

Cornell University

**Reports on Federal Awards in
Accordance with OMB Circular A-133**

June 30, 2012

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Cornell University

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Report of Independent Auditors

To the Board of Trustees
Cornell University

In our opinion, the accompanying consolidated statement of financial position and the related consolidated statements of activities and of cash flows present fairly, in all material respects, the financial position of Cornell University (the "University") at June 30, 2012, and the changes in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Cornell University's June 30, 2011 financial statements, and in our report dated September 27, 2011 we expressed an unqualified opinion on those financial statements. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012 on our consideration of the University's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2012. 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 conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2012 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 financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

October 25, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2012 (in thousands)

(WITH COMPARATIVE INFORMATION AS OF JUNE 30, 2011)

	2012	2011
Assets		
1 Cash and cash equivalents	\$ 262,654	\$ 146,070
2 Accounts receivable, net (note 2-A)	319,289	278,019
3 Contributions receivable, net (note 2-B)	863,459	584,483
4 Inventories and prepaid expenses	41,282	47,727
5 Student loans receivable, net (note 2-C)	69,441	69,093
6 Investments (note 3)	5,916,833	6,348,227
7 Land, buildings, and equipment, net (note 4)	3,321,898	3,147,011
8 Funds held in trust by others (note 5)	105,557	112,035
9 Total assets	<u>\$ 10,900,413</u>	<u>\$ 10,732,665</u>
Liabilities		
10 Accounts payable and accrued expenses	\$ 623,396	\$ 367,160
11 Deferred revenue and other liabilities (note 8-D)	205,973	218,486
12 Obligations under split interest agreements (note 5)	115,063	114,077
13 Deferred benefits (note 6)	443,639	431,564
14 Funds held in trust for others (note 7)	90,047	111,153
15 Bonds and notes payable (note 8)	1,896,558	1,932,136
16 Government advances for student loans	48,067	47,094
17 Total liabilities	<u>3,422,743</u>	<u>3,221,670</u>
Net assets (note 11)		
18 Unrestricted	2,409,552	2,751,527
19 Temporarily restricted	2,616,355	2,432,376
20 Permanently restricted	2,451,763	2,327,092
21 Total net assets	<u>7,477,670</u>	<u>7,510,995</u>
22 Total liabilities and net assets	<u>\$ 10,900,413</u>	<u>\$ 10,732,665</u>

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

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR-ENDED JUNE 30, 2012 (in thousands)

(WITH SUMMARIZED INFORMATION FOR THE YEAR-ENDED JUNE 30, 2011)

	Unrestricted	Temporarily Restricted
Operating revenues		
1 Tuition and fees	\$ 842,204	\$ -
2 Scholarship allowance	(333,873)	-
3 Net tuition and fees	508,331	-
4 State and federal appropriations	150,469	-
5 Grants, contracts and similar agreements		
6 Direct	457,454	-
7 Indirect cost recoveries	147,277	-
8 Contributions	65,426	272,942
9 Investment return, distributed	212,110	86,054
10 Medical Physician Organization	679,938	-
11 Auxiliary enterprises	153,408	-
12 Educational activities and other sales and services	428,563	-
13 Net assets released from restrictions	153,869	(153,869)
14 Total operating revenues	2,956,845	205,127
Operating expenses (note 10)		
15 Compensation and benefits	1,938,620	-
16 Purchased services	142,002	-
17 Supplies and general	637,050	-
18 Utilities, rents and taxes	107,734	-
19 Interest expense (note 8)	86,201	-
20 Depreciation	203,587	-
21 Total operating expenses	3,115,194	-
22 Change in net assets from operating activities	(158,349)	205,127
Nonoperating revenues and (expenses)		
23 State appropriations for capital acquisitions	61,089	-
24 Contributions for capital acquisitions, trusts and endowments	931	172,160
25 Investment return, net of amount distributed	(112,510)	(153,636)
26 Change in value of split interest agreements	3,857	(3,801)
27 Pension and postretirement changes other than net periodic costs (note 6-C)	2,727	-
28 Change in value of interest rate swaps	(166,496)	-
29 Other	(5,241)	-
30 Net asset released for capital acquisitions and reclassifications	32,017	(35,871)
31 Change in net assets from nonoperating activities	(183,626)	(21,148)
32 Change in net assets	(341,975)	183,979
33 Net assets, beginning of the year	2,751,527	2,432,376
34 Net assets, end of the year	\$ 2,409,552	\$ 2,616,355

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

Permanently Restricted	2012 Total	2011 Total	
\$ -	\$ 842,204	\$ 787,882	1
-	(333,873)	(306,809)	2
-	508,331	481,073	3
-	150,469	164,013	4
-	457,454	471,997	5
-	147,277	151,039	6
-	338,368	230,677	7
-	298,164	310,440	8
-	679,938	577,568	9
-	153,408	154,354	10
-	428,563	414,653	11
-	-	-	12
-	-	-	13
-	3,161,972	2,955,814	14
-	1,938,620	1,830,907	15
-	142,002	125,787	16
-	637,050	622,370	17
-	107,734	110,736	18
-	86,201	70,065	19
-	203,587	214,828	20
-	3,115,194	2,974,693	21
-	46,778	(18,879)	22
-	61,089	44,552	23
99,728	272,819	109,286	24
10,944	(255,202)	602,084	25
10,145	10,201	21,144	26
-	2,727	40,158	27
-	(166,496)	43,698	28
-	(5,241)	(28,006)	29
3,854	-	-	30
124,671	(80,103)	832,916	31
124,671	(33,325)	814,037	32
2,327,092	7,510,995	6,696,958	33
<u>\$ 2,451,763</u>	<u>\$ 7,477,670</u>	<u>\$ 7,510,995</u>	34

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR-ENDED JUNE 30, 2012 (in thousands)

(WITH COMPARATIVE INFORMATION FOR THE YEAR-ENDED JUNE 30, 2011)

	2012	2011
Cash flows from operating activities		
1 Change in net assets	\$ (33,325)	\$ 814,037
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities		
2 Contributions for capital acquisitions, trusts and endowments	(269,152)	(105,411)
3 Depreciation	203,587	214,828
4 Net realized and unrealized (gain)/loss on investments	68,518	(800,514)
5 Pension and postretirement changes other than net periodic costs	(2,727)	(40,158)
6 Change in value of interest rate swaps	166,496	(25,198)
7 Loss on disposals of land, building, and equipment	21,330	6,233
8 Other adjustments	(4,006)	(3,676)
Change in assets and liabilities		
9 Accounts receivable, net	(41,270)	108,535
10 Contributions receivable, net	(278,976)	(26,557)
11 Inventories and prepaid expenses	6,445	829
12 Accounts payable and accrued expenses	81,247	(27,208)
13 Deferred revenue and other liabilities	(12,513)	15,426
14 Change in obligations under split interest agreements	7,464	(9,391)
15 Deferred benefits	14,802	24,241
16 Net cash provided/(used) by operating activities	<u>(72,080)</u>	<u>146,016</u>
Cash flows from investing activities		
17 Proceeds from the sale and maturities of investments	8,807,724	19,289,490
18 Purchase of investments	(8,444,848)	(19,206,457)
19 Acquisition of land, buildings, and equipment (net)	(387,726)	(309,550)
20 Student loans granted	(9,366)	(9,811)
21 Student loans repaid	9,439	10,680
22 Change in funds held in trust for others	(21,106)	18,828
23 Net cash used by investing activities	<u>(45,883)</u>	<u>(206,820)</u>
Cash flows from financing activities		
Contributions restricted to		
24 Investment in endowments	109,504	85,753
25 Investment in physical plant	154,950	15,911
26 Investment subject to living trust agreements	4,698	3,747
27 Principal payments of bonds and notes payable	(45,578)	(37,291)
28 Proceeds from issuance of bonds and notes payable	10,000	38,845
29 Government advances for student loans	973	(259)
30 Net cash provided by financing activities	<u>234,547</u>	<u>106,706</u>
31 Net change in cash and cash equivalents	116,584	45,902
32 Cash and cash equivalents, beginning of year	146,070	100,168
33 Cash and cash equivalents, end of year	<u>\$ 262,654</u>	<u>\$ 146,070</u>
Supplemental disclosure of cash flow information		
34 Cash paid for interest	\$ 97,336	\$ 93,871
35 Increase/(decrease) in construction payables, non-cash activity	\$ 8,493	\$ (1,818)

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

In accordance with the guidance provided in the New York Prudent Management of Institutional Funds Act (NYPMIFA), the University’s Board of Trustees, with consideration of the actions, reports, information, advice and counsel provided by its duly constituted committees and appointed officers of the University, including University Counsel, has instructed the University to preserve the historical dollar value of donor-restricted (true) endowment funds, absent explicit donor direction to the contrary. As a result, the University classifies as permanently restricted net assets the original gift value of true endowments, plus any subsequent gifts and accumulations made in accordance with the directions of the applicable gift instruments. In accordance with accounting standards, the portion of the true endowment fund not classified as permanently restricted net assets is classified as temporarily restricted net assets except when the fair market value of the endowment fund is less than its historical dollar value. For these “underwater” funds, the difference between historic dollar value and fair market value is reflected in unrestricted net assets.

Temporarily restricted net assets also include gifts and appropriations from the endowment that can be expended, but for which the donors’ purpose restrictions have not yet been met, as well as net assets with explicit or implied time restrictions such as pledges and split interest agreements. 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 restriction lines.

Unrestricted net assets are the remaining net assets of the University.

C. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank accounts, money market funds and other temporary investments held for working capital purposes with an original maturity term of ninety days or less. The carrying amount of cash equivalents approximates fair value because of their short terms of maturity. Cash that is part of the University's investment portfolio and awaiting investment is reported as investments and included in Note 3.

D. 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 determined by management 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 the University and to the Cornell University Foundation, an affiliated entity that is included in the consolidated financial statements. The Foundation maintains a donor-advised fund for which the donors can make recommendations to the fund's trustees regarding distributions to the University or other charitable organizations. Distributions from the Foundation to external charitable organizations are recorded as nonoperating expenses.

E. 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.

F. Derivative 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. The University records the fair value of a derivative instrument 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 or accrued expenses in the consolidated statement of financial position, and the change in fair value is recorded as other nonoperating activity in the consolidated statement of activities.

Derivatives involve counterparty credit exposure. To minimize this exposure, the University carefully monitors counterparty credit risk and requires that investment managers use only those counterparties with strong credit ratings for these derivatives.

G. 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 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.

H. 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. Gains or losses resulting from changes in fair value are recorded as nonoperating activities in the consolidated statement of activities.

I. Split Interest Agreements

The University's split interest agreements with donors consist primarily of charitable gift annuities, pooled income funds, and charitable trusts 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 split interest 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 based on 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 fair value, changes in assumptions, and amortization of the discount are recorded as changes in value of split interest agreements in the appropriate restriction categories in the nonoperating section of the consolidated statement of activities.

J. Endowments

To ensure full compliance with NYPMIFA, a supplemental statement to the University's investment policy was adopted and approved by the Board of Trustees in September, 2010. The responsibility for accepting, preserving, and managing the funds entrusted to Cornell rests, by law, with the Board of Trustees; however, the Trustees have delegated authority for investment decisions to the Investment Committee of the Board of Trustees. The Committee determines investment policy, objectives, and guidelines, including allocation of assets between classes of investments.

The University's investment objective for its endowment assets is to maximize total return within reasonable risk parameters, specifically to achieve a total return, net of expenses, of at least five percent in excess of inflation, as measured by the Consumer Price Index over rolling five-year periods. The achievement of favorable investment returns enables the University to distribute increasing amounts from the endowment over time so that present and future needs can be treated equitably in inflation-adjusted terms. Diversification is a key component of the University's standard for managing and investing endowment funds and asset allocation targets are subject to ongoing reviews by the Investment Committee of the Board of Trustees.

The University applies the "prudent person" standard when making its decision whether to appropriate or accumulate endowment funds considering the following factors, in accordance with NYPMIFA: the duration and preservation of the endowment fund, the purposes of the institution and the endowment fund, general economic conditions including potential effect of inflation or deflation, the expected total return of the fund, other resources of the University, the needs of the University and the fund to make distributions and preserve capital, and the University's investment policy.

The Board authorizes an annual distribution, or payout, from endowment funds that is within a target range of 3.65 percent to 5.15 percent of a 12-quarter rolling average of the unit fair value. The Trustees may occasionally make step adjustments, either incremental or decremental, based on prior investment performance, current market conditions, or any of the factors for prudent judgment described above.

Total distributions or spending reflected on the consolidated statement of activities includes payout, investment expenses, and service charges that support the general and stewardship costs of the University endowment.

The University, in compliance with NYPMIFA, notified available donors who had established endowments prior to September 17, 2010 of the new law, and offered these donors the option of requiring the University to maintain historical dollar value for their endowment funds. A minority of donors requested this option; for those who did, the University has designed procedures to ensure that the University maintains historical dollar value by not expending the payout on any fund whose fair value is less than its historical dollar value (i.e., "underwater").

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 Physician Organization

The Medical Physician 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 Physician 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 Physician 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. Management's assumptions are primarily related to the appropriate discount rate for the purposes of fair-value calculations, to allowances for doubtful accounts, and to self-insured risks. 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 ending June 30, 2012, the University has modified disclosures required by ASU 2010-06: *Improvements to Disclosures about Fair Value Measurements*. The modified disclosures are reflected in the tables that summarize Level 3 activity within Note 3 and Note 6. The tables now separately disclose sales, purchases and, when applicable, issuances and settlements.

The University complied with the requirements of ASU 2010-24: *Presentation of Insurance Claims and Related Insurance Recoveries*. The ASU requires that potential insurance recoveries are reflected as assets and the insurance claims as liabilities. The netting of the recoveries and estimated liabilities is no longer acceptable. For fiscal year ending June 30, 2012, the Medical College recorded a reinsurance receivable of \$70.2 million and a reinsurance payable of \$70.2 million.

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. In accordance with the accounting standards, the University evaluates its income tax position each fiscal year to determine whether it is more likely than not to be sustained if examined by the applicable taxing authority. This review had no material impact on the University's consolidated financial statements.

2. RECEIVABLES

A. Accounts Receivable

The University's receivables from the sources identified in the table below are reviewed and monitored for aging and other factors that affect collectability.

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

SUMMARY OF ACCOUNTS RECEIVABLE		
	2012	2011
Grants and contracts	\$ 88,480	\$ 125,727
Collateral related to interest rate swap agreements	-	26,461
New York Presbyterian Hospital and other affiliates	37,179	57,758
Patients (net of contractual allowances)	89,944	76,327
Reinsurance Receivable	70,257	-
Student accounts	6,193	3,561
Other	56,416	41,916
Gross accounts receivable	\$ 348,469	\$ 331,750
Less: allowance for doubtful accounts	(29,180)	(53,731)
Net accounts receivable	\$ 319,289	\$ 278,019

The patient accounts receivable for medical services was comprised of the following at June 30, 2012 and 2011, respectively: commercial third parties 60.5 percent and 61.6 percent; federal/state government 15.9 percent and 15.4 percent; and patients 23.7 percent and 23.0 percent.

Other accounts receivable include receivables from other government agencies, matured bequests, and receivables from other operating activities.

B. Contributions Receivable

Unconditional promises to give, or pledges, are recorded in the consolidated financial statements at present value using discount rates ranging from 1.7 percent to 7 percent. Contributions are expected to be realized as follows:

SUMMARY OF CONTRIBUTIONS RECEIVABLE		
	2012	2011
Less than one year	\$ 299,374	\$ 227,267
Between one and five years	568,458	339,625
More than five years	160,342	182,164
Gross contributions receivable	\$ 1,028,174	\$ 749,056
Less: unamortized discount	(92,233)	(93,110)
Less: allowance for uncollectible amounts	(72,482)	(71,463)
Net contributions receivable	\$ 863,459	\$ 584,483

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

EXPECTED PURPOSE OF CONTRIBUTIONS RECEIVABLE		
	2012	2011
Support of University operations	\$ 369,243	\$ 227,233
Capital purposes	308,360	174,887
Endowments and similar funds	185,856	182,363
Net contributions receivable	\$ 863,459	\$ 584,483

At June 30, 2012, conditional promises not reflected in the consolidated financial statements, which consist primarily of bequest intentions and conditional promises with significant matching requirements, were \$387,103.

C. Student Loans Receivable

In keeping with Ezra Cornell's vision, the University has a "need-blind" policy of admission. Many students receive financial aid that consists of scholarship/fellowship grants, work-study opportunities and, when appropriate, student loans. The University participates in various federal revolving loan programs, in addition to administering institutional loan programs.

Student loan programs are funded by donor contributions, other institutional sources, and governmental programs, primarily the Federal Perkins Loan Program. The amounts received from the federal government's portion of the Perkins program are ultimately refundable to the federal government and are reported as a liability on the University's consolidated statement of financial position as government advances for student loans.

Credit worthiness is not a factor when granting a student a loan from institutional or federal resources; it is based on financial need. However, once the loan is in repayment status, the University monitors, no less than quarterly, the aging of the student loans receivable. If a loan is 75 days past due, the University generally will not release a transcript and/or diploma. If the loan is 180 days past due, the University evaluates whether to assign the account to an external agency for collection.

The University Bursar is required to authorize any write-off of a student loan receivable; such write-offs are based primarily on the aging report and an evaluation of any recent activity in the account. Overall default rates and an evaluation of general economic conditions are reviewed at least annually. The University, because of its close and continuing relationship with its students and graduates, seeks to work closely with the students to help ensure repayment. At June 30, 2012, the average default rate approximates 6.5 percent, with a rate of approximately 1.8 percent on the federal revolving loan portfolio. The average rate includes both the federal loans and the institutional loans. Institutional loans are generally provided to students with unusual financial needs.

Student loans are often subject to unique restrictions and conditions and, therefore, it is not practical to determine their fair values. The allowance for doubtful accounts is for all loans, whether in repayment status or not.

The two tables below provide additional information about the student loan receivables and the allowances associated with federal and institutional loan programs.

SUMMARY OF STUDENT LOANS RECEIVABLE

	2012			2011		
	Receivable	Allowance	Net receivable	Receivable	Allowance	Net receivable
Federal revolving loans	\$ 42,142	\$ (2,233)	\$ 39,909	\$ 43,472	\$ (2,156)	\$ 41,316
Institutional loans	32,061	(2,529)	29,532	30,813	(3,036)	27,777
Total student loans receivable	\$ 74,203	\$ (4,762)	\$ 69,441	\$ 74,285	\$ (5,192)	\$ 69,093

CHANGE IN STUDENT LOAN ALLOWANCE

	2012		
	Federal revolving	Institutional	Total allowance
Allowance at beginning of year	\$ (2,156)	\$ (3,036)	\$ (5,192)
Current year provisions	(77)	507	430
Current year write-offs	-	-	-
Current year recoveries	-	-	-
Allowance at end of year	\$ (2,233)	\$ (2,529)	\$ (4,762)

3. INVESTMENTS

A. General Information

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.

The University has categorized its investment assets in accordance with the fair-value measurement hierarchy. The following describes the hierarchy of inputs used to measure fair value; it also describes the primary valuation methodologies used by the University for investment assets measured at fair value on a recurring basis.

Fair value for Level 1 is based upon quoted prices in accessible active markets for identical assets. Market price data is generally obtained from exchange or dealer markets. The University does not adjust the quoted price for such assets.

Fair value for Level 2 is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data. Inputs are obtained from various sources, including market participants, dealers, and brokers. In determining fair value of financial instruments, the University considers factors such as interest rate yield curves, duration of the instrument, and counterparty credit risk. The fair value of Level 2 instruments is determined using multiple valuation techniques including the market approach, income approach, or cost approach.

Fair value for Level 3 is based upon valuation techniques that use significant inputs that are unobservable.

Investments included in Level 3 consist primarily of the University's ownership in alternative investments (principally limited partnership interests in hedge, private equity, real estate, and other similar funds). The fair value of certain alternative investments represents the ownership interest in the net asset value (NAV) of the respective partnership. The NAV of these investments is determined by the general partner, and is based upon appraisal or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The University has performed significant due diligence around these investments to ensure that NAV is an appropriate measure of fair value as of June 30.

The University uses the NAV to determine the fair value of all alternative investments that do not have a readily determinable fair value and that have financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments that can be redeemed at NAV by the University on the measurement date or in the near term, 90 days or less, are classified as Level 2. Investments that cannot be redeemed on the measurement date or in the near term are classified as Level 3.

The methods described above may produce a fair-value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

The University's investment holdings as of June 30, categorized in accordance with the fair-value measurement hierarchy, are summarized in the following table:

INVESTMENTS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	2012 Total	2011 Total
Cash and cash equivalents	\$ 243,341	\$ 20,505	\$ -	\$ 263,846	\$ 258,350
Derivatives	5,017	(8,072)	-	(3,055)	2,720
Equity					
Domestic equity	302,415	165,988	194	468,597	489,077
Foreign equity	448,692	47,591	57,082	553,365	557,165
Hedged equity	-	327,201	178,240	505,441	539,543
Private equity	-	-	1,066,971	1,066,971	1,063,722
Fixed income					
Asset backed fixed income	-	34,115	1,036	35,151	42,149
Corporate bonds	-	392,415	-	392,415	554,549
Equity partnership	-	9,988	285,128	295,116	321,807
International	35,648	159,586	-	195,234	256,369
Municipals	-	28,589	-	28,589	33,861
Mutual funds (non-equity)	-	53,927	-	53,927	50,928
Preferred/convertible	4,158	8,334	5,082	17,574	8,415
Other fixed income	-	105	1,750	1,855	105
US government	59,202	288,889	-	348,091	425,005
Marketable alternatives	77	142,644	585,446	728,167	765,079
Real assets	-	-	917,652	917,652	921,506
Receivable for investments sold	138,515	-	-	138,515	26,631
Payable for investments purchased	(168,197)	-	-	(168,197)	(35,933)
Other	-	-	77,579	\$ 77,579	\$ 67,179
Total investments	\$ 1,068,868	\$ 1,671,805	\$ 3,176,160	\$ 5,916,833	\$ 6,348,227
Securities not included in investment portfolio					
Cash and cash equivalents	\$ 210,052	\$ -	\$ -	\$ 210,052	\$ 78,075

The following table is a rollforward of the investments classified by the University within Level 3 of the fair-value hierarchy defined above:

SUMMARY OF LEVEL 3 INVESTMENT ACTIVITY

	Fair value at June 30, 2011	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value at June 30, 2012
Equity							
Domestic equity	\$ 144	\$ 92	\$ 4	\$ -	\$ (113)	\$ 67	\$ 194
Foreign equity	62,280	100	(5,008)	5,400	(6,756)	1,066	57,082
Hedged equity	218,549	1,903	3,641	-	(5,406)	(40,447)	178,240
Private equity	1,063,722	95,276	(52,158)	149,688	(189,557)	-	1,066,971
Fixed income							
Asset backed fixed income	1,750	-	-	1,036	-	(1,750)	1,036
Equity partnership	308,275	3,134	521	35,407	(65,522)	3,313	285,128
Preferred/convertible	8,415	81	(408)	-	(3,006)	-	5,082
Other	-	-	-	-	-	1,750	1,750
Marketable alternatives	644,267	17,091	(17,839)	47,337	(80,803)	(24,607)	585,446
Real assets	921,506	32,684	2,273	81,018	(119,829)	-	917,652
Other	67,179	-	9,942	1,958	-	(1,500)	77,579
Total level 3 investments	\$ 3,296,087	\$ 150,361	\$ (59,032)	\$ 321,844	\$ (470,992)	\$ (62,108)	\$ 3,176,160

There were no significant transfers between Level 1 and Level 2 during 2012. There were significant transfers into Level 3 from Level 2 including \$57,288 of marketable alternatives. Transfers into Level 3 were the result of redemption and termination events that reduced the liquidity of the underlying assets. There were significant transfers out of Level 3 into Level 2 including \$48,368 of hedged equities and \$81,895 of marketable alternatives. The transfers are a result of increased liquidity due to an expiration of lockups on the underlying assets.

All net realized and unrealized gains/(losses) in the table above are reflected in the accompanying consolidated statement of activities. Net unrealized gains/(losses) relate to those financial instruments held by the University at June 30, 2012.

Under the terms of certain limited partnership agreements, the University is obligated to make additional capital contributions up to contractual levels. At June 30, 2012 and 2011, the University had commitments of \$739,193 and \$681,614, respectively, for which capital calls had not been exercised (Note 1-E). Such commitments generally have fixed expiration dates or other termination clauses.

Under terms of certain options contracts on interest rate swaps, the University is obligated to make future premium payments. At June 30, 2012 and 2011, the University had premium payment commitments of \$22,772 and \$27,440, respectively. The University's premium payment schedule is as follows: \$5,184 annually for the years ending June 30, 2013, and 2014; \$4,809 for the year ending June 30, 2015; \$2,184 for the year ending June 30, 2016; \$1,314 for the year ending June 30, 2017 and \$4,097 thereafter.

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

SUMMARY OF INVESTMENT RETURN

	<u>2012</u>	<u>2011</u>
Interest and dividends, net of investment fees	\$ 111,480	\$ 112,010
Net realized gain/(loss)	124,911	360,510
Net unrealized gain/(loss)	<u>(193,429)</u>	<u>440,004</u>
Total investment return	\$ 42,962	\$ 912,524

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 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 fair values. At June 30, 2012 and 2011, the fair values per unit were \$50.67 and \$53.58, respectively. The total return on the University's long-term investments, of which the LTIP is the major component, was 0.1 percent for the fiscal year ending June 30, 2012. The changes in the fair value and cost of the LTIP and information about its participating units as of June 30, 2012 and 2011 are as follows:

SUMMARY INFORMATION - LONG-TERM INVESTMENT POOL

	<u>Fair value</u>	<u>Cost</u>	<u>Appreciation/ (depreciation)</u>	<u>Fair value per unit</u>	<u>Number of units</u>
End of year	\$ 4,786,915	\$ 4,124,822	\$ 662,093	\$ 50.67	94,467,507
Beginning of year	\$ 4,921,840	\$ 4,103,292	\$ 818,548	\$ 53.58	91,861,708
Unrealized net gain/(loss) for year			\$ (156,455)		
Realized net gain/(loss) for year			\$ 99,211		
Net gain/(loss) for year			\$ (57,244)		

For the fiscal year ending June 30, 2012, investment payout to participating funds totaled \$203,643 (\$2.20 per unit), of which \$177,435 was paid out for the University's operations, with the balance in the amount of \$26,208 either returned to principal or distributed to funds held for others. The payout for the fiscal year ending June 30, 2012 was comprised of \$39,410 in net investment income and \$164,233 paid from accumulated gains. For the fiscal year ending June 30, 2011, the investment payout was \$198,751 (\$2.20 per unit), and was comprised of \$30,977 in net investment income and \$167,774 paid from accumulated gains.

C. Separately Invested Portfolio, Pooled Life Income Funds, and Dormitory Authority of the State of New York (DASNY) Holdings

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

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

University funds on deposit at DASNY consist of reserves for retirement of debt and bond proceeds not yet expended. The total funds on deposit are \$1,965 and \$227,609 as of June 30, 2012 and 2011, respectively. The amount of bond proceeds not yet expended included in the total reserves at DASNY are \$1,965 and \$213,336 as of June 30, 2012 and 2011, respectively.

D. Derivative Holdings

The use of certain financial derivative instruments is governed by either the University's written investment policy, specific manager guidelines, or partnership/fund agreement documents. Specifically, financial derivative instruments may be used to manage foreign currency exposure, to obtain commodity exposure, to create synthetic exposure, or to obtain protection against increases in interest rates. These derivatives, based on definitions in GAAP, are not designated as hedging instruments.

The University allocates a percentage of its assets to investment managers specializing in securities whose prices are denominated in foreign currencies as part of its overall diversification strategy. The investment guidelines provide discretion to these managers to adjust the foreign currency exposure of their investment portfolio by using derivative instruments. The derivatives are used for buying or selling foreign currency under a short-term contract to lock in the dollar cost of a specific pending purchase or sale of a foreign security, and selling foreign currency under a longer-term contract to hedge against a general decline in the dollar value of foreign security holdings.

As part of its overall investment strategy, the University's investment managers manage a diversified portfolio of commodity futures under strict investment guidelines. These commodity futures are fully collateralized and are denominated in U.S. dollars.

Some investment managers have discretion, limited by overall investment guidelines, to use derivative instruments to create investment exposures that could not be created as efficiently with other types of investments. These synthetic exposures in the University's portfolio as of June 30, 2012 are of four types: 1) forward contracts used to increase exposure to a foreign currency beyond the level of underlying security investments in that currency; 2) futures contracts used to create exposures to assets where the futures market provides a more efficient investment than the underlying securities; 3) swap contracts, also used to provide a more efficient means to gain exposure than the underlying securities; and 4) option contracts used to adjust the exposure of the fixed-income portfolio to interest rate volatility.

The University entered into option contracts on interest rates swaps as a way to mitigate the impact of a significant rise in interest rates in the future.

The following table provides detailed information on the derivatives included in the investment portfolio as of June 30. All the derivatives have been deemed Level 2 in the fair-value hierarchy.

FAIR VALUE OF DERIVATIVE HOLDINGS IN STATEMENT OF FINANCIAL POSITION

Location	Derivative type	2012			2011		
		Notional amount	# of Contracts	Level 2 fair value	Notional amount	# of Contracts	Level 2 fair value
Investments							
	Foreign currency	\$ -	67	\$ 1,385	\$ -	51	\$ (1,126)
	Commodity	314,893	53	3,563	257,239	50	(7,015)
	Synthetic	(23,198)	41	153	68,043	46	115
	Interest rate	444,703	4	(8,156)	2,067,903	5	10,746
	Total fair value	\$ 736,398	165	\$ (3,055)	\$ 2,393,185	152	\$ 2,720

EFFECT OF DERIVATIVE HOLDINGS ON STATEMENT OF ACTIVITIES

Location	Derivative Type	2012	2011
		Unrealized gain/(loss)	Unrealized gain/(loss)
Investment return, net of amount distributed			
	Foreign currency	\$ 1,385	\$ (1,126)
	Commodity	3,563	(7,015)
	Synthetic	372	255
	Interest rate	(17,678)	(2,808)
Total unrealized gain/(loss)		\$ (12,358)	\$ (10,694)

The unrealized gain/ loss from derivative holdings affects temporarily restricted net assets for LTIP shares in the permanent endowment; otherwise, the gain/loss affects unrestricted net assets. The net unrealized gain/loss is reported in the operating section of the consolidated statement of cash flow as net realized and unrealized gain/loss on investments.

E. Alternative Investments Measured Using Net Asset Value

The University uses NAV to determine the fair value of all alternative investments which do not have a readily determinable fair value, and have financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following tables list investments in investment companies (in partnership or equivalent format) by major category:

SUMMARY OF ALTERNATIVE INVESTMENTS MEASURED USING NET ASSET VALUE

Asset class	Strategy	NAV in funds	Remaining life	Unfunded commitments	Timing to draw commitments
Private equity	Buyout	\$ 361,176		\$ 95,437	
	Special situation	296,209		92,643	
	Venture capital	391,537		107,161	
	Total private equity	\$ 1,048,922	1 to 10 years	\$ 295,241	1 to 10 years
Real assets	Real estate	658,571		182,169	
	Natural resource	243,225		151,600	
	Total real assets	\$ 901,796	1 to 8 years	\$ 333,769	1 to 8 years
Fixed income	Distressed	115,792		64,807	
	Leveraged loans	18,704		-	
	Mezzanine	81,873		42,376	
	Multi-strategy	78,747		3,000	
	Total fixed income	\$ 295,116	1 to 10 years	\$ 110,183	1 to 10 years
Foreign equity	Emerging markets	86,520			
	Global equity	3,979			
	Total foreign equity	\$ 90,499			
Hedged equity	Global equity long/short	153,012			
	U.S. equity long/short	352,429			
	Total hedged equity	\$ 505,441			
Marketable alternatives	Event driven	75,346			
	Global macro	70,518			
	Multi-strategy	173,592			
	Relative value	79,939			
	Special opportunity	328,568			
	Total marketable alternatives	\$ 727,963			
Domestic equity	Indexed	96,488			
	Total domestic equity	\$ 96,488			
Total for alternative investments using NAV		\$ 3,666,225		\$ 739,193	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands)

REDEMPTION INFORMATION FOR ALTERNATIVE INVESTMENTS MEASURED USING NET ASSET VALUE

Asset class	Redemption terms	Redemption restrictions*
Private equity	n/a **	n/a
Real assets	n/a **	n/a
Fixed income	Ranges between quarterly redemption with 45 days notice, to annual redemption with 90 days notice***	No lock up provisions
Foreign equity	Ranges between monthly redemption with 30 days notice, to triennial redemption with 30 days notice	36% of NAV has remaining lock up provisions of 15 months
Hedged equity	Ranges between monthly redemption with 10 days notice, to triennial redemption with 45 days notice	13% of NAV has remaining lock up provisions ranging from 15 months to 21 months
Marketable alternatives	Ranges between quarterly redemption with 30 days notice, to triennial redemption with 90 days notice	11% of NAV has remaining lock up provisions ranging from 15 months to 18 months
Domestic equity	Daily redemption with 2 days notice	No lock up provisions

* Represents initial investment lock up restriction. No other material redemption restrictions, such as redemption gates, were in place at year end.

**These funds are in private equity structure, with no ability to be redeemed.

***97% of NAV is in private equity structure, with no ability to be redeemed. Redemption provisions for the remaining 3% are shown above.

4. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are detailed as follows:

LAND, BUILDINGS, AND EQUIPMENT

	Book value at June 30, 2011	Additions	Disposals and closed projects	Book value at June 30, 2012
Land, buildings, and equipment	\$ 3,725,231	\$ 156,781	\$ (43,020)	\$ 3,838,992
Furniture, equipment, books, and collections	1,134,666	59,590	(20,581)	1,173,675
Construction in progress	394,630	357,024	(173,591)	578,063
Total before accumulated depreciation	\$ 5,254,527	\$ 573,395	\$ (237,192)	\$ 5,590,730
Accumulated depreciation	(2,107,516)			(2,268,832)
Net land, buildings, and equipment	\$ 3,147,011			\$ 3,321,898

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 \$607,441 and \$558,410 at June 30, 2012 and 2011, 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 \$384 and \$13,422 at June 30, 2012 and 2011 respectively. The \$13M reduction is due to the transfer of the operation of the federally-owned National Astronomy and Ionosphere Center (NAIC) on September 30, 2011.

The future commitments on capital projects in progress, excluding projects funded by New York State, for the fiscal years ending June 30, 2012 and 2011, are \$139,118 and \$94,441, respectively.

5. OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS AND FUNDS HELD IN TRUST BY OTHERS

The University reports its obligations under split-interest agreements at fair value. The fair value of the obligation is calculated annually and considered Level 3 in the fair-value hierarchy. The discount rate is based on average return of investment grade corporate bonds, weighted using a schedule of actuarial estimates of the lives of the income beneficiaries and the relative value of the agreements.

The University's interest in funds held in trust by others is considered Level 3, based on unobservable inputs, in the fair-value hierarchy. Trusts in which the University has an income interest are valued annually using estimated cash flows based on average actual income over three years. Remainder interests are based on annual valuation reports received from the funds' trustees. The discount rates used to estimate present value are based on the average return of investment grade corporate bonds, weighted according to a schedule of actuarial estimates.

The tables below summarize the fair values and activity of funds held in trust by others and obligations under split-interest agreements.

SPLIT INTEREST AGREEMENTS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	2012 Total	2011 Total
Funds held in trust by others					
Remainder	\$ -	\$ -	\$ 57,097	\$ 57,097	\$ 70,966
Lead and perpetual	-	-	48,460	48,460	41,069
Total funds held in trust by others	\$ -	\$ -	\$ 105,557	\$ 105,557	\$ 112,035
Obligations under split interest agreements	\$ -	\$ -	\$ 115,063	\$ 115,063	\$ 114,077

SUMMARY OF LEVEL 3 SPLIT INTEREST AGREEMENT ACTIVITY

	Fair value at June 30, 2011	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value at June 30, 2012
Funds held in trust by others							
Remainder	\$ 70,966	\$ 500	\$ (14,369)	\$ -	\$ -	\$ -	\$ 57,097
Lead and perpetual	41,069	7,525	(134)	-	-	-	48,460
Total funds held in trust by others	\$ 112,035	\$ 8,025	\$ (14,503)	\$ -	\$ -	\$ -	\$ 105,557
Obligations under split interest agreements	\$ 114,077	\$ -	\$ 986	\$ -	\$ -	\$ -	\$ 115,063

6. DEFERRED BENEFITS

A. General Information

Accrued employee benefit obligations as of June 30 include:

SUMMARY OF DEFERRED BENEFITS

	2012	2011
Postemployment benefits	\$ 28,417	\$ 24,027
Pension and other postretirement benefits	235,359	231,854
Other deferred benefits	179,863	175,683
Total deferred benefits	\$ 443,639	\$ 431,564

Other deferred benefits include primarily vacation accruals, deferred compensation, and medical benefit claims incurred but not yet reported. 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 ending June 30, 2012 and 2011 amounted to \$86,273 and \$84,107, respectively.

The Medical College maintains the University's only defined benefit plan. The participants include non-exempt employees at the Medical College who meet the eligibility requirements for participation. The plan was frozen in 1976 for exempt employees at the Medical College and the accrued benefits were merged with the active non-exempt retirement plan in 1989. 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

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	
	2012	2011	2012	2011
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 55,614	\$ 42,277	\$ 168,229	\$ 132,237
Actual return on plan assets	1,337	9,646	(2,022)	29,859
Employer contribution	6,205	6,052	9,272	8,632
Benefits paid	(2,599)	(2,361)	(2,849)	(2,499)
Fair value of plan assets at end of year	\$ 60,557	\$ 55,614	\$ 172,630	\$ 168,229
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 73,912	\$ 76,100	\$ 381,785	\$ 357,452
Service cost (benefits earned during the period)	5,233	5,151	15,427	15,698
Interest cost	4,605	4,172	21,068	20,900
Plan amendments	-	(967)	-	-
Actuarial (gain)/loss	43	(8,183)	(16,781)	(20)
Gross benefits paid	(2,599)	(2,361)	(16,675)	(13,657)
Less: federal subsidy on benefits paid	-	-	2,528	1,412
Projected benefit obligation at end of year	\$ 81,194	\$ 73,912	\$ 387,352	\$ 381,785
Funded status	\$ (20,637)	\$ (18,298)	\$ (214,722)	\$ (213,556)
Amounts recognized in the consolidated Statement of financial position	\$ (20,637)	\$ (18,298)	\$ (214,722)	\$ (213,556)
Amounts recorded in unrestricted net assets not yet amortized as components of net periodic benefit cost				
Net transition obligation	\$ -	\$ -	\$ 3,644	\$ 7,289
Prior service cost	(875)	(967)	(214)	(290)
Net actuarial (gain)/loss	10,170	7,481	32,333	34,606
Amount recognized as reduction in unrestricted net assets	\$ 9,295	\$ 6,514	\$ 35,763	\$ 41,605

The accumulated benefit obligation for the pension plans was \$70,715 and \$56,358 at June 30, 2012 and 2011 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 ending June 30 includes the following components:

NET PERIODIC BENEFIT COST

	Pension benefits		Other postretirement	
	2012	2011	2012	2011
Service cost (benefits earned during the period)	\$ 5,233	\$ 5,151	\$ 15,427	\$ 15,698
Interest cost	4,605	4,172	21,068	20,901
Expected return on plan assets	(4,007)	(3,505)	(12,485)	(10,580)
Amortization of initial transition obligation	-	-	3,644	3,644
Amortization of prior service cost	(92)	-	(76)	(76)
Amortization of net (gain)/loss	24	589	-	1,665
Net periodic benefit cost	\$ 5,763	\$ 6,407	\$ 27,578	\$ 31,252

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, 2013 are estimated as follows:

ESTIMATED COMPONENTS OF NET PERIODIC BENEFIT COST

	Pension benefits	Other postretirement
Transition obligation	\$ -	\$ 3,644
Prior service cost	(92)	(76)
Net actuarial (gain)/loss	199	76
Total	\$ 107	\$ 3,644

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	
	2012	2011	2012	2011
Used to calculate benefit obligations at June 30				
Discount rate	4.70%	5.90%	4.56% / 4.39%	5.75% / 5.60%
Rate of compensation increase	3.00%	6.10%		
Used to calculate net periodic cost at July 1				
Discount rate	5.90%	5.90%	5.75% / 5.60%	5.75% / 5.60%
Expected return on plan assets	7.00%	8.00%	7.30%	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	7.50%	7.00%
Ultimate trend rate	n/a	n/a	4.50%	5.00%
Years to reach ultimate trend rate	n/a	n/a	6	4

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 \$69,739 and the annual service and interest cost by \$7,910. Decreasing the health care cost trend rate by 1 percent in each future year would decrease the benefit obligation by \$53,697 and the annual service and interest cost by \$5,683.

F. Plan Assets

The University's overall investment objectives for the pension plan and postretirement medical benefit plan assets are broadly defined to include an inflation-adjusted rate of return that seeks growth commensurate with a prudent level of risk. To achieve this objective, the University has established fully discretionary trusts with JP Morgan as trustee and investment manager for the Medical College's defined benefit pension plan and the postretirement medical benefit plan for the University's endowed employees on the Ithaca campus. Under those trust agreements, JP Morgan establishes investment allocations and implements those allocations through various investment funds in order to carry out the investment objectives. JP Morgan has also been appointed as investment manager for the Medical College's postretirement medical benefit plan with full discretion as to investment allocations in specific named funds managed by JP Morgan.

The University's Retirement Plan Oversight Committee (RPOC) provides guidance and oversight for the University's retirement plans, including oversight of asset allocation and the performance of both the defined benefit pension plan and the postretirement medical benefit plans. The committee engaged the services of an outside consulting firm to provide information to help that committee develop suggestions for strategies to better meet the overall objectives of growth coupled with a prudent level of risk. These suggestions, regarding possible changes to the long-term strategic allocations, will be presented to the trustee and investment manager. In fiscal year ending June 30, 2012, the consulting firm was focused on gathering key information to inform its guidance in subsequent years.

Risk mitigation is achieved by diversifying investments across multiple asset classes, investing in high quality securities and permitting flexibility in the balance of investments in the recommended asset classes. Market risk is inherent in any portfolio but the investment policies and strategies are designed to avoid concentration of risk in any one entity, industry, country or commodity. The funds in which the plan assets are invested are well diversified and managed to avoid concentration of risk.

The expected rate of return assumptions are based on information provided by external experts, including but not limited to, investment managers at the trustee bank and the expertise within the University's Investment Office. The factors that impact the expected rates of return for various asset types includes assumptions about inflation, historically based real returns, anticipated value added by investment managers and expected average asset allocations. The expected return on plan assets by category for the fiscal year ending June 30, 2012 are similar the prior fiscal year: 8.2 percent on equity securities, 3.9 percent on fixed income securities and 7 percent on real estate compared to 7.9 percent, 4.5 percent and 7 percent, respectively.

SUMMARY OF PLAN ASSETS

	Target allocation	Pension benefits		Other postretirement	
		2012	2011	2012	2011
Percentage of plan assets					
Equity securities	39-85%	64.0%	66.0%	73.0%	72.0%
Fixed income securities	15-55%	30.0%	30.0%	27.0%	28.0%
Real estate	0-5%	6.0%	4.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%	100.0%

The relevant levels are based on the methodology for determining fair value: Level 1: valuation based on active markets for identical assets; Level 2: valuation based on significant observable inputs and Level 3: valuation based on unobservable inputs. Both the pension plan and postretirement medical benefit plans invest in funds to meet their investment objectives. The asset allocation is based on the underlying assets of the various funds. The leveling is based upon each fund as the unit of measure.

The fair value of the pension plan assets and postretirement medical benefit plan assets as of June 30, 2012 and the roll-forward for Level 3 assets are disclosed in the tables below.

PENSION PLAN ASSETS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	2012 Total	2011 Total
Cash and cash equivalents					
Cash	\$ 1	\$ -	\$ -	\$ 1	\$ 227
Money market	181	-	-	181	107
Equity securities					
U.S. small cap	-	4,178	-	4,178	4,237
U.S. large cap	-	21,559	-	21,559	18,759
U.S. REITS	-	1,574	-	1,574	1,389
Emerging markets	-	3,331	-	3,331	4,479
International equity	-	8,054	-	8,054	7,676
Fixed income securities					
U.S. high yield bonds	-	3,936	-	3,936	3,097
Corporate bonds	-	9,704	-	9,704	9,942
Mortgage-backed securities	-	1,520	1,192	2,712	2,461
International fixed income	-	1,518	-	1,518	1,158
Other types of investments					
Real estate	-	-	3,809	3,809	2,082
Total assets	\$ 182	\$ 55,374	\$ 5,001	\$ 60,557	\$ 55,614

SUMMARY OF LEVEL 3 PENSION PLAN ACTIVITY

	Fair value, June 30, 2011	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value, June 30, 2012
Mortgage-backed securities	\$ 941	\$ 52	\$ 53	\$ 386	\$ (240)	\$ -	\$ 1,192
Corporate bonds	17	7	(7)	-	(17)	-	-
Real estate	2,082	139	198	1,390	-	-	3,809
Total Level 3 assets	\$ 3,040	\$ 198	\$ 244	\$ 1,776	\$ (257)	\$ -	\$ 5,001

POSTRETIREMENT PLAN ASSETS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	2012 Total	2011 Total
Cash and cash equivalents					
Money market	\$ 39	\$ 2,437	\$ -	\$ 2,476	\$ 9,452
Equity securities					
U.S. small cap	-	16,535	-	16,535	15,109
U.S. large cap	-	57,300	-	57,300	45,723
Emerging markets	-	19,245	-	19,245	27,422
International equity	-	29,000	-	29,000	30,114
U.S. REITS	-	4,495	-	4,495	2,153
Fixed income securities					
U.S. high yield bonds	-	7,662	-	7,662	6,494
Corporate bonds	-	35,917	-	35,917	27,926
Emerging markets debt	-	-	-	-	3,836
Mortgage-backed securities	-	-	-	-	-
Total assets	\$ 39	\$ 172,591	\$ -	\$ 172,630	\$ 168,229

G. Expected Contributions and Benefit Payments

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

EXPECTED CONTRIBUTIONS AND BENEFIT PAYMENTS

	Pension benefits	Other postretirement	
		Employer paid	Government subsidy
University contributions			
2013	\$ 5,243	\$ 10,264	n/a
Future benefit payments			
2013	\$ 3,052	\$ 15,557	\$ 1,859
2014	3,553	16,812	2,058
2015	3,394	18,410	2,254
2016	3,681	19,855	2,484
2017	4,330	21,422	2,727
2018-2022	23,783	133,380	17,472

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 ending June 30, 2012 and 2011 were \$19,269 and \$20,510, respectively, and were included in operating expenses.

7. 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 value of the funds is included in the consolidated statement of financial position within Investments which total \$190,421 and \$202,919 for the fiscal years ending June 30, 2012 and 2011, respectively. The University recognizes an offsetting liability for funds held in trust for others, with one adjustment described below.

The New York Hospital-Cornell Medical Center Fund, Inc. (Center Fund), which benefits the Weill Cornell Medical College and the New York-Presbyterian Hospital, is the major external organization invested in the University’s long-term investment portfolio with assets and an offsetting liability of \$153,273 and \$160,501 for the fiscal years ending June 30, 2012 and 2011, respectively. The liability for funds held in trust for others is then reduced by \$100,374 and \$91,766, for the fiscal years ending June 30, 2012 and 2011, respectively, representing the future income stream that will benefit the Medical College.

8. BONDS AND NOTES PAYABLE**A. General Information**

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

SUMMARY OF BONDS AND NOTES PAYABLE

	2012	2011	Interest rates	Final maturity
Dormitory Authority of the State of New York (DASNY)				
Revenue Bond Series				
1990B-fixed rate	\$ 45,440	\$ 47,980	3.00 to 5.00%	2025
2000A-variable rate/weekly	49,100	51,090	2.99*	2029
2000B-variable rate/weekly	66,140	68,460	4.63*	2030
2004-variable rate/weekly	79,200	81,600	3.51*	2033
2006-fixed rate	184,735	196,120	4.00 to 5.00	2035
2008B&C-fixed rate	122,980	125,420	3.00 to 5.00	2037
2009-fixed rate	299,470	305,000	3.00 to 5.00	2039
2010-fixed rate	285,000	285,000	4.00 to 5.00	2040
Tax-exempt commercial paper	57,500	59,000	0.08 to 2.99*	2037
Tompkins County Industrial Development Agency (TCIDA)				
2002A-variable rate/weekly	40,495	41,940	4.52*	2030
2002B-variable rate/weekly	15,390	15,390	0.04 to 0.25	2015
2008A-fixed rate	67,170	68,630	2.00 to 5.25	2037
Bond Series 1987B-fixed rate	725	3,080	11.11	2013
Urban Development Corporation	2,125	2,250	-	2029
2009 Taxable-fixed rate	500,000	500,000	4.35 to 5.45	2014/2019
Taxable commercial paper	78,500	78,500	0.17 to 0.35	-
Other	2,588	2,676	6.63	2029
Total bonds and notes payable	<u>\$ 1,896,558</u>	<u>\$ 1,932,136</u>		

* Rates presented are the swap interest rates as noted in the Fair Value of Interest Rate Swaps in Statement of Financial Position table.

The University's bonds and notes payable had carrying amounts of \$1,896,558 and \$1,932,136 at June 30, 2012 and 2011, respectively, compared to estimated fair values of approximately \$2,092,452 and \$2,053,009 at June 30, 2012 and 2011, 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 are not considered an additional liability to the University.

Interest expense during the fiscal year ending June 30, 2012 was \$86,201, of which \$85,722 was related to the bonds and notes payable displayed in the table above. During the fiscal year ending June 30, 2011, interest expense was \$70,065, of which \$69,730 was related to the bonds and notes payable. The University capitalized interest on self-constructed assets such as buildings, in the amounts of \$12,257 and \$19,313 for the fiscal years ending June 30, 2012 and 2011, 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 the DASNY Revenue Bond Series 1990B agreement, the bonds are a general obligation of the University and are secured by a pledge of revenue.

During fiscal year ending June 30, 2012, the University changed the standby bond purchase agreement provider for the TCIDA Series 2002A and 2002B bonds resulting in a tender offer of the bonds. The tender offer provided the mechanism for the substitution of the standby bond purchase agreement but did not alter the terms of the bonds. Due to the tender offer, the University was required to write off the unamortized issuance costs associated with the 2002 bonds of \$219.

The University continues to utilize both tax-exempt and taxable commercial paper programs. Tax-exempt commercial paper is used to finance capital projects and equipment purchases for the Ithaca and Medical College campuses. Taxable commercial paper is used also for these purposes, and could be used to finance short-term working capital needs. The maximum authorized amount of each Commercial Paper program is \$200,000.

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

ANNUAL DEBT SERVICE REQUIREMENTS			
Year	Principal	Interest	Total
2013	\$ 39,543	\$ 106,583	\$ 146,126
2014	289,540	104,209	393,749
2015	49,452	90,602	140,054
2016	35,239	85,924	121,163
2017	36,672	81,858	118,530
Thereafter	1,446,112	901,985	2,348,097
Total	\$ 1,896,558	\$ 1,371,161	\$ 3,267,719

In estimating future interest payments, the University uses the interest rate associated with the swap agreement until the termination date, where applicable. For unhedged taxable commercial paper debt, the University estimates future interest payments based on the 5-year London Interbank Offered Rates (LIBOR) swap rate.

B. Interest Rate Swaps

The University approved the use of interest rate swaps to mitigate interest rate risk for its variable rate debt portfolio. The swap agreements cover current variable-rate debt as well as future debt exposure. Interest rate swaps are derivative instruments; however, their use by the University is not considered to be hedging activity, based on definitions in generally accepted accounting principles.

Through the use of interest rate swap agreements, the University is exposed to the risk that counterparties will fail to meet their contractual obligations. To mitigate the counterparty credit risk, the University entered into contracts with carefully selected financial institutions based upon their credit ratings and other factors, and maintains dollar-limit swap exposure for each institution. Master agreements with counterparties include master netting arrangements as further mitigation of credit exposure to counterparties. These arrangements permit the University to net amounts due to the counterparty with amounts due from the counterparty, which reduces the maximum loss from credit risk in the event of counterparty default.

During the year ending June 30, 2012, the University transferred swap agreements from Morgan Stanley Derivative Products, Inc. to Morgan Stanley Capital Services, LLC. The novation revised collateral terms of the agreement but did not change the effective interest rates or other significant terms.

The University's swap agreements contain a credit-risk contingent feature in which the counterparties can request collateralization on agreements in net liability positions. The University could be required to post collateral if the University's credit rating is downgraded to A1 or A+. At June 30, 2012, the University had collateral on deposit with counterparties in the amount of \$0 compared to \$26,461 at June 30, 2011.

The University follows accounting guidance that defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about fair-value measurements, including derivatives. The University's interest rate swaps are valued by an external swap consultant that uses the mid-market levels, as of the close of business, to value the agreements. The valuations provided are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions and the University's credit worthiness. The University's interest rate swap arrangements have inputs that can generally be corroborated by market data and are classified as Level 2 in the fair-value hierarchy.

At June 30, 2012, the University had eight interest rate swap agreements to exchange variable-rate cash flows for fixed-rate cash flows without the exchange of the underlying principal amount. Net payments or receipts under the swap agreements are recorded as adjustments to interest expense and the incremental interest expense is disclosed in the table below. Two swap agreements that were executed during previous fiscal years became effective in fiscal year 2012. The interest expense related to these swaps is included in the interest expense on the Statement of Activity. In all agreements in effect at June 30, 2012, the counterparty pays a variable interest rate equal to a percentage of the one-month London Interbank Offered Rates (LIBOR).

The following table provides detailed information on the interest rate swaps at June 30, 2012, with comparative fair values for June 30, 2011. The swaps are reported based on notional amount.

FAIR VALUE OF INTEREST RATE SWAPS IN STATEMENT OF FINANCIAL POSITION

Location	Notional amount	Interest rate	Commencement	Termination date	Basis	2012 Level 2 fair value	2011 Level 2 fair value
Accounts payable and accrued expenses							
	\$ 104,845	2.99%		October 1, 2012*	LIBOR	\$ (8,184)	\$ (8,003)
	42,340	4.52		July 1, 2030	LIBOR	(12,646)	(8,702)
	72,200	4.63		July 1, 2030	LIBOR	(22,037)	(15,255)
	86,075	3.51		July 1, 2033	LIBOR	(18,422)	(9,648)
	100,000	3.92		July 1, 2038	LIBOR	(30,657)	(16,303)
	275,000	3.88		July 1, 2040	LIBOR	(109,204)	(51,905)
	200,000	3.48	July 1, 2012	July 1, 2041	LIBOR	(54,741)	(17,272)
	200,000	3.77	July 1, 2014	July 1, 2044	LIBOR	(51,190)	(13,497)
Total fair value						\$ (307,081)	\$ (140,585)

* Counterparty has the option to extend termination date to October 1, 2015

The following table provides the amounts of the income, expenses, gains and losses recorded for the years ending June 30.

EFFECT OF INTEREST RATE SWAPS ON STATEMENT OF ACTIVITIES

Location	2012		2011	
	Income/(expense)	Gain/(loss)	Income/(expense)	Gain/(loss)
Operating expense				
Interest expense	\$ (23,115)	\$ -	\$ (12,025)	\$ -
Nonoperating activity - other				
Realized gain/(loss)	\$ -	\$ -	\$ -	\$ (18,500)
Unrealized gain/(loss)	-	(166,496)	-	43,698
	\$ (23,115)	\$ (166,496)	\$ (12,025)	\$ 25,198

Activity related to interest rate swaps affect unrestricted net assets, and in the consolidated statement of cash flows, are presented on the change in value of interest rate swaps line in the operating activities section.

C. Standby Bond Purchase Agreements

The University has standby bond purchase agreements with various financial institutions to purchase all of the University's variable-rate demand bonds in the event that they cannot be remarketed. In the event that the bonds covered by these standby bond purchase agreements are not remarketable and the agreements are not otherwise renewed, the University would be required to redeem the bonds or refinance the bonds in a different interest rate mode. In the event that the bonds are not remarketable and the University did not redeem, the Annual Debt Service Requirements table would be \$119,225 for fiscal year 2013, \$78,300 for fiscal year 2014, \$17,035 for fiscal year 2015, \$1,720 for fiscal year 2016, and \$34,045 for fiscal year 2017. Detailed information about the standby purchase agreements is shown in the following table:

SUMMARY OF STANDBY BOND PURCHASE AGREEMENTS

Series	Provider	Expiration
2000A	JP Morgan Chase	Mar-13
2000B	JP Morgan Chase	Mar-13
2002A	Northern Trust	Jun-17
2002B	Northern Trust	Jul-15
2004	HSBC Bank	Apr-14

D. Lines of Credit

The University records the working capital lines of credit activity and outstanding balances as other liabilities in the consolidated statement of financial position. The two \$100 million lines of credit have annual expiration dates of December 31 and April 1. As of June 30, 2012 and 2011, the University did not borrow against the lines of credit.

9. 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 \$27,218 and \$26,249 for the fiscal years ending June 30, 2012 and 2011, respectively. The future annual minimum lease payments in the following table are payments under operating leases expiring at various dates through September 1, 2043.

ANNUAL MINIMUM OPERATING LEASE PAYMENTS	
Year	Payments
2013	\$ 26,999
2014	24,713
2015	22,520
2016	18,974
2017	18,366
Thereafter	130,817
Total minimum operating lease payments	\$ 242,389

10. FUNCTIONAL EXPENSES AND STUDENT AID

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

FUNCTIONAL EXPENSES		
	2012	2011
Instruction	\$ 661,762	\$ 652,651
Research	561,727	593,005
Public service	115,328	109,479
Academic support	275,293	261,856
Student services	140,295	126,104
Medical services	761,708	649,746
Institutional support	388,021	371,733
Enterprises and subsidiaries	211,060	210,119
Total expenses	\$ 3,115,194	\$ 2,974,693

The expenses for operations and maintenance of facilities, depreciation, and interest related to capital projects are allocated to functional categories based on square footage. The amounts allocated for operations and maintenance were approximately \$231,157 and \$216,291 for the fiscal years ending June 30, 2012 and 2011, respectively.

Student financial assistance 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 \$42,699 and \$41,851 for the fiscal years ending June 30, 2012 and 2011, respectively.

11. NET ASSETS

A. General Information

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

SUMMARY OF NET ASSETS

	Unrestricted	Temporarily restricted	Permanently restricted	2012 Total	2011 Total
Endowment					
True endowment	\$ (50,572)	\$ 1,243,182	\$ 2,027,374	\$ 3,219,984	\$ 3,274,626
Funds functioning as endowment (FFE)	1,252,053	327,277	-	1,579,330	1,653,444
Total true endowment and FFE	\$ 1,201,481	\$ 1,570,459	\$ 2,027,374	\$ 4,799,314	\$ 4,928,070
Funds held by others, perpetual	-	-	147,640	147,640	131,336
Total University endowment	\$ 1,201,481	\$ 1,570,459	\$ 2,175,014	\$ 4,946,954	\$ 5,059,406
Other net assets					
Operations	(683,955)	216,100	-	(467,855)	(173,664)
Student loans	12,569	-	38,052	50,621	49,342
Facilities and equipment	1,879,457	50,496	-	1,929,953	1,814,070
Split interest agreements	-	61,357	34,889	96,246	104,892
Funds held by others, other than perpetual	-	40,340	17,952	58,292	72,466
Contributions receivable, net	-	677,603	185,856	863,459	584,483
Total net assets	\$ 2,409,552	\$ 2,616,355	\$ 2,451,763	\$ 7,477,670	\$ 7,510,995

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.

B. Endowment

Of the endowment assets held at the University, 96 percent was invested in the LTIP at both June 30, 2012 and June 30, 2011. At June 30, 2012, 1,561 of 6,259 true endowment funds invested in the LTIP had a total historic dollar value of \$638,885 and a fair value of \$588,313, resulting in these endowments being underwater by a total of \$50,572. The University holds significant 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 in trust by others, for the fiscal years ending June 30 are presented below:

SUMMARY OF ENDOWMENT ACTIVITY

	Unrestricted	Temporarily restricted	Permanently restricted	2012 Total	2011 Total
True endowment and FFE, beginning of year	\$ 1,295,196	\$ 1,727,904	\$ 1,904,970	\$ 4,928,070	\$ 4,259,950
Investment return					
Net investment income	17,539	41,317	-	58,856	42,978
Net realized and unrealized gain/(loss)	(31,215)	(36,346)	(518)	(68,079)	691,584
Total investment return	\$ (13,676)	\$ 4,971	\$ (518)	\$ (9,223)	\$ 734,562
New gifts					
Amounts appropriated for expenditure/reinvestment	3,327	11,788	92,277	107,392	111,258
Other changes and reclassifications	(68,099)	(170,171)	3,654	(234,616)	(173,114)
Total true endowment and FFE, end of year	(15,267)	(4,033)	26,991	7,691	(4,586)
	\$ 1,201,481	\$ 1,570,459	\$ 2,027,374	\$ 4,799,314	\$ 4,928,070

12. 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.

13. SUBSEQUENT EVENTS

The University has performed an evaluation of subsequent events through October 25, 2012, the date on which the consolidated financial statements were issued.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
<u>Student Financial Assistance Cluster:</u>				
U. S. Department of Education Awards				
84.007	Federal Supplemental Educational Opportunity Grants			3,673,361
84.033	Federal Work-Study Program			3,049,021
84.038	Federal Perkins Loan Program - Current Year Disbursements			4,125,477
84.063	Federal Pell Grant Program			9,924,684
84.268	US Dept of Education, Federal Direct Student Loans			115,018,599
84.375	Academic Competitiveness Grants			(750)
	Total U. S. Department of Education Awards			135,790,392
U. S. Department of Health and Human Services Awards				
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students - Current Year Disbursements			545,084
	Total U. S. Department of Health and Human Services Awards			545,084
Total Student Financial Assistance Cluster				136,335,476
<u>Research and Development Program Cluster:</u>				
U.S. Department of Agriculture Direct Awards				
10	Department of Agriculture, Other			13,357
10.001	Agricultural Research_Basic and Applied Research			4,085,665
10.020	Department of Agriculture, Misc			46,721
10.025	Plant and Animal Disease, Pest Control, and Animal Care			913,261
10.100	Department of Agriculture, Misc			9,122
10.155	Marketing Agreements and Orders			18,658
10.162	Inspection Grading and Standardization			148,874
10.200	Grants for Agricultural Research, Special Research Grants			2,821,893
10.202	Cooperative Forestry Research			156,975
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act			5,999,734
10.206	Grants for Agricultural Research_Competitive Research Grants			1,848,759
10.207	Animal Health and Disease Research			120,964
10.210	Food and Agricultural Sciences National Needs Graduate Fellowship Grants			138,668
10.217	Higher Education Challenge Grants			25,202
10.219	Biotechnology Risk Assessment Research			266,292
10.220	Higher Education Multicultural Scholars Program			73,000
10.250	Agricultural and Rural Economic Research			9,047
10.253	Food Assistance and Nutrition Research Programs (FANRP)			434,516
10.256	Consumer Data Initiative (CDI)			7,829
10.303	Integrated Programs			1,008,612
10.304	Homeland Security_Agricultural			821,147
10.305	International Science and Education Grants			158,679
10.307	Organic Agriculture Research and Extension Initiative			741,570
10.309	Specialty Crop Research Initiative			1,349,458
10.310	Agriculture and Food Research Initiative (AFRI)			4,783,232
10.311	Beginning Farmer and Rancher Development Program			258,199
10.320	Sun Grant Program			214,027
10.500	Cooperative Extension Service			598,328
10.678	Forest Stewardship Program			57,853

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Agriculture Direct Awards (continued)				
10.680	Forest Health Protection			46,748
10.912	Environmental Quality Incentives Program			112,038
10.961	Scientific Cooperation and Research			12,071
10.962	Cochran Fellowship Program-International Training-Foreign Participant			3,001
	Total U.S. Department of Agriculture Direct Awards			27,303,500
U.S. Department of Agriculture Pass-Through Awards				
10	Department of Agriculture, Other	Penn State University	07-9100-1136-CA	4,374
10		NYS Dept Of Ag & Markets	12-25-B-0940	1,980
10		Catholic Relief Services	LRP-520-2010-002-00	21,389
10		Land o' Lakes	LRP-611-2010/010-00	45,342
10		World Vision, Inc.	LRP-617-2011-002-00	23,838
10		Catholic Relief Services	LRP-680-2010-003-00	(46)
10		Catholic Relief Services	LRP-686-2010-004-00	27,105
10		Catholic Relief Services	Not Available	36,688
10.001	Agricultural Research_Basic and Applied Research	University Of Nebraska	58-5442-7-298	1,000
10.001		Biotechnology Research And Development Corporation	59-0402-8-061	223,071
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NYS Dept Of Ag & Markets	11-8236-0325-CA	13,803
10.025		NYS Dept Of Ag & Markets	11-8236-0860-CA	46,796
10.170	Specialty Crop Block Grant Program - Farm Bill	NYS Dept Of Ag & Markets	12-25-B-0940	277,512
10.170		NYS Dept Of Ag & Markets	12-25-B-1085	241,943
10.170		University Of California, Davis	Not Available	5,202
10.170		NYS Dept Of Ag & Markets	12-25-B-1245	17,407
10.170		NYS Dept Of Ag & Markets	12-2S-B-1245	336
10.200	Grants for Agricultural Research, Special Research Grants	Northeast Regional Aquatic Ctr	2007-38500-18589	33,091
10.200		North Carolina State University	2009-34103-19819	6,659
10.200		University Of Massachusetts Amherst	2009-34103-19877	20,847
10.200		University Of Maine	2009-34141-20050	694
10.200		University Of California, Davis	2009-34442-20247	49,320
10.200		Penn State University	2010-34103-21274	11,625
10.200		University Of Maine	2010-34141-21166	31,098
10.200		Rutgers State Univ Of NJ	2010-34383-20774	11,344
10.200		University Of California, Davis	2010-34442-21101	74,010
10.200		Penn State University	2010-41530-21275	7,707
10.200		Michigan State University	2010-51150-21317	1,394
10.200		University Of Maine	2011-34141-30731	17,593
10.200		North Carolina State University	2011-34381-30764	13,641
10.200		Rutgers State Univ Of NJ	2011-34383-30564	15,593
10.200		Oregon State University	2011-38832-31174	220
10.206	Grants for Agricultural Research_Competitive Research Grants	North Carolina State University	2007-35504-18290	3,363
10.206		Michigan State University	2008-55300-04757	30,227
10.206		Virginia Polytechnic Institute & State University	2008-55605-18673	68
10.206		Penn State University	2008-55620-18710	100,848
10.206		University Of Minnesota	2009-55200-05011	72,805
10.212	Small Business Innovation Research	RT Solutions, Llc	2009-33610-20277	8,416
10.212		Cycloptics	2010-33610-21389	45,948
10.212		Agdia, Inc.	Not Available	33,000

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Cornell University
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Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Agriculture Pass-Through Awards (continued)				
10.212		Trellis Growing Systems, Llc	Not Available	7,661
10.215	Sustainable Agriculture Research and Education	University Of Vermont	2007-38640-17935	2,737
10.215		University Of Vermont	2008-38640-18866	10,231
10.215		University Of Vermont	2009-38640-19631	39,849
10.215		University Of Vermont	2010-38640-20820	112,425
10.215		University Of Vermont	2011-38640-30418	61,360
10.215		Penn State University	LNE 10-296	1,035
10.215		University Of Vermont	2010-38840-20820	9,154
10.216	1890 Institution Capacity Building Grants	West Virginia State University	2010-38821-21476	22,715
10.253	Food Assistance and Nutrition Research Programs (FANRP)	Brigham Young University	59-5000-0-0077	22,935
10.303	Integrated Programs	University Of Illinois Urbana-Champaign	2007-51101-03915	56,401
10.303		University Of Idaho	2007-51130-03992	89,469
10.303		University Of California, Davis	2008-51100-19334	15,352
10.303		University Of Wisconsin Madison	2008-51106-19463	65,961
10.303		Colorado State University	2008-51110-04333	333
10.303		University Of Rhode Island	2008-51130-19504	150,886
10.303		Colorado State University	2010-51110-21076	6,170
10.303		Kansas State University	2010-51110-21083	106,284
10.303		Washington State University	2010-51110-21131	111,648
10.304	Homeland Security_Agricultural	Purdue University	2007-37620-18193	24,989
10.307	Organic Agriculture Research and Extension Initiative	Ohio State University	2009-51300-05512	44,491
10.307		Oregon State University	2009-51300-05585	225,872
10.307		University Of Tennessee	2010-51300-21437	3,846
10.309	Specialty Crop Research Initiative	Carnegie-Mellon University	2008-51180-04890	17,050
10.309		University Of Maryland College Park	2009-51181-05768	34,751
10.309		Michigan State University	2009-51181-05808	61,080
10.309		Connecticut Agricultural Experiment Station	2010-51181-21599	13,321
10.309		Virginia Polytechnic Institute & State University	2010-51181-21599	278,665
10.309		University Of Massachusetts Amherst	2011-51181-30673	9,439
10.309		Michigan State University	2011-51181-30860	119,034
10.309		Rutgers State Univ Of NJ	2011-51181-30646	20,035
10.309		North Carolina State University	2010-51181-21192	8,480
10.310	Agriculture and Food Research Initiative (AFRI)	Texas A&M University	2009-65104-05959	80,614
10.310		Yale University	2009-65200-05920	50,300
10.310		Michigan State University	2009-85606-05673	37,339
10.310		Montana State Univ	2010-65105-20627	335
10.310		Tufts University	2010-65106-20610	25,304
10.310		University Of Georgia	2010-65116-20458	43,398
10.310		University Of Massachusetts Amherst	2010-65121-20649	171,990
10.310		Penn State University	2010-65206-20723	6,022
10.310		Texas A&M University	2011-34103-30809	10,092
10.310		University Of California, Davis	2011-68002-30029	106,055
10.310		University Of Delaware	2011-68003-30005	50,407
10.310		Penn State University	2011-68004-30057	51,750
10.310		University Of Wyoming	2011-68004-30074	122,969
10.310		Penn State University	2011-85204-30025	83,464
10.310		University Of California, Riverside	2011-88004-30154	318,516
10.310		Boyce Thompson Institute	2012-67013-19350	42,288
10.312	Biomass Research and Development Initiative Competitive Grants Program (BRDI)	Cellana Corporation	2011-10006-30361	291,580

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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Agriculture Pass-Through Awards (continued)				
10.500	Cooperative Extension Service	University Of Maine	2008-47001-04302	4,718
10.500		University Of Vermont	2009-47001-05350	8,076
10.500		University Of Massachusetts Amherst	2010-39559-21860	95,395
10.500		University Of Vermont	2010-47001-20819	40,000
10.500		Purdue University	2010-48869-20781	73,786
10.500		University Of Vermont	2011-38640-30418	1,672
10.500		Rutgers Agricultural Research And Extension Center	2011-41530-30566	2,491
10.500		University Of Vermont	2011-47001-30421	42,178
10.500		University Of Vermont	2011-47011-30421	22,866
10.500		NYS Office Of Temporary And Disability Assistance	Not Available	14,408
10.579	Child Nutrition Discretionary Grants Limited Availability	Washington State University	CN-CGP-11-0047	143,679
10.604	Technical Assistance for Specialty Crops Program	US Apple Export Council	2010-20	4,464
10.652	Forestry Research	University Of Vermont	07-DG-1122300-066	62,330
10.652		University Of Vermont	08-DG-11242307-044	23,070
10.652		University Of Vermont	09-DG-11242307-026	48,831
10.652		Cary Institute Of Ecosystem Studies	09-DG-11242307-056	9,042
10.652		University Of New Hampshire	11-DG-11242307-047	16,453
10.680	Forest Health Protection	Penn State University	09-DG-11420004-330	682
10.680		SUNY Research Foundation	10-DG-11420004-304	20,980
10.683	National Fish and Wildlife Foundation	American Bird Conservancy	Not Available	24,990
10.683		National Fish And Wildlife Foundation	Not Available	120,922
10.762	Solid Waste Management Grants	Syracuse University	SWM GRANT 2011	17,987
10.912	Environmental Quality Incentives Program	National Fish And Wildlife Foundation	2008-0116-030	50,532
10.912		Research Fdn Of The Suny - Brockport	692C311204	7,843
10.926	Chesapeake Bay Watershed Program	Tioga County Soil & Water Conservation District	69-2C31-1-207	140
Total U.S. Department of Agriculture Pass-Through Awards				5,680,869
Total U.S. Department of Agriculture Awards				32,984,369
U.S. Department of Commerce Direct Awards				
11	Department of Commerce, Other			692,365
11.008	NOAA Mission-Related Education Awards			236,106
11.431	Climate and Atmospheric Research			79,068
11.449	Independent Education and Science Projects and Programs			29,382
11.463	Habitat Conservation			92
11.609	Measurement and Engineering Research and Standards			13,700
Total U.S. Department of Commerce Direct Awards				1,050,713
U.S. Department of Commerce Pass-Through Awards				
11	Department of Commerce, Other	University Of Georgia	YA132310SE0394	11,357
11.113	ITA Special Projects	Natl Textile Center	ITA-08-07400	120,839
11.417	Sea Grant Support	Lake Champlain Sea Grant Of The University Of VT	NA10OAR4170063	(33)
11.417		New York Sea Grant Institute, Stony Brook	NA10OAR4170064	256,793
11.417		Woods Hole Oceanographic Institute	NA10OAR4170083	56,683
11.417		Lake Champlain Sea Grant Of The University Of VT	NA10QAR4170063	47,228
11.417		University Of Wisconsin, Sea Grant Program	NA10OAR4170070	12,895
11.439	Marine Mammal Data Program	National Marine Mammal Laboratory	Not Available	304,136

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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Commerce Pass-Through Awards (continued)				
11.463	Habitat Conservation	National Fish And Wildlife Foundation	Not Available	3,601
11.472	Unallied Science Program	Partnership For Mid Atlantic Fisheries Science	NA10NMF4720017	6,211
11.472		Partnership For Mid Atlantic Fisheries Science	NA10NMF4720402	38,496
11.478	Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	University Of Michigan	NA05NOS4781204	126,555
11.609	Measurement and Engineering Research and Standards - ARRA	International Business Machines	60NANB10D003	100,048
11.609		University Of Delaware	60NANB10D016	137,547
	Total U.S. Department of Commerce Pass-Through Awards			1,222,355
	Total U.S. Department of Commerce Awards			2,273,069
U.S. Department Of Defense Direct Awards				
12	Department of Defense, Other			6,021,899
12.300	Basic and Applied Scientific Research			5,472,326
12.351	Basic Scientific Research - Combating Weapons of Mass Destruction			311,121
12.420	Military Medical Research and Development			1,149,768
12.431	Basic Scientific Research			2,681,025
12.630	Basic, Applied, and Advanced Research in Science and Engineering			303,832
12.800	Air Force Defense Research Sciences Program			3,998,296
12.901	Mathematical Sciences Grants Program			149,391
12.910	Research and Technology Development			2,106,051
	Total U.S. Department of Defense Direct Awards			22,193,709
U.S. Department Of Defense Pass-Through Awards				
12	Department of Defense, Other	Scitor Corporation	2009-1116321-000	80,838
12		Carnegie-Mellon University	2009-CT-2047	109,663
12		Charles Stark Draper Laboratory Inc.	2010-0838203-000	87,214
12		Morton Photonics	91CRB-10-C-0099	255,962
12		Combustion Science And Engineering, Inc.	FA8650-11-C-2188	46,082
12		SAIC Science Applications International Corporation	FA8650-12-C-7213	23,032
12		Lincoln Lab, MIT	FA8721-05-C-0002	50,001
12		Coherent Technologies, Inc.	FA-9302-12-M0010	1,575
12		Astraspac	FA9453-12-M-0035	3,074
12		Structured Materials Industries Inc.	FA9550-11-C-0055	45,000
12		Charles River Analytics Inc.	N000-14-10-M-0343	12,949
12		Charles River Analytics Inc.	N00014-11-C-0489	53,917
12		Nanomason	N00014-11-M0361	6,900
12		Boeing Integrated Defense Systems	N00173-08-C-2074	112,694
12		Agave Biosystems	Not Available	9,373
12		Primet Precision Materials	W15P7T-10-C-A607	30,675
12		Morton Photonics	W31P4Q-09-C-0928	(43)
12		iFyber, LLC	W81XWH-11-C-0032	1,879
12		Lynntech, Inc.	W911NF-11-C-0227	16,926
12		ITT Communications Systems	W911OX-12-C-0037	21,866
12		Clemson University	W912HQ-07-C-0008	14,809
12		Geosyntec Consultants Inc.	W912HQ-07-C-0028	10,199
12		Henry M. Jackson Foundation	W81XWH-07-2-0067	(299)
12		NY Presbyterian Hospital	W81XWH-10-1-0862	450,926
12		Sarentis, Inc.	W81XWH-11-2-0064	315,520
12		Stanford University	HDTRA1-06-C-0039	(50,436)

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department Of Defense Pass-Through Awards (continued)				
12		Audubon Center At Riverlands	W912HZ-11-2-0044	769
12		Illuminaria Inc.	FA9550-10-C-0048	27,198
12		Numerex	FA9550-12-C-0063	9,310
12		Celltraffix Inc.	W81XHW-10-C-0035	62,861
12		Objectvideo	FA8650-12-C-7212	17,887
12		ATC-NY Inc.	N00014-11-M-0280	24,000
12.300	Basic and Applied Scientific Research	Duke University	FA8750-10-2-0193	(454)
12.300		Structured Materials Industries Inc.	FA9550-10-C-0186	99,930
12.300		University Of California, Santa Barbara	N00014-06-1-0428	(8,336)
12.300		Northeastern University	N00014-10-1-0264	10,000
12.300		Penn State University	N00014-11-1-0665	105,099
12.351	Basic Scientific Research - Combating Weapons of Mass Destruction	University Of California, Los Angeles	HDTRA1-108-1-0023	93,765
12.351		Vanderbilt University	HDTRAI-09-I-0013	217,009
12.420	Military Medical Research and Development	University Of Central Florida	W81XWH-10-1-0542	11,347
12.431	Basic Scientific Research	University Of Washington	W911NF-05-1-0403	(2,199)
12.431		University Of Pennsylvania	W911NF-07-1-0216	145,747
12.431		Rice University	W911NF-07-1-0464	241,825
12.431		Ohio State University	W911NF-08-1-0238	117,541
12.431		University Of Central Florida	W911NF-09-1-0500	(456)
12.431		University Of California, Santa Barbara	W911NF-10-2-0114	85,074
12.431		Massachusetts Institute Of Technology	W911NF-11-1-0202	168,708
12.431		California Institute Of Technology	W911NF-11-2-0055	315,345
12.630	Basic, Applied, and Advanced Research in Science and Engineering	University Of Arizona	FA9550-10-1-0561	112,496
12.630		Wildlife Conservation Society	W9132T-10-2-0051	3,716
12.800	Air Force Defense Research Sciences Program	Stanford University	29182900-51677-B	40,217
12.800		Ladish Forging	FA8650-10-2-5219	42,124
12.800		University Of Illinois	FA8650-10-C-7022	217,333
12.800		University Of Virginia	FA8750-11-C-0080	134,716
12.800		Massachusetts Institute Of Technology	FA9550-06-1-0470	18,024
12.800		Carnegie-Mellon University	FA9550-08-1-0356	172,850
12.800		University Of Maryland College Park	FA9550-09-1-0121	146,929
12.800		University Of Virginia	FA9550-09-1-0611	142,196
12.800		Brown University	FA9550-09-1-0613	167,121
12.800		Stanford University	FA9550-09-1-0704	221,197
12.800		Columbia University	FA9550-09-1-0705	446,457
12.800		Carnegie-Mellon University	FA9550-10-1-0213	123,068
12.800		University Of Pittsburgh	FA9550-10-1-0524	91,670
12.910	Research and Technology Development	BAE Systems	HR001-09-C-0099	38,403
12.910		IBM, San Jose	HR0011-09-C-0002	412,277
12.910		University Of California, Los Angeles	FA8650-11-1-7149	71,185
12.910		University Of Michigan	FA9550-10-1-0327	266,750
12.910		BAE Systems	HR001-09-C-0099	103,870
12.910		Kitware Inc	HR0011-08-C-0135	1,640
12.910		IBM, San Jose	HR0011-09-C-0002	323,427
12.910		Oregon State University	HR0011-11-C-0074	75,920
12.910		Active Signal Technologies	N11AP20036	30,000
12.910		Princeton University	N66001-11-1-4110	100,537
12.910		Boyce Thompson Institute	Not Available	100,735

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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department Of Defense Pass-Through Awards (continued)				
12.910		US Dept Of Interior	Not Available	95,435
12.910		Georgia Institute Of Technology	W31P4Q-09-1-0012	361,738
12.910		Columbia University	HR0011-10-10080	660,573
	Total U.S. Department Of Defense Pass-Through Awards			8,174,870
	Total U.S. Department Of Defense Awards			30,368,579
Department of the Interior Direct Awards				
15	Department of the Interior, Other			6,229
15.231	Fish, Wildlife and Plant Conservation Resource Management			39,135
15.426	Coastal Impact Assistance Program (CIAP)			206,212
15.608	Fish and Wildlife Management Assistance			(29)
15.615	Cooperative Endangered Species Conservation Fund			40,597
15.620	African Elephant Conservation Fund			62,149
15.628	Multistate Conservation Grant Program			102,236
15.630	Coastal Program			38,454
15.650	Research Grants (Generic)			29,772
15.655	Migratory Bird Monitoring, Assessment and Conservation			44,403
15.805	Assistance to State Water Resources Research Institutes			92,719
15.807	Earthquake Hazards Reduction Program			6,287
15.808	U.S. Geological Survey_ Research and Data Collection			214,576
15.812	Cooperative Research Units Program			182,819
15.944	Natural Resource Stewardship			5,703
15.945	Cooperative Research and Training Programs Resources of the National Park System			79,612
	Department of the Interior Direct Awards			1,150,874
Department of the Interior Pass-Through Awards				
15	Department of the Interior, Other	Virginia Polytechnic Institute & State University	D12PC00337	15,910
15		Normandean Associates Inc.	M10PC00101	450,155
15		Manomet Center For Conservation Sciences	Not Available	94,020
15.807	Earthquake Hazards Reduction Program	University Of California, Berkeley	G12AP20034	6,717
	Total Department of the Interior Pass-Through Awards			566,802
	Total Department of the Interior Awards			1,717,676
Department of Justice Direct Awards				
16	Department of Justice, Other			189,302
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			36,689
	Total Department of Justice Direct Awards			225,991
Department of Justice Pass-Through Awards				
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	Advocates For Human Potential, Inc	2010-MJ-FX-0005	28,440
16.753	Congressionally Recommended Awards	Auburn University	2009-DI-BX-0060	21,793
	Total Department of Justice Pass-Through Awards			50,233
	Total Department of Justice Awards			276,224
Department of Labor Pass-Through Awards				
17.269	Community Based Job Training Grants	SUNY Morrisville	CB173310860A36	41,423
	Total Department of Labor Awards			41,423

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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
Department of Transportation Direct Awards				
20.205	Highway Planning and Construction			(125,181)
20.761	Biobased Transportation Research			1,328,354
	Total Department of Transportation Direct Awards			1,203,173
Department of Transportation Pass-Through Awards				
20.205	Highway Planning and Construction	NYS Dept Of Transportation	Not Available	731,185
20.505	Metropolitan Transportation Planning	City University Of New York	C030561	250,755
20.701	University Transportation Centers Program	City University Of New York	DTRT07-G-0002	70,531
	Total Department of Transportation Pass-Through Awards			1,052,471
	Total Department of Transportation Awards			2,255,644
Library of Congress Direct Awards				
42	Library of Congress, Other			11,175
	Total Library of Congress Awards			11,175
National Aeronautics and Space Administration Direct Awards				
43	National Aeronautics and Space Administration, Other			1,608,395
43.001	Aerospace Education Services Program			4,965,388
43.003	Exploration			193,964
43.009	Cross Agency Support			129,770
	Total National Aeronautics and Space Administration Direct Awards			6,897,517
National Aeronautics and Space Administration Pass-Through Awards				
43	National Aeronautics and Space Administration, Other	Jet Propulsion Laboratory	711043	49,365
43		University Of Arizona	1272218	9,870
43		Universities Space Research Assoc	NAS2-97001	10,000
43		Space Telescope Science Inst.	NAS5-26555	100,876
43		Jet Propulsion Laboratory	NAS7-03001	226,966
43		Smithsonian Astrophysical Observatory	NAS8-03060	(28,388)
43		University Of Maryland College Park	NCC3989	165,680
43		Jet Propulsion Laboratory	NM0711036	11,281
43		Jet Propulsion Laboratory	NM0711123	984,326
43		Jet Propulsion Laboratory	NM071112312	130,513
43		Jet Propulsion Laboratory	NM0710076	81,286
43		Jet Propulsion Laboratory	NM0710846	23,116
43		Malin Space Science Systems	NM0710846	44,892
43		Jet Propulsion Laboratory	NM0710947	17,467
43		Jet Propulsion Laboratory	NM0711043	156,129
43		Arizona State University	NNG07EK00C	18,217
43		University Of Maryland College Park	NNM07AA99C	35,495
43		Carnegie Institution Of Washington	NNX09AB74G	19,595
43		University Of Alaska Fairbanks	NNX09AC01G	7,302
43		Jet Propulsion Laboratory	Not Available	587,435
43		National Space Grant Foundation	Not Available	10,306
43		ATC-NY Inc.	NNX12CD04P	19,836
43		University Of Maryland College Park	1395228	2,632
43.001	Aerospace Education Services Program	Ithaca College	8521016	31,959

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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
National Aeronautics and Space Administration Pass-Through Awards (continued)				
43.001		Ithaca College	NAS2-97001	15,996
43.001		Universities Space Research Assoc	NAS2-97001	1,068,852
43.001		Jet Propulsion Laboratory	NMO710782	1,386,182
43.001		Malin Space Science Systems	NMO710947	29,233
43.001		Southwest Research Institute	NNM06AA75C	51,359
43.001		University Of Pittsburgh	NNX08AB36A	24,355
43.001		Wellesley College	NNX11AD83G	19,651
43.001		Makel Engineering Inc.	NNX11CB41C	15,616
43.001		University System Of Maryland	NNX11AK83G	52,051
	Total National Aeronautics and Space Administration Pass-Through Awards			5,379,453
	Total National Aeronautics and Space Administration Awards			12,276,970
National Foundation on the Arts and the Humanities Direct Awards				
45.161	Promotion of the Humanities_Research			2,159
	Total National Foundation on the Arts and the Humanities Direct Awards			2,159
National Foundation on the Arts and the Humanities Pass-Through Awards				
45.312	National Leadership Grants	Purdue University	LG-07-11-0232-11	1,134
45.313	Laura Bush 21st Century Librarian Program	Syracuse University	LG-05-09-0061-09	31,368
	Total National Foundation on the Arts and the Humanities Pass-Through Awards			32,502
	Total National Foundation on the Arts and the Humanities Awards			34,661
National Science Foundation Direct Awards				
47	National Science Foundation, Other			(1,014)
47.041	Engineering Grants			23,095,887
47.049	Mathematical and Physical Sciences			48,586,470
47.050	Geosciences			6,428,488
47.070	Computer and Information Science and Engineering			10,406,798
47.074	Biological Sciences			15,862,066
47.075	Social, Behavioral, and Economic Sciences			2,459,859
47.076	Education and Human Resources			11,416,324
47.079	International Science and Engineering (OISE)			629,551
47.080	Office of Cyberinfrastructure			630,576
47.082	Trans-NSF Recovery Act Reasearch Support - ARRA			9,603,708
	Total National Science Foundation Direct Awards			129,118,712
National Science Foundation Pass-Through Awards				
47	National Science Foundation, Other	Synthezyme, LLC	1058511	13,505
47		Universities Space Research Assoc	124-000013	20,589
47		Optofluidics Inc.	Not Available	6,813
47		Bombyx Technologies	IIP-1013484	56,986
47.041		University Of California, Berkeley	CCF-0424422	642,048
47.041		Consortium Of Univ For Research In Earthquake Engi	CMMI-721399	38,226
47.041		University Of Michigan	CMMI-0724022	7,164
47.041		Purdue University	CMMI-0927178	623,786

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
National Science Foundation Pass-Through Awards (continued)				
47.041		University Of California, Berkeley	CMMI-1137977	13,838
47.041		Norfolk State University	DGE-0986188	129,102
47.041		Massachusetts Institute Of Technology	EFRI-0735953	114,710
47.041		Illuminaria Inc.	IIP-1045381	13,419
47.041		Columbia University	UAY-503160	26,593
47.041		California Institute Of Technology	1137269 / 19-10	107,719
47.041		University Of Pennsylvania	EFRI-1038215	69,383
47.041		California Institute Of Technology	EFRI-1137269	3,126
47.049	Mathematical and Physical Sciences	Association Of Universities For Research In Astron	AST 0809409	52,469
47.049		Johns Hopkins University	AST-0808064	10,656
47.049		Natl Radio Astronomy Observ	AST-0836064	27,035
47.049		University Of Minnesota	CHE-1136607	71,744
47.049		University Of Washington	DMR-0120967	29,999
47.049		Norfolk State University	DMR-0611430	(173)
47.049		Iowa State University	DMR-07-010564	15,545
47.049		Penn State University	DMR-0820404	36,983
47.049		University Of Wisconsin Madison	DMR-1121288	9,942
47.049		Natl Radio Astronomy Observ	Not Available	2,359
47.049		University Of California, Los Angeles	PHY 0612805	306,996
47.049		University Of Oregon	PHY-0929284	15,834
47.049		University Of Oregon	PHY-0529471	87,588
47.050	Geosciences	Rutgers State Univ Of NJ	733275	54,493
47.050		Boston University	ATM-0934739	18,639
47.050		University Of California, San Diego	EAR-1141934	7,362
47.070	Computer and Information Science and Engineering	Computing Research Association	1019343	271,211
47.070		University Of California, Davis	CNS-0904239	118,901
47.070		Northeastern University	IIS-1017793	46,189
47.070		Rutgers State Univ Of NJ	IIS-1142251	67,788
47.074	Biological Sciences	University Of Delaware	1127076	49,571
47.074		Colorado State University	DBI-0605200	(234)
47.074		Yale University	DBI-0701736	115,233
47.074		Cold Spring Harbor Laboratory	DBI-0703908	540,417
47.074		Oregon State University	DBI-0822201	44,768
47.074		Purdue University	DBI-0822258	48,421
47.074		University Of Oregon	DBI-0922560	443,080
47.074		American Museum Of Nat'L History	DBI-0956388	74,029
47.074		Auburn University	DEB-1023403	8,234
47.074		University Of California, Riverside	EF-0623632	56,291
47.074		Boyce Thompson Institute	IOS-0820405	70,857
47.074		Michigan State University	IOS0922493	72,673
47.074		University Of California, Riverside	IOS-1027542	2,662
47.074		Donald Danforth Plant Science Center	IOS-1126950	249
47.074		University Of Wyoming	MCB-1052051	33,062
47.074		University Of Georgia	MCB-1229956	135,279
47.074		Yale University	IOS-1127017	221,794

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Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
National Science Foundation Pass-Through Awards (continued)				
47.075	Social, Behavioral, and Economic Sciences	University Of Delaware	826832	44,153
47.075		University Of Texas At El Paso	OCI-0753415	78,719
47.076	Education and Human Resources	Syracuse University	HRD-0703452	66,018
47.076		Rochester Inst Of Technology	HRD-1127955	202
47.076		Hobart & William Smith Colleges	833675	37,256
47.076		Association Of Science-Technology Centers	DRL-0813135	112,837
47.076		Paleontological Research Institution	DRL-0917581	10,171
47.076		University Of Virginia	DRL-1030865	96,868
47.076		George Mason University	DUE-1043235	70,213
47.076		Ecological Society Of America	DUE-1044359	(390)
47.076		Clark Atlanta University	HRD-0630456	20,135
47.076		Clark Atlanta University	HRD-1137751	6,813
47.076		Structured Materials Industries Inc.	IIP-0930419	33,989
47.076		American Museum Of Nat'L History	DRL-1020909	13,875
47.078	Polar Programs	San Diego State University Research Foundation	ARC-0808604	57,869
47.078		Ohio State University	ARC-1023566	2,512
47.079	International Science and Engineering (OISE)	West Virginia University	OISE-0968296	123,724
47.080	Office of Cyberinfrastructure	Johns Hopkins University	830976	300,042
47.080		University Of Texas At Austin	OCI-0622780	596,483
47.080		University Of New Mexico	OCI-0830944	15,544
47.080		University Of Illinois Urbana-Champaign	OCI-1053575	137,829
47.082	Trans-NSF Recovery Act Reasearch Support - ARRA	SUNY Stony Brook	CCF-0926190	48,439
47.082	Trans-NSF Recovery Act Reasearch Support - ARRA	Columbia University	ECCS-0903406	6,383
47.082	Trans-NSF Recovery Act Reasearch Support - ARRA	University Of Michigan	SES-0847175	74,397
Total National Science Foundation Pass-Through Awards				7,009,033
Total National Science Foundation Awards				136,127,745
Environmental Protection Agency Direct Awards				
66.469	Great Lakes Program			175,680
66.509	Science To Achieve Results (STAR) Research Program			291,620
66.516	P3 Award: National Student Design Competition for Sustainability			38,661
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			4,609
66.951	Environmental Education Grants			95,185
Total Environmental Protection Agency Direct Awards				605,755
Environmental Protection Agency Pass-Through Awards				
66	Environmental Protection Agency, Other	Minnesota Department Of Health	Not Available	271,464
66.466	Chesapeake Bay Program	Tioga County Soil & Water Conservation District	2009-0055-001	8,441
66.466		Penn State University	2009-0055-024	86,083
66.466		Tioga County Soil & Water Conservation District	Not Available	2,822
66.469	Great Lakes Program	NYS Dept Of Environmental Conservation	Not Available	248
Total Environmental Protection Agency Pass-Through Awards				369,058
Total Environmental Protection Agency Awards				974,813

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Energy Direct Awards				
81	Department of Energy, Other			302,729
81.049	Office of Science Financial Assistance Program			7,258,550
81.049	Office of Science Financial Assistance Program - ARRA			4,451,232
81.086	Conservation Research and Development			69,965
81.086	Conservation Research and Development - ARRA			584,559
81.112	Stewardship Science Grant Program			1,775,154
81.121	Nuclear Energy Research, Development and Demonstration			1,531
	Total U.S. Department of Energy Direct Awards			14,443,720
U.S. Department of Energy Pass-Through Awards				
81	Department of Energy, Other	Muons, Inc.	90047S09-I	42,927
81		Lawrence Livermore National Laboratory	DE-AC02-05CH11231	(2)
81		Lawrence Berkeley National Laboratory	DE-AC02-05-CH11231	16,316
81		Fermi National Accelerator Laboratory	DE-AC02-07CH11359	66,047
81		Brookhaven National Lab	DE-AC02-98CH10886	1,820,367
81		Sandia Laboratories	DE-AC04-94AL85000	376,513
81		UT-Battelle LLC	DE-AC05-00OR22725	86,638
81		Battelle-Pacific Northwest	DE-AC05-76RLO1830	18,946
81		Pacific Northwest National Laboratory	DE-AC05-76RLO1830	58,835
81		Natl Renewable Energy Lab	DE-AC36-08GO28308	86,349
81		Lawrence Livermore National Laboratory	DE-AC52_07NA27344	68,117
81		Arizona State University	DE-FC-09NT43321	489,297
81		Novozymes Inc (Davis CA)	DE-FC36-08G018080	(3)
81		Pall Corporation	DE-FE0001181	68,146
81		Advanced Resources International Inc	DE-FE0004633	124,536
81		Ultramet	DE-SC0007489	8,885
81		Arizona State University	Not Available	9,401
81		Fermi National Accelerator Laboratory	Not Available	254,261
81		Krell Institute	Not Available	38,557
81		Sandia Laboratories	Not Available	132,239
81		Thomas Jefferson National Accelerator Facility	Not Available	7,812
81		UChicago Argonne, LLC	Not Available	6,506
81.049	Office of Science Financial Assistance Program	University Of Georgia	4000063512	49,342
81.049		Sandia Laboratories	DE-AC04-94AL85000	45,375
81.049		Natl Renewable Energy Lab	DE-AC36-99GO10337	279,232
81.049		University Of Wisconsin Madison	DE-FC02-07ER64494	104,117
81.049		Lehigh University	DE-FG02-07ER46463	180,985
81.049		Carnegie Institution Of Washington	DE-SC0001057	137,976
81.049		Princeton University	DE-SC0001198	180,827
81.049		Washington State University	DE-SC0001728	71,446
81.049		Memorial Sloan Kettering Cancer Center	DE-SC0002184	16,149
81.049		Johns Hopkins University	DE-SC0002509	164
81.049		University Of Houston	DE-SC0005032	89,378
81.049		New York State Energy Research And Development Auth	Not Available	69,734
81.079	Regional Biomass Energy Programs	Mississippi State Univ	3TG162	66,490
81.079		South Dakota State University	DE-FC36-05G085041	161,561
81.086	Conservation Research and Development	Structured Materials Industries Inc.	DE-EE0003493	7,744
81.086	Conservation Research and Development - ARRA	Columbia University	DE-EE0002892	66,192
81.087	Renewable Energy Research and Development	Natl Renewable Energy Lab	DE-AC36-08G028308	257,460

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Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Energy Pass-Through Awards (continued)				
81.087		University Of Nevada Reno	DE-EE0003063	60,311
81.087		South Dakota State University	DE-FC36-05GO85041	7,916
81.087	Renewable Energy Research and Development - ARRA	West Virginia University Research Corporation	DE-EE0002745	70,099
81.087	Renewable Energy Research and Development - ARRA	Potter Drilling	DE-EE0002746	100,640
81.087	Renewable Energy Research and Development - ARRA	Southern Methodist University	DE-EE0002852	40,649
81.087	Renewable Energy Research and Development - ARRA	Cellana Corporation	DE-EE0003371	20,156
81.129	Energy Efficiency and Renewable Energy Technology Deployment, Demonstration and Commercialization	Syracuse University	DE-EE0002121	10,205
81.135	Advanced Research and Projects Agency – Energy Financial Assistance Program	Navitasmax LLC	DE-AR0000170	68,203
Total U.S. Department of Energy Pass-Through Awards				5,943,040
Total U.S. Department of Energy Awards				20,386,760
U.S. Department Of Education Direct Awards				
84.022	Overseas Programs - Doctoral Dissertation Research Abroad			1,042
84.133	National Institute on Disability and Rehabilitation Research			196,270
Total U.S. Department Of Education Direct Awards				197,312
U.S. Department Of Education Pass-Through Awards				
84.051	Career and Technical Education -- National Programs	University Of Louisville	V051A070003	27,787
84.133	National Institute on Disability and Rehabilitation Research	University Of Illinois-Chicago	H133A100011	5,926
84.133		City University Of New York	H133B080012	39,444
84.133		University Of New Hampshire	H133B100030	43,113
84.133		Hunter College	H133B100011	41,047
Total U.S. Department Of Education Pass-Through Awards				157,318
Total U.S. Department Of Education Awards				354,630
U.S. Department of Health and Human Services Direct Awards				
93	Department of Health and Human Services, Other			2,761,611
93.061	Innovations in Applied Public Health Research			(1,418)
93.069	Public Health Emergency Preparedness			(66,142)
93.113	Environmental Health			660,932
93.121	Oral Diseases and Disorders Research			625,399
93.172	Human Genome Research			804,681
93.173	Research Related to Deafness and Communication Disorders			1,322,421
93.226	Research on Healthcare Costs, Quality and Outcomes			519,884
93.242	Mental Health Research Grants			13,180,084
93.273	Alcohol Research Programs			916,747
93.279	Drug Abuse and Addiction Research Programs			6,558,716
93.279	Drug Abuse and Addiction Research Programs - ARRA			896,926
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health			2,799,253
93.307	Minority Health and Health Disparities Research			288,166
93.310	Trans-NIH Research Support			7,050,575
93.361	Nursing Research			464,295
93.371	Department of Health & Human Services, Misc			2,023,909
93.389	National Center for Research Resources			18,543,848
93.393	Cancer Cause and Prevention Research			3,144,509
93.394	Cancer Detection and Diagnosis Research			933,686
93.395	Cancer Treatment Research			2,423,876

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Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Direct Awards (continued)				
93.396	Cancer Biology Research			5,031,092
93.397	Cancer Centers Support Grants			2,864,624
93.398	Cancer Research Manpower			1,263,649
93.399	Cancer Control			79
93.670	Child Abuse and Neglect Discretionary Activities			661,557
93.701	Trans-NIH Recovery Act Reasearch Support			143,305
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA			8,233,472
93.837	Cardiovascular Diseases Research			14,967,937
93.838	Lung Diseases Research			3,852,754
93.839	Blood Diseases and Resources Research			2,698,411
93.846	Arthritis, Musculoskeletal and Skin Diseases Research			1,363,767
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research			5,959,512
93.849	Kidney Diseases, Urology and Hematology Research			255,211
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders			18,593,420
93.855	Allergy, Immunology and Transplantation Research			25,830,217
93.856	Microbiology and Infectious Diseases Research			1,862,756
93.859	Biomedical Research and Research Training			27,266,237
93.864	Department of Health & Human Services, Misc			878,578
93.865	Child Health and Human Development Extramural Research			6,679,456
93.866	Aging Research			3,437,351
93.867	Vision Research			4,506,949
93.233	National Center on Sleep Disorders Research			142,394
93.250	Geriatric Academic Career Awards			127,471
93.989	International Research and Research Training			2,200,465
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds			69,169
93.281	Mental Health Research Career/Scientist Development Awards			301,033
93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance			192,309
93.103	Food and Drug Administration_Research			222,426
93.583	Refugee and Entrant Assistance_Wilson/Fish Program			791,113
93.350	National Center for Advancing Translational Sciences			274,780
93.225	National Research Service Awards_Health Services Research Training			304,349
93.213	Research and Training in Complementary and Alternative Medicine			43,920
93.282	Mental Health National Research Service Awards for Research Training			99,403
	Total U.S. Department of Health and Human Services Direct Awards			206,971,124
U.S. Department of Health and Human Services Pass-Through Awards				
93	Department of Health and Human Services, Other	Lutheran Family Health Centers	1 YEPMP090034-01-00	23,050
93		Trophogen Inc.	5R44-DK-076302-04	40,986
93		University Of Rochester	HHSN266200700008C	129,130
93		NYS Developmental Disabilities Planning Council	Not Available	19,771
93		Yale University	Not Available	29,692
93		Brigham & Women's Hosp	HHSF223200830058C	21,380
93		Calgb Foundation	5N02-CM-97024	129,707
93		Case Western Reserve University	5 N01 DK066203-13	20
93		Case Western Reserve University	5 N01 DK066203-14	20
93		Case Western Reserve University	5 N01 DK066203-15	5,593
93		CNI Technical Services	HHSF223201110172C	204,753

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Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93		Columbia University	HHSN268201100027C	46,000
93		Columbia University	5 N01 HC095184-14	70,585
93		Feinstein Institute For Med Research	HHSN271200900019C	35,604
93		Institute For Clinical Research	5 UM1 AI068641-07	32,634
93		Johns Hopkins University	HHSN266200500001C	28,594
93		Montefiore Medical Center	5N01-CM17103-08	171,537
93		NYC DOHMH	5 R18 HS018275-03	289,368
93		President And Fellows Of Harvard College	HHSF223201000098C	51,742
93		Research Triangle Institute	NHLBI-HVPS-05-09	13,293
93		Research Triangle Institute	HHSN268201000048C	456,982
93		Social & Scientific Systems, Inc.	HHSN272200900001/2/3I	130,950
93		Social & Scientific Systems, Inc.	1 UM1 AI068636-01	62
93		University Of California, San Diego	N01-AI-15446	27
93		University Of Toledo	HHSN261200433000C	178,842
93		Harvard Pilgrim Health Care, Inc.	HHSF223200910006I	224,227
93		UTX- MD Anderson Cancer Center	N01 CN035159-06	18,320
93		UTX- MD Anderson Cancer Center	5 N01 CN035159-07	156,875
93		University Of Rochester	HHSN266200700008C(N01-AI-700	337,537
93.069	Public Health Emergency Preparedness	Darmouth College	CDC-RFA-TP08-802	42,268
93.113	Environmental Health	University Of California, Santa Cruz	1R01ES018990-01	70,721
93.172	Human Genome Research	Baylor College Of Medicine	5U01HG005211-02	55,728
93.172		Stanford University	5U01HG005715-02	234,558
93.172		Geospiza Inc.	2 R44 HG005297-02	141,645
93.172		Geospiza Inc.	R44 HG005297	49,525
93.172		Univ Of Medicine & Dentistry Of NJ	3 R01 HG004364-03S1	(24)
93.173	Research Related to Deafness and Communication Disorders	North Shore LIJ Health System	5 U01 DC007946-04	2
93.173		North Shore LIJ Health System	5 U01 DC007946-05	12,316
93.173		SUNY RF Binghamton University	5R01 DC06914-06	16,109
93.173		SUNY RF Binghamton University	5R01 DC06914-07	26,459
93.173		Vanderbilt University	1R01 DC7694-01	(59,745)
93.173		Vanderbilt University	5R01 DC007694-02	53,704
93.173		Vanderbilt University	5R01 DC007694-06	342,773
93.173		Vanderbilt University	5 R01 DC007694-07	223,409
93.226	Research on Healthcare Costs, Quality and Outcomes	University Of Arizona	1R01HS018424-01A1	26,023
93.226		Arizona State University	R01HS018481	75,866
93.226		Brigham & Women's Hosp	5U18 HS116970-04	46,657
93.226		University Of Pittsburgh	5 R18 HS018167-03	35,017
93.226		University Of Pittsburgh	5 R18 HS018151-03	32,199
93.242	Mental Health Research Grants	Duke University	Not Available	158,541
93.242		Brigham & Women's Hosp	5 R01 MH074808-04	(979)
93.242		Brigham & Women's Hosp	5 R01 MH074808-05	210,964
93.242	Mental Health Research Grants	Columbia University	1R01 MH093637-01A	78,715
93.242		Columbia University	5R01 MH040695-19&	67,633
93.242		Duke University	1 U10 HL080413-01	66,779
93.242		Johns Hopkins University	7 R01 MH065539-06	31,391
93.242		Johns Hopkins University	5 R01 MH065539-07	6,108
93.242		President And Fellows Of Harvard College	5R01 MH87328-02	37,544
93.242		President And Fellows Of Harvard College	5R01 MH87328-03	11,795

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Cornell University
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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93.242		Princeton University	5 P50 MH62196-10	21,154
93.242		Research Foundation For Mental Hygiene Inc.	2R01 MH54137-15	1,842
93.242		Research Foundation For Mental Hygiene Inc.	5R01 MH54137-16	43,225
93.242		Research Foundation For Mental Hygiene Inc.	1 R01 MH085921-01A2	1,495
93.242		Research Foundation For Mental Hygiene Inc.	5 R01 MH085921-02	94,097
93.242		Research Foundation For Mental Hygiene Inc.	5 R01 MH085921-03	9,181
93.242		Research Foundation For Mental Hygiene Inc.	5 R01 MH079397-03	70,639
93.242		University Of California, Davis	R01 MH08175	475,392
93.242		University Of Pennsylvania	1 R01 MH093415-01A1	388,865
93.242		University Of Pennsylvania	5U01MH068844-05	127,365
93.242		University Of Texas	5 R34 MH083872-03	11,010
93.242		Yale University	5R01 MH65869-09	17,474
93.279	Drug Abuse and Addiction Research Programs	SUNY RF Binghamton University	1R21DA029430	1,075
93.279		Columbia University	5R01 DA17293-07	6,723
93.279		Columbia University	5R01 DA17293-08	194,410
93.279		Johns Hopkins University	5 R01 DA026652-18	6,471
93.279		Johns Hopkins University	5 R01 DA026652-19	7,602
93.279		Research Foundation For Mental Hygiene Inc.	5 P50 DA009236-17	3,070
93.279		SUNY RF Downstate Medical Center	5 R01 DA029512-02	87,809
93.279		SUNY RF Downstate Medical Center	5 R01 DA029512-03	42,085
93.279		Rockefeller University	5 P60 DA005130-22	229
93.279		Rockefeller University	5 P60 DA005130-23	393
93.279		Rockefeller University	5 P60 DA005130-24	(2,759)
93.279		Rockefeller University	5 P60 DA005130-25	364,263
93.279		University Of California, San Diego	5R21 DA30272-01	4
93.279		University Of California, San Diego	5R21 DA30272-02	7,012
93.279		University Of California, San Diego	5 P01 DA010154-15	1,862
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	Mayo Clinic	5R01EB002640-13	102,309
93.286		Mayo Clinic	2R01EB002167-21A1	25,077
93.310	Trans-NIH Research Support	Boyce Thompson Institute	Not Available	93,948
93.361	Nursing Research	Columbia University	5 R01 NR010821-04	65,052
93.389	National Center for Research Resources	Columbia University	3 UL1 RR024156-04S4	(1,415)
93.389		University Of Washington	1R24 RR032341-01	88,736
93.393	Cancer Cause and Prevention Research	Colorado State University	4R01CA095056-09	6,433
93.393		Miami University Of Ohio	5R21CA149796-02	71,111
93.393		Boston Medical Center	5 R01 CA093772-07	(19,520)
93.393		NYU School Of Medicine	5R21CA093772-08	8,053
93.394	Cancer Detection and Diagnosis Research	Laser Biopsy Inc	1R43CA159858	2,082
93.394		American College Of Radiology Imaging Network	5 U01 CA080098-13	3,572
93.394		Beth Israel Deaconess Med Center	2U01 CA113913-06	698
93.394		University Of Michigan	5 U01 CA111275-06	59,102
93.394		University Of Michigan	5 U01 CA111275-07	266,859
93.394		University Of Michigan	2 U01 CA111275-06	22,022
93.395	Cancer Treatment Research	Emory University	5 P01 CA116676-05	(5,163)
93.395		Mount Sinai School Of Medicine	2 P01 CA108671-05	76,991
93.395		Mount Sinai School Of Medicine	7P01 CA108671-02	14,937
93.395		Natl Childhood Cancer Fndn	5 U01 CA098543-08	(3)
93.395		Natl Childhood Cancer Fndn	5 U01 CA098543-09	11,495

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93.395		Natl Childhood Cancer Fndn	2 U10 CA098543-07	19,255
93.395		Emmes Corporation	5U01 CA121947-04	1,645
93.395		Emmes Corporation	2U01 CA121947-04	84,306
93.395		Emmes Corporation	2 U01 CA121947-04	91,691
93.395		University Of Chicago	U01 CA031946-14-31	53,282
93.396	Cancer Biology Research	Sloan-Kettering Institute	5 U01 CA105492-07	6,096
93.396		Sloan-Kettering Institute	5 U01 CA105492-08	196,797
93.396		Sloan-Kettering Institute	5R01 CA107429-07	(61,413)
93.396		Sloan-Kettering Institute	2R01 CA107429-06A2	206,627
93.396		Sloan-Kettering Institute	1R01 CA102774-06	(110)
93.396		Sloan-Kettering Institute	5R01 CA102774-07	17,058
93.396		Sloan-Kettering Institute	5R01 CA102774-08	32,648
93.396		Sloan-Kettering Institute	5 R01 CA107429-05	75,439
93.396	Cancer Biology Research	University Of Rochester	5 R01 CA138249-03	(1,012)
93.396		University Of Rochester	5 R01 CA138249-04	5,995
93.397	Cancer Centers Support Grants	Emory University	5 P50 CA128613-04	14,564
93.397		Sloan-Kettering Institute	3 P30 CA008748-45S2	(8,031)
93.397		Sloan-Kettering Institute	1U54CA163167-01	273,038
93.397		Methodist Hospital Research Institute	7U54CA143837	65,352
93.398	Cancer Research Manpower	Columbia University	5 K07 CA132892-03	1,849
93.398		Columbia University	5 K07 CA132892-04	10,523
93.399	Cancer Control	University Of Washington	5P50CA148110-02	95,462
93.399		University Of Michigan	5 U01 CA111275-05	6,287
93.399		University Of Washington	5P50CA148110-03	8,584
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Wake Forest University Baptist Medical Center	1RC1AG035835-01	9,563
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Vanderbilt University	1RC2DA028981-02 REVISED	90,121
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of Texas System	5 RC2 HL102419-02	173,316
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of Pittsburgh	5RC2AR058929-02	(1,104)
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Hospital For Special Surgery	RC1AR058255	3,254
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Fred Hutchinson Cancer Research Center	RC1HL100270	26,106
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of Florida	U01 AG022376	1,090,441
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University System Of Maryland	U01 HG004866	17,120
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Beth Israel Deaconess Med Center	5R21 NS65260-02	20,717
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Cold Spring Harbor Laboratory	5 RC2 HL101846-02	34,894
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Cold Spring Harbor Laboratory	5 RC2 HL101846-03	205,102
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Columbia University	5 R01 MH077144-02	11,569
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Dana-Farber Cancer Institute, Inc.	5 RC2 CA148317-02	5,416
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Natl Childhood Cancer Fndn	U10 CA98543-07S	6,384
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Northern California Institute (NCIRE)	5P41 RR023953-03	38
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Northern California Institute (NCIRE)	5P41 RR023953-04	58,017
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Northern California Institute (NCIRE)	3P41 RR23953-02S	5,399
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Pittsburgh	1RC1 ES018058-01	48,215
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Florida State University Sponsored Research Services	1R01 HD065272	150,215
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of California, Sd	1 RC2 DA029475-01	290
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of California, Sd	5 RC2 DA029475-02	137,811
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of Florida	5 U24 RR29822-02	346,506
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of Miami	5RC2 DA28973-02	42,189
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of Michigan	5 R01 MH08939	117,078
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	University Of Washington	5RC1 AG35844-02	11,381

The accompanying notes are an integral part of these financial statements.

Cornell University
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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93.837	Cardiovascular Diseases Research	University Of California, Los Angeles	1 R01 HL087228	2,110
93.837		University Of California, Los Angeles	2R01HL087228	22,280
93.837		Transonic Systems, Inc	5 R44 HL061994-06	2,113
93.837		University Of Vermont	5P01HL095488	192,287
93.837		University Of Pittsburgh	5R01 HL114082-02	5,288
93.837		University Of California, Los Angeles	P01 HL090553	404,344
93.837		Beth Israel Deaconess Med Center	5 R01 HL094555-02	3,632
93.837		Beth Israel Deaconess Med Center	5 R01 HL094555-03	174,769
93.837		Columbia University	5U01 HL68290-02	58,059
93.837		Columbia University	1 R25 HL108014-02	57,938
93.837		Columbia University	5 R01 HL57560-13	(68)
93.837		Kaiser Permanente	1R01HL107899	10,885
93.837		University Of Alabama	5 R01 HL055673-15	2
93.837		University Of Connecticut	2 P01 HL070694-06	(4,193)
93.837		University Of Connecticut	5 P01 HL070694-07	(26,708)
93.837		University Of Connecticut	5 P01 HL070694-08	507,259
93.837		University Of Rochester	1 U01 H096607-01A1	5,912
93.837		University Of Vermont	5 R01 HL061556-02	(238)
93.837		University Of Washington	1R01 HL101186-01	(681)
93.837		University Of Washington	5R01 HL101186-02	120,264
93.837		University Of Washington	5R01 HL101186-03	1,462
93.837		University Of Washington	1R01 HL93086-02	10,599
93.837		University Of Washington	5R01 HL93086-03	102,680
93.838	Lung Diseases Research	Duke University	NHLBI-4379-001	56,539
93.839	Blood Diseases and Resources Research	University Of Rochester	2P01 HL018208-36	299,829
93.839		University Of Rochester	2P01HL018208-34	54,054
93.839		Burke Medical Research Institute	2R01HL082511-06	43,319
93.839		National Marrow Donor Program	1U01 HL69294-01	21
93.839		New York Blood Center, Inc.	5 R01 HL096497-02	214
93.839		New England Research Institutes	5 U01 HL065238-10	16,595
93.839		New England Research Institutes	5 U01 HL072268-10	56,447
93.839		New York Blood Center, Inc.	5 R01 HL096497-03	36,536
93.839		University Of Rochester	1R01GM101023-01	6,095
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	Hospital For Special Surgery	R01AR014225	8,194
93.846		Hospital For Special Surgery	R01AR056802	10,604
93.846		Signum Biosciences, Inc.	1 R43 AR058020-01	17,706
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	University Of South Florida	HHSN267200700014C	108,216
93.847		Georgia Health Sciences University	U24DK076169	61,909
93.847		Case Western Reserve University	2 U01 DK094157-02	35,597
93.847		Columbia University	5P30 DK63608-09	44,922
93.847		Kent State University	2 R56 DK075119-05A1	60,042
93.847		New York Medical College	2 R01 DK045462-14A1	33,800
93.847		University Of Michigan	5R01 DK081841-03	36,751
93.847		University Of Michigan	5R01 DK081841-05	21,867
93.847		University Of Washington	1 R01 DK083391-01A2	17,334
93.848	Digestive Diseases and Nutrition Research	University Of North Carolina	R01DK053347	140,899
93.848		Columbia University	5U01 DK066667-08	38,400
93.848		Columbia University	5U01 DK066667-09	244,597

The accompanying notes are an integral part of these financial statements.

Cornell University
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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93.848		RFMH, Inc	5 R01 DK075119-02	21,451
93.849	Kidney Diseases, Urology and Hematology Research	New York Medical College	5 R01 DK045462-13	144
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	Johns Hopkins University	1R01NS060910	17,460
93.853		Artann Laboratories	1R43NS065524-01	427
93.853		Trasonic Systems, Inc	5 R44 NSO49680-03	8,132
93.853		University Of California, San Francisco	R01 NS067420	12,379
93.853		University Of Pittsburgh	R01NS032385	13,783
93.853		Beth Israel Deaconess Med Center	1 R21 NS075653-01	76,556
93.853		Columbia University	2U01NS047537-06A	13,045
93.853		Columbia University	5U01NS047537-07	10,986
93.853		Columbia University	1 U10 NS077267-01	4,648
93.853		Medical University Of South Carolina	5U01 NS058728-05	17,360
93.853		Northwestern University	5 R21 NS065391-02	27,465
93.853		NY Presbyterian Hospital	1 U10 NS059062-01	12,862
93.853		Penn State University	5 R01 NS065096-03	3,979
93.853		Rutgers State Univ Of NJ	1 R01 NS070173-01A1	176,752
93.853		Rutgers State Univ Of NJ	5 R01 NS070173-02	53,679
93.853		University Of Miami	5 K23 NS045051-05	9,532
93.853		University Of Minnesota	5 U54 NS065768-02	26,695
93.853		University Of Minnesota	5 U54 NS065768-03	29,985
93.855	Allergy, Immunology and Transplantation Research	Fox Chase Cancer Center	1 U19 AI083008-01	19,093
93.855		Rheonix, Inc.	1 UO1 AI082448-01	107,780
93.855		New England Biolabs Inc.	1R41A1092969-01A1	48,467
93.855		Institut Pasteur	5R01AI042361-11	32,631
93.855		Columbia University	5U54 A1057158-09	29,846
93.855		Columbia University	5U54AI057158-08	34,111
93.855		Columbia University	5U54AI057158-09	13,959
93.855		Brigham & Women's Hosp	R37 AI055357-06	(169,184)
93.855		Brigham & Women's Hosp	5 R37 AI055357-07	168,050
93.855		Brigham & Women's Hosp	5 R37 AI055357-08	20,883
93.855		Brigham & Women's Hosp	5 R37 AI055357-09	80,464
93.855		Columbia University	5U54 AI57158-08	269,564
93.855		Columbia University	5U54 AI57158-09	93,589
93.855		Columbia University	5U54 AI57158-07	(68)
93.855		Columbia University	5 U54 AI057158	219,748
93.855		Columbia University	5U54 AI057158-08	175,892
93.855		Columbia University	5U54 AI057158-09	36,700
93.855		Family Health International	5 UM1 AI068619 06	41,190
93.855		Family Health International	5 UM1 AI068619 07	4,649
93.855		Federal Univ. Of Bahia	5 P50 AI030639-17	(8,412)
93.855		Federal Univ. Of Bahia	5 P50 AI030639-18	(10,528)
93.855		Federal Univ. Of Bahia	5 P50 AI030639-19	57,682
93.855		Institute For Clinical Research	5U01 AI068641-05	20,851
93.855		Johns Hopkins University	3U01 AI075115	19,314
93.855		Les Centres Gheskio	5U01 AI069421-05	172,626
93.855		Les Centres Gheskio	5 UM1 AI069421-06	204,058
93.855		Les Centres Gheskio	5 U01 AI058257-05	110,260
93.855		Massachusetts General Hospital	4R37 AI42006-14	3,455

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93.855		Massachusetts General Hospital	4R37 AH2006-15	42,050
93.855		Montefiore Medical Center	5 U01 A135004-18	16,612
93.855		Montefiore Medical Center	5 U01 A135004-19	16,243
93.855		Progenics Pharmaceuticals, Inc.	5P01 AI082362-02	9,537
93.855		Progenics Pharmaceuticals, Inc.	5P01 AI082362-03	307,754
93.855		Social & Scientific Systems, Inc.	5 UM1 AI068636-06	67,373
93.855		Social & Scientific Systems, Inc.	1U01 AI068636-05S1	7,575
93.855		Social & Scientific Systems, Inc.	1 U01 AI068636-01	11,128
93.855		Social & Scientific Systems, Inc.	UM1 AI068636-06	35,449
93.855		Stanford University	5U01 AI55795-06	(460)
93.855		University Of Pennsylvania	1 R56 AI090842-01	(4,318)
93.855		University Of Pennsylvania	5 U01 AI063589-07	1,092
93.855		University Of Pennsylvania	5U01 AI63589-04	113,994
93.855		University Of Pennsylvania	5U01 AI63589-05	(67,110)
93.855		University Of Pennsylvania	5U01 AI63589-06	78,865
93.855		University Of Pennsylvania	5 U01 AI063589-05S1	15,752
93.855		Vanderbilt University	5R01 AI77505-03	8
93.855		Vanderbilt University	5R01 AI77505-04	48,546
93.855		Vanderbilt University	5U01 AI69923-03	280
93.855		Vanderbilt University	5U01 AI69923-05	28,575
93.855		Vanderbilt University	5U01 AI69923-06	65,968
93.855		Yale University	1 R21 AI077603-01A2	137
93.855		Yale University	5 R21 AI077603-02	24,394
93.855		Columbia University	5U54AI057157-08	70,374
93.856	Microbiology and Infectious Diseases Research	Virginia Polytechnic Institute & State University	HHSN272200900040C	249,300
93.856		Gheskio	5 U01 AI069421-02	(411,435)
93.856		Gheskio	5 U01 AI069421-03	(119,377)
93.856		Les Centres Gheskio	5 U01 AI069421-03	496,147
93.856		Gheskio	5 U01 AI069421-04	(229,347)
93.856		Les Centres Gheskio	5 U01 AI069421-04	288,978
93.856		Les Centres Gheskio	5 U01 AI058257-05	(53,624)
93.859	Biomedical Research and Research Training	Boyce Thompson Institute	1R01GM088290-01A1	8,095
93.859		Novasterilis	1R43GM096573-01	9,959
93.859		University Of Utah	2 R01 GM064664	100,983
93.859		University Of Michigan	5P50GM065509-09	71
93.859		University Of Michigan	5-P50-GM065509-10	118,957
93.859		University Of Minnesota	5R01GM059604-11	89,445
93.859		Virginia Polytechnic Institute & State University	5R01GM076121-05	32,665
93.859		Albert Einstein Coll Of Med	5R01-GM-079618-03	18,982
93.859		Penn State University	5R01GM080533-05	52,933
93.859		Gladstone Institutes J David	R01 GM082901	58,699
93.859		Sloan-Kettering Institute	R01 GM052470-16	(11,549)
93.859		Sloan-Kettering Institute	R01 GM052470-17A1	38,765
93.859		University Of Chicago	1U54 GM87519-01A1	2,037
93.859		University Of Chicago	5U54 GM87519-02	226,039
93.859		Glycobia, Inc.	R44GM088905	67,146
93.864	Department of Health & Human Services, Misc	Jackson Laboratory	P01HD042137	248,389
93.864		Ohio State University	R01 HD054866-01A1	(25)

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
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CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93.865	Child Health and Human Development Extramural Research	University Of Georgia	5R01HD03058819	37,476
93.865		University Of California, San Francisco	P01HD059454	35,960
93.865		Columbia University	5R01 HD056103-02	20,600
93.865		Columbia University	1 R01 HD067287-01	16,741
93.865		Columbia University	5P01 HD032062-17 ACC	30,897
93.865		Columbia University	1 R01 HD069178-01	4,644
93.865		Columbia University	5 R01 HD069178-02	46,107
93.865		Univ Of Medicine & Dentistry Of NJ	1 P01 HD023315-01A1	733
93.865		Univ Of Medicine & Dentistry Of NJ	5 P01 HD023315-02	(16,254)
93.865		Univ Of Medicine & Dentistry Of NJ	5 P01 HD023315-03	296,013
93.865		Univ Of Medicine & Dentistry Of NJ	5P01 HD23315-2	12,350
93.865		University Of California, San Diego	5 K12 HD000849-23	5,615
93.865		University Of California, San Diego	5 K12 HD000849-24	107,991
93.865		Yale University	R01 HD067364	17,345
93.865		Yale University	R01 HD065794	18,862
93.866	Aging Research	National Research Opinion Center - Univ Of Chicago	1R01AG033903-01	19,090
93.866		University Of Michigan	1R01AG040787-01	16,889
93.866		Purdue University	R01AG018869	76,138
93.866		Burke Rehabilitation	2 P01 AG014930-10	(27,699)
93.866		Burke Rehabilitation	5 P01 AG014930-11	675,877
93.866		Burke Rehabilitation	5 P01 AG014930-12	123,281
93.866		Burke Rehabilitation	5 P01 AG014930-09	471
93.866		Columbia University	5R01 AG017761-14	71,233
93.866		NYU School Of Medicine	2R01 AG13616-18	45,674
93.866		NYU School Of Medicine	5R01 AG13616-19	(14,462)
93.866		NYU School Of Medicine	5R01 AG13616-20	62,004
93.866		NYU School Of Medicine	1R01 AG035137-01	20,130
93.866		NYU School Of Medicine	5R01 AG035137-02	115,193
93.866		Rockefeller University	1R21 AG39850-01	22,186
93.866		Rockefeller University	5R21 AG39850-02	7,356
93.866		Rockefeller University	2P01 AG016765-11A1	19,690
93.866		Rockefeller University	5P01 AG016765-12	9,846
93.866		University Of California, Sd	5U01 AG10483-20	6
93.866		University Of California, Sd	5U01 AG10483-21	19,974
93.866		University Of Colorado	5R01 AG012423-0	25
93.866		University Of Colorado	2R01 AG012423-1	14,062
93.866		University Of Pittsburgh	2R01 AG023629	29,070
93.866		University Of Washington	2P01 AG1751-28A1	150,100
93.866		University Of Washington	5P01 AG1751-29	40,195
93.867	Vision Research	Johns Hopkins University	5 U01 EY008057-19	3,603
93.867		Johns Hopkins University	5 U01 EY008057-20	245,172
93.867		Johns Hopkins University	5 U01 EY008057-21	9,912
93.867		Johns Hopkins University	5 U01 EY008057-22	27,468
93.867		Johns Hopkins University	5 U01 EY008057-23	44,850
93.867		Johns Hopkins University	5 U01 EY008057-24	239,044
93.867		Oregon Health And Science University	7 R01 EY019474-02	30,678
93.867		St. Luke'S Roosevelt Institute For Health Science	U10 EY017281	(1,048)
93.867		University Of Illinois	5PN2 EY016570-03	(476)
93.867		University Of Illinois	5PN2 EY016570-05	(808)

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Health and Human Services Pass-Through Awards (continued)				
93.867		University Of Illinois	5PN2 EY016570-06	27,017
93.989	International Research and Research Training	Johns Hopkins University	5 U2R TW006885-04	178
93.989		Johns Hopkins University	5 U2R TW006885-05	1,006
93.989		Les Centres Gheskio	2 U2R TW006896-06	242
93.989		Les Centres Gheskio	5 U2R TW006896-08	203,595
93.989		Les Centres Gheskio	5 U2R TW006896-09	46,726
93.989		Vanderbilt University	5 R24 TW007988-03	(166)
93.989		Vanderbilt University	5 R24 TW007988-04	59,132
93.048	Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	University Of California, Irvine	90AB0002	11,032
93.067	Global AIDS	Les Centres Gheskio	1 U2G GH000541-01	48,418
93.067		Les Centres Gheskio	1 U2G GH000545-01	57,278
93.110	Maternal and Child Health Federal Consolidated Programs	Health Research, Inc.	5 U22 MC0395607	27,460
93.110		Mount Sinai School Of Medicine	5 H30 MC 00019-21-00	16,791
93.110		Mount Sinai School Of Medicine	5 H30 MC 00019	50,510
93.110		Univ. Of California, LA Neuropsychiatric Institute-Autism	UA3 MC11055	50,969
93.145	AIDS Education and Training Centers	Columbia University	2 H4AHA00071-09-00	8,407
93.145		Columbia University	5 H4AHA00071-10-00	182,053
93.145		University Of Washington	2 U91 HA06801-06	341,945
93.145		University Of Washington	5 U91 HA06801-08	32,141
93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	3 Angels Memorial Fund	5 U50 DD00478-03	5,257
93.283		Assoc. Of American Medical Colleges	5 U36 CD319276	233,181
93.283		Columbia University	5 R01 C1000537-03	12,473
93.283		Mount Sinai School Of Medicine	5 U01 DD000195-05	28,815
93.283		Mount Sinai School Of Medicine	1U27 DD000862	21,050
93.715	Recovery Act -Comparative Effectiveness Research - AHRQ	Massachusetts General Hospital	1R01 HS19371-01	49,662
93.715		Massachusetts General Hospital	1R01 HS19371-02	160,400
93.721	Health Information Technology Professionals in Health Care - ARRA	Columbia University	1T15 OC000060-01	303,105
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Brigham & Women's Hosp	95-W-002791	385,583
93.989	International Research and Research Training	Vanderbilt University	5 R24 TW007988-05	60,536
Total U.S. Department of Health and Human Services Pass-Through Awards				24,382,441
Total U.S. Department of Health and Human Services Awards				231,419,655
Social Security Administration Pass-Through Awards				
96	Social Security Administration, Other	University Of Michigan	RRC08098401	70,007
96.007	Social Security_Research and Demonstration	Rand Corporation	19-F-10002-9-01	35,228
Total Social Security Administration Awards				105,235
Department of Homeland Security Direct Awards				
97	Department of Homeland Security, Other			153,856
97.108	Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies			909,572
Total Department of Homeland Security Direct Awards				1,063,428
Department of Homeland Security Pass-Through Awards				
97.061	Centers for Homeland Security	Texas Agrilife Research Of The Texas A&M University	2010-ST-061-AG0002	177,153
Total Department of Homeland Security Pass-Through Awards				177,153
Total Department of Homeland Security Awards				1,240,581
United States Agency for International Development Direct Awards				
98.001	USAID Foreign Assistance for Programs Overseas			3,803,791
Total United States Agency for International Development Direct Awards				3,803,791

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
United States Agency for International Development Pass-Through Awards				
98	Agency for International Development, Other	Michigan State University	EDH-A-00-07-00005	19,457
98		University Of California, Davis	Not Available	1,500
98		University Of California, Davis	EPP-A-00-09-0004	45,419
98.001	USAID Foreign Assistance for Programs Overseas	Higher Education For Development	AEG-A-00-05-00007-00	55,786
98.001		University Of California, Davis	AEG-A-00-08-00008	192,930
98.001		University Of Wisconsin Madison	AEG-A-00-08-00008	54,101
98.001		University Of Wisconsin Madison	EDH-A-00-06-00003-00	86,236
98.001		University Of California, Davis	Not Available	15,542
98.001		World Vision, Inc.	Not Available	61,892
98.012	USAID Development Partnerships for University Cooperation and Development	University Of Georgia	ECCA00070000100	85,774
Total United States Agency for International Development Pass-Through Awards				618,636
Total United States Agency for International Development Awards				4,422,427
Total Research and Development Program Cluster				477,205,545
Other Awards:				
U.S. Department of Agriculture Direct Awards				
10.001	Agricultural Research_Basic and Applied Research			35,685
10.025	Plant and Animal Disease, Pest Control, and Animal Care			285,803
10.163	Market Protection and Promotion			283,398
10.168	Farmers' Market Promotion Program			21,470
10.200	Grants for Agricultural Research, Special Research Grants			21,645
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act			566,314
10.206	Grants for Agricultural Research_Competitive Research Grants			12,705
10.303	Integrated Programs			163,791
10.304	Homeland Security_Agricultural			192,895
10.310	Agriculture and Food Research Initiative (AFRI)			8,101
10.500	Cooperative Extension Service			13,485,114
10.606	Food for Progress			1,176,763
10.664	Cooperative Forestry Assistance			4,943
10.777	Norman E. Borlaug International Agricultural Science and Technology Fellowship			45,995
10.907	Snow Survey and Water Supply Forecasting			18,874
10.912	Environmental Quality Incentives Program			61,192
10.950	Agricultural Statistics Reports			159,694
10.962	Cochran Fellowship Program-International Training-Foreign Participant			17,504
Total U.S. Department of Agriculture Direct Awards				16,561,886
U.S. Department of Agriculture Pass-Through Awards				
10.025	Plant and Animal Disease, Pest Control, and Animal Care	NYS Dept Of Ag & Markets	09-9636-0939-CA	173,822
10.025		NYS Dept Of Ag & Markets	12-9636-1134-CA	28,624
				202,445
10.170	Specialty Crop Block Grant Program - Farm Bill	NYS Dept Of Ag & Markets	12-25-B-0940	10,681
10.170		NYS Dept Of Ag & Markets	12-25-B-1085	26,850
				37,531
10.200	Grants for Agricultural Research, Special Research Grants	Colorado State University	2010-39557-21904	8,046
10.200		Penn State University	2011-34103-30711	39,578
				47,624

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Agriculture Pass-Through Awards (continued)				
10.215	Sustainable Agriculture Research and Education	University Of Vermont	2007-38640-17935	1,109
10.215		University Of Vermont	2009-38640-10631	10,988
10.215		University Of Vermont	2010-38640-20820	58,140
10.215		University Of Vermont	2011-38640-30418	713
10.215		Maine Organic Farmers And Gardeners Association	Not Available	13,373
				<u>84,324</u>
10.303	Integrated Programs	Oregon State University	2007-51110-03815	3,577
10.303		Penn State University	2007-51120-18446	503,001
10.303		University Of Florida	2009-51110-20174	19,977
				<u>526,555</u>
10.304	Homeland Security_Agricultural	Michigan State University	2007-37620-18216	55,682
10.310	Agriculture and Food Research Initiative (AFRI)	University Of Florida	2010-85605-20537	10,496
10.310		University Of Nebraska	2011-67003-30206	37,965
				<u>48,461</u>
10.446	Rural Community Development Initiative	Mississippi State Univ	RBS-10-39	19,869
10.500	Cooperative Extension Service	Penn State University	018000-342843	2,686
10.500		University Of Massachusetts Amherst	2009-41530-05567	5,670
10.500		University Of Vermont	2009-47001-05350	530
10.500		University Of Delaware	2010-49200-06201	39,995
10.500		University Of Vermont	26-6365-0001-351	10,793
				<u>59,674</u>
10.551	Supplemental Nutrition Assistance Program	NYS Office Of Temporary And Disability Assistance	Not Available	96,442
10.551		Off Of Domestic Violence & Emergency Intervention	Not Available	2,604,519
				<u>2,700,961</u>
10.600	Foreign Market Development Cooperator Program - ARRA	New York State Energy Research And Development Auth	Not Available	720,268
10.773	Rural Business Opportunity Grants	Tioga County	Not Available	19,091
	Total U.S. Department of Agriculture Pass-Through Awards			<u>4,522,484</u>
	Total U.S. Department of Agriculture Awards			<u>21,084,370</u>
U.S. Department of Commerce Direct Awards				
11.431	Climate and Atmospheric Research			330,294
	Total U.S. Department of Commerce Direct Awards			<u>330,294</u>
U.S. Department of Commerce Pass-Through Awards				
11.417	Sea Grant Support	University Of Michigan	NA060AR4170017	3,900
11.417		New York Sea Grant Institute, Stony Brook	NA100AR4170064	725,202
				<u>729,102</u>
11.473	Coastal Services Center	Great Lakes Observing System	NA08NOS4730293	2,206
11.473		Ohio State University	NA08NOS4730407	7,371
				<u>9,577</u>

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department of Commerce Pass-Through Awards (continued)				
11.478	Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	SUNY Stony Brook	NA10NOS4780140	3,093
	Total U.S. Department of Commerce Pass Through Awards			<u>741,772</u>
	Total U.S. Department of Commerce Awards			<u>1,072,066</u>
Department of Defense Direct Awards				
12	Department of Defense, Other			237,481
	Total Department of Defense Awards			<u>237,481</u>
Department of Housing and Urban Development Pass-Through Awards				
14.900	Lead-Based Paint Hazard Control in Privately-Owned Housing	Monroe County	NYLHB0436-09	28,358
	Total Department of Housing and Urban Development Awards			<u>28,358</u>
U.S. Department of the Interior Direct Awards				
15.929	Save America's Treasures			73,412
	Total U.S. Department of Interior Direct Awards			<u>73,412</u>
U.S. Department of the Interior Pass-Through Awards				
15	Department of the Interior, Other	National Fish And Wildlife Foundation	Not Available	75,159
15.608	Fish and Wildlife Management Assistance	University Of Minnesota, Sea Grant Program	F10AP00050	45,645
	Total U.S. Department of Interior Pass Through Awards			<u>120,804</u>
	Total U.S. Department of Interior Awards			<u>194,216</u>
Department Of Justice Pass-Through Awards				
16.726	Juvenile Mentoring Program	National 4-H Council	2011-MJ-MJ-026	18,577
16.726		National 4-H Council	2010-JU-FX-0016	67,772
	Total Department Of Justice Awards			<u>86,349</u>
U.S. Department Of Labor Direct Awards				
17.720	Disability Employment Policy Development			1,669,802
	Total U.S. Department Of Labor Awards			<u>1,669,802</u>
Department of State Pass-Through Awards				
19.010	Academic Exchange Programs - Humphrey Fellowship Program	Institute Of International Education	S-ECAAS-11-CA-033	181,949
	Total U.S. Department of State Awards			<u>181,949</u>
U.S. Department Of Transportation Direct Awards				
20.200	Highway Research and Development Program			9,000
	Total U.S. Department Of Transportation Awards			<u>9,000</u>
Appalachian Regional Commission Pass-Through Awards				
23	Appalachian Regional Commission, Other	Southern Tier Central Regional Planning & Developm	NY-16268	130
	Total Appalachian Regional Commission Awards			<u>130</u>
National Aeronautics and Space Administration Direct Awards				
43	National Aeronautics and Space Administration, Other			100,757
	Total National Aeronautics and Space Administration Awards			<u>100,757</u>

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
National Foundation on the Arts and the Humanities Direct Awards				
45.024	Promotion of the Arts_Grants to Organizations and Individuals			51,923
45.301	Museums for America			24,774
45.312	National Leadership Grants			101,816
	Total National Foundation on the Arts and the Humanities Awards			178,513
Environmental Protection Agency Direct Awards				
66	Environmental Protection Agency, Other			5,197
66.437	Long Island Sound Program			146,580
66.514	Science To Achieve Results (STAR) Fellowship Program			6,000
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			28,854
66.950	National Environmental Education Training Program			1,456,607
	Total Environmental Protection Agency Direct Awards			1,643,238
Environmental Protection Agency Pass-Through Awards				
66.458	Capitalization Grants for Clean Water State Revolving Funds - ARRA	Interstate Environmental Commission	Not Available	62,627
66.469	Great Lakes Program	Penn State University	00E00550	33,818
66.469		SUNY Buffalo State	GL-00E00498-0	14,169
				47,987
	Total Environmental Protection Agency Pass-Through Awards			110,614
	Total Environmental Protection Agency Awards			1,753,852
Nuclear Regulatory Commission Direct Awards				
77	Nuclear Regulatory Commission, Other			64,964
	Total Nuclear Regulatory Commission Awards			64,964
Department of Energy Direct Awards				
81.049	Office of Science Financial Assistance Program			100,000
	Total Department of Energy Direct Awards			100,000
Department of Energy Pass-Through Awards				
81.041	State Energy Program - ARRA	New York State Energy Research And Development Auth	Not Available	405,232
	Total Department of Energy Pass-Through Awards			405,232
	Total Department of Energy Awards			505,232
U.S. Department Of Education Direct Awards				
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program			1,930,550
84.017	International Research and Studies			41,211
84.022	Overseas Programs - Doctoral Dissertation Research Abroad			874
84.047	TRIO_Upward Bound			254,948
84.133	National Institute on Disability and Rehabilitation Research			1,979,334
84.170	Javits Fellowships			80,033
84.184	Safe and Drug-Free Schools and Communities_National Programs			269,052
	Total U.S. Department of Education Direct Awards			4,556,002
U.S. Department Of Education Pass-Through Awards				
84	Department of Education, Other	NYS Dept Of Education	Not Available	281,374
84		Fallsburg Central School District	U215X100418	40,240
84		Corning-Painted Post School District	U215X90519	30,679
84		Northern Illinois University	P337A090018	3,380
				355,673

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
U.S. Department Of Education Pass-Through Awards (continued)				
84.116	Fund for the Improvement of Postsecondary Education	Iowa State University	P116J100069	645
	Total U.S. Department Of Education Pass-Through Awards			<u>356,318</u>
	Total U.S. Department Of Education Awards			<u>4,912,319</u>
United States Institute of Peace Direct Awards				
91.001	Annual Grant Competition			11,074
	Total United States Institute of Peace Awards			<u>11,074</u>
U.S. Department of Health and Human Services Direct Awards				
93.069	Public Health Emergency Preparedness			52,274
93.307	Minority Health and Health Disparities Research			132,754
93.333	Department of Health & Human Services, Misc			279,954
93.389	National Center for Research Resources			213,234
	Total U.S. Department of Health and Human Services Direct Awards			<u>678,216</u>
U.S. Department of Health and Human Services Pass-Through Awards				
93	Department of Health and Human Services, Other	NYS Developmental Disabilities Planning Council	Not Available	217,106
93.558	Temporary Assistance for Needy Families	NYS Office Of Children And Family Services	Not Available	658,309
93.558		SUNY Buffalo State	Not Available	110,614
				<u>768,923</u>
93.701	Trans-NIH Recovery Act Reasearch Support - ARRA	Iowa State University	1RC2DA028879-01	5,232
93.768	Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	Research Foundation For Mental Hygiene Inc.	1QACMS030318/01	468,861
93.778	Medical Assistance Program	SUNY Buffalo State	Not Available	168,289
93.859	Biomedical Research and Research Training	University Of California, San Diego	5P01GM078586	(1,498)
93.865	Child Health and Human Development Extramural Research	University Of Texas Medical Branch	1R24HD065702-01	(11,251)
93.865		University Of Texas Medical Branch	5R24HD065702-02	208,201
				<u>196,949</u>
93.866	Aging Research	University Of California, Berkeley	5P30AG012839-17	18,000
93.994	Maternal and Child Health Services Block Grant to the States	NYS Dept Of Health	Not Available	705,114
	Total U.S. Department of Health and Human Services Pass-Through Awards			<u>2,546,976</u>
	Total U.S. Department of Health and Human Services Awards			<u>3,225,192</u>
Corporation for National and Community Service Direct Awards				
94.013	Volunteers in Service to America			42,372
	Total Corporation for National and Community Service Direct Awards			<u>42,372</u>
Corporation for National and Community Service Pass-Through Awards				
94.006	AmeriCorps	Western Washington University/Washington Campus Co	10EDHWA001	5,195
94.006		NYS Office Of Children And Family Services	Not Available	14,464
	Total Corporation for National and Community Service Pass-Through Awards			<u>19,659</u>
	Total Corporation for National and Community Service Awards			<u>62,031</u>

The accompanying notes are an integral part of these financial statements.

Cornell University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

CFDA No.	Description	Pass-Through Entity	Pass - Through Entity ID	Federal Expenditures
Social Security Administration Pass-Through Awards				
96	Social Security Administration, Other	Virginia Commonwealth University	SS00-10-60005	120,946
96.008	Social Security - Work Incentives Planning and Assistance Program	NYS Office Of Temporary And Disability Assistance	Not Available	357,838
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	Booz Allen Hamilton	SS00-10-60103	9,975
	Total Social Security Administration Awards			<u>488,759</u>
United States Agency for International Development Direct Awards				
98.001	USAID Foreign Assistance for Programs Overseas			1,565,627
	Total United States Agency for International Development Direct Awards			<u>1,565,627</u>
United States Agency for International Development Pass-Through Awards				
98.001	USAID Foreign Assistance for Programs Overseas	University Of Illinois Urbana-Champaign	AID-0AA-L-10-00003	101,306
98.001		University Of California, Davis	EPP-A-00-09-00004	44,173
	Total United States Agency for International Development Pass-Through Awards			<u>145,479</u>
	Total United States Agency for International Development Awards			<u>1,711,106</u>
Total Other Awards				<u>37,577,521</u>
Total Federal Award Expenditures				<u>651,118,542</u>

The accompanying notes are an integral part of these financial statements.

Cornell University

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2012

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. Negative amounts represent current year adjustments of amounts reported in prior years, CFDA and pass-through entity numbers are included when available. 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 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 activities in each county of New York and New York City.

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, 2012 totaled \$125,457,845 including \$76,927,609 for the Ithaca campus and \$48,530,236 for Weill Cornell Medical College (WCMC).

Ithaca Campus

F&A cost rates for the Ithaca Campus have been finalized through fiscal year 2016 as predetermined rates pursuant to the Department of Health and Human Services (DHHS) rate agreement dated January 14, 2013. Provisional rates have been established for fiscal year 2017 and beyond.

Cornell University
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

Weill Cornell Medical College

F&A cost rates for the WCMC have been finalized through fiscal year 2012 as predetermined rates pursuant to the DHHS rate agreement dated June 21, 2011. 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, 2012. 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	\$ 35,940,086
Health Professions Student Loan Program, including Primary Care Loans and Loans for Disadvantage Students	93.342	<u>6,227,001</u>
		<u>\$ 42,167,087</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. Loan cancellations, under CFDA Number 84.037, for the year ended June 30, 2012 were \$88,881. 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, 2012.

The University issued the following amounts of new loans under the Federal Direct Loan Program to students of the University during the year ended June 30, 2012.

	<u>CFDA Number</u>	<u>Amount Issued</u>
Federal Direct Loan Program (FDLP):		
Federal Subsidized		\$ 34,449,763
Federal Unsubsidized		32,417,573
Federal Direct Loan Program – PLUS & GradPLUS		<u>48,151,263</u>
Total FDLP	84.268	<u>\$ 115,018,599</u>

The University is responsible only for the performance of certain administrative duties with respect to 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, 2012.

Cornell University
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

4. Subrecipients

The University has 737 research subcontracts of its federal funds, which have been issued to sub recipients that total approximately \$64.4 million. Due to the large number of programs and sponsors, it is not practical to disclose the amount of payments to each research subrecipient. The University has 73 non-research subcontracts of its federal funds, which have been issued to sub recipients that total approximately \$4.3M. Refer to the table below for the amount provided to subrecipients under each CFDA number.

CFDA No.	Description	Amount provided to Subrecipients
10.168	Farmers' Market Promotion Program	\$ 5,829
10.170	Specialty Crop Block Grant Program - Farm Bill	2,246
10.206	Grants for Agricultural Research_Competitive Research Grants	2,590
10.215	Sustainable Agriculture Research and Education	1,109
10.303	Integrated Programs	82,714
10.500	Cooperative Extension Service	33,869
10.606	Food for Progress	711,842
12.000	Department of Defense, Other	131,271
17.720	Disability Employment Policy Development	400,649
66.950	National Environmental Education Training Program	939,385
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	388,510
84.133	National Institute on Disability and Rehabilitation Research	245,709
93.000	Department of Health and Human Services, Other	126,050
93.333	Department of Health & Human Services, Misc	24,929
93.994	Maternal and Child Health Services Block Grant to the States	86,377
98.001	USAID Foreign Assistance for Programs Overseas	1,095,584
	Total Non Research Subrecipients	\$ 4,278,663



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

To the Board of Trustees
Cornell University

We have audited the consolidated financial statements of the Cornell University (the "University") as of and for the year ended June 30, 2012 and have issued our report thereon dated October 25, 2012. 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 the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as finding number 2012-1, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the



determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the University in a separate letter dated October 25, 2012.

The University's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the University's Board of Trustees, management, 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.

PricewaterhouseCoopers LLP

October 25, 2012



**Report of Independent Auditors on Compliance with
Requirements That Could Have a Direct and Material
Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

To the Board of Trustees
Cornell University

Compliance

We have audited the compliance of Cornell University (the "University") with the types of compliance requirements described in the (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012, except as described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We did not audit Cornell University's compliance with the billings, cash receipts, due diligence, and portfolio management compliance requirements specified by the Federal Perkins Loan Program and described in the OMB *Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to Cornell University's compliance with those requirements, is based solely on the report of the other auditors.

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 the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

In our opinion, based on our audit and the report of other auditors, the University complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2012-2.



Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit except as noted in the following paragraph, we considered the 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 the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

We did not consider internal control over compliance with the billings, cash receipts, due diligence, and portfolio management compliance requirements specified by the Federal Perkins Loan Program and described in the OMB Circular A-133 Compliance Supplement. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the Cornell University's internal control over those compliance requirements, is based solely upon the report of the other auditors.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration and the other auditors' consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. Also, the report of the other auditors did not identify any deficiencies in internal control over compliance that they consider to be material weaknesses, as defined above.

The University's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the University's Board of Trustees, management, 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.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

March 21, 2013

Cornell University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes _____ X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ X Yes _____ 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 deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X None reported

Type of auditor's report issued on compliance for major programs:

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

Identification of major programs:

<i>CFDA Number(s) or Grantor ID No.</i>	<i>Name of Federal Program or Cluster</i>
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
10.500	Cooperative Extension Services

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, 2012

Section II – Financial Statement Findings

2012-1 Net Assets Classification - Weill Cornell Medical College

Observation:

During our audit of contributions revenue and net assets released from restriction, we noted exceptions in our testing which resulted in two audit adjustments recorded by management as follows:

- **Cash Contributions** - During the testing of contributions, we identified certain contributions with donor restrictions inappropriately recorded as unrestricted ("UR") net assets. While WCMC abides by the policy of simultaneous release for any temporarily restricted ("TR") gifts where the purpose restriction is met and the funds are spent within the same fiscal year, several of our testing selections did not meet the simultaneous release criteria however had been recorded as UR contribution revenue during fiscal 2012. Upon further review by management of the entire population of contributions, fiscal year 2012 gifts were identified as being improperly recorded as UR net assets. Based on our findings, management adjusted the consolidated financial statements for fiscal year 2012 to decrease UR contribution revenue and increased TR contribution revenue.
- **Net assets released from restriction** - During the testing of net assets released from restriction, we identified certain releases relating to permanently restricted ("PR") endowment gifts that were incorrectly recorded. The engagement team brought these exceptions to the attention of management, who then identified the cause of these improper releases. The issue was the result of endowed gifts initially being incorrectly recorded as TR net assets within WCMC's SAP general ledger system prior to being transferred off the WCMC books to Ithaca (where all endowment assets reside). For each of these transactions SAP calculated an improper release from restriction to UR net assets, thereby overstating UR net assets and understating TR net assets. Management reviewed the entire population of fiscal year 2012 net assets released from restriction in order to identify a full population of amounts improperly released, which resulted in an audit adjustment. Additionally, as these improper releases were triggered by the SAP system, management also went back to review and identify the total improper release amounts from fiscal year 2009- fiscal year 2011 (as SAP was implemented on January 1, 2009), which resulted in an additional audit (and out-of-period) adjustment. In total, management recorded an adjustment to decrease net assets released from restriction in fiscal year 2012 (effectively decreasing UR net assets and increasing TR net assets).

Recommendation:

We recommend the finance department implement and communicate a formal policy to both the WCMC development and finance offices to review supporting documentation for contributions and to ensure such contributions are appropriately classified as UR, TR or PR net assets. In addition, we recommend management review its existing procedures to determine a more appropriate process for recording of entries for such transactions to eliminate the multiple transactions and simplify the process. Lastly, we recommend implementing formal periodic reviews (i.e., quarterly or monthly) of the net asset classification within contributions revenue and net assets released from restrictions.

Management Response:

See Management Views and Corrective Action Plan

Cornell University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Section III – Federal Award Findings and Questioned Costs

2012 - 2 Non - Compliance with Calculation of Return of Title IV Funds

CFDA 84.038 Federal Perkins Loan Program

CFDA 84.268 Federal Direct Loan Program

Criteria:

In accordance with 34 CFR 668.22 (a)(1) when a recipient of title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of title IV grant or loan assistance that the student earned as of the student's withdrawal date. In accordance with 34 CFR section 668.173(b), returns of Title IV funds are required to be returned to the Education Department (ED) or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 45 days after the institution determined the student withdrew or the date on the canceled check shows the check was endorsed more than 60 days after the date the institution determined that the student withdrew.

Condition:

In examining a sample size of 60 students (55 - Ithaca Campus and 5 - Weill Medical Campus), see table below, who withdrew from the University and received Title IV funding.

<u>School</u>	<u>Population</u>	<u>PwC Sample</u>
Undergraduate	204	38
Graduate	26	8
Law School	3	3
Veterinary School	5	3
Johnson School of Management	3	3
Weill Medical College	33	5
Total	274	60

Within the Law School and the Johnson School of Management, we noted three instances in which the calculation of the unearned funds to be returned was not appropriately performed per 34 CFR section 668.22 (e).

As a result of errors noted in our testing, we requested University Audit assist in testing the remaining population within the Johnson School of Management and Law School to ensure the dates of withdrawal and refund calculations were correctly performed for each student who withdrew. Based on their testing results it was identified that an additional student's date of withdrawals did not correspond to the information maintained within in the file and, therefore, did not have the refund calculated appropriately.

As a result of the incorrect calculations we noted the funds were not returned within the 45-day requirement per 34 CFR section 668.173(b).

Questioned Costs:

\$19,581

Cornell University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Cause:

We noted the incorrect calculation of title IV refunds within the Law School and Johnson Graduate School of Management was a result of the individuals performing the calculations not understanding the implications of noncompliance with Federal title IV rules and regulations. In addition, the University did not have appropriate oversight of these individuals sufficient to recognize that the calculations were incorrect.

Effect:

The incorrect returns of unearned funds resulted in a non-compliance with the Code of Federal Regulations.

Recommendation:

We recommend the University return the funds that were supposed to be returned based on the updated calculation. In addition, Regulation 34 CFR 668.173(c)(i) states that institutions with a 5% or greater error rate during a compliance audit are not in compliance with federal cash reserve requirements. Given the error rate exceeds 5% (4 exceptions out of 60 sampled or 7%), we recommend the University contact the Department of Education to determine if the existing letter of credit needs to be maintained for Title IV funds in accordance with 34 CFR 668.173(d). Furthermore the University should require all financial aid staff members performing the return of Title IV funds calculation attend training and also consider, given the small volume of refunds in the "professional schools", whether the Office of Financial Aid and Student Employment should either perform all refund calculations or at a minimum perform detailed reviews over them.

Management's Response:

See Management Views and Corrective Action Plan

Cornell University

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2012

Summary Schedule of Prior Audit Findings

2011 - 1 Non - Compliance with Student Eligibility - Weill Cornell Medical College

Condition:

In examining a sample size of 60 students (50 Ithaca campus, 10 WMC campus) the auditor noted two instances of non-compliance on the Weill Medical College campus, in which the students received a Subsidized loan (Student 1 - \$3,100 and Student 2 - \$8,500) and were not enrolled at least half time in a course of study at the Medical College. In both cases the students were charged an administrative fee by the Medical College to hold their spot at the Medical College while they were attending classes at another unrelated institution.

Status:

No items noted in current year.

2011 - 2 Reporting - Weill Cornell Medical College

Condition:

In examining 45 final reports due not later than 90 days after the end of each specified reporting period (37 Ithaca campus, 8 Weill campus) PwC noted that 6 of the 8 final reports tested at Weill were not submitted by the due dates, ranging from 19 days late to 208 days late.

Status:

Based on testing in the current year it was identified that some final reports are not being submitted by the due dates, ranging from 13 - 144 days late. However in accordance with the 2012 A-133 Compliance Supplement the auditor is no longer required to report on the timeliness of final reports being issued. As such, PwC has not included in the current year findings but has communicated this to management.

2011 - 3 Effort Reporting - Weill Cornell Medical College

Condition:

The University, including the Medical College, follows the Plan-Confirmation system of payroll distribution reporting. The internal policy, states plan confirmation forms will be completed on an annual basis at the end of the fiscal year and will document the percentage of distribution of effort expended and to be expended in the upcoming year. PwC noted the Medical College did not distribute to applicable employees their Plan Confirmation for the fiscal year ended June 30, 2011 until December 2011.

Status:

No items noted in the current year.

Cornell University
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2012

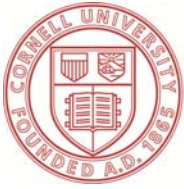
2011 - 4 Compilation of Schedule of Expenditures of Federal Awards

Condition:

In examining the reconciliation of our Student File Listing to the Schedule of Expenditures of Federal Awards it was noted all Federal Direct Loans received by Weill Medical College were excluded from the consolidated Schedule of Expenditures of Federal Awards for the fiscal year 2006 through 2010. We determined based upon available information that the SFA Cluster and total Federal Direct Loans were under-reported in the amount of \$43,285,730 (\$11,487,782 in FY 2010, \$11,017,848 in FY 2009, \$7,719,831 in FY 2008, \$7,037,777 in FY 2007, and \$6,022,492 in FY 2006).

Status:

No items noted in the current year.



Cornell University
Division of
Financial Affairs

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Management Views and Corrective Action Plan
Year Ended June 30, 2012

The following findings were noted during the audit of Federal programs in accordance with OMB Circular A-133. Management of Cornell University agrees with these findings and proposes the following Corrective Action Plans:

Finding Number 2012-1: Net Assets Classification - Weill Cornell Medical College (WCMC)

Summary of Finding:

During the audit of contributions revenue and net assets released from restriction, the auditors noted exceptions in testing which resulted in management making two audit adjustments recorded as follows:

- Cash Contributions - During the testing of contributions, the auditors identified certain contributions with donor restrictions inappropriately recorded as unrestricted ("UR") net assets. While WCMC abides by the policy of simultaneous release for any temporarily restricted ("TR") gifts where the purpose restriction is met and the funds are spent within the same fiscal year, several of our testing selections did not meet the simultaneous release criteria however had been recorded as UR contribution revenue during fiscal 2012. Upon further review by management of the entire population of contributions, fiscal year 2012 gifts were identified as being improperly recorded as UR net assets. Based on the auditors' findings, management adjusted the consolidated financial statements for fiscal year 2012 to decrease UR contribution revenue and increased TR contribution revenue.
- Net assets released from restriction - During the testing of net assets released from restriction, the audit identified certain releases relating to permanently restricted ("PR") endowment gifts that were incorrectly recorded. The engagement team brought these exceptions to the attention of management, who then identified the cause of these improper releases. The issue was the result of endowed gifts initially being incorrectly recorded as TR net assets within WCMC's SAP general ledger system prior to being transferred off the WCMC books to Ithaca (where all endowment assets reside). For each of these transactions SAP calculated an improper release from restriction to UR net assets, thereby overstating UR net assets and understating TR net assets. Management reviewed the entire population of fiscal year 2012 net assets released from restriction in order to identify a full population of amounts improperly released, which resulted in an audit adjustment. Additionally, as these improper releases were triggered by the SAP system, management also went back to review and identify the total improper release amounts from fiscal year 2009- fiscal year 2011 (as SAP was implemented on January 1, 2009), which resulted in an additional audit (and out-of-period) adjustment. In total, management recorded an adjustment to decrease net assets released from restriction in fiscal year 2012 (effectively decreasing UR net assets and increasing TR net assets).

The auditors recommended that the finance department implement and communicate a formal policy to both the WCMC development and finance offices to review supporting documentation for contributions and to ensure such contributions are appropriately classified as UR, TR or PR net assets. In addition, it was recommended that management review its existing procedures to determine a more appropriate process for recording of entries for such transactions to eliminate the multiple transactions and simplify the process. Lastly, it was recommended

that management implement formal periodic reviews (i.e., quarterly or monthly) of the net asset classification within contributions revenue and net assets released from restrictions.

Corrective Action Plan:

- Education/training
 - The SAP rationale and method for gift categorization have now been communicated to the staffs of both the Finance and Development Offices. A standing bi-weekly meeting has been established between the two departments. As part of these meetings, the SAP classifications system as it pertains to external financial reporting for all types of contributions has been discussed and reviewed. The meeting also serves to identify and remedy related issues as they arise.
- Business processes/controls
 - The business processes/controls for Finance Office review of all gift transmittals from Development have been changed as of September 20, 2012. All gifts in excess of \$50,000 now require additional review and sign off by either the controller or assistant controller. In addition, the chart of accounts related to contributions has been reviewed, edited, and updated to reduce the risk of errors in coding restrictions.
- Technology
 - Finally, the Finance Department worked with the Information Technologies & Services Department (“ITS”) to implement front-end edit checks in SAP, which prevents posting of journal entries mismatching restriction classifications between funds and GL accounts. This was completed in October, 2012.

Responsible Individual: Joseph Schwartz
Controller, Weill Cornell Medical College

Finding Number 2012–2: Non-Compliance with Calculation of Return of Title IV Funds

Summary of Finding:

In accordance with 34 CFR 668.22 (a)(1) when a recipient of title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of title IV grant or loan assistance that the student earned as of the student's withdrawal date. In accordance with 34 CFR section 668.173(b), returns of Title IV funds are required to be returned to the Education Department (ED) or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 45 days after the institution determined the student withdrew or the date on the canceled check shows the check was endorsed more than 60 days after the date the institution determined that the student withdrew.

In examining a sample size of 60 students (55 - Ithaca Campus and 5 - Weill Medical Campus), the auditors noted three instances within the Law School and the Johnson School of Management, in which the calculation of the unearned funds to be returned was not appropriately performed per 34 CFR section 668.22 (e). As a result of errors noted in testing, the auditors requested University Audit assist in testing the remaining population within the Johnson School of Management and Law School to ensure the dates of withdrawal and refund calculations were correctly performed for each student who withdrew. Based on their testing results it was identified that an

