223,839	—	223,839
Research on Healthcare Costs, Quality, and Outcomes	93.226	1,037,846	—	1,037,846
Research on Healthcare Costs, Quality, and Outcomes/Pass- through Brigham & Women's Hospital	93.226	—	80,886	80,886
Mental Health Research Grants	93.242	9,498,334	—	9,498,334
Mental Health Research Grants/Pass-through Dartmouth College	93.242	—	53,981	53,981
Mental Health Research Grants/Pass-through Duke University	93.242	—	3,379	3,379
Mental Health Research Grants/Pass-through New York University	93.242	—	792,400	792,400
Mental Health Research Grants/Pass-through Princeton University	93.242	—	225,980	225,980
Mental Health Research Grants/Pass-through RFMH	93.242	—	34,501	34,501
Mental Health Research Grants/Pass through Sloan Kettering	93.242	—	(2,252)	(2,252)
Mental Health Research Grants/Pass through University of Colorado	93.242	—	291	291
Mental Health Research Grants/Pass-through University of North Texas	93.242	—	81,382	81,382
Mental Health Research Grants/Pass-through University of Pennsylvania	93.242	—	6,770	6,770
Mental Health Research Grants/Pass-through University of Rochester	93.242	—	7,176	7,176
Alcohol National Research Service Awards for Research Training/ Pass-through American Society for Cell Biology	93.272	—	3,700	3,700
Alcohol Research Programs	93.273	631,961	—	631,961
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	335,698	—	335,698
Drug Abuse National Research Service Award for Research Training	93.278	78,531	—	78,531
Drug Abuse Research Programs	93.279	7,318,703	—	7,318,703
Drug Abuse Research Programs/Pass-through Mount Sinai	93.279	—	91,422	91,422
Drug Abuse Research Programs/Pass-through Rockefeller University	93.279	—	403,887	403,887
Drug Abuse Research Programs/Pass-through University of California	93.279	—	238,331	238,331
Drug Abuse Research Programs/Pass-through University of Illinois-Chicago	93.279	—	163,285	163,285
Drug Abuse Research Programs/Pass-through University of Pittsburgh	93.279	—	17,167	17,167
Mental Health Research Career Scientist Development Awards	93.281	1,166,468	—	1,166,468
Mental Health Research Career Scientist Development Awards/ Pass-through Stanford University	93.281	—	(40,256)	(40,256)

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Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Mental Health National Research Service Awards for Research Training Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.282	\$ 354,286	—	354,286
Discovery and Applied Research	93.283	250,758	—	250,758
Discovery and Applied Research/Pass-through Boston University	93.286	2,950,060	—	2,950,060
Discovery and Applied Research/Pass-through Mayo Clinic College of Medicine	93.286	—	110,095	110,095
Discovery and Applied Research/Pass-through University of Maryland	93.286	—	71,044	71,044
Discovery and Applied Research/Pass-through Riverside Res Inst.	93.286	—	127,901	127,901
Comparative Medicine Program	93.306	118,622	—	118,622
Minority Health and Health Disparities Research	93.307	3,706	—	3,706
Trans – NIH Research Support (B, M)	93.310	45,646	—	45,646
General Clinical Research Centers	93.333	2,708,237	—	2,708,237
Nursing Research	93.361	407,855	—	407,855
Biomedical Research Technology	93.371	3,934	—	3,934
Biomedical Research Technology/Pass-through Area Detector Systems Corporation	93.371	—	217,657	217,657
National Center for Research Resources	93.389	13,362,169	—	13,362,169
National Center for Research Resources/Pass-through University of Rochester	93.389	—	45,000	45,000
Cancer Cause and Prevention Research	93.393	4,250,464	—	4,250,464
Cancer Cause and Prevention Research/Pass-through Baylor College of Medicine	93.393	—	49,363	49,363
Cancer Cause and Prevention Research/Pass-through University of Tennessee	93.393	—	69,895	69,895
Cancer Detection and Diagnosis Research	93.394	1,496,902	—	1,496,902
Cancer Detection and Diagnosis Research/Pass-through University of California, Santa Cruz	93.394	—	41,703	41,703
Cancer Treatment Research	93.395	1,919,393	—	1,919,393
Cancer Treatment Research/Pass-through Emmes Corp.	93.395	—	898	898
Cancer Treatment Research/Pass-through National Childhood Cancer Foundation	93.395	—	646	646
Cancer Treatment Research/Pass-through University of Chicago	93.395	—	70,548	70,548
Cancer Biology Research	93.396	2,526,258	—	2,526,258
Cancer Biology Research/Pass-through Brigham Women Hospital	93.396	—	7,272	7,272
Cancer Biology Research/Pass-through Case Western University	93.396	—	91,116	91,116
Cancer Centers Support Grants/Pass-through Dana Farber Cancer Institute	93.397	—	77,625	77,625
Cancer Centers Support Grants/Pass-through Emory University	93.397	—	40,138	40,138
Cancer Centers Support Grants/Pass-through Fox Chase Cancer Center	93.397	—	54,688	54,688
Cancer Centers Support Grants/Pass-through Montefiore Medical Center	93.397	—	154,648	154,648
Cancer Research Manpower	93.398	1,926,385	—	1,926,385
Cancer Control	93.399	832,335	—	832,335
Cancer Control/Pass-through Emory University	93.399	—	66,715	66,715
Cancer Control/Pass-through University of Texas at San Antonio	93.399	—	202,997	202,997
Cancer Control/Pass-through University of Texas MD Anderson	93.399	—	200,446	200,446
Social Services Research and Demonstration	93.647	15,560	—	15,560
Child Abuse and Neglect Discretionary Activities	93.670	607,465	—	607,465
Child Abuse and Neglect Discretionary Activities/Pass-through Research Triangle Institute	93.670	—	(91)	(91)
Cell Biology and Biophysics Research	93.821	5,503,864	—	5,503,864
Cell Biology and Biophysics Research/Pass-through Stanford University	93.821	—	219,806	219,806
Cell Biology and Biophysics Research/Pass-through University of South Carolina	93.821	—	41,290	41,290
Heart and Vascular Diseases Research	93.837	16,024,262	—	16,024,262
Heart and Vascular Diseases Research/Pass-through Columbia University	93.837	—	317,176	317,176
Heart and Vascular Diseases Research/Pass-through SUNY Buffalo State	93.837	—	1,143	1,143
Heart and Vascular Diseases Research/Pass-through University of Alabama	93.837	—	33,252	33,252
Heart and Vascular Diseases Research/Pass-through University of California	93.837	—	61,781	61,781
Heart and Vascular Diseases Research/Pass-through University of California, Los Angeles	93.837	—	95,444	95,444
Heart and Vascular Diseases Research/Pass-through University of Iowa	93.837	—	131,803	131,803
Heart and Vascular Diseases Research/Pass-through University of Rochester	93.837	—	1,798	1,798
Heart and Vascular Diseases Research/Pass-through University of North Carolina at Chapel Hill	93.837	—	12,904	12,904

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Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Lung Diseases Research	93.838	\$ 6,528,263	—	6,528,263
Lung Diseases Research/Pass-through Columbia University	93.838	—	32,992	32,992
Lung Diseases Research/Pass-through University of Pennsylvania	93.838	—	117,936	117,936
Blood Diseases and Resources Research	93.839	2,016,165	—	2,016,165
Blood Diseases and Resources Research/Pass-through University of Med & Dentistry NJ	93.839	—	19,805	19,805
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	1,795,433	—	1,795,433
Arthritis, Musculoskeletal, and Skin Diseases Research/Pass-through Hospital for Special Surgery	93.846	—	97,740	97,740
Diabetes, Endocrinology, and Metabolism Research	93.847	4,228,409	—	4,228,409
Diabetes, Endocrinology, and Metabolism Research/Pass-through Columbia University	93.847	—	15,000	15,000
Diabetes, Endocrinology, and Metabolism Research/Pass-through Gene Network Sciences	93.847	—	74,341	74,341
Diabetes, Endocrinology, and Metabolism Research/Pass-through University of Minnesota	93.847	—	130,755	130,755
Digestive Diseases and Nutrition Research	93.848	2,773,713	—	2,773,713
Digestive Diseases and Nutrition Research/Pass-through Case Western University	93.848	—	15,965	15,965
Digestive Diseases and Nutrition Research/Pass-through Columbia University	93.848	—	172,880	172,880
Digestive Diseases and Nutrition Research/Pass-through NY Methodist Hospital	93.848	—	1,154	1,154
Digestive Diseases and Nutrition Research/Pass-through Research Foundation for Mental Hygiene	93.848	—	9,147	9,147
Digestive Diseases and Nutrition Research/Pass-through St. Francis Hospital and Medical Center	93.848	—	42,607	42,607
Digestive Diseases and Nutrition Research/Pass-through St. Lukes's Roosevelt	93.848	—	15,418	15,418
Kidney Diseases, Urology, and Hematology Research	93.849	3,167,375	—	3,167,375
Kidney Diseases, Urology, and Hematology Research/Pass-through New York Medical College	93.849	—	81,480	81,480
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	11,831,233	—	11,831,233
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Columbia University	93.853	—	162,146	162,146
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Health Research Inc.	93.853	—	60,218	60,218
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Transonic Systems, Inc.	93.853	—	8	8
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through University of Miami	93.853	—	26,051	26,051
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through University of Missouri	93.853	—	117,131	117,131
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through University of Pittsburgh	93.853	—	50,302	50,302
Extramural Research Programs in the Neurosciences and Neurological Disorders/Pass-through Yale University	93.853	—	136,692	136,692
Allergy, Immunology, and Transplantation Research	93.855	13,890,247	—	13,890,247
Allergy, Immunology, and Transplantation Research/Pass-through Beth Israel Deaconess	93.855	—	126,733	126,733
Allergy, Immunology, and Transplantation Research/Pass-through Burnham Institute	93.855	—	37,715	37,715
Allergy, Immunology, and Transplantation Research/Pass-through Duke University	93.855	—	39,558	39,558
Allergy, Immunology, and Transplantation Research/Pass-through Federal University of Bahia	93.855	—	9,309	9,309
Allergy, Immunology, and Transplantation Research/Pass-through Health Research Inc.	93.855	—	807,451	807,451
Allergy, Immunology, and Transplantation Research/Pass-through Montefiore Medical Center	93.855	—	43,622	43,622
Allergy, Immunology, and Transplantation Research/Pass-through Sloan Kettering	93.855	—	60,356	60,356
Allergy, Immunology, and Transplantation Research/Pass-through Social & Scientific System	93.855	—	84,453	84,453
Allergy, Immunology, and Transplantation Research/Pass-through Stanford University	93.855	—	206,102	206,102
Allergy, Immunology, and Transplantation Research/Pass-through University of Pennsylvania	93.855	—	405,299	405,299

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Allergy, Immunology, and Transplantation Research/Pass-through Vanderbilt University	93.855	\$ —	113,462	113,462
Allergy, Immunology, and Transplantation Research/Pass-through Brigham Women's Hospital	93.855	—	34,837	34,837
Microbiology and Infectious Diseases Research	93.856	11,109,743	—	11,109,743
Microbiology and Infectious Diseases Research/Pass-through Chembio Diagnostics Systems	93.856	—	42,746	42,746
Microbiology and Infectious Diseases Research/Pass-through Columbia University	93.856	—	76,361	76,361
Microbiology and Infectious Diseases Research/Pass-through Drexel Institute for Biotechnology & Virology Research	93.856	—	(24,906)	(24,906)
Microbiology and Infectious Diseases Research/Pass-through Federal University of Bahia	93.856	—	35,773	35,773
Microbiology and Infectious Diseases Research/Pass-through University of Alabama Birmingham	93.856	—	88,833	88,833
Biomedical Research and Research Training	93.859	18,697,985	—	18,697,985
Biomedical Research and Research Training/Pass-through Hauptman-Woodward Medical Research Institute Inc.	93.859	—	60,916	60,916
Biomedical Research and Research Training/Pass-through Pennsylvania State University	93.859	—	153,993	153,993
Biomedical Research and Research Training/Pass-through Sloan Kettering	93.859	—	35,301	35,301
Biomedical Research and Research Training/Pass-through University of Maryland, Baltimore	93.859	—	14,190	14,190
Biomedical Research and Research Training/Pass-through University of Michigan	93.859	—	128,124	128,124
Biomedical Research and Research Training/Pass-through University of Minnesota	93.859	—	199,909	199,909
Biomedical Research and Research Training/Pass-through University of Utah	93.859	—	102,510	102,510
Genetics and Developmental Biology Research/Pass-through University of Michigan	93.862	—	324	324
Population Research	93.864	573,902	—	573,902
Population Research/Pass-through Ohio State University	93.864	—	78,144	78,144
Child Health and Human Development Extramural Research	93.865	4,272,888	—	4,272,888
Child Health and Human Development Extramural Research/ Pass-through Jackson Laboratory	93.865	—	3,294	3,294
Child Health and Human Development Extramural Research/ Pass-through University of Colorado	93.865	—	45,015	45,015
Child Health and Human Development Extramural Research/ Pass-through University of Rochester	93.865	—	193,157	193,157
Aging Research	93.866	3,592,805	—	3,592,805
Aging Research/Pass-through Columbia University	93.866	—	768	768
Aging Research/Pass-through Johns Hopkins University	93.866	—	7,061	7,061
Aging Research/Pass-through Northwestern University	93.866	—	82,662	82,662
Aging Research/Pass-through Purdue University	93.866	—	29,694	29,694
Aging Research/Pass-through Rockefeller University	93.866	—	15,677	15,677
Aging Research/Pass-through University of North Carolina at Chapel Hill	93.866	—	34,827	34,827
Vision Research	93.867	4,468,604	—	4,468,604
Vision Research/Pass-through Princeton University	93.867	—	61,145	61,145
Vision Research/Pass-through University of Rochester	93.867	—	11,362	11,362
Grants for Physician Assistant Training Program	93.886	309,733	—	309,733
Resource and Manpower Development in the Environment Health Sciences	93.894	183,739	—	183,739
Fogarty International Research Collaboration Award	93.934	69	—	69
Assistance Programs for Chronic Disease Prevention and Control/ Pass-through Health Research, Inc.	93.945	—	42,242	42,242
International Research and Research Training	93.989	2,051,371	—	2,051,371
Department of Health and Human Services total		<u>178,726,268</u>	<u>16,659,588</u>	<u>195,385,856</u>
Social Security Administration:				
Social Security Disability Insurance	96.001	25,744	—	25,744
Social Security Research and Demonstration/Pass-through ABT Associates	96.007	—	161,995	161,995
Social Security Research and Demonstration/Pass-through University of Michigan	96.007	—	95,087	95,087
Social Security Administration total		<u>25,744</u>	<u>257,082</u>	<u>282,826</u>
Department of Homeland Security:				
One-Time Projects/Pass-through Dartmouth College	97.001	—	453,622	453,622

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Aviation Research Grants	97.069	\$ 251,563	—	251,563
Department of Homeland Security total		<u>251,563</u>	<u>453,622</u>	<u>705,185</u>
United States Agency for International Development (USAID):				
United States Agency for International Development	98.000	2,049,032	—	2,049,032
United States Agency for International Development/Pass-through Calvin College	98.000	—	127,418	127,418
United States Agency for International Development/Pass-through Centro International De Mejoramiento	98.000	—	10,116	10,116
United States Agency for International Development/Pass-through International Rice Research Institute	98.000	—	50,716	50,716
United States Agency for International Development/Pass-through Michigan State University	98.000	—	96,043	96,043
United States Agency for International Development/Pass-through University of California, Davis	98.000	—	917	917
USAID Foreign Assistance for Programs Overseas	98.001	759,863	—	759,863
USAID Foreign Assistance for Programs Overseas/Pass-through Syracuse University	98.001	—	2,633	2,633
USAID Foreign Assistance for Programs Overseas/Pass-through University of California, Davis	98.001	—	5,375	5,375
USAID Foreign Assistance for Programs Overseas/Pass-through University of Hawaii	98.001	—	61,001	61,001
USAID Foreign Assistance for Programs Overseas/Pass-through University of Wisconsin Madison	98.001	—	120,442	120,442
USAID Foreign Assistance for Programs Overseas/Pass-through Virginia Polytechnic Institute & State University	98.001	—	268,328	268,328
USAID Development Partnerships for University Cooperative and Development (B)/Pass-through International Livestock Research Institute	98.012	—	42,838	42,838
United States Agency for International Development total		<u>2,808,895</u>	<u>785,827</u>	<u>3,594,722</u>
Research and Development total		<u>356,390,808</u>	<u>50,851,508</u>	<u>407,242,316</u>
Student Financial Assistance:				
Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	1,922,302	—	1,922,302
Federal Family Education Loans	84.032	31,940,904	—	31,940,904
Federal Work-Study Program	84.033	5,788,065	—	5,788,065
Federal Perkins Loan Program	84.038	7,352,549	—	7,352,549
Federal Pell Grant Program	84.063	7,230,093	—	7,230,093
Federal Direct Student Loans	84.268	54,849,502	—	54,849,502
Department of Education total		<u>109,083,415</u>	<u>—</u>	<u>109,083,415</u>
Department of Health and Human Services:				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	689,926	—	689,926
Department of Health and Human Services total		<u>689,926</u>	<u>—</u>	<u>689,926</u>
Student Financial Assistance total		<u>109,773,341</u>	<u>—</u>	<u>109,773,341</u>
Department of Agriculture:				
Department of Agriculture	10.000	128,572	—	128,572
Department of Agriculture/Pass-through National Association of State Universities and Land Grant Colleges	10.000	—	10,940	10,940
Department of Agriculture/Pass-through NYS Dept. of Agriculture and Markets	10.000	—	31,449	31,449
Agricultural Research Basic and Applied Research	10.001	9,793	—	9,793
Plant and Animal Disease, Pest Control, and Animal Care	10.025	84,246	—	84,246
Plant and Animal Disease, Pest Control, and Animal Care/Pass-through NYS Dept. of Agriculture & Markets	10.025	—	1,112,926	1,112,926
Wildlife Services	10.028	22,097	—	22,097
Wildlife Services/Pass-through NYS Dept. of Agriculture and Markets	10.028	—	2	2
Minority Research and Teaching Grants	10.140	78,251	—	78,251
Marketing Agreements and Orders	10.155	7,968	—	7,968
Grants for Agricultural Research, Special Research Grants	10.200	226,402	—	226,402
Grants for Agricultural Research, Special Research Grants/Pass-through Pennsylvania State University	10.200	—	24,694	24,694
Grants for Agricultural Research, Special Research Grants/Pass-through University of Vermont	10.200	—	40,384	40,384

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Cooperative Forestry Research	10.202	\$ 12,846	—	12,846
Payments to Agricultural Experiment Stations Under the Act	10.203	238,333	—	238,333
Animal Health and Disease Research	10.207	23,593	—	23,593
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	147,414	—	147,414
Sustainable Agriculture Research Education/Pass-through University of Vermont	10.215	—	72,365	72,365
Higher Education Challenge Grants	10.217	95,470	—	95,470
Higher Education Challenge Grants/Pass-through University of Delaware	10.217	—	21,691	21,691
Higher Education Multicultural Scholars Program	10.220	57,457	—	57,457
Integrated Programs/Pass-through Michigan State University	10.303	—	10,766	10,766
Integrated Programs/Pass-through Oregon State University	10.303	—	19,850	19,850
Integrated Programs/Pass-through Pennsylvania State University	10.303	—	514,036	514,036
Integrated Programs/Pass-through SUNY Research Foundation	10.303	—	26,555	26,555
Homeland Security Agricultural Technical Assistance to Cooperative	10.304 10.350	559,086 1,175	—	559,086 1,175
Cooperative Extension	10.500	15,595,908	—	15,595,908
Cooperative Extension/Pass-through North Carolina State University	10.500	—	23,523	23,523
Cooperative Extension/Pass-through Pennsylvania State University	10.500	—	59,752	59,752
Cooperative Extension/Pass-through Texas A&M University	10.500	—	22,874	22,874
Cooperative Extension/Pass-through University of Delaware	10.500	—	28,415	28,415
Cooperative Extension/Pass-through University of Kentucky	10.500	—	35,503	35,503
Cooperative Extension/Pass-through University of Maine	10.500	—	153	153
Cooperative Extension/Pass-through University of Nebraska	10.500	—	24,736	24,736
Cooperative Extension/Pass-through University of Vermont	10.500	—	57,304	57,304
Cooperative Extension/Pass-through University of Wisconsin	10.500	—	3,100	3,100
Food Stamps/Pass-through NYS Office of Temporary & Disability Assistance	10.551	—	74,458	74,458
Food Stamps/Pass-through Office. Of Domestic Violence & Emergency Intervention	10.551	—	744,687	744,687
Cooperative Forestry Assistance	10.664	8,870	—	8,870
Forest Land Enhancement Program	10.677	48,142	—	48,142
Forest Stewardship Program	10.678	192	—	192
Environmental Quality Incentives Program	10.912	6,072	—	6,072
Environmental Quality Incentives Program/Pass-through Foundation of Agronomic Research	10.912	—	3,353	3,353
Technical Agricultural Assistance/Pass-through University of California, Davis	10.960	—	288	288
Scientific Cooperation and Research	10.961	261,982	—	261,982
International Training – Foreign Participant	10.962	57,580	—	57,580
Department of Agriculture total		<u>17,671,449</u>	<u>2,963,804</u>	<u>20,635,253</u>
Department of Commerce:				
Census Intergovernmental Services	11.004	50,936	—	50,936
Economic Development – Technical Assistance	11.303	245,316	—	245,316
Sea Grant Support/Pass-through New York Sea Grant Institute, Stony Brook	11.417	—	498,325	498,325
Sea Grant Support/Pass-through SUNY Research Foundation	11.417	—	14,552	14,552
Sea Grant Support/Pass-through SUNY Stony Brook	11.417	—	46,431	46,431
Sea Grant Support/Pass-through University of Michigan	11.417	—	41,301	41,301
Unallied Science Program/Pass-through SUNY Research Foundation	11.472	—	11,179	11,179
Department of Commerce total		<u>296,252</u>	<u>611,788</u>	<u>908,040</u>
Department of Defense:				
Department of Defense	12.000	(13,012)	—	(13,012)
Department of Defense/Pass-through Logos Technologies	12.000	—	29,204	29,204
Basic and Applied Scientific Research	12.300	7,676	—	7,676
Military Medical Research and Development	12.420	30,000	—	30,000
Department of Defense total		<u>24,664</u>	<u>29,204</u>	<u>53,868</u>
Department of Housing and Urban Development:				
Lead-Based Paint Hazard Control in Privately Owned Housing/ Pass-through Monroe County	14.900	—	45,514	45,514
Department of Housing and Urban Development total		<u>—</u>	<u>45,514</u>	<u>45,514</u>
Department of State:				
Department of State/Pass-through American Council on Education	19.000	—	(5)	(5)
Department of State/Pass-through International Union for the Conservation of Nature and Natural Resources	19.000	—	14,700	14,700

CORNELL UNIVERSITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Department of State/Pass-through Virginia Polytechnic Institute & State University	19.000	\$ —	33,800	33,800
Educational Exchange Graduate Students/Pass-through Institute of International Education	19.400	—	201,997	201,997
Department of State total		—	250,492	250,492
Department of Transportation: State and Community Highway Safety/Pass-through NYS Dept. of Motor Vehicles	20.600	—	16,462	16,462
Department of Transportation total		—	16,462	16,462
National Aeronautics and Space Administration: Aerospace Education Services Program/Pass-through University of Puerto Rico	43.001	—	10,788	10,788
National Aeronautics and Space Administration total		—	10,788	10,788
National Foundation on the Arts and the Humanities: National Foundation on the Arts and the Humanities	45.000	109,977	—	109,977
Promotion of the Arts Grants to Organizations and Individuals	45.024	21,041	—	21,041
Promotion of the Humanities – Federal/State Partnership/ Pass-through New York Council for the Humanities	45.129	—	6,120	6,120
Promotion of the Humanities – Challenge Grants	45.130	(125,000)	—	(125,000)
Promotion of the Humanities – Basic Research	45.140	128,162	—	128,162
Promotion of the Humanities Research Materials: Editions	45.146	354,052	—	354,052
Promotion of the Humanities – Division of Preservation and Access	45.149	126,656	—	126,656
Promotion of the Humanities – Teaching and Learning Resources and and Curriculum Development	45.162	100,764	—	100,764
Museum for America Grants	45.301	111,725	—	111,725
Conservation Project Support	45.303	9,013	—	9,013
National Leadership Grants	45.312	49,662	—	49,662
National Foundation on the Arts and the Humanities total		886,052	6,120	892,172
National Science Foundation: Engineering Grants	47.041	259,233	—	259,233
Mathematical and Physical Sciences	47.049	209,924	—	209,924
Mathematical and Physical Sciences/Pass-through University of Notre Dame	47.049	—	2,235	2,235
Computer and Information Science and Engineering	47.070	36,703	—	36,703
Biological Sciences	47.074	23,908	—	23,908
Social, Behavioral, and Economic Sciences	47.075	592,165	—	592,165
Education and Human Resources	47.076	5,442,436	—	5,442,436
Education and Human Resources/Pass-through Boston Museum of Science	47.076	—	32,872	32,872
Education and Human Resources/Pass-through Clark Atlanta University	47.076	—	106,704	106,704
Education and Human Resources/Pass-through Hobart & William Smith Colleges	47.076	—	71,396	71,396
Education and Human Resources/Pass-through Ohio State University	47.076	—	116,318	116,318
Education and Human Resources/Pass-through Syracuse University	47.076	—	136,235	136,235
International Science and Engineering	47.079	43,936	—	43,936
National Science Foundation total		6,608,305	465,760	7,074,065
Environmental Protection Agency: Environmental Protection Agency	66.000	13,871	—	13,871
Environmental Protection Agency/Pass-through NYS Dept. of Agriculture & Markets	66.000	—	30,000	30,000
Long Island Sound Program	66.437	122,907	—	122,907
National Estuary Program	66.456	21,148	—	21,148
Nonpoint Source Implementation Grants/Pass-through NYS Dept. of Environmental Conservation	66.460	—	(79,692)	(79,692)
Great Lakes Program/Pass-through National Fish & Wildlife Foundation	66.469	—	4,758	4,758
Environmental Protection – Consolidated Research	66.500	112,343	—	112,343
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through Central New York Regional Planning and Development	66.606	—	26,128	26,128
Surveys, Studies, Investigations, and Special Purpose Grants/ Pass-through New York State Department of Agriculture and Markets	66.606	—	29,025	29,025
Surveys, Studies, Investigations, and Training Demonstrations	66.716	6,300	—	6,300
Environmental Protection Agency total		276,569	10,219	286,788

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

Federal grantor/pass-through grantor/program title	Federal CFDA number	Direct awards	Pass-through awards	Total expenditures
Nuclear Regulatory Commission:				
Nuclear Regulatory Commission	77.000	\$ 77,271	—	77,271
Nuclear Regulatory Commission Total		77,271	—	77,271
Department of Energy:				
Office of Science Financial Assistance Program	81.049	5,000	—	5,000
Department of Energy Total		5,000	—	5,000
Department of Education:				
Department of Education/Pass-through NYS Department of Education	84.000	—	758,747	758,747
Department of Education/Pass-through NYS Office of Children and Family Services	84.000	—	859,541	859,541
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	1,601,835	—	1,601,835
International Research and Studies	84.017	16,894	—	16,894
Overseas Doctoral Dissertation	84.022	103,704	—	103,704
Special Education – Grants to States/ Pass-through NYS Department of Education	84.027	—	367,870	367,870
TRIO Upward Bound	84.047	23,682	—	23,682
Fund for the Improvement of Postsecondary Education/ Pass-through University of California, Davis	84.116	—	(13,739)	(13,739)
National Institute on Disability and Rehabilitation Research Javits Fellowships	84.133	817,139	—	817,139
	84.170	244,969	—	244,969
Department of Education total		2,808,223	1,972,419	4,780,642
United States Institute of Peace:				
Unsolicited Grant Program	91.001	12,913	—	12,913
United States Institute of Peace total		12,913	—	12,913
Department of Health and Human Services:				
Department of Health and Human Services	93.000	193,672	—	193,672
Department of Health and Human Services/Pass-through NYS Office of Temporary and Disability Assistance	93.000	—	(3)	(3)
Research Related to Deafness and Communication Disorders	93.173	29,578	—	29,578
Research and Training in Complementary and Communication Disorders	93.213	19,448	—	19,448
Mental Health Research Grants	93.242	7,699	—	7,699
Mental Health National Research Service Awards for Research Training	93.282	28,057	—	28,057
National Center for Research Resources	93.389	87,313	—	87,313
Cancer Cause and Prevention Research	93.393	16,575	—	16,575
Cancer Cause and Prevention Research/Pass-through University of Washington	93.393	—	25,213	25,213
Cancer Research Manpower	93.398	42,734	—	42,734
Developmental Disabilities Basic Support and Advocacy Grants/ Pass-through Developmental Disabilities Planning Council	93.630	—	191,298	191,298
Child Welfare Services Training Grants/Pass-through SUNY Buffalo	93.648	—	178,161	178,161
Foster Care – Title IV-E/Pass-through New York State Office of Children and Family Services	93.658	—	92,206	92,206
Foster Care – Title IV-E/Pass-through New York State Office of Temporary and Disability Assistance	93.658	—	362,231	362,231
Cell Biology and Biophysics Research	93.821	(106)	—	(106)
Heart and Vascular Diseases Research	93.837	79,062	—	79,062
Digestive Diseases and Nutrition Research	93.848	1	—	1
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	221,194	—	221,194
Biomedical Research and Research Training	93.859	29,572	—	29,572
Biomedical Research and Research Training/Pass-through University of California, San Diego	93.859	—	41,883	41,883
Vision Research	93.867	10,299	—	10,299
Minority Access to Research Careers	93.880	(1,076)	—	(1,076)
Department of Health and Human Services total		764,022	890,989	1,655,011
Corporation for National and Community Service				
Learn and Serve America Higher Education/Pass-through Foundation for Long-Term Care	94.005	—	10,917	10,917
Learn and Serve America Higher Education/Pass-through Pennsylvania Campus Compact	94.005	—	21,258	21,258
Volunteers in Service to America	94.013	70,249	—	70,249
Corporation for National and Community Service total		70,249	32,175	102,424

CORNELL UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

<u>Federal grantor/pass-through grantor/program title</u>	<u>Federal CFDA number</u>	<u>Direct awards</u>	<u>Pass-through awards</u>	<u>Total expenditures</u>
Social Security Administration:				
Social Security Agency	96.000	\$ (24)	—	(24)
Social Security Administration total		(24)	—	(24)
United States Agency for International Development:				
United States Agency for International Development	98.000	99,809	—	99,809
United States Agency for International Development/ Pass-through Oregon State University	98.000	—	11,020	11,020
United States Agency for International Development/ Pass-through University of California, Davis	98.000	—	14,249	14,249
USAID Foreign Assistance Programs Overseas	98.001	252,737	—	252,737
United States Agency for International Development total		352,546	25,269	377,815
Total other federal financial assistance		29,853,491	7,331,003	37,184,494
Grand total		\$ 496,017,640	58,182,511	554,200,151

See accompanying notes to schedule of expenditures of federal awards.

CORNELL UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

(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, 2008 totaled \$105,890,322, including \$66,352,818 for the Ithaca campus and \$39,537,504 for Weill Medical College (WMC).

Ithaca Campus

F&A cost rates for the Ithaca Campus have been finalized through fiscal year 2011 as predetermined rates pursuant to the Department of Health and Human Services (DHHS) rate agreement dated June 19, 2008. Provisional rates have been established for fiscal year 2012 and beyond.

CORNELL UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

Weill Medical College

F&A cost rates for the WMC have been finalized through fiscal year 2012 as predetermined rates pursuant to the DHHS rate agreement dated April 9, 2008. Provisional rates have been established for fiscal year 2013 and beyond.

(3) Student Loan Programs

The University had the following loan balances outstanding at June 30, 2008. 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	\$	44,258,675
Health Professions Student Loan Program, including Primary Care Loans and Loans for Disadvantaged Students	93.342		<u>3,708,639</u>
		\$	<u><u>47,967,314</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, 2008.

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, 2008:

Federal Direct Loan Program (FDLP):			
Federal subsidized		\$	31,547,459
Federal unsubsidized			<u>23,302,043</u>
Total FDLP		\$	<u><u>54,849,502</u></u>
Federal Family Education Loan Program		\$	<u><u>31,940,904</u></u>

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, 2008.

(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 492 subcontracts of its federal funds, which have been issued to subrecipients that total approximately \$37 million. Due to the large number of programs and sponsors, it is not practical to disclose the amount of payments to each subrecipient.



KPMG LLP
515 Broadway
Albany, NY 12207

**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, 2008, and have issued our report thereon dated September 26, 2008. 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.

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.

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 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

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 26, 2008



KPMG LLP
515 Broadway
Albany, NY 12207

**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, 2008. 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 considered 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, 2008.

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 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 3, 2009

CORNELL UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X 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 X no

Identification of major programs:

CFDA number(s)	Name of federal programs or clusters
Various	Research and Development Cluster
84.007, 84.032, 84.033, 84.038, 84.063, 84.268, and 93.342	Student Financial Assistance Cluster
47.076	Education and Human Resources
Dollar threshold used to distinguish between type A and type B programs	\$3,000,000

Auditee qualified as low-risk auditee? X yes _____ no

CORNELL UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2008

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

None.

III. Findings and Questioned Costs Relating to Federal Awards

None.