

The University of Michigan
Reports on Federal Awards in Accordance
with OMB Circular A-133
For the Year Ended June 30, 2011
EIN 38-6006309

The University of Michigan

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Report of Independent Auditors

The Regents of the University of Michigan

In our opinion, the accompanying consolidated statement of net assets and the related consolidated statement of revenues, expenses and changes in net assets and cash flows, present fairly, in all material respects, the financial position of the University of Michigan (the "University") at June 30, 2011 and 2010, and its consolidated revenues, expenses and changes in its net assets and its cash flows for the years 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 audits. We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 audits provide a reasonable basis for our opinion.

The Management's Discussion and Analysis ("MD&A") on pages 3 through 28 is not a required part of the financial statements but is supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the MD&A. However, we did not audit the information and express no opinion on it.



In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2011 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2011. 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 basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2011 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Priscilla A. Cooper LLP

September 12, 2011

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)

Introduction

The following discussion and analysis provides an overview of the financial position of the University of Michigan (the "University") at June 30, 2011 and 2010 and its activities for the three fiscal years ended June 30, 2011. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The University is a comprehensive public institution of higher learning with approximately 59,000 students and 7,100 faculty members on three campuses in southeast Michigan. The University offers a diverse range of degree programs from baccalaureate to post-doctoral levels through 19 schools and colleges, and contributes to the state and nation through related research and public service programs. The University also has a nationally renowned health system which includes three hospitals, 40 health centers, more than 120 outpatient clinics, the University's Medical School and Michigan Health Corporation, a wholly-owned corporation created to pursue joint venture and managed care initiatives. The University, in total, employs approximately 42,000 permanent employees and 12,000 temporary staff.

The University consistently ranks among the nation's top universities by various measures of quality, both in general academic terms, and in terms of strength of offerings in specific academic disciplines and professional subjects. Excellence in research is another crucial element in the University's high ranking among educational institutions. Research is central to the University's mission and permeates its schools and colleges. In addition to the large volume of research conducted within the academic schools, colleges and departments, the University has more than a dozen large-scale research institutes outside the academic units that conduct, in collaboration with those units, full-time research focused on long-term interdisciplinary matters. The University's Health System also has a tradition of excellence in teaching, advancement of medical science and patient care, consistently ranking among the best health care systems in the nation.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Financial Highlights

The University's financial position remains strong, with assets of \$15.6 billion and liabilities of \$4.7 billion at June 30, 2011, compared to assets of \$13.8 billion and liabilities of \$4.5 billion at June 30, 2010. Net assets, which represent the residual interest in the University's assets after liabilities are deducted, totaled \$10.9 billion at June 30, 2011 as compared to \$9.3 billion at June 30, 2010. Changes in net assets represent the University's results of operations and are summarized for the years ended June 30, 2011 and 2010 as follows:

| | 2011 | 2010 |
|---|-------------------|-----------------|
| | (in millions) | |
| Operating revenues and educational appropriations | \$ 5,186.3 | \$ 4,949.3 |
| Total operating and net interest expenses | 5,463.8 | 5,245.6 |
| | (277.5) | (296.3) |
| Net investment income | 1,633.0 | 796.4 |
| Gifts and other nonoperating revenues, net | 205.8 | 198.3 |
| Increase in net assets | <u>\$ 1,561.3</u> | <u>\$ 698.4</u> |

Net assets increased \$1.6 billion in fiscal 2011 and \$698 million in fiscal 2010 primarily due to net investment income which totaled \$1.6 billion and \$796 million in fiscal 2011 and 2010, respectively.

Operating revenues and educational appropriations increased 5 percent, or \$237 million, while total operating and net interest expenses increased 4 percent, or \$218 million. The results of operations reflect the University's focus on maintaining its national standards academically, in research and in health care in a competitive recruitment environment for faculty and health care professionals. At the same time, the University is addressing declining base state appropriations and rising health care, regulatory and facility costs with aggressive cost cutting and productivity gains to help preserve access to affordable higher education for Michigan families.

Net investment income totaled \$1.6 billion and \$796 million in 2011 and 2010, respectively. The University invests its financial assets in pools with distinct risk and liquidity characteristics based on its needs, with most of its financial assets invested in two such pools. The University's working capital is primarily invested in relatively short duration, liquid assets, while the University's endowment is invested in an equity oriented long-term strategy that greatly benefitted from strong equity market performance last year. The success of this long-term investment strategy is evidenced by strong returns over sustained periods of time.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Using the Financial Statements

The University's financial report includes three financial statements: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles, which establish standards for external financial reporting for public colleges and universities.

Statement of Net Assets

The statement of net assets presents the financial position of the University at the end of the fiscal year and includes all assets and liabilities of the University. The difference between total assets and total liabilities — net assets — is one indicator of the current financial condition of the University, while the change in net assets is an indication of whether the overall financial condition has improved or worsened during the year. A comparison of the University's assets, liabilities and net assets at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|--|---------------|----------|
| | (in millions) | |
| Current assets | \$ 2,095 | \$ 1,789 |
| Noncurrent assets: | | |
| Endowment, life income and other investments | 8,122 | 6,807 |
| Capital assets, net | 5,193 | 4,956 |
| Other | 246 | 267 |
| Total assets | 15,656 | 13,819 |
| Current liabilities | 1,408 | 1,449 |
| Noncurrent liabilities | 3,324 | 3,007 |
| Total liabilities | 4,732 | 4,456 |
| Net assets | \$ 10,924 | \$ 9,363 |

The University continues to maintain and protect its strong financial foundation. This financial health, as reflected in the statement of net assets at June 30, 2011 and 2010, results from the prudent utilization of financial resources including careful cost controls, preservation of endowment funds, conservative utilization of debt and adherence to a long-range capital plan for the maintenance and replacement of the physical plant.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Current assets consist primarily of cash and cash equivalents, operating and capital investments and accounts receivable. Total current assets increased \$306 million, to \$2.1 billion at June 30, 2011, primarily due to increases in cash and investments. Cash, cash equivalents and operating investments totaled \$981 million at June 30, 2011, which represents approximately two months of total expenses excluding depreciation.

Current liabilities consist primarily of accounts payable, accrued compensation, deferred revenue, commercial paper, the current portion of bonds payable and net long-term bonds payable subject to remarketing. Current liabilities totaled \$1.4 billion at June 30, 2011 and 2010.

Endowment, Life Income and Other Investments

The University's endowment, life income and other investments increased \$1.3 billion, to \$8.1 billion at June 30, 2011. This increase primarily resulted from unrealized gains on investments, as well as the receipt of new endowment funds through gifts and transfers, offset by endowment distributions to beneficiary units for operations. The composition of the University's endowment, life income and other investments at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|--|---------------|----------|
| | (in millions) | |
| Endowment investments | \$ 7,835 | \$ 6,564 |
| Life income investments | 105 | 94 |
| Noncurrent portion of insurance and benefits obligations investments | 182 | 149 |
| | \$ 8,122 | \$ 6,807 |

The University's endowment funds consist of both permanent endowments and funds functioning as endowment. Permanent endowments are those funds received from donors with the stipulation that the principal remain inviolate and be invested in perpetuity to produce income that is to be expended for the purposes specified by the donors. Funds functioning as endowment consist of amounts (restricted gifts or unrestricted funds) that have been allocated by the University for long-term investment purposes, but are not limited by donor stipulations requiring the University to preserve principal in perpetuity. Programs supported by endowment funds include scholarships, fellowships, professorships, research efforts and other important programs and activities.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The University uses its endowment funds to support operations in a way that strikes a balance between generating a predictable stream of annual support for current needs and preserving the purchasing power of the endowment funds for future periods. The major portion of the endowment is maintained in the University Endowment Fund, a unitized pool which represents a collection of approximately 7,200 separate (individual) funds, the majority of which are restricted for specific purposes. The University Endowment Fund is invested in the University's Long Term Portfolio, a single diversified investment pool.

The endowment spending rule provides for distributions from the University Endowment Fund to the University entities that benefit from the endowment fund. Commencing with the quarter ending September 30, 2010, the annual distribution rate began to be reduced from 5 percent of the one-quarter lagged seven year moving average fair value of University Endowment Fund assets to 4.5 percent. This change is one element of an ongoing financial management strategy that has allowed the University to effectively weather the recent recession while avoiding drastic measures taken by many of our peer institutions, such as faculty hiring freezes, furloughs, program cuts or halting construction. To avoid negative impacts of this change on near-term budgets, endowment distributions are being managed toward the new rate by keeping quarter to quarter distributions per share unchanged and gradually moving toward the 4.5 percent rate when increases in share value would otherwise result in higher per share distributions. The length of the implementation period will depend on the actual investment returns and resulting changes in share values experienced during the implementation period.

To protect endowment principal in the event of a prolonged market downturn, distributions are limited to 5.3 percent of the current fair value of fund shares. Any capital gains or income generated above the endowment spending rate are reinvested so that in lean times funds will be available for distribution. In addition, departments may also use withdrawals from funds functioning as endowment to support capital expenditures and operations.

Endowment spending rate distributions totaled \$266 million, \$255 million and \$244 million and withdrawals from funds functioning as endowment totaled \$44 million, \$5 million and \$46 million in 2011, 2010 and 2009, respectively. Total spending rate distributions combined with withdrawals from funds functioning as endowment averaged 5.4 percent, 5.1 percent and 5.9 percent of the current year average fair value of the University Endowment Fund for 2011, 2010 and 2009, respectively. Over the past ten years, total spending rate distributions combined with withdrawals from funds functioning as endowment averaged 5.6 percent.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Capital and Debt Activities

One of the critical factors in continuing the quality of the University's academic, research and clinical programs is the development and renewal of capital assets. The University continues to implement its long-range plan to modernize its complement of older facilities, along with balanced investment in new construction.

Capital asset additions totaled \$635 million in 2011, as compared to \$695 million in 2010. Capital asset additions primarily represent replacement, renovation and new construction of academic, research, clinical, athletic and student residence facilities, as well as significant investments in equipment, including information technology. Current year capital asset additions were primarily funded with net assets and gifts designated for capital purposes of \$410 million, as well as debt proceeds of \$224 million and state capital appropriations of \$1 million.

Construction in progress, which totaled \$825 million at June 30, 2011 and \$546 million at June 30, 2010, includes important new facilities for patient care, research, instruction, athletics and student residential life.

At June 30, 2011, construction continues on a new facility for C.S. Mott Children's Hospital and Von Voigtlander Women's Hospital to meet increasing patient demand and accommodate future research, education and clinical care innovations. The new state-of-the art facility will further enhance specialty services for newborns, children and women, not offered anywhere else in Michigan, including programs for Level I pediatric trauma, pediatric liver transplant and craniofacial anomalies as well as high-risk pregnancy and specialty gynecological services. With a clinic building of nine floors and an inpatient building of twelve floors, the new facility will be approximately 1.1 million square feet. Opening in November 2011, the new facility will enable our world-renowned physicians and researchers to deliver world-class care and train tomorrow's generation of women's and children's specialists in the finest health care environment.

Construction projects also continue at the Law School. Legal education has changed considerably since Hutchins Hall, the main classroom and administrative building for the Law School, opened in 1933. Today's law students take a greater number of small classes, interact more with each other and with clients in supervised clinical settings and draw heavily on technology. Located across Monroe Street and south of the Law Quad, a new four-story academic and administrative building is under construction to meet these needs, as well as provide more space for a student body which has more than doubled since the last time the Law School added classroom space. In addition, the new, two-level Robert B. Aikens Commons will occupy the currently unused grassy area between Hutchins Hall and the Legal Research Building. This structure will include a main floor café and a lower level designed to facilitate student meetings and study groups. This project also includes life safety upgrades to Hutchins Hall and the Cook Library. These projects are scheduled to be completed in fiscal 2012.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The renovation of Alice Lloyd Hall is part of the University's residential life initiatives, a comprehensive multi-year plan to improve and expand the student residential experience. Like the deep renovations to Mosher Jordan, Stockwell and Couzens residence halls in previous years, the infrastructure of the building will be thoroughly upgraded, including high-speed network access to renovated bath facilities, accessibility improvements and new plumbing, heating, cooling, ventilation and fire detection and suppression systems. In addition, energy conservation measures will be implemented to improve the energy performance of the overall building, which was originally constructed in 1949. New spaces will be created in the vacated dining areas that are no longer needed since the Hill area Dining Center became operational in Fall 2008. The new and reorganized spaces within the facility will revitalize the residence hall and create spaces for living-learning and academic initiatives, student interaction and creation of community. This project is scheduled to be completed in Summer 2012.

Crisler Arena has only received minor renovations since its construction in 1967 and a significant renovation project is now underway to address its highest priority infrastructure needs. The seats in the lower and upper bowl of this multi-purpose venue will also be replaced, including modifications to meet the requirements of the Americans with Disabilities Act. A 57,000 square foot Player Development Center will also be added to address the need for more functional training and practice space for the men's and women's basketball programs. The Center will connect to the east side of Crisler Arena and house two basketball practice courts, team locker areas, strength and conditioning space, athletic medicine space and coaching and staff offices. These projects are scheduled to be completed in fiscal 2012.

Renovation and expansion projects completed in 2011 include the Couzens Residence Hall and the Thompson Street Parking Structure. The comprehensive renovation of Couzens Residence Hall is part of the University's residential life initiatives to improve the residential facilities on campus and to strengthen the connections between living and learning. The Thompson Street Parking Structure addition is an integral part of the University's strategic plan to replace parking lost on central campus due to various construction projects and to provide for a growth in parking demand. This project added parking and office space to the west side of the existing structure. The expanded parking structure now accommodates 1,049 vehicles, an increase of 273 parking spaces. The office space addition provides 9,000 gross square feet of office and support space for Parking and Transportation Services and the Office of Budget and Planning, which previously utilized leased space.

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Management's Discussion and Analysis (Unaudited)--Continued

In June 2009, the University completed the acquisition of the former Pfizer pharmaceutical research complex for approximately \$114 million, which included liabilities of approximately \$6 million that were assumed as part of the purchase. This investment, which was funded primarily with Health System resources, provides a transformational opportunity for the University to develop and utilize the 30 buildings and nearly 174 acres of land acquired. Known collectively as the North Campus Research Complex ("NCRC"), the nearly 2 million square feet of sophisticated laboratory facilities and administrative space will provide much needed space to help attract new research funding and faculty to the University. The unoccupied portion of the complex is classified as property held for future use and totaled \$54 million and \$84 million at June 30, 2011 and 2010, respectively.

During 2011, \$30 million of the acquired property was placed in service, including two significant laboratory buildings with supporting office space. Significant improvements were not needed to prepare these facilities for occupancy. More than 160 office-based researchers moved to the NCRC to start the Institute for Healthcare Policy and Innovation. Co-location of the many health service research groups currently dispersed throughout the University is beneficial given the interdisciplinary nature of the challenges in health care delivery. More than 500 researchers could eventually join this Institute, with many more engaging virtually, making it one of the nation's largest concentrations of healthcare policy and services researchers.

The University's Office of Technology Transfer and Business Engagement Center relocated to the complex and started a Venture Accelerator which provides a continuous innovation pipeline for faculty to move their ideas from the lab bench into a commercial reality. In addition, several laboratory-based scientific cores initiated satellite activities at the NCRC, including the DNA sequencing core. The first laboratory-based researchers, from the cardiovascular center as well as new recruits to the oncology research program, also moved to the complex.

In aggregate, 300 people moved into the complex during 2011 and thousands more utilized the facilities for conferences and events throughout the year. The NCRC will support the growth of the University's translational research initiatives through the population of office space, laboratories and other facilities over the next several years.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The University takes its financial stewardship responsibility seriously and works hard to manage its financial resources effectively, including the prudent use of debt to finance capital projects. A strong debt rating is an important indicator of the University's success in this area. During April 2011, Moody's Investors Service, Inc. ("Moody's") affirmed its highest credit rating (Aaa) for bonds backed by a broad revenue pledge based on extremely strong credit fundamentals, including significant financial resources, strong market position and consistent operating performance derived from a well diversified revenue base. In May 2011, Standard & Poor's Ratings Services ("Standard & Poor's") also affirmed its highest credit rating (AAA) based on the University's national reputation for academic and research excellence, strong financial resources, positive financial performance, exceptional record of fundraising and manageable debt burden and capital plan. Only two other public universities have received the highest credit ratings from both Moody's and Standard & Poor's.

Long-term debt activity for the year ended June 30, 2011, and the type of revenue it is supported by, is summarized as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---------------------------------|----------------------|---------------|---------------|-------------------|
| | (in millions) | | | |
| Commercial Paper: | | | | |
| General revenues | \$ 87 | \$ 85 | \$ 81 | \$ 91 |
| Bonds and Notes: | | | | |
| General revenues | 1,050 | 220 | 28 | 1,242 |
| Hospital revenues | 300 | | 5 | 295 |
| Faculty Group Practice revenues | 65 | | 3 | 62 |
| Student residences revenues | 2 | | | 2 |
| | <u>\$ 1,504</u> | <u>\$ 305</u> | <u>\$ 117</u> | <u>\$ 1,692</u> |

The University utilizes commercial paper, backed by a general revenue pledge, to provide interim financing for its capital improvement program. Outstanding commercial paper is converted to long-term debt financing, as appropriate, within the normal course of business. At June 30, 2011 and 2010, commercial paper totaled \$91 million and \$87 million, respectively, and is included in current liabilities.

During 2011, consistent with capital and debt financing plans, the University issued \$212.3 million of fixed-rate taxable Build America Bonds (Series 2010D) and \$7.2 million of fixed-rate tax-exempt general revenue bonds (Series 2010E) with a net original issue premium of \$0.5 million. Bond proceeds, which totaled \$220.0 million, were utilized to provide for capital projects and debt issuance costs.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The University maintains a combination of fixed and variable rate debt, which totaled \$1.7 billion and \$1.5 billion at June 30, 2011 and 2010, respectively. The University's fixed and variable rate debt at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|------------------|-----------------|-----------------|
| | (in millions) | |
| Variable rate: | | |
| Commercial paper | \$ 91 | \$ 87 |
| Demand bonds | 747 | 760 |
| Fixed rate bonds | 854 | 657 |
| | <u>\$ 1,692</u> | <u>\$ 1,504</u> |

In 2011, the University continued to increase its mix of fixed rate bonds relative to variable rate demand bonds. While fixed rate bonds typically have a higher effective rate of interest as compared to variable rate demand bonds, they reduce the volatility of required debt service payments and do not require liquidity support, such as letters of credit or guarantees.

Effective interest rates averaged 2.5 percent in 2011 and 2.0 percent in 2010, including the amortization of bond premiums and discounts and net of federal subsidies for interest on taxable Build America Bonds. Interest expense net of federal subsidies received for interest on taxable Build America Bonds and interest capitalized during construction totaled \$26 million in 2011 and \$27 million in 2010, while capitalized interest on debt financed construction in progress totaled \$17.6 million and \$5.6 million in 2011 and 2010, respectively.

The University's variable rate bonds are subject to remarketing and, in accordance with GASB Interpretation No. 1, are classified as current liabilities unless supported by long-term liquidity arrangements, such as lines of credit or standby bond purchase agreements, which could refinance the debt on a long-term basis. In the event that variable rate bonds are put back to the University by the debt holder, management believes that the bonds will be remarketed within a reasonable amount of time. The University's strong credit rating facilitates the remarketing of its debt. In addition, the University maintains three remarketing agents to achieve a wide distribution of its variable rate debt.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Obligations for Postemployment Benefits

In accordance with the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, the University recognizes the cost of postemployment benefits during the periods when employees render their services. Using current actuarial assumptions, and presuming a continuation of the current level of benefits, the University's obligations for postemployment benefits totaled \$1.64 billion and \$1.61 billion at June 30, 2011 and 2010, respectively. Since a portion of retiree medical services will be provided by the University's Health System, this liability is net of the related margin and fixed costs of providing those services which totaled \$239 million and \$199 million at June 30, 2011 and 2010, respectively.

By implementing a series of health benefit initiatives over the past seven years, the University has favorably impacted its actuarial accrued liability for postemployment benefits by approximately \$408 million as of June 30, 2011. These initiatives have included cost sharing changes, elimination of Medicare Part B reimbursements for certain retirees and adjustment of retirement eligibility criteria. At June 30, 2011, the recorded liability for net postemployment benefits obligations totaled \$1.64 billion and the actuarial accrued liability totaled \$1.18 billion. The University amortizes changes in actuarial assumptions, plan design and experience gains and losses over a ten year closed period. Accordingly, the liability for net postemployment benefits obligations recorded in the statement of financial condition differs from the actuarial accrued liability by the unamortized portion of changes in actuarial assumptions, plan design and experience gains and losses.

In accordance with GASB Statement No. 45, the University's net obligations for postemployment benefits at June 30, 2011 do not reflect anticipated Medicare Part D prescription drug subsidies for future years of \$139 million, which will offset a portion of future cash outlays.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Net Assets

Net assets represent the residual interest in the University's assets after liabilities are deducted. The composition of the University's net assets at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|---|---------------|----------|
| | (in millions) | |
| Invested in capital assets, net of related debt | \$ 3,575 | \$ 3,503 |
| Restricted: | | |
| Nonexpendable: | | |
| Permanent endowment corpus | 1,279 | 1,214 |
| Expendable: | | |
| Net appreciation of permanent endowments | 1,312 | 924 |
| Funds functioning as endowment | 1,652 | 1,447 |
| Restricted for operations and other | 503 | 439 |
| Unrestricted | 2,603 | 1,836 |
| | \$ 10,924 | \$ 9,363 |

Net assets invested in capital assets represent the University's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The \$72 million increase reflects the University's continued development and renewal of its capital assets in accordance with its long-range capital plan.

Restricted nonexpendable net assets represent the historical value (corpus) of gifts to the University's permanent endowment funds. The \$65 million increase primarily represents new gifts. Restricted expendable net assets are subject to externally imposed stipulations governing their use. This category of net assets includes net appreciation of permanent endowments, funds functioning as endowment and net assets restricted for operations, facilities and student loan programs. Restricted expendable net assets totaled \$3.5 billion at June 30, 2011, as compared to \$2.8 billion at June 30, 2010.

Although unrestricted net assets are not subject to externally imposed stipulations, all of the University's unrestricted net assets have been designated for various academic and research programs and initiatives, as well as capital projects. Unrestricted net assets at June 30, 2011 and 2010 totaled \$2.6 billion and \$1.8 billion, respectively. At June 30, 2011, unrestricted net assets included funds functioning as endowment of \$3.5 billion offset by unfunded obligations for postemployment benefits of \$1.6 billion. At June 30, 2010, unrestricted net assets included funds functioning as endowment of \$2.9 billion offset by unfunded obligations for postemployment benefits of \$1.6 billion. Unrestricted net assets at June 30, 2011 and 2010 also included other net resources of \$700 million and \$500 million, respectively.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Statement of Revenues, Expenses and Changes in Net Assets

The statement of revenues, expenses and changes in net assets presents the University's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or nonoperating. A comparison of the University's revenues, expenses and changes in net assets for the three years ended June 30, 2011 is summarized as follows:

| | 2011 | 2010 | 2009 |
|---|---------------|------------|------------|
| | (in millions) | | |
| Operating revenues: | | | |
| Student tuition and fees, net of scholarship allowances | \$ 915.7 | \$ 863.9 | \$ 826.3 |
| Sponsored programs | 1,072.9 | 990.3 | 897.3 |
| Patient care revenues, net | 2,411.1 | 2,310.8 | 2,168.5 |
| Other | 378.1 | 372.1 | 344.4 |
| | 4,777.8 | 4,537.1 | 4,236.5 |
| Operating expenses | 5,437.8 | 5,218.8 | 5,042.1 |
| Operating loss | (660.0) | (681.7) | (805.6) |
| Nonoperating and other revenues (expenses): | | | |
| State educational appropriations | 361.9 | 362.1 | 373.8 |
| State fiscal stabilization funds | | 10.1 | |
| Federal Pell grants | 46.7 | 39.9 | 24.9 |
| Private gifts for operating activities | 127.8 | 105.2 | 96.5 |
| Net investment income (loss) | 1,633.0 | 796.4 | (1,851.9) |
| Interest expense, net | (33.1) | (30.0) | (25.1) |
| Federal subsidies for interest on Build America Bonds | 7.1 | 3.3 | |
| State capital appropriations | 0.8 | 2.0 | 12.2 |
| Endowment and capital gifts and grants | 82.3 | 88.7 | 88.4 |
| Other | (5.2) | 2.4 | (1.6) |
| Nonoperating and other revenues (expenses), net | 2,221.3 | 1,380.1 | (1,282.8) |
| Increase (decrease) in net assets | 1,561.3 | 698.4 | (2,088.4) |
| Net assets, beginning of year | 9,363.0 | 8,664.6 | 10,753.0 |
| Net assets, end of year | \$ 10,924.3 | \$ 9,363.0 | \$ 8,664.6 |

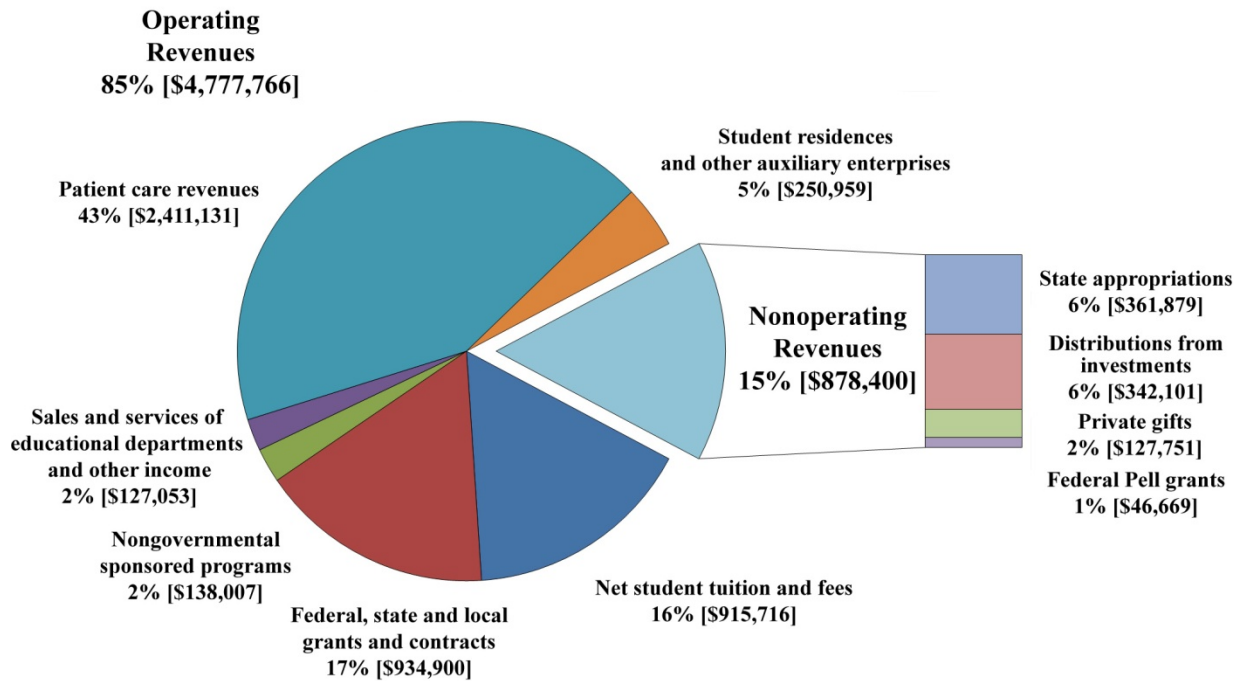
One of the University's greatest strengths is the diverse streams of revenue that supplement its student tuition and fees, including private support from individuals, foundations and corporations, along with government and other sponsored programs, state appropriations and investment income. The University continues to aggressively seek funding from all possible sources consistent with its mission in order to supplement student tuition and prudently manage the financial resources realized from these efforts to fund its operating activities.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The following is a graphic illustration of revenues by source, both operating and nonoperating, which are used to fund the University's operating activities for the year ended June 30, 2011 (amounts are presented in thousands of dollars). Significant recurring sources of the University's revenues are considered nonoperating, as defined by GASB, such as state appropriations, distributions from investments, private gifts and federal Pell grants.

Fiscal Year 2011 Revenues for Operating Activities

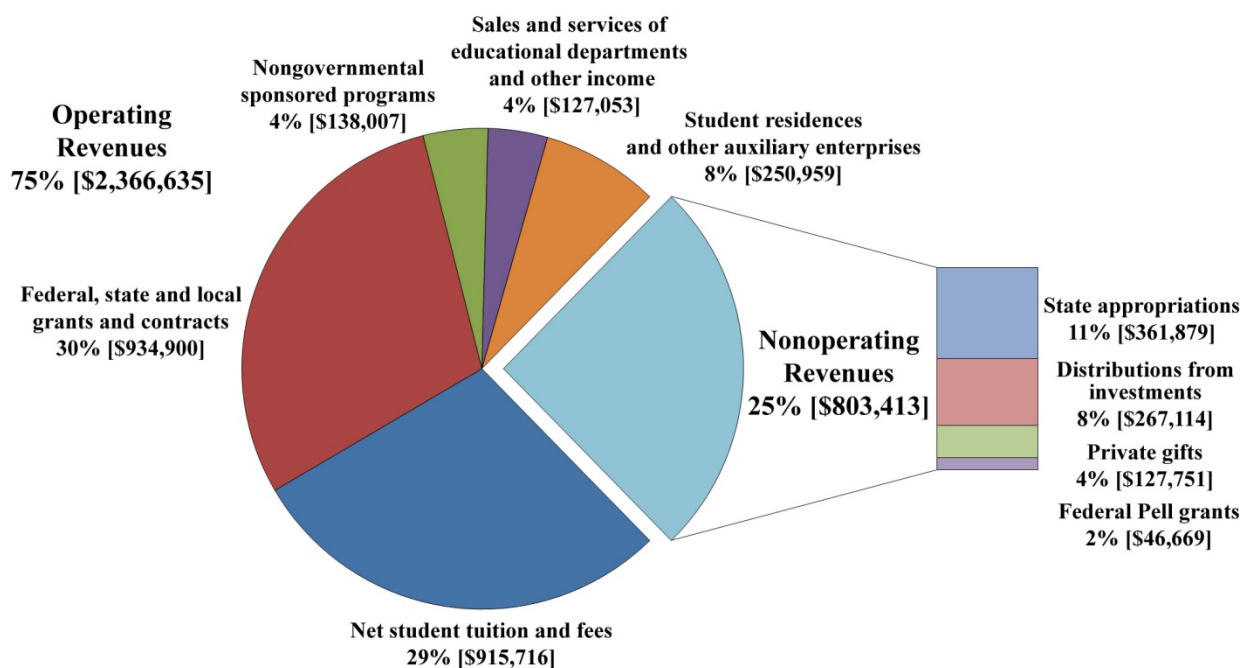


THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The University measures its performance both for the University as a whole and for the University without its Health System and other similar activities. The exclusion of the Health System allows a clearer view of the operations of the schools and colleges, as well as central administration. The following is a graphic illustration of University revenues by source, both operating and nonoperating, which are used to fund operating activities other than the Health System, for the year ended June 30, 2011 (amounts are presented in thousands of dollars).

**Fiscal Year 2011 Revenues for Operating Activities
Excluding Revenues from the University's Health System**



Tuition and state appropriations are the primary sources of funding for the University's academic programs. There is a relationship between the growth or reduction in state support and the University's ability to restrain tuition fee increases. Together, net student tuition and fees and base state appropriations increased 4 percent, or \$52 million, to \$1.3 billion in 2011, as compared to 2 percent, or \$26 million, to \$1.2 billion in 2010.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Downturns in state of Michigan tax revenues continue to put pressure on the state budget and base state educational appropriations continue to be constrained, decreasing 3 percent, or \$12 million, over the past two years, to \$362 million in 2011.

To maintain academic excellence and offset constrained base state appropriations, net student tuition and fees revenue increased 11 percent, or \$89 million, over the past two years. For the three years ended June 30, 2011, net student tuition and fees revenue consisted of the following components:

| | 2011 | 2010 | 2009 |
|--------------------------|-----------------|-----------------|-----------------|
| | (in millions) | | |
| Student tuition and fees | \$ 1,177.9 | \$ 1,097.5 | \$ 1,029.2 |
| Scholarship allowances | (262.2) | (233.6) | (202.9) |
| | <u>\$ 915.7</u> | <u>\$ 863.9</u> | <u>\$ 826.3</u> |

In 2011, net student tuition and fees revenue increased 6 percent, or \$52 million, to \$916 million, which reflects a 7 percent, or \$80 million, increase in gross tuition and fee revenues offset by a 12 percent, or \$28 million increase in scholarship allowances. Tuition rate increases in 2011 were 1.5 percent for resident undergraduate students, 3.0 percent for nonresident undergraduate students and 2.8 percent for most graduate students on the Ann Arbor campus, with a 3.9 percent tuition rate increase for all undergraduates and 2.9 percent increase for most graduate students on the Dearborn campus, and a 3.9 percent tuition rate increase for most undergraduate students on the Flint campus. The University also experienced significant growth in the number of students.

In 2010, net student tuition and fees revenue increased 5 percent, or \$38 million, to \$864 million, which reflects a 7 percent, or \$68 million, increase in gross tuition and fee revenues offset by a 15 percent, or \$30 million increase in scholarship allowances. Tuition rate increases in 2010 were 5.6 percent for all undergraduate and most graduate students on the Ann Arbor campus, with a 6.7 percent tuition rate increase for all undergraduates and 3.1 percent increase for most graduate students on the Dearborn campus, and a 6.5 percent tuition rate increase for most undergraduate students on the Flint campus. The University also experienced modest growth in the number of students.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Despite constrained base state appropriations, the University's tuition increases have been among the lowest in the state and in the Big Ten, which reflects a commitment to affordable higher education for Michigan families. At the same time, the University has also increased scholarship allowances and scholarship and fellowship expenses, to benefit students in financial need.

In 2010, the University received \$10 million from the State Fiscal Stabilization Fund program, a one-time appropriation under the American Recovery and Reinvestment Act of 2009. The U. S. Department of Education awarded state governors funds in exchange for a commitment to advance essential education reforms to benefit students from early learning through post-secondary education, including college. These funds were also awarded to help stabilize state and local government budgets in order to minimize and avoid reductions in education and other essential public services. The University used its allocation to provide financial aid to resident students.

While tuition and state appropriations fund a large percentage of University costs, private support is becoming increasingly essential to the University's academic distinction. Private gifts for other than capital and permanent endowment purposes totaled \$128 million in 2011, as compared to \$105 million in 2010 and \$97 million in 2009.

The University receives revenues for sponsored programs from various government agencies and private sources, which normally provide for both direct and indirect costs to perform these sponsored activities. Revenues for sponsored programs increased 8 percent, or \$83 million, to \$1.1 billion in 2011, as compared to an increase of 10 percent, or \$93 million, to \$1.0 billion in 2010. A significant portion of the University's sponsored programs revenues relate to federal research and its growth in 2011 and 2010 is due in large part to federal stimulus funds from the American Recovery and Reinvestment Act of 2009, which totaled \$128 million in 2011 and \$60 million in 2010.

Patient care revenues are principally generated within the University's hospitals and ambulatory care facilities under contractual arrangements with governmental payers and private insurers. Patient care revenues increased 4 percent, or \$100 million, to \$2.4 billion in 2011, as compared to an increase of 7 percent, or \$142 million, to \$2.3 billion in 2010. The increased revenues for both years primarily resulted from a growth in both outpatient and inpatient volume, as well as increased reimbursement rates from third party payers.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Net investment income totaled \$1.6 billion in 2011, as compared to net investment income of \$796 million and net investment loss of \$1.9 billion in 2010 and 2009, respectively. During 2011 and 2010, financial markets recovered from the impact of the global financial crisis in 2009. Equity and equity related investments across global markets performed particularly well in 2011, which helped the performance of the University's investment portfolio where all asset classes except fixed income and cash had double digit positive returns. In addition, the real estate segment of the University's investment portfolio experienced positive returns in 2011, after losses in 2010 and 2009.

In 2009, the financial market turmoil that followed the banking crisis in 2008 resulted in broad losses across the University's public and private equity and equity-like investments, with the largest losses occurring in areas that had experienced the greatest gains in the years preceding the crisis, such as real estate, energy and other alternative investments. Despite the losses in 2009, these assets remain the University's highest performing investments over longer time periods.

The University's endowment investment policies are designed to maximize long-term total return, while its income distribution policy is designed to preserve the value of the endowment and generate a predictable stream of spendable income.

Private gifts for permanent endowment purposes totaled \$57 million in 2011, as compared to \$60 million in 2010 and \$61 million in 2009. Capital gifts and grants totaled \$25 million in 2011, as compared to \$29 million in 2010 and \$28 million in 2009. Over the past three years, major capital gifts have been received in support of the University's wide-ranging building initiatives, which include the Health System, Intercollegiate Athletics, Law School and College of Engineering.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

In addition to revenue diversification, the University continues to make cost containment an ongoing priority. This is necessary as the University continues to face significant financial pressures, particularly in the areas of compensation and benefits, which represent 66 percent of total expenses, as well as in the areas of energy, technology and ongoing maintenance of facilities and infrastructure.

A comparative summary of the University's expenses for the three years ended June 30, 2011 is as follows (amounts in millions):

| | 2011 | | 2010 | | 2009 | |
|------------------------------|------------|------|------------|------|------------|------|
| Operating: | | | | | | |
| Compensation and benefits | \$ 3,633.8 | 66% | \$ 3,529.3 | 66% | \$ 3,390.5 | 66% |
| Supplies and services | 1,299.6 | 24 | 1,215.6 | 24 | 1,203.0 | 24 |
| Depreciation | 390.1 | 7 | 360.1 | 7 | 341.5 | 7 |
| Scholarships and fellowships | 114.3 | 2 | 113.8 | 2 | 107.1 | 2 |
| | 5,437.8 | 99 | 5,218.8 | 99 | 5,042.1 | 99 |
| Nonoperating: | | | | | | |
| Interest, net | 26.0 | 1 | 26.7 | 1 | 25.1 | 1 |
| | \$ 5,463.8 | 100% | \$ 5,245.5 | 100% | \$ 5,067.2 | 100% |

The University is committed to recruiting and retaining outstanding faculty and staff and the compensation package is one way to successfully compete with peer institutions and nonacademic employers. The resources expended for compensation and benefits increased 3 percent, or \$105 million, to \$3.6 billion in 2011, as compared to a 4 percent, or \$139 million increase, to \$3.5 billion in 2010. Of the 2011 increase, compensation increased 4 percent, to \$2.8 billion, and employee benefits increased less than 1 percent, to \$854 million. For 2010, compensation increased 5 percent, to \$2.7 billion, and employee benefits increased 3 percent, to \$851 million.

Health care benefits are one of the most significant employee benefits. Over the past several years, the University has implemented initiatives to better control its rate of increase, encourage employees to choose the lowest cost health care plan that meets their needs and share a larger portion of health care cost increases with employees.

Compared to most employers, the University is in a unique position to utilize internal experts to advise and guide its health care and drug plans. For example, the University utilizes a Pharmacy Benefits Advisory Committee, which consists of internal experts including Health System physicians, School of Pharmacy faculty and an on-staff pharmacist, to monitor the safety and effectiveness of covered medications as well as to optimize appropriate prescribing, dispensing and cost effective use of prescription drugs. The University also actively promotes and manages generic drug utilization and has achieved a 76 percent generic dispensing rate in 2011, as compared to 72 percent in 2010 and 71 percent in 2009.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The University continues to utilize its nationally recognized health policy experts to guide future health plan strategies. After careful review, a series of changes are being implemented to help the University maintain competitive active and retiree benefits while helping control the growth in costs.

During 2011, the University announced changes to eligibility requirements for retiree health benefits and the related amount of the University's contributions. These changes are based on the work of a committee on retiree health benefits that was formed to propose a means to maintain competitive retiree health benefits while helping address the acceleration of health benefits costs for current and future retirees and their dependents. To assist current employees with the transition, changes will be phased in gradually over the eight year period January 1, 2013 through January 1, 2021.

Commencing January 1, 2013, the University will use a point system to determine retirement eligibility, where points represent the combination of age and years of service for full-time employees. The points needed for retirement will total 76 in 2013 and gradually be increased to 80 by 2021. During this time period, the University's contributions towards health care benefits for employees who retire in each of these years will gradually be reduced. Employees who retire after December 31, 2020 will need a minimum of twenty years of service to receive the maximum retiree health benefit contribution. Specifically, the University's contributions towards health care benefits will decrease from 87.5 percent for the retiree and 65 percent for any dependents for those employees who retire in 2013 to a maximum of 80 percent for the retiree and 50 percent for any dependents for those employees who retire in 2021. For new hires, the maximum University contribution upon retirement with twenty or more years of service will be 68 percent for the retiree and 26 percent for any dependents, commencing in 2013. These adjustments will keep the University's retiree benefits competitive with peer institutions while producing an estimated \$9 million reduction in annual cash outlay by 2020 and an estimated \$165 million reduction in annual cash outlay by 2040.

Effective January 1, 2010, the University commenced a new health benefits cost sharing program which is being phased in over two years. Once fully implemented, the University's overall contribution toward the health care of employees, retirees and dependents will be 70 percent of the total cost of premiums, co-pays and deductibles. Down from the current 80 percent overall contribution, the new target is more in line with average contributions of peer universities and health systems. The percentage applied to each individual depends on the plan choice and whether dependents are covered. Under the new structure, contribution amounts will be based on salary bands which are designed to lessen the impact on lower paid employees and retirees. In addition, the University's health premium contribution for part-time employees working between 20 and 31 hours per week will be reduced from 100 percent to 80 percent of the contribution made for full-time staff in the lowest salary band. Once fully implemented, these changes are expected to reduce the University's annual cash outlay for health care expenses by approximately \$31 million.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

In addition, beginning January 1, 2010, newly hired faculty and staff are subject to a one year waiting period before receiving the University's ten percent retirement savings plan contribution. This change results in annual savings of approximately \$11 million.

The MHealthy initiative is a campus-wide effort to improve the health and well-being of faculty, staff and their dependents. During 2011, more than 20,000 employees participated in the MHealthy rewards program by completing a health risk assessment and at least one qualifying health and wellness program. Over 75 percent of all benefits-eligible employees have participated in at least one health risk assessment between 2009 and 2011. Data gathered from these assessments, as well as from aggregate medical claims, is used to monitor progress in addressing the greatest areas of community health risk.

These initiatives and programs reflect the reality of the national landscape, while remaining true to the commitment we make to our employees for a robust benefits package.

Supplies and services expenses increased 7 percent, or \$84 million, to \$1.3 billion in 2011, as compared to an increase of 1 percent, or \$13 million, to \$1.2 billion in 2010. The increases in 2011 and 2010 are primarily due to increases in patient care and sponsored research activities offset by aggressive cost cutting and productivity gains.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

In addition to their natural (object) classification, it is also informative to review operating expenses by function. A comparative summary of the University's expenses by functional classification for the three years ended June 30, 2011 is as follows (amounts in millions):

| | 2011 | | 2010 | | 2009 | |
|-------------------------------------|------------|------|------------|------|------------|------|
| Operating: | | | | | | |
| Instruction | \$ 853.1 | 16% | \$ 850.6 | 16% | \$ 820.3 | 16% |
| Research | 733.5 | 13 | 679.5 | 13 | 622.6 | 12 |
| Public service | 131.5 | 2 | 135.8 | 2 | 126.5 | 2 |
| Institutional and academic support | 486.3 | 9 | 485.0 | 9 | 485.2 | 10 |
| Auxiliary enterprises: | | | | | | |
| Patient care | 2,285.2 | 42 | 2,182.7 | 42 | 2,112.4 | 42 |
| Other | 168.5 | 3 | 145.3 | 3 | 148.6 | 3 |
| Operations and maintenance of plant | 275.3 | 5 | 266.0 | 5 | 277.9 | 5 |
| Depreciation | 390.1 | 7 | 360.1 | 7 | 341.5 | 7 |
| Scholarships and fellowships | 114.3 | 2 | 113.8 | 2 | 107.1 | 2 |
| | 5,437.8 | 99 | 5,218.8 | 99 | 5,042.1 | 99 |
| Nonoperating: | | | | | | |
| Interest, net | 26.0 | 1 | 26.7 | 1 | 25.1 | 1 |
| | \$ 5,463.8 | 100% | \$ 5,245.6 | 100% | \$ 5,067.2 | 100% |

Instruction and public service expenses increased 4 percent, or \$38 million, to \$985 million in 2011, from \$947 million in 2009. This increase is consistent with the modest level of growth in the related revenue sources offset by cost containment efforts.

To measure its total volume of research expenditures, the University considers research expenses, included in the above table, as well as research related facilities and administrative expenses, research initiative and start-up expenses and research equipment purchases. These amounts aggregated \$1.2 billion in 2011, as compared to \$1.1 billion in 2010 and \$1.0 billion in 2009. This represents an increase of 22 percent, or \$220 million, from 2009 to 2011 and includes the impact of stimulus funds from the American Recovery and Reinvestment Act of 2009.

Patient care expenses increased 8 percent, or \$173 million, to \$2.3 billion in 2011, from \$2.1 billion in 2009. This increase is the result of increased patient activity, including costs of medical supplies and pharmaceuticals.

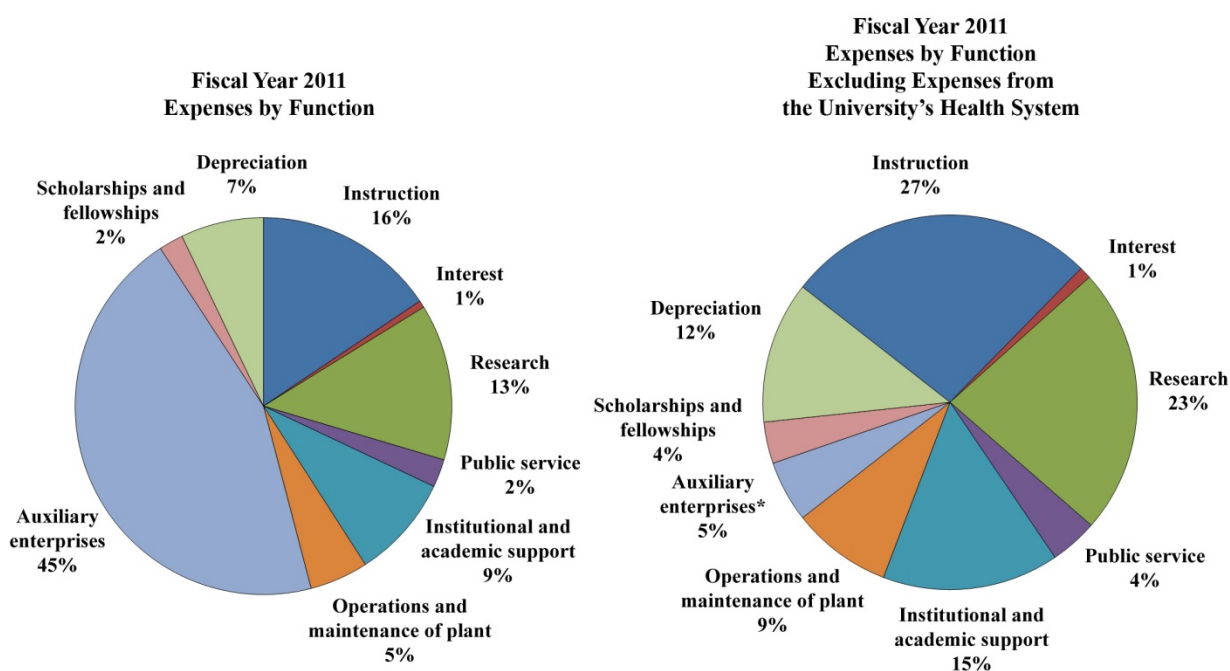
THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Total scholarships and fellowships provided to students aggregated \$395 million in 2011, as compared to \$365 million in 2010 and \$327 million in 2009, an increase of 21 percent over the past two years. Tuition, housing and fees revenues are reported net of aid applied to students' accounts, while amounts paid directly to students are reported as scholarship and fellowship expense. Scholarships and fellowships for the three years ended June 30, 2011 are summarized as follows:

| | 2011 | 2010 | 2009 |
|-------------------------------|-----------------|-----------------|-----------------|
| | (in millions) | | |
| Paid directly to students | \$ 114.3 | \$ 113.8 | \$ 107.1 |
| Applied to tuition and fees | 262.2 | 233.6 | 202.9 |
| Applied to University Housing | 18.2 | 17.4 | 16.5 |
| | <u>\$ 394.7</u> | <u>\$ 364.8</u> | <u>\$ 326.5</u> |

The following graphic illustrations present total expenses by function, with and without the University's Health System and other similar activities:



* Excludes expenses from the University's Health System of \$2.3 billion

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Statement of Cash Flows

The statement of cash flows provides additional information about the University's financial results by reporting the major sources and uses of cash. A comparative summary of the statement of cash flows for the years ended June 30, 2011 and 2010 is as follows:

| | 2011 | 2010 |
|---|-----------------|-----------------|
| | (in millions) | |
| Cash received from operations | \$ 4,806.5 | \$ 4,522.9 |
| Cash expended for operations | (5,020.5) | (4,819.8) |
| Net cash used in operating activities | (214.0) | (296.9) |
| Net cash provided by investing activities | 176.5 | 212.0 |
| Net cash used in capital and related financing activities | (441.7) | (658.7) |
| Net cash provided by noncapital financing activities | 601.1 | 579.8 |
| Net increase (decrease) in cash and cash equivalents | 121.9 | (163.8) |
| Cash and cash equivalents, beginning of year | 194.6 | 358.4 |
| Cash and cash equivalents, end of year | <u>\$ 316.5</u> | <u>\$ 194.6</u> |

Cash received from operations primarily consists of student tuition, sponsored program grants and contracts and patient care revenues. Significant sources of cash provided by noncapital financing activities, as defined by GASB, include state appropriations, state fiscal stabilization funds, federal Pell grants and private gifts used to fund operating activities.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

Economic Factors That Will Affect the Future

The University continues to face significant financial challenges to its academic programs, stemming from the State's uncertain financial circumstances. Given the continuation of this difficult economic environment, it is noteworthy that the University maintains the highest credit ratings of Moody's (Aaa) and Standard & Poor's (AAA). Achieving and maintaining the highest credit ratings provides the University a high degree of flexibility in securing capital funds on the most competitive terms. This flexibility, along with ongoing efforts toward revenue diversification and cost containment, will enable the University to provide the necessary resources to support a consistent level of excellence in service to students, patients, the research community, the state and the nation.

A crucial element to the University's future continues to be a strong relationship with the state of Michigan. Historically, there has been a relationship between the growth, or reduction, of state support and the University's ability to control tuition increases. Over the past several years, the University has successfully addressed the realities of the state's difficult economy and, pursuant to a long-range plan, continues to work relentlessly to cut and mitigate operational costs in order to remain affordable and preserve access, while protecting the academic enterprise.

In fiscal 2012, the University faces a 15 percent, \$54 million, reduction in state appropriations, the largest cut in state appropriations in the University's history. The Board of Regents has approved a budget for fiscal 2012 that fully absorbs this significant reduction in state appropriations while limiting the financial burden for students. Resident undergraduate tuition on the Ann Arbor campus will increase 6.7 percent and the University maintains a commitment to meet the full demonstrated financial need of resident undergraduate students with a 10.9 percent increase in centrally awarded financial aid for undergraduates. Resident undergraduate tuition on the Dearborn and Flint campuses will increase 6.9 percent and 6.8 percent, respectively. The University has been able to avoid the severe cuts and double-digit tuition increases experienced by institutions around the country because of its prudent long-term plan.

The University continues to execute its long-range plan to modernize and expand its complement of older facilities while adding key new facilities for instruction, research, patient care and residential life. This strategy addresses the University's growth and the continuing effects of technology on teaching, clinical and research activities. Authorized costs to complete construction and other projects totaled \$623 million at June 30, 2011. Funding for these projects is anticipated to include \$573 million from gifts, grants and net assets designated for capital purposes as well as future borrowings and \$50 million from the utilization of unexpended debt proceeds. Economic pressures are expected to affect the State's future support.

THE UNIVERSITY OF MICHIGAN

Management's Discussion and Analysis (Unaudited)--Continued

The University's investment in the North Campus Research Complex is expected to result in significant economic benefits for both the University and the surrounding region by making strategic use of University resources and strengthening Michigan's life sciences industry. When fully developed, this complex could enable the University to create up to 3,000 new faculty and staff positions. Approximately 500 researchers and staff will move to the complex in 2012.

While the University's Hospitals and Health Centers are well positioned to maintain a strong financial position in the near term, ongoing constraints on revenue are expected due to fiscal pressures from employers and federal and state governments. Management believes that much of the payment pressure can be offset by growth in patient volume and continued efforts to contain certain costs.

The University will continue to employ its long-term investment strategy to maximize total returns, at an appropriate level of risk, while utilizing a spending rate policy to preserve endowment capital and insulate the University's operations from temporary market volatility.

As a labor-intensive organization, the University faces competitive pressures related to attracting and retaining faculty and staff. Moreover, consistent with the national landscape, the cost of the University's health benefits for its employees and retirees has increased dramatically over the past several years, with the increasing cost of medical care and prescription drugs of particular concern. To address these challenges, the University has successfully taken and will continue to take proactive steps to respond to the challenges of rising costs while protecting the quality of the overall benefit package.

U.S. health care reform will also influence benefits planning. Since the Affordable Care Act was signed into law in March 2010, new regulatory requirements will affect health plans, providers and employers alike. The implementation of the changes has begun and will span several years into the future, with most changes taking place by 2014. University experts are diligently reviewing and assessing the short and long-term impacts on our health plans and our health system to develop clear strategies and options for the future that will ensure compliance over the coming years of regulatory change. The University is also considering the benefits of a member engagement health plan design, which would include incentives for members to engage in health and well-being activities.

While it is not possible to predict the ultimate results, management believes that the University's financial condition will remain strong.

THE UNIVERSITY OF MICHIGAN
Consolidated Statement of Net Assets

| | June 30, | |
|--|----------------------|----------------------|
| | 2011 | 2010 |
| | (in thousands) | |
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 316,534 | \$ 194,645 |
| Operating investments | 664,197 | 572,374 |
| Investments for capital activities | 369,687 | 305,386 |
| Investments for student loan activities | 50,162 | 41,033 |
| Accounts receivable, net | 452,611 | 461,622 |
| Current portion of notes and pledges receivable, net | 58,586 | 57,960 |
| Current portion of prepaid expenses and other assets | 82,435 | 52,468 |
| Cash collateral held by agent | 100,600 | 103,500 |
| Total Current Assets | 2,094,812 | 1,788,988 |
| Noncurrent Assets: | | |
| Endowment, life income and other investments | 8,122,450 | 6,807,012 |
| Notes and pledges receivable, net | 194,359 | 211,642 |
| Prepaid expenses and other assets | 51,340 | 55,158 |
| Capital assets, net | 5,193,173 | 4,956,457 |
| Total Noncurrent Assets | 13,561,322 | 12,030,269 |
| Total Assets | \$ 15,656,134 | \$ 13,819,257 |
| Liabilities and Net Assets | | |
| Current Liabilities: | | |
| Accounts payable | \$ 167,153 | \$ 173,923 |
| Accrued compensation and other | 367,769 | 330,042 |
| Deferred revenue | 193,801 | 184,422 |
| Current portion of insurance and benefits reserves | 72,539 | 66,103 |
| Current portion of obligations for postemployment benefits | 53,638 | 51,629 |
| Commercial paper and current portion of bonds payable | 147,553 | 122,581 |
| Long-term bonds payable subject to remarketing, net | 274,895 | 384,550 |
| Collateral held for securities lending | 100,600 | 103,500 |
| Deposits of affiliates and others | 30,439 | 32,656 |
| Total Current Liabilities | 1,408,387 | 1,449,406 |
| Noncurrent Liabilities: | | |
| Accrued compensation | 70,190 | 71,610 |
| Insurance and benefits reserves | 93,337 | 89,169 |
| Obligations for postemployment benefits | 1,583,014 | 1,556,479 |
| Obligations under life income agreements | 46,219 | 49,245 |
| Government loan advances | 90,904 | 88,555 |
| Bonds payable | 1,270,017 | 996,771 |
| Deposits of affiliates and other | 169,804 | 155,034 |
| Total Noncurrent Liabilities | 3,323,485 | 3,006,863 |
| Total Liabilities | 4,731,872 | 4,456,269 |
| Net Assets: | | |
| Invested in capital assets, net of related debt | 3,574,878 | 3,502,716 |
| Restricted: | | |
| Nonexpendable | 1,279,058 | 1,213,962 |
| Expendable | 3,467,232 | 2,810,016 |
| Unrestricted | 2,603,094 | 1,836,294 |
| Total Net Assets | 10,924,262 | 9,362,988 |
| Total Liabilities and Net Assets | \$ 15,656,134 | \$ 13,819,257 |

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

THE UNIVERSITY OF MICHIGAN

**Consolidated Statement of Revenues, Expenses
and Changes in Net Assets**

| | Year Ended June 30, | |
|--|----------------------|---------------------|
| | 2011 | 2010 |
| | (in thousands) | |
| Operating Revenues | | |
| Student tuition and fees | \$ 1,177,897 | \$ 1,097,450 |
| Less scholarship allowances | 262,181 | 233,598 |
| Net student tuition and fees | 915,716 | 863,852 |
| Federal grants and contracts | 930,436 | 844,026 |
| State and local grants and contracts | 4,464 | 6,199 |
| Nongovernmental sponsored programs | 138,007 | 140,087 |
| Sales and services of educational departments | 124,235 | 139,992 |
| Auxiliary enterprises: | | |
| Patient care revenues (net of provision for bad debts of \$89,466 in 2011 and \$78,513 in 2010) | 2,411,131 | 2,310,770 |
| Student residence fees (net of scholarship allowances of \$18,212 in 2011 and \$17,441 in 2010) | 90,232 | 85,725 |
| Other revenues | 160,727 | 143,666 |
| Student loan interest income and fees | 2,818 | 2,758 |
| Total Operating Revenues | 4,777,766 | 4,537,075 |
| Operating Expenses | | |
| Compensation and benefits | 3,633,765 | 3,529,271 |
| Supplies and services | 1,299,651 | 1,215,684 |
| Depreciation | 390,071 | 360,089 |
| Scholarships and fellowships | 114,316 | 113,753 |
| Total Operating Expenses | 5,437,803 | 5,218,797 |
| Operating loss | (660,037) | (681,722) |
| Nonoperating Revenues (Expenses) | | |
| State educational appropriations | 361,879 | 362,147 |
| State fiscal stabilization funds | | 10,136 |
| Federal Pell grants | 46,669 | 39,905 |
| Private gifts for other than capital and endowment purposes | 127,751 | 105,167 |
| Net investment income | 1,632,968 | 796,399 |
| Interest expense, net | (33,094) | (30,018) |
| Federal subsidies for interest on Build America Bonds | 7,119 | 3,303 |
| Total Nonoperating Revenues, Net | 2,143,292 | 1,287,039 |
| Income before other revenues (expenses) | 1,483,255 | 605,317 |
| Other Revenues (Expenses) | | |
| State capital appropriations | 843 | 2,002 |
| Capital gifts and grants | 24,907 | 29,143 |
| Private gifts for permanent endowment purposes | 57,451 | 59,595 |
| Other | (5,182) | 2,294 |
| Total Other Revenues, Net | 78,019 | 93,034 |
| Increase in net assets | 1,561,274 | 698,351 |
| Net Assets, Beginning of Year | 9,362,988 | 8,664,637 |
| Net Assets, End of Year | \$ 10,924,262 | \$ 9,362,988 |

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

THE UNIVERSITY OF MICHIGAN

Consolidated Statement of Cash Flows

| | Year Ended June 30, | |
|---|---------------------|-------------------|
| | 2011 | 2010 |
| | (in thousands) | |
| Cash Flows From Operating Activities | | |
| Student tuition and fees | \$ 919,040 | \$ 866,513 |
| Federal, state and local grants and contracts | 932,002 | 838,436 |
| Nongovernmental sponsored programs | 136,619 | 134,956 |
| Sales and services of educational departments and other | 289,242 | 280,930 |
| Patient care revenues | 2,419,524 | 2,298,197 |
| Student residence fees | 90,448 | 85,768 |
| Payments to employees | (2,772,856) | (2,678,274) |
| Payments for benefits | (814,083) | (800,175) |
| Payments to suppliers | (1,307,883) | (1,216,530) |
| Payments for scholarships and fellowships | (114,292) | (113,721) |
| Student loans issued | (11,460) | (11,016) |
| Student loans collected | 16,847 | 15,280 |
| Student loan interest and fees collected | 2,818 | 2,758 |
| Net Cash Used in Operating Activities | (214,034) | (296,878) |
| Cash Flows From Investing Activities | | |
| Interest and dividends on investments, net | 68,488 | 74,579 |
| Proceeds from sales and maturities of investments | 3,000,798 | 2,508,663 |
| Purchases of investments | (2,785,120) | (2,438,641) |
| Net (increase) decrease in cash equivalents from noncurrent investments | (125,176) | 59,090 |
| Net increase in deposits of affiliates and others | 17,541 | 8,328 |
| Net Cash Provided by Investing Activities | 176,531 | 212,019 |
| Cash Flows From Capital and Related Financing Activities | | |
| State capital appropriations | 873 | 2,870 |
| Private gifts and other receipts | 35,395 | 39,488 |
| Proceeds from issuance of capital debt | 305,447 | 372,936 |
| Principal payments on capital debt | (114,251) | (355,272) |
| Interest payments on capital debt, net of capitalized interest | (33,643) | (27,361) |
| Federal subsidies for Build America Bonds interest | 6,296 | 2,062 |
| Payments for bond refunding and related costs | (1,240) | (402) |
| Purchases of capital assets, including capitalized interest | (641,718) | (694,600) |
| Proceeds from sales of capital assets | 1,129 | 1,594 |
| Net Cash Used in Capital and Related Financing Activities | (441,712) | (658,685) |
| Cash Flows From Noncapital Financing Activities | | |
| State educational appropriations | 361,928 | 364,269 |
| State fiscal stabilization funds | 4,720 | 5,416 |
| Federal Pell grants | 46,669 | 39,705 |
| Private gifts and other receipts | 188,533 | 171,379 |
| Student direct lending receipts | 360,476 | 343,778 |
| Student direct lending disbursements | (358,981) | (342,076) |
| Amounts received for annuity and life income funds | 4,502 | 3,630 |
| Amounts paid to annuitants and life beneficiaries and related expenses | (6,743) | (6,285) |
| Net Cash Provided by Noncapital Financing Activities | 601,104 | 579,816 |
| Net increase (decrease) in cash and cash equivalents | 121,889 | (163,728) |
| Cash and Cash Equivalents, Beginning of Year | 194,645 | 358,373 |
| Cash and Cash Equivalents, End of Year | \$ 316,534 | \$ 194,645 |

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

THE UNIVERSITY OF MICHIGAN

Consolidated Statement of Cash Flows--Continued

| | Year Ended June 30, | |
|---|----------------------------|--------------|
| | 2011 | 2010 |
| | (in thousands) | |
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (660,037) | \$ (681,722) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation expense | 390,071 | 360,089 |
| Changes in assets and liabilities: | | |
| Accounts receivable, net | 7,935 | (22,156) |
| Prepaid expenses and other assets | (10,853) | (1,882) |
| Accounts payable | (335) | (1,817) |
| Accrued compensation and other | 10,658 | 6,342 |
| Deferred revenue | 9,379 | (3,097) |
| Insurance and benefits reserves | 10,604 | 2,227 |
| Obligations for postemployment benefits | 28,544 | 45,138 |
| Net cash used in operating activities | \$ (214,034) | \$ (296,878) |

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

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Note 1--Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation: The University of Michigan (the “University”) is a state-supported institution with an enrollment of approximately 59,000 students on its three campuses. The financial statements include the individual schools, colleges and departments, the University of Michigan Hospitals and Health Centers, Michigan Health Corporation (a wholly-owned corporation created to pursue joint venture and managed care initiatives) and Veritas Insurance Corporation (a wholly-owned captive insurance company). While the University is a political subdivision of the state of Michigan, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*. The University is classified as a state instrumentality under Internal Revenue Code Section 115, and is also classified as a charitable organization under Internal Revenue Code Section 501(c)(3), and is therefore exempt from federal income taxes. Certain activities of the University may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB and the American Institute of Certified Public Accountants’ Audit and Accounting Guide, *Audits of State and Local Governments*. The statements of net assets, revenues, expenses and changes in net assets and of cash flows are reported on a consolidated basis, and all intra-university transactions are eliminated as required by GASB. The University has the option of applying pronouncements issued by the Financial Accounting Standards Board (“FASB”) after November 30, 1989, provided that such pronouncements do not conflict or contradict GASB pronouncements. The University has elected not to apply any FASB pronouncements issued after the applicable date.

The financial statements of all controlled organizations are included in the University’s financial statements; affiliated organizations that are not controlled by, and not dependent on the University, such as booster and alumni organizations, are not included.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 1--Organization and Summary of Significant Accounting Policies--Continued

Net assets are categorized as:

- Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Restricted:
 - Nonexpendable – Net assets subject to externally imposed stipulations that they be maintained permanently. Such net assets include the corpus portion (historical value) of gifts to the University's permanent endowment funds and certain investment earnings stipulated by the donor to be reinvested permanently.
 - Expendable – Net assets whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. Such net assets include net appreciation of the University's permanent endowment funds that have not been stipulated by the donor to be reinvested permanently.
- Unrestricted: Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Regents. Substantially all unrestricted net assets are designated for academic and research programs and initiatives and capital programs.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 1--Organization and Summary of Significant Accounting Policies--Continued

Summary of Significant Accounting Policies: The accompanying financial statements have been prepared on the accrual basis. The University reports as a special purpose government entity engaged primarily in business type activities, as defined by GASB. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

For purposes of the statement of cash flows, the University considers all highly liquid investments purchased with a maturity of three months or less, to be cash equivalents. Cash equivalents representing assets of the University's endowment, life income and other investments are included in noncurrent investments as these funds are not used for operating purposes.

Investments are reported in four categories in the statement of net assets. Investments reported as endowment, life income and other investments are those funds invested in portfolios that are considered by management to be of a long duration. Investments for student loan and capital activities are those funds that are intended to be used for these specific activities. All other investments are reported as operating investments.

Investments in marketable securities are carried at fair value, as established by the major securities markets. Purchases and sales of investments are accounted for on the trade date basis. Investment income is recorded on the accrual basis. Realized and unrealized gains and losses are reported in investment income.

Investments in nonmarketable limited partnerships are generally carried at fair value provided by the management of the investment partnerships as of March 31, 2011 and 2010, as adjusted by cash receipts, cash disbursements and securities distributions through June 30, 2011 and 2010, in order to provide an approximation of fair value at June 30. In addition, the carrying amount of these investments is adjusted for June 30 information from management of the investment partnerships when necessary to provide a reasonable estimate of fair value as of June 30, 2011 and 2010. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed and such differences could be material.

Derivative instruments, such as financial futures, forward foreign exchange contracts and interest rate swaps held in investment portfolios, are recorded on the contract date and are carried at fair value using listed price quotations or amounts that approximate fair value. To facilitate trading in financial futures, the University is required to post cash or securities to satisfy margin requirements of the exchange where such futures contracts are listed. The University monitors the required amount of cash and securities on deposit for financial futures transactions and withdraws or deposits cash or securities as necessary.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 1--Organization and Summary of Significant Accounting Policies--Continued

Investments denominated in foreign currencies are translated into U.S. dollar equivalents using year-end spot foreign currency exchange rates. Purchases and sales of investments denominated in foreign currencies and related income are translated at spot exchange rates on the transaction dates.

Accounts receivable are recorded net of a provision for uncollectible accounts receivable. The provision is based on management's judgment of potential uncollectible amounts, which includes such factors as historical experience and type of receivable.

The University receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. Permanent endowment pledges do not meet eligibility requirements, as defined by GASB, and are not recorded as assets until the related gift is received.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are made, commensurate with expected future payments. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts. The determination includes such factors as prior collection history, type of gift and nature of fundraising.

Capital assets are recorded at cost or, if donated, at appraised value at the date of donation. Depreciation of capital assets is provided on a straight-line basis over the estimated useful lives of the respective assets, which primarily range from four to forty years. The University does not capitalize works of art or historical treasures that are held for exhibition, education, research or public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Deferred revenue consists primarily of cash received from grant and contract sponsors which has not yet been earned under the terms of the agreement. Deferred revenue also includes amounts received in advance of an event, such as student tuition and advance ticket sales related to future fiscal years.

Deposits of affiliates and others represent cash and invested funds held by the University as a result of agency relationships with various groups. Noncurrent deposits of affiliates represent the portion of endowment and similar funds held by the University on behalf of others.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 1--Organization and Summary of Significant Accounting Policies--Continued

The University holds life income funds for beneficiaries of the pooled income fund, charitable remainder trusts and the gift annuity program. These funds generally pay lifetime income to beneficiaries, after which the principal is made available to the University in accordance with donor intentions. All life income fund assets, including those held in trust, are recorded at fair value. The present value of estimated future payments due to life income beneficiaries is recorded as a liability.

For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted in Michigan, permits the Board of Regents to appropriate amounts for endowment spending rule distributions as is considered prudent. The University's policy is to retain net realized and unrealized appreciation with the endowment after spending rule distributions. Net appreciation of permanent endowment funds, which totaled \$1,312,000,000 and \$924,000,000 at June 30, 2011 and 2010, respectively, is recorded in restricted expendable net assets. The University's endowment spending rule is further discussed in Note 2.

Student tuition and residence fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Patient care revenues are reported net of contractual allowances and bad debt expenses. Patient care services are primarily provided through the University of Michigan Health System, which includes the Hospitals and Health Centers, the Faculty Group Practice of the University of Michigan Medical School and the Michigan Health Corporation. Patient care services are also provided through University Health Services, which provides health care services to students, faculty and staff and Dental Faculty Associates, which provides dental care services performed by faculty dentists.

Other auxiliary enterprise revenues primarily represent revenues generated by intercollegiate athletics, parking, student unions, university press and student publications.

The University's policy for defining operating activities as reported on the statement of revenues, expenses and changes in net assets are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB, including state appropriations, state fiscal stabilization funds, federal Pell grants, gifts and investment income.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 1--Organization and Summary of Significant Accounting Policies--Continued

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The most significant areas that require management estimates relate to self-insurance and benefits obligations.

Reclassifications: Certain prior year amounts have been reclassified to conform with current year presentations.

Note 2--Cash and Investments

Summary: The University maintains centralized management for substantially all of its cash and investments. With the exception of certain insurance reserves, charitable remainder trusts and other funds whose terms require separate management, the University invests its cash reserves and relatively short duration assets in the University Investment Pool ("UIP"). The University also collectively invests substantially all of the assets of its endowment funds (University Endowment Fund) together with a portion of its insurance and benefits reserves, charitable remainder trusts and gift annuity program in the Long Term Portfolio.

The UIP is invested together with the University's insurance and other benefits reserves in the Daily and Monthly Portfolios, which are principally invested in investment-grade money market securities, U.S. government and other fixed income securities and absolute return strategies. Balances in the UIP are primarily for operating expenses and capital projects. The funding for capital projects remains in current operating investments until amounts for specific capital projects are transferred for capital activities.

The longer investment horizon of the Long Term Portfolio allows for an equity-oriented strategy to achieve higher expected returns over time, and permits the use of less liquid alternative investments, providing for equity diversification beyond the stock markets. The Long Term Portfolio includes investments in domestic and non-U.S. stocks and bonds, commingled funds and limited partnerships consisting of venture capital, private equity, real estate, energy and absolute return strategies.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

Authorizations: The University's investment policies are governed and authorized by University Bylaws and the Board of Regents. The approved asset allocation policy for the Long Term Portfolio sets a general target of 80 percent equities and 20 percent fixed income securities, within a permitted range of 65 to 90 percent for equities and 10 to 35 percent for fixed income securities. Since diversification is a fundamental risk management strategy, the Long Term Portfolio is broadly diversified within these general categories.

The endowment spending rule provides for distributions from the University Endowment Fund to the University entities that benefit from the endowment fund. Commencing with the quarter ending September 30, 2010, the annual distribution rate began to be reduced from 5 percent of the one-quarter lagged seven year moving average fair value of fund shares to 4.5 percent. Distributions are being managed toward the new rate by keeping quarter to quarter distributions per share unchanged and moving toward the 4.5 percent rate when increases in the value of fund shares would otherwise result in higher per share distributions. To protect endowment principal in the event of a prolonged market downturn, distributions are limited to 5.3 percent of the current fair value of fund shares. Distributions are also made from the UIP to University entities based on the 90-day U.S. Treasury Bill rate. The University's costs to administer and grow the University Endowment Fund and UIP are funded by investment returns.

Cash and Cash Equivalents: Cash and cash equivalents, which totaled \$316,534,000 and \$194,645,000 at June 30, 2011 and 2010, respectively, represent short-term money market investments in mutual funds, overnight collective funds managed by the University's custodian or short-term highly liquid investments registered as securities and held by the University or its agents in the University's name. Of its cash and cash equivalents, the University had actual cash balances in its bank accounts in excess of Federal Deposit Insurance Corporation ("FDIC") limits in the amount of \$50,000 and \$6,838,000 at June 30, 2011 and 2010, respectively. Under FDIC rules implemented during 2011, the University's noninterest-bearing transaction accounts have temporarily unlimited insurance coverage through December 31, 2012. The University does not require deposits to be collateralized or insured.

Investments: At June 30, 2011 and 2010, the University's investments, which are held by the University or its agents in the University's name, are summarized as follows:

| | 2011 | 2010 |
|---------------------------------------|---------------------|---------------------|
| | (in thousands) | |
| Cash equivalents, noncurrent | \$ 247,650 | \$ 122,474 |
| Fixed income securities | 1,435,082 | 1,372,232 |
| Commingled funds | 1,571,478 | 1,379,961 |
| Equity securities | 1,002,151 | 819,510 |
| Nonmarketable alternative investments | 4,941,887 | 4,024,853 |
| Other investments | 8,248 | 6,775 |
| | <u>\$ 9,206,496</u> | <u>\$ 7,725,805</u> |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

The University's investment strategy, like that of most other institutions, incorporates certain financial instruments that involve, to varying degrees, elements of market risk and credit risk in excess of amounts recorded in the financial statements. Market risk is the potential for changes in the value of financial instruments due to market changes, including interest and foreign exchange rate movements and fluctuations embodied in forwards, futures and commodity or security prices. Market risk is directly impacted by the volatility and liquidity of the markets in which the underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. The University's risk of loss in the event of a counterparty default is typically limited to the amounts recognized in the statement of net assets and is not represented by the contract or notional amounts of the instruments.

Fixed income securities have inherent financial risks, including credit risk and interest rate risk. Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. Nationally recognized statistical rating organizations ("NSROs"), such as Moody's and Standard & Poor's, assign credit ratings to security issues and issuers that indicate a measure of potential credit risk to investors. Fixed income securities considered investment grade are those rated at least Baa by Moody's and BBB by Standard & Poor's. To manage credit risk, the University specifies minimum average and minimum absolute quality NSRO ratings for securities held pursuant to its management agreements.

The University minimizes concentration of credit risk, the risk of a large loss attributed to the magnitude of the investment in a single issuer of fixed income securities, by diversifying its fixed income issues and issuers and holding U.S. Treasury securities which are considered to have minimal credit risk. The University also manages this risk at the account level by limiting each fixed income manager's holding of any non-U.S. government issuer to 5 percent of the value of the investment account.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income securities. Effective duration, a commonly used measure of interest rate risk, incorporates a security's yield, coupon, final maturity, call features and other imbedded options into one number expressed in years that indicates how price-sensitive a security or portfolio of securities is to changes in interest rates. The effective duration of a security or portfolio indicates the approximate percentage change in fair value expected for a one percent change in interest rates. The longer the duration, the more sensitive the security or portfolio is to changes in interest rates. The weighted average effective duration of the University's fixed income securities was 5.0 years at June 30, 2011, compared to 5.1 years at June 30, 2010. The University manages the effective duration of its fixed income securities at the account level, where fixed income managers generally may not deviate from the duration of their respective benchmarks by more than 25 percent.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

The composition of fixed income securities at June 30, 2011 and 2010, along with credit quality and effective duration measures, is summarized as follows:

| | 2011 | | | | | Duration (in years) |
|--------------------------------------|--------------------|---------------------|---|------------------|---------------------|------------------------|
| | U.S. Government | Investment Grade | Non- Investment Grade (in thousands) | Not Rated | Total | |
| U.S. Treasury | \$ 96,076 | | | | \$ 96,076 | 7.3 |
| U.S. Treasury inflation protected | 324,503 | | | | 324,503 | 4.2 |
| U.S. government agency | 226,764 | | | | 226,764 | 0.7 |
| Mortgage backed | | \$ 27,941 | \$ 21,144 | | 49,085 | 0.9 |
| Asset backed | | 32,527 | 1,036 | | 33,563 | 1.2 |
| Corporate and other | | 677,307 | 17,525 | \$ 10,259 | 705,091 | 7.0 |
| | \$ 647,343 | \$ 737,775 | \$ 39,705 | \$ 10,259 | \$ 1,435,082 | 5.0 |

| | 2010 | | | | | Duration (in years) |
|--------------------------------------|--------------------|---------------------|---|-----------------|---------------------|------------------------|
| | U.S. Government | Investment Grade | Non- Investment Grade (in thousands) | Not Rated | Total | |
| U.S. Treasury | \$ 92,098 | | | | \$ 92,098 | 8.7 |
| U.S. Treasury inflation protected | 309,926 | | | | 309,926 | 3.7 |
| U.S. government agency | 178,941 | | | | 178,941 | 0.6 |
| Mortgage backed | | \$ 24,696 | \$ 19,930 | | 44,626 | 1.8 |
| Asset backed | | 40,857 | 3,676 | | 44,533 | 2.9 |
| Corporate and other | | 680,954 | 13,235 | \$ 7,919 | 702,108 | 6.8 |
| | \$ 580,965 | \$ 746,507 | \$ 36,841 | \$ 7,919 | \$ 1,372,232 | 5.1 |

Of the University's fixed income securities, 97 percent were rated investment grade or better at June 30, 2011 and 2010, with 52 percent and 48 percent of these securities rated AAA/Aaa or better at June 30, 2011 and 2010, respectively.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

Commingled (pooled) funds include Securities and Exchange Commission regulated mutual funds and externally managed funds, limited partnerships and corporate structures which are generally unrated and unregulated. Certain commingled funds may use derivatives, short positions and leverage as part of their investment strategy. These investments are structured to limit the University's risk exposure to the amount of invested capital. The composition of commingled funds at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|--------------------------|---------------------|---------------------|
| | (in thousands) | |
| Absolute return | \$ 764,844 | \$ 700,300 |
| U.S. equities | 101,890 | 77,588 |
| Non-U.S./global equities | 681,154 | 585,743 |
| U.S. fixed income | 15,123 | 8,607 |
| Other | 8,467 | 7,723 |
| | <u>\$ 1,571,478</u> | <u>\$ 1,379,961</u> |

Commingled funds have liquidity (redemption) provisions, which enable the University to make full or partial withdrawals with notice, subject to restrictions on the timing and amount. Of the University's commingled funds at June 30, 2011 and 2010, approximately 76 percent and 80 percent are redeemable within one year, with 51 percent redeemable within 90 days for both years under normal market conditions. The remaining amounts are redeemable beyond one year, with redemption of certain funds dependent on disposition of the underlying assets.

Nonmarketable alternative investments consist of limited partnerships and similar vehicles involving an advance commitment of capital called by the general partner as needed and distributions of capital and return on invested capital as underlying strategies are concluded during the life of the partnership. There is no active secondary market for these alternative investments, which are generally unrated and unregulated, and the liquidity of these investments is dependent on actions taken by the general partner. The composition of these partnerships at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|-----------------|---------------------|---------------------|
| | (in thousands) | |
| Private equity | \$ 1,326,341 | \$ 1,085,145 |
| Real estate | 1,026,564 | 811,071 |
| Absolute return | 845,500 | 828,903 |
| Energy | 806,915 | 705,180 |
| Venture capital | 936,567 | 594,554 |
| | <u>\$ 4,941,887</u> | <u>\$ 4,024,853</u> |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

The University's limited partnership investments are diversified in terms of manager selection and industry and geographic focus. At June 30, 2011 and 2010, no individual partnership investment represented 5 percent or more of total investments. The University's committed but unpaid obligation to these limited partnerships is further discussed in Note 13.

Absolute return strategies in the commingled funds and nonmarketable alternative investments classifications include long/short stock programs, merger arbitrage, intra-capital structure arbitrage and distressed debt investments. The goal of absolute return strategies is to provide, in aggregate, a return that is consistently positive and uncorrelated with the overall market.

The University participates in non-U.S. developed and emerging markets through commingled funds invested in non-U.S./global equities and absolute return strategies. Although substantially all of these funds are reported in U.S. dollars, both price changes of the underlying securities in local markets and changes to the value of local currencies relative to the U.S. dollar are embedded in the investment returns. In addition, a portion of the University's equity securities and nonmarketable alternative investments are denominated in foreign currencies, which must be settled in local (non-U.S.) currencies. Forward foreign currency contracts are typically used to manage the risk related to fluctuations in currency exchange rates between the time of purchase or sale and the actual settlement of foreign securities. Various investment managers acting for the University also use forward foreign exchange contracts in risk-based transactions to carry out their portfolio strategies.

Foreign exchange risk is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies. The value of the University's non-U.S. dollar holdings net of outstanding forward foreign exchange contracts at June 30, 2011 and 2010 totaled \$1,224,168,000, or 13 percent of total investments and \$906,342,000, or 12 percent of total investments, respectively, and is summarized as follows:

| | 2011 | 2010 |
|-------------------------|----------------|------------|
| | (in thousands) | |
| Euros | \$ 642,096 | \$ 419,172 |
| British pounds sterling | 175,837 | 125,487 |
| Canadian dollar | 104,274 | 28,938 |
| Japanese yen | 60,682 | 83,596 |
| Other | 241,279 | 249,149 |
| | \$ 1,224,168 | \$ 906,342 |

The University manages foreign exchange risk through the use of forward foreign currency contracts and manager agreements that provide minimum diversification and maximum exposure limits by country and currency.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

The Daily and Monthly Portfolios held positions in bond futures at June 30, 2011 and 2010. Bond futures are used to adjust the duration of cash equivalents and the fixed income portion of the portfolios. To meet trading margin requirements, the University had U.S. government securities and cash with a fair value of \$5,016,000 and \$4,422,000 at June 30, 2011 and 2010, respectively, on deposit with its futures contract broker as collateral.

The Long Term Portfolio and the Monthly Portfolio participate in a short-term, fully collateralized, securities lending program administered by the University's master custodian. Together, the Portfolios had \$103,600,000 and \$115,500,000 in securities loans outstanding at June 30, 2011 and 2010, respectively. At loan inception, an approved borrower must deliver collateral of cash, securities or letters of credit to the University's lending agent equal to 102 percent of fair value for domestic securities and 105 percent for foreign securities. Collateral positions are monitored daily to insure that borrowed securities are never less than 100 percent collateralized. At June 30, 2011, collateral of \$107,900,000 (104 percent of securities on loan) includes invested cash of \$100,600,000, University payables of \$7,100,000 and U.S. government securities of \$200,000, while at June 30, 2010, collateral of \$119,800,000 (104 percent of securities on loan) includes invested cash of \$103,500,000, University payables of \$7,500,000 and U.S. government securities of \$8,800,000. Cash collateral held by the University's lending agent, along with the offsetting liability to return the collateral at loan termination, are recorded in the statement of net assets. To conform with current year presentation, the 2010 statement of net assets has been revised to reflect the recording of these items. Neither the University nor its securities lending agent has the ability to pledge or sell securities received as collateral unless a borrower defaults; accordingly, noncash collateral is not recorded in the statement of net assets. Securities loans may be terminated upon notice by either the University or the borrower.

Note 3--Accounts Receivable

The composition of accounts receivable at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|--|-------------------|-------------------|
| | (in thousands) | |
| Patient care | \$ 430,378 | \$ 436,818 |
| Sponsored programs | 80,997 | 82,464 |
| State appropriations, educational and capital | 65,796 | 65,875 |
| Student accounts | 22,858 | 21,626 |
| Other | 40,234 | 35,999 |
| | 640,263 | 642,782 |
| Less provision for uncollectible accounts receivable | 187,652 | 181,160 |
| | <u>\$ 452,611</u> | <u>\$ 461,622</u> |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 4--Notes and Pledges Receivable

The composition of notes and pledges receivable at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|---|-------------------|-------------------|
| | (in thousands) | |
| Notes: | | |
| Federal student loan programs | \$ 89,271 | \$ 94,432 |
| University student loan funds | 21,012 | 20,756 |
| Other | 542 | 734 |
| | <u>110,825</u> | <u>115,922</u> |
| Less allowance for doubtfully collectible notes | 3,100 | 2,800 |
| Total notes receivable, net | <u>107,725</u> | <u>113,122</u> |
| Gift pledges outstanding: | | |
| Capital | 102,246 | 112,790 |
| Operations | 60,680 | 61,764 |
| | <u>162,926</u> | <u>174,554</u> |
| Less: | | |
| Allowance for doubtfully collectible pledges | 9,643 | 6,925 |
| Unamortized discount to present value | 8,063 | 11,149 |
| Total pledges receivable, net | <u>145,220</u> | <u>156,480</u> |
| Total notes and pledges receivable, net | 252,945 | 269,602 |
| Less current portion | 58,586 | 57,960 |
| | <u>\$ 194,359</u> | <u>\$ 211,642</u> |

The principal repayment and interest rate terms of federal and university loans vary considerably. The allowance for doubtfully collectible notes only applies to University funded notes and the University portion of federal student loans, as the University is not obligated to fund the federal portion of uncollected student loans. Federal loan programs are funded principally with federal advances to the University under the Perkins and various health professions loan programs.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 4--Notes and Pledges Receivable--Continued

Payments on pledges receivable at June 30, 2011 are expected to be received in the following years ended June 30 (in thousands):

| | |
|----------------|-------------------|
| 2012 | \$ 49,552 |
| 2013-2016 | 89,772 |
| 2017 and after | 23,602 |
| | <u>\$ 162,926</u> |

As discussed in Note 1, permanent endowment pledges do not meet eligibility requirements, as defined by GASB, until the related gift is received. Accordingly, permanent endowment pledges totaling approximately \$59,374,000 and \$68,580,000 at June 30, 2011 and 2010, respectively, are not recognized as assets in the accompanying financial statements. In addition, bequest intentions and other conditional promises are not recognized as assets until the specified conditions are met because of uncertainties with regard to their realizability and valuation.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 5--Capital Assets

Capital assets activity for the years ended June 30, 2011 and 2010 is summarized as follows:

| | 2011 | | | Ending Balance |
|-------------------------------|----------------------|------------|-------------|-------------------|
| | Beginning Balance | Additions | Retirements | |
| | (in thousands) | | | |
| Land | \$ 93,964 | \$ 401 | | \$ 94,365 |
| Land improvements | 102,274 | 4,961 | \$ 386 | 106,849 |
| Infrastructure | 213,772 | 3,819 | | 217,591 |
| Buildings | 5,862,797 | 224,893 | 65,719 | 6,021,971 |
| Construction in progress | 545,595 | 279,312 | | 824,907 |
| Property held for future use | 84,339 | (30,516) | | 53,823 |
| Equipment | 1,623,287 | 128,267 | 122,840 | 1,628,714 |
| Library materials | 449,842 | 23,572 | | 473,414 |
| | 8,975,870 | 634,709 | 188,945 | 9,421,634 |
| Less accumulated depreciation | 4,019,413 | 390,071 | 181,023 | 4,228,461 |
| | \$ 4,956,457 | \$ 244,638 | \$ 7,922 | \$ 5,193,173 |

| | 2010 | | | Ending Balance |
|-------------------------------|----------------------|------------|-------------|-------------------|
| | Beginning Balance | Additions | Retirements | |
| | (in thousands) | | | |
| Land | \$ 89,217 | \$ 4,747 | | \$ 93,964 |
| Land improvements | 97,743 | 4,857 | \$ 326 | 102,274 |
| Infrastructure | 200,271 | 13,501 | | 213,772 |
| Buildings | 5,112,648 | 760,634 | 10,485 | 5,862,797 |
| Construction in progress | 786,480 | (240,885) | | 545,595 |
| Property held for future use | 114,029 | (29,690) | | 84,339 |
| Equipment | 1,509,299 | 160,590 | 46,602 | 1,623,287 |
| Library materials | 428,609 | 21,522 | 289 | 449,842 |
| | 8,338,296 | 695,276 | 57,702 | 8,975,870 |
| Less accumulated depreciation | 3,710,798 | 360,089 | 51,474 | 4,019,413 |
| | \$ 4,627,498 | \$ 335,187 | \$ 6,228 | \$ 4,956,457 |

The increase in construction in progress of \$279,312,000 in 2011 represents the amount of capital expenditures for new projects of \$562,924,000 net of capital assets placed in service of \$283,612,000. The decrease in construction in progress of \$240,885,000 in 2010 represents the amount of capital assets placed in service of \$845,404,000 net of capital expenditures for new projects of \$604,519,000. Interest of \$17,599,000 and \$5,640,000 was capitalized in 2011 and 2010, respectively.

Property held for future use represents the unoccupied portion of the North Campus Research Complex. The University acquired this property in June 2009 for \$114,029,000, including liabilities assumed in the purchase. During 2011 and 2010, \$30,516,000 and \$29,690,000, respectively, of the acquired property was placed in service.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 6--Long-term Debt

Long-term debt at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|--|----------------|------------|
| | (in thousands) | |
| Commercial Paper: | | |
| Tax-exempt, variable rate (.20%)* | \$ 85,450 | \$ 81,110 |
| Taxable, variable rate (.22%)* | 5,740 | 6,095 |
| General Revenue Bonds: | | |
| Series 2010A, taxable-Build America Bonds, 4.926% to 5.593% through 2040 | 163,110 | 163,110 |
| Series 2010C, 2.00% to 5.00% through 2027 | 183,240 | 184,225 |
| unamortized premium | 15,997 | 17,635 |
| Series 2010D, taxable-Build America Bonds, 1.051% to 5.333% through 2041 | 212,345 | |
| Series 2010E, 5.00% through 2012 | 7,200 | |
| unamortized premium | 324 | |
| Series 2009A, 2.00% to 5.00% through 2029 | 91,020 | 95,310 |
| Series 2009B, variable rate (.23%)* through 2039 | 118,710 | 118,710 |
| unamortized premium | 7,189 | 7,668 |
| Series 2009D, taxable-Build America Bonds, 5.155% to 6.172% through 2030 | 89,815 | 89,815 |
| Series 2008A, variable rate (.03%)* through 2038 | 105,810 | 105,810 |
| Series 2008B, variable rate (.03%)* to fixed via swap through 2026 | | |
| and variable rate 2027 through 2028 | 111,865 | 115,205 |
| Series 2005A, 5.00% through 2018 | 22,060 | 26,345 |
| unamortized premium | 1,054 | 1,472 |
| unamortized loss on extinguishment | (118) | (175) |
| Series 2002, variable rate (.06%)* to fixed via swap through 2018 | | |
| and variable rate 2019 through 2032 | 100,715 | 106,775 |
| General Revenue Refunding Bonds: | | |
| Series 2003, 3.50% to 5.00% through 2015 | 11,825 | 18,000 |
| unamortized premium | 310 | 614 |
| unamortized loss on extinguishment | (51) | (106) |
| Hospital Revenue Bonds: | | |
| Series 2007A, variable rate (.03%)* through 2038 | 26,195 | 26,195 |
| Series 2007B, variable rate (.05%)* through 2038 | 44,310 | 44,310 |
| Series 2005A, variable rate (.03%)* through 2036 | 69,315 | 69,315 |
| Series 2005B, variable rate (.05%)* to fixed via swap through 2026 | 65,360 | 68,705 |
| Hospital Revenue Refunding Bonds: | | |
| Series 2002A, 5.00% to 5.25% through 2022 | 45,990 | 47,585 |
| unamortized premium | 405 | 672 |
| unamortized loss on extinguishment | (1,482) | (1,755) |
| Series 1998A-2, variable rate (.03%)* to fixed via swap through 2025 | 44,670 | 44,670 |
| Medical Service Plan Revenue Bonds: | | |
| Series 1995A, variable rate (.04%)* through 2028 | 26,200 | 26,200 |
| Series 1991, 7.05% capital appreciation through 2012 | 2,120 | 4,099 |
| Medical Service Plan Revenue Refunding Bonds: | | |
| Series 1998A-1, variable rate (.03%)* to fixed via swap through 2022 | 33,980 | 34,345 |
| Housing Energy Conservation HUD Loan, 3.00% through 2021 | 1,792 | 1,943 |
| | 1,692,465 | 1,503,902 |
| Less: | | |
| Commercial paper and current portion of bonds payable | 147,553 | 122,581 |
| Long-term bonds payable subject to remarketing, net | 274,895 | 384,550 |
| | \$ 1,270,017 | \$ 996,771 |

*Denotes variable rate at June 30, 2011

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 6--Long-term Debt--Continued

The variable rate portions of bonds payable have remarketing features which allow bondholders to put debt back to the University. Accordingly, variable rate bonds payable are classified as current unless supported by long-term liquidity agreements, such as lines of credit or standby bond purchase agreements, which can refinance the debt on a long-term basis. The classification of the University's variable rate bonds payable at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|---|-------------------------|-------------------------|
| | (in thousands) | |
| | <hr/> | <hr/> |
| Variable rate bonds payable subject to remarketing | \$ 747,130 | \$ 760,240 |
| Less: | | |
| Current principal maturities | 14,725 | 13,110 |
| Long-term liquidity agreements: | | |
| Unsecured line of credit | 150,000 | 150,000 |
| Standby bond purchase agreements | 307,510 | 212,580 |
| Long-term bonds payable subject to remarketing, net | <hr/> <u>\$ 274,895</u> | <hr/> <u>\$ 384,550</u> |

The University's available line of credit and standby bond purchase agreements, which expire between August 2012 and July 2013, were entirely unused at June 30, 2011.

In connection with certain issues of variable rate debt, the University has entered into various floating-to-fixed interest rate swaps to convert all or a portion of the associated variable rate debt to synthetic fixed rates to protect against the potential of rising interest rates. The fair value, significant terms and other information about the University's interest rate swaps is discussed in Note 7.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 6--Long-term Debt--Continued

Long-term debt activity, and the type of revenue it is supported by, for the year ended June 30, 2011 is summarized as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---------------------------------|----------------------|-------------------|-------------------|---------------------|
| | (in thousands) | | | |
| Commercial Paper: | | | | |
| General revenues | \$ 87,205 | \$ 85,450 | \$ 81,465 | \$ 91,190 |
| Bonds and Notes: | | | | |
| General revenues | 1,050,413 | 219,997 | 27,990 | 1,242,420 |
| Hospital revenues | 299,697 | | 4,934 | 294,763 |
| Faculty Group Practice revenues | 64,644 | 216 | 2,560 | 62,300 |
| Student residences revenues | 1,943 | | 151 | 1,792 |
| | <u>\$ 1,503,902</u> | <u>\$ 305,663</u> | <u>\$ 117,100</u> | <u>\$ 1,692,465</u> |

The University maintains a combination of variable and fixed rate debt, with effective interest rates that averaged approximately 2.5 percent and 2.0 percent in 2011 and 2010, respectively, including the amortization of bond premiums and discounts and net of federal subsidies for interest on taxable Build America Bonds. The University utilizes commercial paper to provide interim financing for its capital improvement program. The Board of Regents has authorized the issuance of up to \$200,000,000 in commercial paper backed by a general revenue pledge. Outstanding commercial paper debt is converted to long-term debt financing, as appropriate, within the normal course of business.

During 2011, the University issued \$219,545,000 of General Revenue Bonds with a net original issue premium of \$452,000. Total bond proceeds of \$219,997,000 were utilized to provide \$218,757,000 for capital projects and \$1,240,000 for debt issuance costs. General Revenue Bonds issued in 2011 include \$212,345,000 of fixed rate taxable Build America Bonds (Series 2010D) and \$7,200,000 of fixed rate tax-exempt bonds (Series 2010E).

During 2010, General Revenue Bonds issued include \$163,110,000 of fixed rate taxable Build America Bonds (Series 2010A) and \$184,225,000 of fixed rate tax-exempt bonds (Series 2010C). Variable rate bonds refunded with proceeds from this debt issuance include \$100,000,000 of Series 1995A Hospital Revenue Bonds, \$23,925,000 of Series 2007A Hospital Revenue Bonds, \$55,925,000 of Series 2007B Hospital Revenue Bonds and \$21,400,000 of Series 1995A Medical Service Plan Revenue Bonds. In 2010, the University also refunded \$46,070,000 of variable rate Series 2005B General Revenue Bonds, utilizing a portion of proceeds from the Series 2009A (fixed rate) and Series 2009B (variable rate) General Revenue Bonds issued in 2009, and extinguished \$56,000,000 of variable rate Series 1992A Hospital Revenue Refunding Bonds.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 6--Long-term Debt--Continued

Debt obligations are generally callable by the University and mature at various dates through fiscal 2041. Principal maturities and interest on debt obligations, based on scheduled bond maturities, for the next five years and in subsequent five-year periods are as follows:

| | Principal | Interest* | Total |
|--------------------------------|---------------------|------------|--------------|
| | (in thousands) | | |
| 2012 | \$ 144,706 | \$ 39,852 | \$ 184,558 |
| 2013 | 61,896 | 38,122 | 100,018 |
| 2014 | 50,186 | 36,886 | 87,072 |
| 2015 | 51,381 | 35,871 | 87,252 |
| 2016 | 47,876 | 34,780 | 82,656 |
| 2017-2021 | 257,282 | 155,768 | 413,050 |
| 2022-2026 | 302,155 | 117,440 | 419,595 |
| 2027-2031 | 295,660 | 71,766 | 367,426 |
| 2032-2036 | 283,025 | 40,860 | 323,885 |
| 2037-2041 | 174,670 | 14,758 | 189,428 |
| | 1,668,837 | \$ 586,103 | \$ 2,254,940 |
| Plus unamortized premiums, net | 23,628 | | |
| | <u>\$ 1,692,465</u> | | |

* Interest on variable rate debt is estimated based on rates in effect at June 30, 2011; amounts do not reflect federal subsidies to be received for Build America Bonds interest

If all variable rate bonds were put back to the University and existing unsecured lines of credit and standby bond purchase agreements were not extended upon their current expiration dates, the total principal payments due in 2012 would increase to \$419,601,000, total principal payments due in 2013 would increase to \$262,691,000 and total principal payments due in 2014 would increase to \$270,871,000. Accordingly, principal payments due in subsequent years would be reduced to \$32,161,000 in 2015; \$27,811,000 in 2016; \$153,297,000 in 2017 through 2021; \$163,825,000 in 2022 through 2026; \$158,235,000 in 2027 through 2031; \$86,780,000 in 2032 through 2036; and \$93,565,000 in 2037 through 2041. There would not be a significant impact on annual interest payments due to the low variable rate of interest on these bonds.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 7--Derivative Instruments

Derivatives held by the University are recorded at fair value in the statement of net assets in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. For hedging derivative instruments that are effective in significantly reducing an identified financial risk, as defined by the Statement, the corresponding change in fair value is deferred and included in the statement of net assets. For all other derivative instruments, changes in fair value are reported as net investment income (loss).

Derivative instruments held by the University at June 30, 2011 and 2010 are summarized as follows:

| | 2011 | | 2010 | |
|---|---------------------|-----------------|-------------------|-----------------|
| | Notional Amount | Fair Value | Notional Amount | Fair Value |
| | (in thousands) | | | |
| Investment Derivative Instruments: | | | | |
| Investment portfolios: | | | | |
| Futures | \$ 393,232 | \$ 54 | \$ 284,993 | \$ 3,058 |
| Foreign currency forwards | 772,286 | 2,085 | 368,749 | (3,254) |
| Other | 81,045 | (198) | 71,522 | (744) |
| | <u>\$ 1,246,563</u> | <u>\$ 1,941</u> | <u>\$ 725,264</u> | <u>\$ (940)</u> |
| Floating-to-fixed interest rate swap on debt | \$ 46,085 | \$ (2,468) | \$ 52,145 | \$ (3,266) |
| Effective Cash Flow Hedges: | | | | |
| Floating-to-fixed interest rate swaps on debt | \$ 239,160 | \$ (28,612) | \$ 246,210 | \$ (32,658) |

The University utilizes bond futures in its investment portfolios to adjust the duration of cash equivalents and fixed income securities, while foreign currency forward contracts are utilized to settle securities and transactions denominated in foreign (non-US dollar) currencies and manage foreign exchange risk. Other derivative instruments in the University's investment portfolios consist primarily of interest rate swaps, credit default swaps, total return swaps and forward security purchase or sale commitments and are used to carry out investment and portfolio strategies.

In connection with certain issues of variable rate debt, the University has entered into various floating-to-fixed interest rate swaps to convert all or a portion of the associated variable rate debt to synthetic fixed rates to protect against the potential of rising interest rates. The fair value represents the estimated amount that the University would pay to terminate the swap agreements at the statement of net assets date, taking into account current interest rates and creditworthiness of the underlying counterparty. The notional amount represents the underlying reference of the instrument and does not represent the amount of the University's settlement obligations.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 7--Derivative Instruments--Continued

In accordance with GASB Statement No. 53, an interest rate swap is considered an effective cash flow hedge if the swap payments received substantially offset the payments made on the associated debt and changes in fair value are deferred. An interest rate swap that is not considered an effective cash flow hedge, in accordance with the provisions of this Statement, is deemed to be an investment derivative instrument and changes in fair value are recorded as net investment income (loss).

At June 30, 2011 and 2010, the fair value of floating-to-fixed interest rate swaps associated with the University's variable rate debt is a liability of \$31,080,000 and \$35,924,000, respectively, and is included in the statement of net assets as part of noncurrent other liabilities. The majority of the University's interest rate swaps qualify as effective hedges as defined by GASB Statement No. 53. The corresponding deferred asset for the fair value of swaps deemed effective cash flow hedges totaled \$28,612,000 and \$32,658,000, at June 30, 2011 and 2010, respectively.

The change in fair value of derivative instruments, which includes realized gains and losses on positions closed, for the years ended June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|---|----------------|-------------|
| | (in thousands) | |
| Investment Derivative Instruments: | | |
| Investment portfolios: | | |
| Futures | \$ 12,026 | \$ 19,320 |
| Foreign currency forwards | 3,378 | 8,458 |
| Other | 762 | (717) |
| | \$ 16,166 | \$ 27,061 |
| Floating-to-fixed interest rate swap on debt | \$ 798 | \$ (927) |
| Effective Cash Flow Hedges: | | |
| Floating-to-fixed interest rate swaps on debt | \$ 4,046 | \$ (9,359) |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 7--Derivative Instruments--Continued

The University's interest rate swaps, along with their associated variable rate debt and significant terms, are summarized below.

The floating-to-fixed interest rate swap associated with the Series 2008B General Revenue Bonds has a notional amount of \$95,150,000 and \$98,490,000 at June 30, 2011 and 2010, respectively, covering a portion of the principal outstanding and the notional amount decreases as principal on the underlying bonds is repaid. Effective from April 1, 2008, the University makes payments based on a fixed rate of 3.105 percent and receives variable rate payments from the swap counterparty based on 68 percent of One-Month USD LIBOR, until the swap terminates in April 2026. The University has the option to terminate the swap upon five business day written notice and payment of the fair market compensation for the value of the swap. This swap is considered an effective hedge at June 30, 2011 and 2010 and has a fair value of (\$7,607,000) and (\$9,187,000), respectively.

The floating-to-fixed interest rate swap associated with the Series 2005B Hospital Revenue Bonds has a notional amount of \$65,360,000 and \$68,705,000 at June 30, 2011 and 2010, respectively, tied to the outstanding balance of the bonds. Effective from December 1, 2005, the University makes payments based on a fixed rate of 3.229 percent and receives variable rate payments from the swap counterparty based on 68 percent of the One-Month USD LIBOR, until the bonds mature in December 2025. The University has the option to terminate the swap upon five business day written notice and payment of the fair market compensation for the value of the swap. This swap is considered an effective hedge at June 30, 2011 and 2010 and has a fair value of (\$5,404,000) and (\$6,539,000), respectively.

The floating-to-fixed interest rate swap associated with the Series 2002 General Revenue Bonds has a notional amount of \$46,085,000 and \$52,145,000 at June 30, 2011 and 2010, respectively, covering a portion of the principal outstanding and the notional amount decreases as principal on the underlying bonds is repaid. Effective from June 1, 2007, the University makes payments based on a fixed rate of 3.5375 percent and receives variable rate payments from the swap counterparty based on 68 percent of One-Month USD LIBOR, through April 1, 2009, and 63 percent of the Five-Year USD LIBOR Swap Rate for the balance of the term, through April 2018. The University has the option to terminate the swap upon five business day written notice and payment of the fair market compensation for the value of the swap. This swap is not considered an effective hedge at June 30, 2011 and 2010 and has a fair value of (\$2,468,000) and (\$3,266,000), respectively.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 7--Derivative Instruments--Continued

The floating-to-fixed interest rate swap associated with the Series 1998A-2 Hospital Revenue Refunding Bonds has a notional amount of \$44,670,000 at June 30, 2011 and 2010 tied to the outstanding balance of the bonds. Effective from May 14, 1998, the University makes payments based on a fixed rate of 4.705 percent and receives variable rate payments from the swap counterparty based on the floating Securities Industry and Financial Markets Association (SIFMA) Municipal Index through the final maturity dates of the underlying bonds in December 2024. The counterparty has the option of terminating the swaps if for any 180-day period the average variable rate is more than 7.0 percent. This swap is considered an effective hedge at June 30, 2011 and 2010 and has a fair value of (\$10,218,000) and (\$11,088,000), respectively.

The floating-to-fixed interest rate swap associated with the Series 1998A-1 Medical Service Plan Revenue Refunding Bonds has a notional amount of \$33,980,000 and \$34,345,000 at June 30, 2011 and 2010, respectively, tied to the outstanding balance of the bonds. Effective from May 14, 1998, the University makes payments based on a fixed rate of 4.685 percent and receives variable rate payments based on the floating Securities Industry and Financial Markets Association (SIFMA) Municipal Index through the final maturity dates of the underlying bonds in December 2021. The counterparty has the option of terminating the swaps if for any 180-day period the average variable rate is more than 7.0 percent. This swap is considered an effective hedge at June 30, 2011 and 2010 and has a fair value of (\$5,383,000) and (\$5,844,000), respectively.

Using rates in effect at June 30, 2011, the projected cash flows for the floating-to-fixed interest rate swaps deemed effective hedges in accordance with the provisions of GASB Statement No. 53, along with the debt service requirements of the associated variable rate debt, are summarized as follows:

| | Variable Rate Bonds | | Swap Payments, Net | Total Payments |
|----------------|---------------------|----------|-----------------------|-------------------|
| | Principal | Interest | | |
| (in thousands) | | | | |
| 2012 | \$ 9,045 | \$ 89 | \$ 8,293 | \$ 17,427 |
| 2013 | 11,680 | 84 | 7,931 | 19,695 |
| 2014 | 12,155 | 80 | 7,544 | 19,779 |
| 2015 | 12,665 | 76 | 7,130 | 19,871 |
| 2016 | 13,195 | 71 | 6,708 | 19,974 |
| 2017-2021 | 70,845 | 280 | 26,489 | 97,614 |
| 2022-2026 | 109,575 | 119 | 9,389 | 119,083 |
| | \$ 239,160 | \$ 799 | \$ 73,484 | \$ 313,443 |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 7--Derivative Instruments--Continued

By using derivative financial instruments to hedge exposures to changes in interest rates, the University is exposed to termination risk and basis risk. There is termination risk with floating-to-fixed interest rate swaps because the University or swap counterparty may terminate a swap if the other party fails to perform under the terms of the contract or its credit rating falls below investment grade. Termination risk is the risk that the associated variable rate debt no longer carries a synthetic fixed rate and if at the time of termination a swap has a negative fair value, the University is liable to the counterparty for payment equal to the swap's fair value. The University is also exposed to basis risk because some of the variable payments paid to the University by the counterparties are based on a percentage of LIBOR. Basis risk is the risk that changes in the relationship between SIFMA and LIBOR may impact the synthetic fixed rate of the variable rate debt. The University is not exposed to credit risk because the swaps have negative fair values.

The University is required to post collateral for certain floating-to-fixed interest rate swaps if the fair value of the swap reaches a minimum threshold. Based on the University's current credit ratings, the thresholds are \$26,000,000 for the swap associated with the Series 1998A-2 Hospital Revenue Refunding Bonds, \$27,000,000 for the swap associated with the Series 2005B Hospital Revenue Bonds and \$7,000,000 for the swap associated with the Series 1998A-1 Medical Service Plan Revenue Refunding Bonds. There are no collateral requirements for the other two swaps. During 2011, the University was required to post collateral of \$1,061,000 for less than 90 days for the interest rate swap associated with the Series 1998A-1 Medical Service Plan Revenue Refunding Bonds.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 8--Self-Insurance

The University is self-insured for medical malpractice, workers' compensation, directors and officers' liability, property damage, auto liability and general liability through Veritas Insurance Corporation, a wholly-owned captive insurance company. The University is also self-insured for various employee benefits through internally maintained funds.

Claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. These liabilities are generally based on actuarial valuations and are reported at present value, discounted at a rate of 6 percent.

Changes in the total reported liability for insurance and benefits obligations for the years ended June 30, 2011 and 2010 are summarized as follows:

| | 2011 | 2010 |
|--|----------------|-------------|
| | (in thousands) | |
| | | |
| Balance, beginning of year | \$ 155,272 | \$ 153,045 |
| Claims incurred and changes in estimates | 427,272 | 396,414 |
| Claim payments | (416,668) | (394,187) |
| Balance, end of year | 165,876 | 155,272 |
| Less current portion | 72,539 | 66,103 |
| | \$ 93,337 | \$ 89,169 |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 9--Postemployment Benefits

The University provides retiree health and welfare benefits, primarily medical, prescription drug, dental and life insurance coverage, to eligible retirees and their eligible dependents. Substantially all of the approximately 35,000 full-time permanent University employees may become eligible for these benefits if they reach retirement age while working for the University. For employees retiring on or after January 1, 1987, contributions toward health and welfare benefits are shared between the University and the retiree and can vary based on date of hire, date of retirement, age and coverage elections.

The University also provides income replacement benefits, retirement savings contributions and health and life insurance benefits to substantially all permanent University employees that are enrolled in a University sponsored long-term disability plan and qualify, based on disability status while working for the University, to receive basic or expanded long-term disability benefits. Contributions toward the expanded long-term disability plan are shared between the University and employees and vary based on years of service, annual base salary and coverage elections. Contributions toward the basic long-term disability plan are paid entirely by the University.

These postemployment benefits are provided through single-employer plans administered by the University. The Executive Vice Presidents of the University have the authority to establish and amend benefit provisions of the plans.

The University's annual postemployment benefits expense is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Projections of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided and announced future changes at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The University implemented GASB Statement No. 45 in 2008 and elected to amortize its initial unfunded actuarial accrued liability over one year, the minimum period allowed by the Statement. The University also elected to amortize subsequent changes in actuarial assumptions, plan design and experience gains and losses over a ten year closed period. Therefore, the liability for net postemployment benefits obligations recorded in the statement of financial condition will differ from the actuarial accrued liability by the unamortized portion of changes in actuarial assumptions, plan design and experience gains and losses. At June 30, 2011, the recorded liability for net postemployment benefits obligations and the actuarial accrued liability totaled \$1,636,652,000 and \$1,183,036,000, respectively.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 9--Postemployment Benefits--Continued

Changes in the total reported liability for postemployment benefits obligations for the years ended June 30, 2011 and 2010 are summarized as follows:

| | 2011 | | |
|---|-------------------------------|---|---------------------|
| | Retiree Health and Welfare | Long-term Disability (in thousands) | Total |
| Balance, beginning of year | \$ 1,468,563 | \$ 139,545 | \$ 1,608,108 |
| Service cost | 40,808 | 2,791 | 43,599 |
| Amortization of assumption changes, plan changes and net actuarial gains | (63,307) | (405) | (63,712) |
| Interest cost | 89,289 | 10,997 | 100,286 |
| Payments of current premiums and claims | (36,958) | (14,671) | (51,629) |
| Balance, end of year | 1,498,395 | 138,257 | 1,636,652 |
| Less current portion | 41,142 | 12,496 | 53,638 |
| | <u>\$ 1,457,253</u> | <u>\$ 125,761</u> | <u>\$ 1,583,014</u> |
| | 2010 | | |
| | Retiree Health and Welfare | Long-term Disability (in thousands) | Total |
| Balance, beginning of year | \$ 1,428,800 | \$ 134,170 | \$ 1,562,970 |
| Service cost | 43,340 | 6,196 | 49,536 |
| Amortization of assumption changes, plan changes and actuarial (gains) losses | (58,647) | 2,448 | (56,199) |
| Interest cost | 91,443 | 10,734 | 102,177 |
| Payments of current premiums and claims | (36,373) | (14,003) | (50,376) |
| Balance, end of year | 1,468,563 | 139,545 | 1,608,108 |
| Less current portion | 36,958 | 14,671 | 51,629 |
| | <u>\$ 1,431,605</u> | <u>\$ 124,874</u> | <u>\$ 1,556,479</u> |

Since a portion of retiree medical services will be provided by the University's Health System, the liability for postemployment benefit obligations is net of the related margin and fixed costs of providing those services which totaled \$239,012,000 of actuarial accrued liability at June 30, 2011 and \$198,665,000 at June 30, 2010. In accordance with GASB Statement No. 45, the University's liability for postemployment benefit obligations at June 30, 2011 is not reduced by the anticipated Medicare Retiree Drug Subsidy for future periods of approximately \$139,000,000 on an actuarial accrued liability basis.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 9--Postemployment Benefits--Continued

The annual required contribution represents a level of funding that an employer is projected to need in order to prefund its obligations for postemployment benefits over its employees' years of service and totals \$102,158,000 and \$114,552,000 at June 30, 2011 and 2010, respectively. The University has no obligation to make contributions in advance of when insurance premiums or claims are due for payment and currently pays for postemployment benefits on a pay-as-you-go basis. The University's obligations for postemployment benefits at June 30, 2011, 2010 and 2009 as a percentage of covered payroll of \$2,665,924,000, \$2,551,273,000 and \$2,456,343,000, was 61, 63 and 64 percent, respectively.

The University's liability for postemployment benefits obligations was calculated using the projected unit credit method. Significant actuarial methods and assumptions used in the valuation for years ended June 30, 2011 and 2010 are as follows:

| | 2011 | |
|---|-----------------------------------|---------------------------------|
| | <u>Retiree Health and Welfare</u> | <u>Long-term Disability</u> |
| Discount Rate | 6.08% | 7.88% |
| Inflation Rate | 3.0% | 3.0% |
| Immediate/Ultimate Medical Trend Rate | 7.0%-7.5%/5.0% | 7.0%/5.0% |
| Immediate/Ultimate Rx Trend Rate | 7.0%/5.0% | 7.0%/5.0% |
| Expected Retirement Age (Faculty/Staff/Union) | 66/62/61 | Not Applicable |
| Mortality/Termination Table | RP-2000 Generational | 2005 SOA Life Waiver (Modified) |
| | 2010 | |
| | <u>Retiree Health and Welfare</u> | <u>Long-term Disability</u> |
| Discount Rate | 6.4% | 8.0% |
| Inflation Rate | 3.0% | 3.0% |
| Immediate/Ultimate Medical Trend Rate | 9.0%-7.5%/5.0% | 9.0%-7.5%/5.0% |
| Immediate/Ultimate Rx Trend Rate | 7.5%/5.0% | 7.5%/5.0% |
| Expected Retirement Age (Faculty/Staff/Union) | 66/62/61 | Not Applicable |
| Mortality/Termination Table | RP-2000 Projected to 2015 | 2005 SOA Life Waiver (Modified) |

During fiscal 2011, the University announced changes to eligibility requirements for retiree health benefits and the related amount of the University's contributions. To assist current employees with the transition, changes will be phased in gradually over the eight year period January 1, 2013 through January 1, 2021.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 10--Retirement Plan

The University has a defined contribution retirement plan for all qualified employees through the Teachers Insurance and Annuity Association - College Retirement Equities Fund ("TIAA-CREF") and Fidelity Management Trust Company ("FMTC") mutual funds. All regular and supplemental instructional and primary staff are eligible to participate in the plan based upon age and service requirements. Participants maintain individual contracts with TIAA-CREF, or accounts with FMTC, and are fully vested.

Eligible employees generally contribute 5 percent of their pay and the University generally contributes an amount equal to 10 percent of employees' pay to the plan. Effective January 1, 2010, the University contribution commences after an employee has completed one year of employment. Participants may elect to contribute additional amounts to the plans within specified limits that are not matched by University contributions. Contributions and covered payroll under the plan (excluding participants' additional contributions) for the three years ended June 30, 2011 are summarized as follows:

| | 2011 | 2010 | 2009 |
|----------------------------|----------------|--------------|--------------|
| | (in thousands) | | |
| | | | |
| University contributions | \$ 214,905 | \$ 215,905 | \$ 208,707 |
| Employee contributions | \$ 108,981 | \$ 106,389 | \$ 102,705 |
| Payroll covered under plan | \$ 2,665,924 | \$ 2,551,273 | \$ 2,456,343 |
| Total payroll | \$ 2,802,045 | \$ 2,698,219 | \$ 2,580,373 |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 11--Net Assets

The composition of net assets at June 30, 2011 and 2010 is summarized as follows:

| | 2011 | 2010 |
|---|----------------------|---------------------|
| | (in thousands) | |
| Invested in capital assets, net of related debt | \$ 3,574,878 | \$ 3,502,716 |
| Restricted: | | |
| Nonexpendable: | | |
| Permanent endowment corpus | 1,279,058 | 1,213,962 |
| Expendable: | | |
| Net appreciation of permanent endowments | 1,312,282 | 923,832 |
| Funds functioning as endowment | 1,652,381 | 1,447,176 |
| Restricted for operations and other | 502,569 | 439,008 |
| Unrestricted | 2,603,094 | 1,836,294 |
| | <u>\$ 10,924,262</u> | <u>\$ 9,362,988</u> |

Unrestricted net assets, as defined by GASB, are not subject to externally imposed stipulations; however, they are subject to internal restrictions. For example, unrestricted net assets may be designated for specific purposes by action of management or the Board of Regents. All of the unrestricted net assets, which totaled \$2,603,094,000 and \$1,836,294,000 at June 30, 2011 and 2010, respectively, have been designated for academic and research programs and initiatives and capital programs.

Note 12--Federal Direct Lending Program

The University distributed \$358,981,000 and \$342,076,000 for the years ending June 30, 2011 and 2010, respectively, for student loans through the U.S. Department of Education ("DoED") federal direct lending program. These distributions and related funding sources are not included as expenses and revenues in the accompanying financial statements. The statement of net assets includes a receivable of \$624,000 at June 30, 2011 for DoED funding received subsequent to distribution and a payable of \$871,000 at June 30, 2010 for DoED funding received in advance of distribution.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 13--Commitments and Contingencies

Authorized expenditures for construction and other projects unexpended as of June 30, 2011 were \$623,086,000. Of these expenditures, approximately \$572,545,000 will be funded by internal sources, gifts, grants and future borrowings and the remaining \$50,541,000 will be funded using unexpended debt proceeds.

Under the terms of various limited partnership agreements approved by the Board of Regents or by University officers, the University is obligated to make periodic payments for advance commitments to venture capital, private equity, real estate, energy and absolute return strategies. As of June 30, 2011, the University had committed, but not paid, a total of \$2,006,229,000 in funding for these alternative investments. Based on historical capital calls and discussions with those managing the limited partnerships, outstanding commitments for such investments are anticipated to be paid in the following years ended June 30 (in thousands):

| | |
|-----------------|---------------------|
| 2012 | \$ 493,411 |
| 2013 | 396,757 |
| 2014 | 351,120 |
| 2015 | 279,368 |
| 2016 | 209,539 |
| 2017 and beyond | 276,034 |
| | <u>\$ 2,006,229</u> |

These commitments are generally able to be called prior to an agreed commitment expiration date and therefore may occur earlier or later than estimated.

The University has entered into operating leases for space, which expire at various dates through 2027. Outstanding commitments for these leases are expected to be paid in the following years ended June 30 (in thousands):

| | |
|-----------|------------------|
| 2012 | \$ 30,849 |
| 2013 | 21,891 |
| 2014 | 12,795 |
| 2015 | 8,750 |
| 2016 | 5,975 |
| 2017-2021 | 7,228 |
| 2022-2026 | 2,801 |
| 2027 | 87 |
| | <u>\$ 90,376</u> |

Operating lease expenses totaled \$33,529,000 and \$34,523,000 in 2011 and 2010, respectively.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 13--Commitments and Contingencies--Continued

Substantial amounts are received and expended by the University under federal and state programs and are subject to audit by cognizant governmental agencies. This funding relates to research, student aid, patient care and other programs. The University believes that any liabilities arising from such audits will not have a material effect on its financial position.

The University is a party to various pending legal actions and other claims in the normal course of business, and is of the opinion that the outcome thereof will not have a material adverse effect on its financial position.

Note 14--Segment Information

A segment is an identifiable activity reported as a stand-alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses, assets and liabilities that are required by an external party to be accounted for separately. The University has one segment that meets the reporting requirements of GASB.

The University of Michigan Hospitals and Health Centers ("HHC") operates health care facilities and programs in southeastern Michigan, providing hospital care, ambulatory care and other health services. HHC serves as the principal teaching facility for the University of Michigan Medical School. The faculty of the Medical School provides substantially all physician services to HHC through its Faculty Group Practice.

HHC's outstanding debt, referred to as Hospital Revenue Bonds and Hospital Revenue Refunding Bonds, was issued pursuant to a Master Indenture Agreement, dated May 1, 1986. These bonds are solely payable from, and secured by, a pledge of hospital gross revenues, as defined in the Master Indenture. The University, as permitted by the Master Indenture, has further defined hospital gross revenues pledged to exclude revenues deemed to be associated with the Faculty Group Practice.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 14--Segment Information--Continued

Condensed financial information for HHC, before the elimination of certain intra-University transactions, as of and for the years ended June 30, 2011 and 2010 is as follows:

| | 2011 | 2010 |
|--|---------------------|---------------------|
| | (in thousands) | |
| Condensed Statement of Net Assets | | |
| Assets: | | |
| Current assets | \$ 357,509 | \$ 393,830 |
| Noncurrent assets | 2,793,939 | 2,455,854 |
| Total assets | <u>\$ 3,151,448</u> | <u>\$ 2,849,684</u> |
| Liabilities: | | |
| Current liabilities | \$ 292,503 | \$ 281,385 |
| Noncurrent liabilities | 1,108,267 | 966,483 |
| Total liabilities | <u>1,400,770</u> | <u>1,247,868</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | 702,096 | 670,052 |
| Restricted: | | |
| Nonexpendable | 2,899 | 2,868 |
| Expendable | 100,672 | 92,463 |
| Unrestricted | 945,011 | 836,433 |
| Total net assets | <u>1,750,678</u> | <u>1,601,816</u> |
| Total liabilities and net assets | <u>\$ 3,151,448</u> | <u>\$ 2,849,684</u> |
| Condensed Statement of Revenues, Expenses and Changes in Net Assets | | |
| Operating revenues | \$ 1,990,214 | \$ 1,912,425 |
| Operating expenses other than depreciation expense | (1,793,016) | (1,716,696) |
| Depreciation expense | (144,238) | (135,887) |
| Operating income | 52,960 | 59,842 |
| Nonoperating revenues, net | 198,307 | 105,238 |
| Net income before transfers | 251,267 | 165,080 |
| Transfers to other University units, net | (102,405) | (100,573) |
| Increase in net assets | 148,862 | 64,507 |
| Net assets, beginning of year | 1,601,816 | 1,537,309 |
| Net assets, end of year | <u>\$ 1,750,678</u> | <u>\$ 1,601,816</u> |
| Condensed Statement of Cash Flows | | |
| Net cash provided by operating activities | \$ 201,706 | \$ 196,653 |
| Net cash provided by investing activities | 31,529 | 85,533 |
| Net cash used in capital and related financing activities | (168,976) | (257,400) |
| Net cash used in noncapital financing activities | (99,263) | (59,246) |
| Net decrease in cash and cash equivalents | (35,004) | (34,460) |
| Cash and cash equivalents, beginning of year | 155,815 | 190,275 |
| Cash and cash equivalents, end of year | <u>\$ 120,811</u> | <u>\$ 155,815</u> |

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 15--Operating Expenses by Function

Operating expenses by functional classification for the years ended June 30, 2011 and 2010 are summarized as follows:

| | 2011 | | | | |
|--|---------------------------------|-----------------------------|--------------------------------|------------------------------------|---------------------|
| | Compensation and Benefits | Supplies and Services | Depreciation (in thousands) | Scholarships and Fellowships | Total |
| Instruction | \$ 746,347 | \$ 106,790 | | | \$ 853,137 |
| Research | 486,677 | 246,847 | | | 733,524 |
| Public service | 86,891 | 44,597 | | | 131,488 |
| Academic support | 183,866 | 37,150 | | | 221,016 |
| Student services | 66,669 | 18,478 | | | 85,147 |
| Institutional support | 130,979 | 49,194 | | | 180,173 |
| Operations and maintenance of plant | 39,142 | 236,149 | | | 275,291 |
| Auxiliary enterprises | 1,893,194 | 560,446 | | | 2,453,640 |
| Depreciation | | | \$ 390,071 | | 390,071 |
| Scholarships and fellowships | | | | \$ 114,316 | 114,316 |
| | <u>\$ 3,633,765</u> | <u>\$ 1,299,651</u> | <u>\$ 390,071</u> | <u>\$ 114,316</u> | <u>\$ 5,437,803</u> |

| | 2010 | | | | |
|--|---------------------------------|-----------------------------|--------------------------------|------------------------------------|---------------------|
| | Compensation and Benefits | Supplies and Services | Depreciation (in thousands) | Scholarships and Fellowships | Total |
| Instruction | \$ 739,459 | \$ 111,102 | | | \$ 850,561 |
| Research | 463,421 | 216,079 | | | 679,500 |
| Public service | 96,469 | 39,295 | | | 135,764 |
| Academic support | 183,306 | 43,182 | | | 226,488 |
| Student services | 67,277 | 16,837 | | | 84,114 |
| Institutional support | 134,366 | 40,066 | | | 174,432 |
| Operations and maintenance of plant | 42,291 | 223,708 | | | 265,999 |
| Auxiliary enterprises | 1,802,682 | 525,415 | | | 2,328,097 |
| Depreciation | | | \$ 360,089 | | 360,089 |
| Scholarships and fellowships | | | | \$ 113,753 | 113,753 |
| | <u>\$ 3,529,271</u> | <u>\$ 1,215,684</u> | <u>\$ 360,089</u> | <u>\$ 113,753</u> | <u>\$ 5,218,797</u> |

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|---|-------------------------------|----------------------|---|----------------------|
| RESEARCH AND DEVELOPMENT CLUSTER | | | | |
| Agriculture, Department of | | | | |
| Direct | | 10 | | \$ 698,768 |
| Pass-Through: | | | | |
| Biotechnology Research and Development Corporation | 146 | 10 | | (3,557) |
| Michigan State University | 61-4080G | 10 | | 16,548 |
| Middle Michigan Development Corporation | Letter dtd 6/25/08 | 10 | | 14,212 |
| West Shore Community College (WSCC) | 11-002 | 10 | | 9,621 |
| Central Intelligence Agency | | | | |
| Pass-Through: | | | | |
| Seventh Sense Biosystems, Inc. | Proj Append 1 Proj Mstr Agmt | 13 | | 23,781 |
| Commerce, Department of-Economic Development Administration | | | | |
| Direct | | 11 | | 943,600 |
| Commerce, Department of-National Institute of Standards & Technology | | | | |
| Direct | | 11 | | 11,568 |
| Direct | | 11.SB1341-10-SE-0206 | ARRA | 69,537 |
| Direct | | 11.SB134110SE0929 | ARRA | 50,338 |
| Pass-Through: | | | | |
| Powertrain Engineering & Manufacturing Alliance (PEMA) | SubK dtd 2/18/08 | 11 | | 738,742 |
| University of Maryland, The | Z767303 | 11.609 | ARRA-Measurement and Engineering Research and Standards | 29,544 |
| Commerce, Department of-National Oceanic and Atmospheric Administration | | | | |
| Direct | | 11 | | 6,465,883 |
| Pass-Through: | | | | |
| Consortium for Ocean Leadership | SA 10-18 | 11 | | 15,152 |
| Louisiana Universities Marine Consortium (LUMCON) | UM10-1,LUMCON# 674169D | 11 | | 4,171 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 09-309-15 | 11 | | (19,695) |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 09-309-16 | 11 | | 6,780 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 10-309-09 | 11 | | 49,064 |
| Ohio State University Research Foundation | RF01066360 | 11 | | 10,339 |
| University of Illinois at Chicago | 2006-05182-02 | 11 | | 5,112 |
| University of Maryland, The | CA 10-21 | 11 | | 33,821 |
| University of Maryland, The | CA 10-25 | 11 | | 202,630 |
| University of Maryland, The | Cooperative Agreement 07-14 | 11 | | 99,613 |
| University of Vermont | 23869/Watzin/Beletsky Init | 11 | | 71,015 |
| Von Braun Center for Science & Innovation (VCSI) | Fixed Price Ltr Contract | 11 | | 180,439 |
| Commerce, Department of-Office of the Secretary | | | | |
| Direct | | 11 | | 2,028,686 |
| Defense, Department of-Air Force, Department of the | | | | |
| Direct | | 12 | | 10,961,270 |
| Pass-Through: | | | | |
| Advanced Ceramics Manufacturing, Inc | Roundtable Res.Agmt | 12 | | 77,073 |
| Aerophysics, Inc. | SUP 2010-2 | 12 | | 99,880 |
| Arinc, Inc | 240947 | 12 | | 41,189 |
| ARTIS Research and Risk Modeling Corporation | 2010-06 | 12 | | 60,213 |
| Ball Aerospace & Technologies Corp | S10158C | 12 | | 24,671 |
| CFD Research Corporation | Subk#1430-CFDRC proj #8971 | 12 | | 35,000 |
| Comet Technology Corp | Roundtable Rsrch agmnt 1/1/10 | 12 | | 174,578 |
| Create, Inc. | 57172 | 12 | | 17,070 |
| Defense, Department of-Defense Advanced Research Projects Agency | FA9550-10-1-0534 | 12 | | 84,483 |
| Delcross Technologies, LLC | AF0SR STTR Sub dtd 8/16/10 | 12 | | 2,048 |
| ElectroDynamic Applications, Inc. | PO20090101 | 12 | | 22,590 |
| ERC, Inc. | RS110069 | 12 | | 37,047 |
| Harvard University | 133486 -09 | 12 | | 31,834 |
| HyPerComp, Inc | HPCI-Michigan-2010-01 | 12 | | 101,504 |

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|--------------------------------|---------------------|--------------------|----------------------|
| Johns Hopkins University | 2000457358 | 12 | | 53,399 |
| Kent State University | 444286-P8061716 | 12 | | 162,902 |
| Massachusetts Institute of Technology | 5710001867 | 12 | | 2,606 |
| Massachusetts Institute of Technology | 7000126569 | 12 | | 78,699 |
| New York University | F6752-01 | 12 | | 42,643 |
| NextGen Aeronautics, Inc | 09-27 | 12 | | 43,620 |
| NextGen Aeronautics, Inc | 10-21 | 12 | | 20,163 |
| Nico Technologies Corporation | Agreement | 12 | | 37,171 |
| Northrop Grumman Corporation | 7500080919 | 12 | | 82,886 |
| NumerEx, Inc. | 10-001 | 12 | | (3,724) |
| Ohio State University, The | 60006916 | 12 | | 106,852 |
| Ohio State University, The | GRT00008581/RF60012388 | 12 | | 149,030 |
| Pennsylvania State University | 4011-UM-AFOSR-0646 | 12 | | 94,707 |
| Picomatrix, Inc. | Contract | 12 | | 87,697 |
| Pohang University of Science & Technology (Postech) | Agreement | 12 | | 24,810 |
| Purdue University | 4104-18065 | 12 | | 76,010 |
| Signal Innovations Group, Inc | 43.001 | 12 | | 12,229 |
| Streamline Numerics, Inc | aGREETMENT 11/8/07 | 12 | | 137,146 |
| UES, Inc. | S-854-000-001 | 12 | | 109,523 |
| UES, Inc. | S-875-120-004 | 12 | | 22,667 |
| Universal Technology Corporation | 10-S590-0009-38-C5 | 12 | | 5,590 |
| Universal Technology Corporation | 11-S587-068-01-C1 | 12 | | 1,006 |
| Universal Technology Corporation | 568-069-01-C1 | 12 | | 18,388 |
| Universal Technology Corporation | Subcontr 09-S568-072-01-C1 | 12 | | (21,133) |
| University of Maryland, The | 0000005315 | 12 | | 93,171 |
| University of Massachusetts | 0001255673 | 12 | | 136,613 |
| University of Wisconsin | 124K821 | 12 | | 263,723 |
| Virginia Polytechnic Institute and State University | 416214-19337 | 12 | | (37,753) |
| Defense, Department of-Army, Department of the | | | | |
| Direct | | 12 | | 24,865,148 |
| Pass-Through: | | | | |
| Advatech Pacific, Inc. | 1003806 | 12 | | 33,491 |
| Albany Engineered Composites, Inc. | 4500078293 | 12 | | 179,882 |
| Alion Science and Technology | SUB 1113622MDT | 12 | | 14,104 |
| BAE Systems | 316095 | 12 | | 1,465,229 |
| Battelle Memorial Institute | TCN10217, PO US001-0000255932 | 12 | | 99,996 |
| BBN Technologies | Cooperative Agreement | 12 | | 112,873 |
| Center for Rotorcraft Innovation (CRI) | 2009-B-41-T2.1-A17 | 12 | | 162 |
| Center for Rotorcraft Innovation (CRI) | 2010-B-11-05.3-A17 | 12 | | 18,039 |
| Center for Rotorcraft Innovation (CRI) | 2010-B-41-T2.1-A17 | 12 | | (955) |
| Columbia University | 5-21124 | 12 | | 121,978 |
| DCS Corporation | 20900-S36 Task Order | 12 | | 45,765 |
| DCS Corporation | 262600-S15 | 12 | | 37,852 |
| DCS Corporation | APX02-0003 | 12 | | 542,014 |
| ElectroDynamic Applications, Inc. | W911SR-10-P-0001 #20100201 | 12 | | 24,430 |
| EPIR, Ltd. | 0043-10SUMI-0002 | 12 | | 26,999 |
| EPIR, Ltd. | 0106-08-SUMI-0001 | 12 | | (5,382) |
| Focus: Hope | 40522 | 12 | | 16,630 |
| Georgia Institute of Technology | R7443-S1 | 12 | | 214,811 |
| InformMed, Inc | Roundtable Res Agmt | 12 | | 3,524 |
| Innovative Biotherapies | Project Specific Addendum | 12 | | 197,502 |
| Mayaterials Company | Letter dtd 9/30/08 | 12 | | 11,751 |
| McQ, Inc | PO-000155 | 12 | | 5,000 |
| Medical Informatix LLC | Agmt | 12 | | 13,760 |
| Michigan State University | 61-3536A | 12 | | 30,499 |
| Northwestern University | PROJ0001899 610473300060026163 | 12 | | 22,942 |

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|-------------------------------|---------------------|--------------------|----------------------|
| Omni Sciences, Inc. | R T Res. Agmt Dtd 4/9/07 | 12 | | 29,387 |
| OptiGrate | C-4134-2 | 12 | | 75,102 |
| Pennsylvania State University | 3655-UM-USA-0395 | 12 | | 4,777 |
| Pennsylvania State University | 4248-UM-USA-0267 | 12 | | 5,906 |
| Robotics Technology Consortium | 69-201008 | 12 | | 143,757 |
| Stemmion Inc. | Agmt dtd 08/24/06 | 12 | | (71,421) |
| T.E.A.M., Inc | 1886 | 12 | | (797) |
| Triton Systems, Inc | TSI-2377-10-82254 | 12 | | 70,329 |
| Tulane University | TUL-572-08/09 | 12 | | (155) |
| University of Illinois-Urbana-Champaign | 2009-04242-03, A2436 | 12 | | 30,539 |
| University of Illinois-Urbana-Champaign | 2011-02899-01, A1498 | 12 | | 107,602 |
| University of Leeds | RG.ELEC.473923 | 12 | | 41,292 |
| University of Maryland, The | Z885204 | 12 | | 343,744 |
| University of Maryland, The | Z918809 | 12 | | 97,792 |
| University of Southern California | 53-0821-2630 | 12 | | 49,924 |
| University of Washington | 145611 | 12 | | 103,591 |
| Vertical Lift Consortium (VLC) | 2009-B-11-5.3-A17 | 12 | | (9,633) |
| Veterans Education & Research Assoc of MI (VERAM) | V-SUBUM-11-10 | 12 | | 53,931 |
| Defense, Department of-Defense Advanced Research Projects Agency | | | | |
| Direct | | 12 | | 2,727,367 |
| Pass-Through: | | | | |
| Adaptive Materials Inc | prime W911QX-09-C0070 | 12 | | 225,337 |
| BAE Systems | 732078 | 12 | | 87,193 |
| BAE Systems | Subcontract 081718 | 12 | | 39,862 |
| Carnegie-Mellon University | 1041388-237996 | 12 | | 142,418 |
| Carnegie-Mellon University | 1150091-251534 | 12 | | 14,816 |
| Duke University | SPS 160423 | 12 | | 222,103 |
| Electro Chemical Finishing Company | Agreement | 12 | | 22,449 |
| Georgia Institute of Technology | R9292-G1 | 12 | | 179,686 |
| HRL Laboratories, LLC | 900279-BS | 12 | | 272,479 |
| HRL Laboratories, LLC | Advanced Agmt | 12 | | 67,964 |
| IBM | 5003797841 | 12 | | 42,507 |
| Integrated Science & Technology, Inc. | 27-0005 | 12 | | 145,367 |
| Intelligent Automation, Inc. | 666-1 | 12 | | 14,414 |
| International Business Machines Corporation | W0853330 | 12 | | (502) |
| NextGen Aeronautics, Inc | 10-15 | 12 | | 267,182 |
| Nico Technologies Corporation | Append 2 to Proj Mstr Agmt | 12 | | 22,627 |
| Oregon State University | Agreement | 12 | | 72,674 |
| Princeton University | 00001762 | 12 | | 725,561 |
| Rice University | R16181 | 12 | | 27,003 |
| Teledyne Scientific and Imaging, LLC | Contact#BOU540888 | 12 | | 191,532 |
| The Granville Group, Inc. | Agreement | 12 | | 10,350 |
| University of California - Berkeley | SA4242-79952 | 12 | | (5,918) |
| University of California - Berkeley | SA7005 | 12 | | 125,096 |
| University of California - Los Angeles | 0205-S-JD499 | 12 | | 166,234 |
| University of Connecticut | Personal Serv Agmt | 12 | | (879) |
| University of Houston | R-11-0047 | 12 | | 120,508 |
| Defense, Department of-Defense Threat Reduction Agency | | | | |
| Direct | | 12 | | 988,015 |
| Pass-Through: | | | | |
| FLIR Radiation, Inc | #1152 subcntrct agrmnt 7/8/09 | 12 | | 42,273 |
| General Electric Company | 400026386 | 12 | | 258,636 |
| Massachusetts Institute of Technology | 5710002583 | 12 | | 123,085 |
| Mayo Clinic | MAYO-JAX-004 | 12 | | 6,155 |
| University of Nebraska | 25-0521-156-002 | 12 | | 35,731 |
| Defense, Department of-National Geospatial-Intelligence Agency | | | | |

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|--|--------------------------------|---------------------|--------------------|----------------------|
| Direct | | 12 | | 127,801 |
| Defense, Department of-National Security Agency | | | | |
| Direct | | 12 | | 106,279 |
| Defense, Department of-Navy, Department of the | | | | |
| Direct | | 12 | | 9,948,506 |
| Pass-Through: | | | | |
| Advanced Cooling Technologies, Inc. | 9130 | 12 | | (5,526) |
| Eastern Michigan University | P0034778 | 12 | | 156,844 |
| EMAG Technologies, Inc. | Res. Agmt. dtd 11/12/08 | 12 | | 45,790 |
| EMAG Technologies, Inc. | Roundtable Resech Agmt | 12 | | 90,983 |
| Focus: Hope | 39786 | 12 | | (30,360) |
| Focus: Hope | 41175 | 12 | | 170,483 |
| Focus: Hope | 42125 | 12 | | 7,195 |
| Focus: Hope | Membership Agmt | 12 | | 32,249 |
| Georgia Institute of Technology | R7570-G1 | 12 | | 261,685 |
| Lightning Packs LLC | Email author of May 1-2,2011 | 12 | | 28,618 |
| Michigan Engineering Services | Agreement | 12 | | 113,206 |
| Praxis, Inc | SC20090018 | 12 | | 76,315 |
| QuesTek Innovations, LLC | PO# 05-194 | 12 | | (3,475) |
| San Diego State University Foundation | 55961A 7841 | 12 | | 31,218 |
| University of California - Santa Barbara | KK1106 | 12 | | 34,611 |
| University of California - Santa Barbara | KK5152 | 12 | | 11,906 |
| University of California - Santa Barbara | KK8153,Prime: N00014-08-1-0655 | 12 | | 50,163 |
| University of California-San Diego | 10293740 | 12 | | 18,108 |
| University of New Mexico | 271286-871E | 12 | | 104,545 |
| Defense, Department of-Other | | | | |
| Direct | | 12 | | 359,376 |
| Pass-Through: | | | | |
| Alion Science and Technology | Subc Agmt #19185KR | 12 | | 1,111,497 |
| Avera Research Institute | Contract | 12 | | (5,335) |
| BAE Systems | 739525 | 12 | | 82,253 |
| CBRITE | W 15P7T-08-C-P410-01 | 12 | | (33,801) |
| Civionics, LLC | Roundtable Res Agmt 5/10/10 | 12 | | 22,175 |
| Clemson University | 1272-7559-225-2006738 | 12 | | 46,608 |
| EPIR, Ltd. | 0082-10-SUMI-0001 | 12 | | 29,844 |
| EPIR, Ltd. | Contratr Agmt dtd 5/1/10 | 12 | | 29,936 |
| Focus: Hope | PO# 38813 dtd 8/21/07 | 12 | | (27,374) |
| Galt LLC | Roundtable Resch Agmt | 12 | | 14,161 |
| Sarcoma Alliance for Research Through Collaboration (SARC) | Clinical Trial SARC 006 | 12 | | 9,785 |
| Science Applications International Corporation (SAIC) | 4400154903 | 12 | | 17,965 |
| Director of National Intelligence, Office of the | | | | |
| Pass-Through: | | | | |
| Duke University | W99NF-10-1-0231 | 99 | | 161,856 |
| Education, Department of | | | | |
| Direct | | 84 | | 7,555,694 |
| Pass-Through: | | | | |
| American Institutes for Research | Agmt for Prof Services | 84 | | 74,326 |
| American Institutes for Research | 00477-02784 | 84 | | 153,943 |
| Association for Institutional Research | DG 09-173 | 84 | | 105 |
| Corporation for Public Broadcasting | Agmt For CPB#9811 | 84 | | 144,083 |
| Florida State University | R00874 | 84 | | 16,106 |
| Huron Valley Public Schools | 09-01394 | 84 | | 37,984 |
| Kessler Foundation | 293-03 | 84 | | 39,306 |
| Kessler Foundation | 307-03 | 84 | | 61,289 |
| Learning Point Associates | Cont # S2008-053;PO-1248 | 84 | | 218 |
| Learning Point Associates | S2008-054 PO-01243 | 84 | | 69,794 |

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|--|-------------------------------|---------------------|---|----------------------|
| Learning Point Associates | S2008-058 PO-00541 | 84 | | 57,027 |
| Livonia Public Schools | Agreement | 84 | | 34,483 |
| Michigan, State of, Education, Department of | P.O. #313P7200478 | 84 | | 897 |
| Northwestern University | SP-0007695-PROJ0002156 | 84 | | 747 |
| Rehabilitation Institute of Chicago | H133B090024 | 84 | | 57,953 |
| Texas A & M University | S090025-Acct 415099 | 84 | | 205,196 |
| United States Automotive Materials Partnership LLC | 081936 | 84 | | 102,049 |
| University of Chicago | Subawd32638 | 84 | | 63,158 |
| University of Pittsburgh | 0005455 | 84 | | 127,744 |
| University of Washington | 708171 | 84 | | 72,936 |
| University of Washington | Subcontract #681473 | 84 | | 65,709 |
| Vanderbilt University | 18748-S7 | 84 | | 19,738 |
| Energy, Department of | | | | |
| Direct | | 81 | | 19,329,377 |
| Direct | | 81.049 | ARRA-Office of Science Financial Assistance Program | 5,080,023 |
| Direct | | 81.087 | ARRA-Renewable Energy Research and Development | 87,205 |
| Pass-Through: | | | | |
| Alliance for Sustainable Energy, LLC | Ck # 2028742 | 81 | | 2,800 |
| Alliance for Sustainable Energy, LLC | XEJ-9-99035-01 | 81 | | 85,262 |
| Alliance for Sustainable Energy, LLC | XFT-8-88508-01 | 81 | | 80,301 |
| Alliance for Sustainable Energy, LLC | ZEE-9-99406-01 | 81 | | (16,086) |
| Argonne National Laboratory | 0F-34061 | 81 | | 46,938 |
| Argonne National Laboratory | 1F-31321 | 81 | | 13,800 |
| Argonne National Laboratory | 0F-33041 | 81 | | 81,061 |
| Battelle Energy Alliance, LLC | 00087993 | 81 | | 212,727 |
| Battelle Energy Alliance, LLC | 00088043 | 81 | | 171,630 |
| Battelle Energy Alliance, LLC | 00088615 | 81 | | 203,535 |
| Battelle Energy Alliance, LLC | 00089536 | 81 | | 88,264 |
| Battelle Energy Alliance, LLC | 00089651 | 81 | | 282,620 |
| Battelle Energy Alliance, LLC | 00091752 | 81 | | 175,804 |
| Battelle Energy Alliance, LLC | 00091877 | 81 | | 101,973 |
| Battelle Energy Alliance, LLC | 00092040 | 81 | | 66,757 |
| Battelle Energy Alliance, LLC | 00093519 | 81 | | 120,000 |
| Battelle Energy Alliance, LLC | 00096443 | 81 | | 98,087 |
| Battelle Energy Alliance, LLC | 00102642 | 81 | | 181,292 |
| Battelle Energy Alliance, LLC | 00109793 | 81 | | 35,896 |
| Battelle Energy Alliance, LLC | 00110004 | 81 | | 21,500 |
| Battelle Memorial Institute | 46827 | 81 | | (6,461) |
| Battelle Memorial Institute | 119375 | 81 | | 28,346 |
| Brookhaven Science Associates, LLC | 176085 | 81 | | 14,439 |
| Carnegie Institution of Washington | 4-3253-20 | 81 | | 51,285 |
| Carnegie Institution of Washington | 4-3253-21 | 81 | | 72,681 |
| Carnegie-Mellon University | 1070083-202847 | 81 | | (48,445) |
| Chrysler LLC | Agmt dtd 4/1/10 | 81 | ARRA | 207,546 |
| Clemson University | 1495-225-2008167 | 81 | | 36,518 |
| Consortium for Plant Biotechnology Research | GO12026-281 | 81 | | 52,276 |
| Fermi National Accelerator Laboratory | 594776 | 81 | | 45,025 |
| Fermi National Accelerator Laboratory | 598902 | 81 | | 17,119 |
| Fermi National Accelerator Laboratory | 588515 & 588518 | 81 | | 142,589 |
| Ford Motor Company | A10 PO09157787 | 81 | | 149,531 |
| Ford Motor Company | A10 PO09157787 001 | 81 | | 114,167 |
| GE Global Reseach | 400034495 | 81 | ARRA | 29,823 |
| General Motors Company | GVS00274 | 81.086 | ARRA-Conservation Research and Development | 94,695 |
| General Motors Company | GVS01142 | 81.086 | ARRA-Conservation Research and Development | 63,058 |

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|--|--------------------------------|---------------------|---|----------------------|
| General Motors Corporation | TCS26480 | 81 | | 612,171 |
| General Motors Corporation | GVS00286 | 81.086 | ARRA-Conservation Research and Development | 116,347 |
| General Motors Corporation | GVS00350 | 81.086 | ARRA-Conservation Research and Development | 109,654 |
| General Motors Corporation | TCS34042 | 81.135 | ARRA-Advanced Research and Projects Agency – Energy Financial Assistance Program | 147,395 |
| General Motors Holdings, LLC | GVS00485 | 81.086 | ARRA-Conservation Research and Development | 203,179 |
| Idaho National Laboratory | 00101016 | 81 | | 351,170 |
| Idaho National Laboratory | 00101052 | 81 | | 28,878 |
| Idaho National Laboratory | 00102030 | 81 | | 286,195 |
| Idaho National Laboratory | 00102333 | 81 | | 103,147 |
| Idaho National Laboratory | 00103195 | 81 | | 90,279 |
| Idaho National Laboratory | 00104989 | 81 | | 67,260 |
| Krell Institute | Sponsor Award Letter | 81 | | 1,003 |
| Lawrence Livermore National Security, LLC | B587549 | 81 | | 56,954 |
| Lawrence Livermore National Security, LLC | B589790 | 81 | | (32) |
| Lawrence Livermore National Security, LLC | B590212 | 81 | | 26,401 |
| Lawrence Livermore National Security, LLC | B591652 | 81 | | 50,000 |
| Los Alamos National Security, LLC | 59549-002-08 | 81 | | 4,644 |
| Michigan State University | 61-3212D | 81 | | 89,526 |
| Michigan Technological University | MTU 050516Z16 | 81 | | 119,252 |
| Michigan Technological University | P0076114 | 81 | | 126,979 |
| Next Energy | Agrmnt #DE-FC26-06NT42813 | 81 | | (30,360) |
| Northwestern University | PROJ0001507 | 81 | | 129,919 |
| Northwestern University | 611-8289300-60024673 PROJ00001 | 81.049 | ARRA-Office of Science Financial Assistance Program | 157,921 |
| Oak Ridge National Laboratory | 4000076759 | 81 | | 54,171 |
| Oak Ridge National Laboratory | 4000079632 | 81 | | 181,944 |
| Oak Ridge National Laboratory | 4000101356 | 81 | | 944,657 |
| Oregon State University | G0115A-A | 81 | | 69,781 |
| Pacific Northwest National Laboratories | 102038 | 81 | | 21,028 |
| Pennsylvania State University | 3894-UM-DOE-4157 | 81 | | 73,153 |
| Robert Bosch Corporation | Research Agreement | 81 | | 51,942 |
| Robert Bosch Corporation | Roundtable Res Agmt 4/1/10 | 81 | | 723,426 |
| Sandia National Laboratories | 768225 | 81 | | 58 |
| Sandia National Laboratories | 875249 | 81 | | 100,481 |
| Sandia National Laboratories | 903968 | 81 | | 78,407 |
| Sandia National Laboratories | 943330 | 81 | | 25,389 |
| Sandia National Laboratories | 971892 | 81 | | 22,834 |
| Sandia National Laboratories | 1006983 | 81 | | 47,524 |
| Sandia National Laboratories | 1017608 | 81 | | 10,000 |
| Sandia National Laboratories | 1076515 | 81 | | 26,597 |
| Sandia National Laboratories | 1077298 | 81 | | 51,557 |
| Sandia National Laboratories | 1110471 | 81 | | 30,285 |
| Sandia National Laboratories | PECASE Awrd-5-4-04 | 81 | | 14,631 |
| Sandia National Laboratories | PO# 1081780 | 81 | | 28,371 |
| Stanford University | 96880 | 81 | | 28,925 |
| Stanford University | 21747220-40367-B | 81 | | 129,682 |
| Stony Brook University | #1801030-2-51055 | 81 | | 325,880 |
| United States Automotive Materials Partnership LLC | 09-2142 | 81 | | 5,091 |
| United States Automotive Materials Partnership LLC | 09-2251 | 81 | | 5,063 |
| United States Automotive Materials Partnership LLC | 11-2602-AMP | 81 | | 31,985 |
| United States Automotive Materials Partnership LLC | 11-2609-AMP | 81 | | 13,879 |
| United States Automotive Materials Partnership LLC | PO #09-2269 | 81 | | (2,153) |
| Universal Display Corporation | Amend 7 to Sub dated 1/8/08 | 81 | | 111,306 |
| Universal Display Corporation | Amend ltr #5 Mstr Agmt | 81 | | 23,424 |
| Universal Display Corporation | Amend Ltr No. 2 dtd 7/25/08 | 81 | | 6,552 |

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|---|-------------------------------|---------------------|---|----------------------|
| Universal Display Corporation | Amendment Ltr No.8 | 81 | | 20,000 |
| Universal Display Corporation | Ltr #4 Mstr Agmt dtd 1/8/08 | 81 | | (29,884) |
| Universal Oil Products,LLC | 4500290595 | 81 | | 17,640 |
| University of California - Lawrence Berkeley National Laboratory | 6896522 | 81 | | 170,115 |
| University of California - Lawrence Berkeley National Laboratory | 6906363 | 81 | | 365,856 |
| University of Illinois-Urbana-Champaign | 2007-05891-02 | 81 | | 28,048 |
| University of Notre Dame, The | 209008 | 81.049 | ARRA-Office of Science Financial Assistance Program | 794,471 |
| University of Oregon | 234172K | 81 | | 10,079 |
| University of Rochester | PO415385-G;UR Acct#5-23738 | 81 | | 265,705 |
| University of Southern California | 139304 | 81.049 | ARRA-Office of Science Financial Assistance Program | 62,571 |
| University of Toledo | U/Toledo Agmt | 81 | | 18,019 |
| University of Wisconsin | 238K523 | 81.049 | ARRA-Office of Science Financial Assistance Program | 113,502 |
| UT-Battelle, LLC | 400100844 | 81 | | 28,651 |
| UT-Battelle, LLC | 4000067426 | 81 | | 6,105 |
| UT-Battelle, LLC | 4000071351 | 81 | | (8,057) |
| UT-Battelle, LLC | 4000082764 | 81 | | 3,521 |
| UT-Battelle, LLC | 4000085572 | 81 | | (8,913) |
| UT-Battelle, LLC | 4000088151 | 81 | | 15,682 |
| UT-Battelle, LLC | 4000089179 | 81 | | 2 |
| UT-Battelle, LLC | 4000095462 | 81 | | 55,417 |
| UT-Battelle, LLC | 4000095988 | 81 | | 8,799 |
| Environmental Protection Agency | | | | |
| Direct | | 66 | | 2,561,759 |
| Pass-Through: | | | | |
| American Chemistry Council | 4949 | 66 | | 49 |
| Great Lakes Commission | GLAD 09-02 | 66 | | 36,486 |
| Great Lakes Commission | GLAD 2010-1 | 66 | | 12,716 |
| Great Lakes Observing System (GLOS) | Proj # EPA-636-03 | 66 | | 208,286 |
| Health Effects Institute | Res Agmt #4782-RFA08-1/09-3 | 66 | | 57,037 |
| MACTEC | 606409003 task order 0003 | 66 | | 5,807 |
| Michigan State University | 61-3370UM | 66 | | 23,219 |
| Michigan State University | 61-3383F | 66 | | 325,565 |
| Michigan State University | RC063384UM-BC | 66 | | 79 |
| Michigan State University | RC063384UM-EC | 66 | | 2,237 |
| Michigan Tech Research Institute | P0084375 & Sub Award 100159Z1 | 66 | | 2,288 |
| Michigan, State of, Community Health, Department of | 20100815 | 66 | | 41,757 |
| Michigan, State of, Community Health, Department of | 20110395-00 | 66 | | 25,978 |
| St. Michaels Hospital | Subaward Agreement | 66 | | 8,290 |
| State University of New York at Buffalo | GL00E00522-CILER | 66 | | 7,453 |
| University of Washington | 412177 | 66 | | 85,067 |
| University of Washington | 690299 | 66 | | 24,774 |
| Water Environment Research Foundation | INFR6SG09 | 66 | | 71,260 |
| Water Environment Research Foundation | U1R09 | 66 | | 79,539 |
| Federal Reserve System | | | | |
| Direct | | 18 | | 193,784 |
| Health and Human Services, Department of-Administration for Children and Families | | | | |
| Direct | | 93 | | 3,708 |
| Pass-Through: | | | | |
| Columbia University | 583573 | 93 | | 188,236 |
| Columbia University | 1 (Acct# 5-36801) | 93 | | (2,998) |
| Columbia University | 1 (Acct#5-36803); PO 588902 | 93 | | 486,575 |
| Research Foundation of State University of New York | 1083232-7-52163 | 93 | | 9,914 |
| Research Foundation of State University of New York | 1091186-7-55722 | 93 | | 33,718 |

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|--|--------------------------------|---------------------|---|----------------------|
| Health and Human Services, Department of-Administration on Aging | | | | |
| Pass-Through: | | | | |
| National Association of Area Agencies on Aging (n4a) | Subaward Agmt under 90CC00811 | 93 | | 17,601 |
| North Carolina, State of | 2010-011 | 93 | | 26,229 |
| Health and Human Services, Department of-Agency for Health Care Research and Quality | | | | |
| Direct | | 93 | | 3,126,283 |
| Direct | | 93.715 | ARRA-Recovery Act – Comparative Effectiveness Research - AHRQ | 523,376 |
| Pass-Through: | | | | |
| Abt Associates, Inc. | 27082 | 93 | ARRA | 141,691 |
| Beth Israel Deaconess Medical Center | PrimGrnt#1R21HS019537-01 | 93 | | 11,729 |
| Health Research and Educational Trust | 80384 | 93 | | 230,794 |
| Kaiser Permanente Northern California | 115-9022-13 | 93.715 | ARRA-Recovery Act – Comparative Effectiveness Research - AHRQ | 22,906 |
| Massachusetts General Hospital | Subaward 217197 | 93.715 | ARRA-Recovery Act – Comparative Effectiveness Research - AHRQ | 104,923 |
| Michigan Public Health Institute | C-87005-115-504200 | 93 | | 23,447 |
| Michigan State University | RC060967UM | 93.715 | ARRA-Recovery Act – Comparative Effectiveness Research - AHRQ | 36,913 |
| University of North Carolina | 5-30939 | 93 | | 13,100 |
| University of North Carolina | 5-51392 | 93 | | 23,787 |
| Wayne State University | 3100771 WSU09022-A1 | 93 | | 24,819 |
| Health and Human Services, Department of-Centers for Disease Control and Prevention | | | | |
| Direct | | 93 | | 10,101,672 |
| Pass-Through: | | | | |
| Academy for Educational Development (AED) | 1405 | 93 | | 2,029 |
| Association for Prevention Teaching and Research | 5U50CD3000-860-21 | 93 | | 790,751 |
| Association of American Medical Colleges | MM-0996-09-09 | 93 | | 66,117 |
| Association of American Medical Colleges | MM-1149-10/10 | 93 | | 186,685 |
| Genesee County | Contract dtd 10/01/10 | 93 | | 60,429 |
| Genesee County | Professional Services Contract | 93 | | 35,744 |
| Harvard Pilgrim Health Care | U01IP000143 | 93 | | 119,173 |
| Michigan State University | 61-5132UM | 93 | | 21,154 |
| Michigan, State of, Community Health, Department of | 20090410 | 93 | | (1,138) |
| Michigan, State of, Community Health, Department of | 20100821 | 93 | | 309,498 |
| Michigan, State of, Community Health, Department of | 20110119 | 93 | | 553,376 |
| Michigan, State of, Community Health, Department of | 20111734-00 | 93 | | 54,192 |
| North Dakota Farm Bureau Foundation | Letter dtd 10/31/08 | 93 | | 120 |
| SciMetrika, LLC | 43-0925437-09 | 93 | | 15,135 |
| University of Chicago | 41907 | 93 | | 157,777 |
| University of Cincinnati | L11-4500053849 | 93 | | 52,550 |
| University of North Carolina | UNC-CH Subcontract # 5-38610 | 93 | | 20,794 |
| University of Texas Medical Branch at Galveston (UTMB) | 11-012/PO# UOSPC-0000000560 | 93 | | 59,184 |
| Washington University | WU-11-202,PO#2911650P | 93 | | 35,526 |
| Health and Human Services, Department of-Centers for Medicare and Medicaid Services | | | | |
| Direct | | 93 | | 1,508,373 |
| Pass-Through: | | | | |
| Arbor Research Collaborative For Health | CMS Contract HHSM-500-T0001 | 93 | | 1,723,505 |
| Arbor Research Collaborative For Health | Subcnt under HHSM-500-2005-000 | 93 | | (1,026) |
| Arkansas, State of | Contract#4600020055 | 93 | | 163,193 |
| Catapult Consultants, LLC | 7038-2 | 93 | | 34,056 |
| Florida Medical Quality Assurance, Inc | HHSM-500-2006-NW07C | 93 | | 42,699 |
| Florida Medical Quality Assurance, Inc | Subcontract Agmt | 93 | | 163,307 |
| Florida Medical Quality Assurance, Inc | sub-k agreement | 93 | | (15,378) |
| Michigan, State of, Community Health, Department of | 20100056 | 93 | | 68,124 |

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| Michigan, State of, Community Health, Department of | 20111559 | 93 | | 98,881 |
| Health and Human Services, Department of-Food and Drug Administration | | | | |
| Direct | | 93 | | 1,088,661 |
| Pass-Through: | | | | |
| Children's Hospital of Boston | PO #0000323896 | 93 | | 16,476 |
| Social & Scientific Systems, Inc. | PHR-FDA03-P-10-00143 | 93 | | 40,000 |
| Health and Human Services, Department of-Health Resources and Services Administration | | | | |
| Direct | | 93 | | 1,049,558 |
| Direct | | 93.405 | ARRA-Public Health Traineeship Program | 118,801 |
| Direct | | 93.411 | ARRA-Equipment to Enhance Training for Health Professionals | 106,504 |
| Pass-Through: | | | | |
| Arbor Research Collaborative For Health | SubK Agrmnt 9/25/05 | 93 | | 531,042 |
| Lutheran Medical Center | Agreement | 93 | | 26,611 |
| Michigan State University | 61-0560UM | 93 | | 5,681 |
| National Kidney Foundation of Michigan | Agmt dtd 9/1/07 | 93 | | 16,075 |
| National Kidney Foundation of Michigan | NKFM Agrmnt dtd 9/1/10 | 93 | | 9,221 |
| University of California - Los Angeles | 1920 G JB633 | 93 | | 42,027 |
| University of California - Los Angeles | 2000 G KM384 | 93 | | 314,849 |
| University of California-San Diego | PO# 10277739-002 | 93 | | 2,928 |
| University of Texas Southwestern Medical Center | GMO-901009 | 93 | | 13,962 |
| Wayne State University | WSU09060,5U01NS061264-02 | 93 | | 50,023 |
| Health and Human Services, Department of-National Institutes of Health | | | | |
| Direct | | 93 | | 461,616,349 |
| Direct | | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 87,226,518 |
| Direct | | 93.702 | ARRA-National Center for Research Resources, Recovery Act Construction Support | 594,542 |
| Direct | | 93.HHSN276201000032C | ARRA | 142,197 |
| Pass-Through: | | | | |
| Academy for Educational Development (AED) | 4406-05-S-Umich-01 | 93 | | 30,292 |
| Accord Biomaterials, Inc | Research Agmt | 93 | | (16,184) |
| Albert Einstein College of Medicine | 9-526-2869 | 93 | | 17,273 |
| Albert Einstein College of Medicine | Sub Grant # 9-526-3289 | 93 | | 436,400 |
| Allegheny-Singer Research Institute (ASRI) | R03 DE020118 | 93 | | 2,315 |
| Alluvium Biosciences, Inc | DRDA No. 09-0459 | 93 | | 15,600 |
| American College of Radiology | ACRIN 6654 | 93 | | 133,098 |
| American College of Radiology | Member Agreement | 93 | | 57,601 |
| American College of Surgeons | #Z4033 | 93 | | 1,036 |
| ArchieMD, Inc. | Rsrch Agrmt | 93 | | 91,139 |
| ArchieMD, Inc. | TOPIC Number 053 | 93 | | 18,623 |
| Beckman Research Institute-City of Hope | 22109.914987.6692 | 93 | | 15,806 |
| Beckman Research Institute-City of Hope | Subaward 22390.914991.6695 | 93 | | 6,690 |
| Beth Israel Deaconess Medical Center | 01023704 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 16,733 |
| Beth Israel Deaconess Medical Center | 01023719 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 10,422 |
| Beth Israel Deaconess Medical Center | 01024500 | 93 | | 77,254 |
| Beth Israel Deaconess Medical Center | IRC1EB01101-01 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 3,499 |
| Beth Israel Deaconess Medical Center | Amendment #2 | 93 | | 47,475 |
| Beth Israel Deaconess Medical Center | Memorandum of Agreement | 93 | | (15,302) |
| Beth Israel Hospital | Mem of Agmt 6/14/05 | 93 | | 62,975 |
| Biodiscovery LLC | Roundtable Research Agmt | 93 | | 79,652 |
| BioZyme, Inc | Roundtable/STTR Agreement | 93 | | 10,717 |

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| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|--------------------------------|---------------------|--|----------------------|
| Boston College | 1387-1 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 389,392 |
| Boston University | 3823-5 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 127,882 |
| Boston University | 4145-5/PO#RA208158NGO | 93 | | 92,487 |
| Boston University | 4198-5, PO#RA208433NGC | 93 | | 48,929 |
| Boston University | 4421-5, PO#RA208422NGC | 93 | | 34,793 |
| Boston University | 4562-5 | 93 | | 79,730 |
| Boston University | 7426-5 | 93 | | 2,563 |
| Brandeis University | UM-4-01597 | 93 | | 166,299 |
| Breonics, Inc | | 93 | | 35,217 |
| Brigham and Women's Hospital | Agmt# 1 R01ES013744-01A2 | 93 | | 16,940 |
| Brigham and Women's Hospital | Consort Agmt Eft-9/16/06 | 93 | | 19,153 |
| Brigham and Women's Hospital | Purchased Agmt | 93 | | 26,398 |
| Brigham Young University | 09-283 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 54,335 |
| Broad Institute | 5215910-5500000191 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 456,417 |
| Brown University | 00000319,P.O.#P263066 | 93 | | 16,527 |
| Brown University | 00000329-PO#P263924 | 93 | | 174,756 |
| California Pacific Medical Center | 108577 | 93 | | 4,589 |
| Carnegie-Mellon University | 1090300-250991 | 93 | | 176,186 |
| Case Western Reserve University | RES503902 | 93 | | 357,068 |
| Case Western Reserve University | RES505968 | 93 | | 14,813 |
| Case Western Reserve University | SUB #RES503857 | 93 | | 7,367 |
| Children's Hospital of Boston | 0000233005 | 93 | | 31,852 |
| Children's Hospital of Boston | 86739 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 95,784 |
| Children's Hospital of Los Angeles | CT Agmt to NANT Consortium | 93 | | (470) |
| Children's Hospital of Los Angeles | NANT Master Clin Tr Rider Agmt | 93 | | 14,392 |
| Children's Hospital of Philadelphia, The | 950677RSUB | 93 | | 7,063 |
| Children's Hospital of Philadelphia, The | 950699RSUB | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 8,115 |
| Children's Hospital of Pittsburgh | U01 DK072146 3/06 | 93 | | 4,470 |
| Children's Memorial Hospital | 900900-UMICH | 93 | | 77 |
| Children's Research Institute | Subcnt #7928-04-04 | 93 | | (7,393) |
| Cielo MedSolutions, LLC | Roundtable Research Agreement | 93 | | 54,802 |
| Cincinnati Children's Hospital Medical Center | 106691 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 2,074 |
| Cincinnati Children's Hospital Medical Center | 3100116869 | 93 | | 50,205 |
| Cincinnati Children's Hospital Medical Center | 108712/PO #3100197465 | 93 | | 42,507 |
| Cincinnati Children's Hospital Medical Center | CHMC #466 | 93 | | 1,252 |
| Cincinnati Children's Hospital Medical Center | PO # 3100194255 | 93 | | 92,551 |
| Cleveland Clinic Foundation (CCF) | Research Agmt | 93 | | 17,242 |
| Cleveland Clinic Lerner College of Medicine | Research Subaward Agreement | 93 | | 322 |
| Cold Spring Harbor Lab | 54550114 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 327,989 |
| Colorado State University | G-4498-1 | 93 | | 109,078 |
| Colorado State University | G-4514-1 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 88,776 |
| Columbia University | 5-27891/PO #575071 | 93 | | 12,556 |
| Columbia University | 5-38337 | 93 | | 420,203 |
| Columbia University | Agrmnt to Protocols-Study 1&2 | 93 | | 51,744 |
| Columbia University | Sub award#2, (Acct#5-39891) | 93 | | 133,222 |
| Community Health and Social Services, Inc. | Sub-Contract dtd 9/1/05 CDC GR | 93 | | 23,237 |
| Cornell University | 10070943 | 93 | | 28,581 |

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|--|--------------------------------|---------------------|--|----------------------|
| Cornell University | 1 RC2-MD-004767-01 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 374,091 |
| Cornell University | 1-N01-CN-43302 | 93 | | 204,560 |
| Cornell University | 60627-9339 | 93 | | 38,327 |
| Creighton University | R01 AR054496 | 93 | | 58,884 |
| Dartmouth College | 495 | 93 | | 24,854 |
| Dartmouth College | 521 | 93 | | 13,438 |
| Dartmouth College | 818 | 93 | | 50,813 |
| Dartmouth College | P01 AG019783 08S1 | 93 | | 85,333 |
| Duke University | 151309 | 93 | | 186,771 |
| Duke University | 11-NIH-1034 | 93 | | 221,150 |
| Duke University | CHEER Network | 93 | | 17,780 |
| Duke University | Duke SPS No.155509(Site 51) | 93 | | 1,494 |
| Duke University | Duke Univ U01 DK065176 | 93 | | 14,506 |
| Duke University | N01-A1-05419 SubK#10GC102970.. | 93 | | 62,763 |
| Duke University | N01-HD-4-3385 | 93 | | 23,159 |
| Duke University | SPS 169427 | 93 | | 87,268 |
| Duke University | Subaward No. 163575 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 39,674 |
| Duke University | U 10 HL080413 prime | 93 | | 195,361 |
| Duke University | Various protocols | 93 | | 5,017 |
| Ellis, John T., II | PO# P0507439 | 93 | | 266 |
| Emmes Corporation, The | 3603-001/HHSN2752008000021/003 | 93 | | 161,116 |
| Emory University | S272371 | 93 | | 2,431,191 |
| Emory University | S363827 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 59,976 |
| Emory University | S496432 | 93 | | 53,089 |
| Florida State University | R01241 ARRA | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 271,040 |
| Fluorescence Innovations, Inc | Research Agmt | 93 | | (1,691) |
| Forsyth Institute, The | R01 DE016276 | 93 | | 129,063 |
| Forsyth Institute, The | R01 DE016376 | 93 | | (484) |
| Full Circle Studios, LLC | LTR DTD 10/08 (R41HD057714) | 93 | | 26,762 |
| General Electric Company | 700174652 | 93 | | 307,568 |
| George Washington University | 09-S41 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 202,754 |
| George Washington University | DPP1011 | 93 | | 38,028 |
| George Washington University | DPP1112 | 93 | | 16,789 |
| Georgetown University | RX 4265-064-UM-SANCHEZ | 93 | | 10,893 |
| Georgetown University | RX 4265-073-UM-SANCHEZ | 93 | | 63,421 |
| Georgetown University | Subcnt #RX4300-019- | 93 | | 15,010 |
| Georgia Health Sciences University | 23361A | 93 | | 46,692 |
| Group Health Research Institute | PO#2009107553 | 93 | | (43,347) |
| Group Health Research Institute | PO#2010100525 | 93 | | 69,833 |
| Group Health Research Institute | PO#2011101752 | 93 | | 40,191 |
| HAMZTEC, LLC | Roundtable Research Agreement | 93 | | 84,982 |
| Harvard Pilgrim Health Care | Memo of Agmt | 93 | | 3,095 |
| Harvard Pilgrim Health Care | Subaward #AR000221 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | (2,132) |
| Harvard University | 123641 | 93 | | 13,719 |
| Harvard University | 150075.0002 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 45,889 |
| Henry Ford Health System | SC under 1R01HL092412-01A2 | 93 | | 109,607 |
| Henry Ford Health System | SC under 5 R01 HL068971 | 93 | | 38,429 |
| Henry Ford Health System | Sub #5 R01 DK064695-08 | 93 | | 49,329 |

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| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|---|--------------------------------|---------------------|--|----------------------|
| Henry M. Jackson Foundation for the Advancement of Military Medicine, Inc (HJF) | 661112 | 93 | | 3,875,760 |
| Henry M. Jackson Foundation for the Advancement of Military Medicine, Inc (HJF) | 671309 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 3,794,582 |
| Howard University | Agmt | 93 | | 2,830 |
| Hudson Alpha Institute for Biotechnology | 04 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 4,965 |
| Hunter College, CUNY (City University of New York) | 41657A | 93 | | 4,578 |
| Hutchinson, Fred, Cancer Research Center | Subaward # 0000659541 | 93 | | (478) |
| Hutchinson, Fred, Cancer Research Center | Subaward #000693277 | 93 | | 6,293 |
| Hutchinson, Fred, Cancer Research Center | Subaward#0000701012 | 93 | | 234,745 |
| Idaho State University | Subcontract #07-331 | 93 | | 4,523 |
| Indiana University | IN4680809UMICH; PO 904807 | 93 | | 32,691 |
| Indiana University | IN4686883UM | 93 | | 10,713 |
| Indiana University | IN4688316UMICH | 93 | | 45,000 |
| Indiana University | IUPUI4686836UMICH | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 113,044 |
| Indiana University | IUPUI-4693821-UM | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 118,322 |
| Indiana University | PO 552182 | 93 | | 54,548 |
| Indiana University | PO 825954 | 93 | | 246,086 |
| Industrial Science and Technology Network | Letter Authorization | 93 | | 2,407 |
| Industrial Science and Technology Network | Letter dtd 7/29/08 | 93 | | 29,433 |
| Industrial Science and Technology Network | Ltr dtd 8/30/06 | 93 | | (4,860) |
| Innovative Biotherapies | Agmt dtd 1/1/07 | 93 | | (1,628) |
| Innovative Biotherapies | Proj Spec Adden to Master Agmt | 93 | | 46,750 |
| Innovative Biotherapies | Project Specific Addendum | 93 | | 58,657 |
| Instituto de Nutricion de Centro America y Panama | subcontract | 93 | | 84,091 |
| Intelligent Prosthetic Systems | Roundtable Resrch Agmnt | 93 | | 65,051 |
| IUPUI (Indiana University Purdue University Indianapolis) | T110302/ PO#690065 | 93 | | 96,836 |
| Jaeb Center for Health Research | Agreement dtd 03/06/00 | 93 | | (173) |
| Johns Hopkins University | 2000348825 | 93 | | 75,822 |
| Johns Hopkins University | 2000801825 | 93 | | 194,804 |
| Johns Hopkins University | 1 RC1 EY020140-01 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 16,477 |
| Johns Hopkins University | Agmt of 5/1/05 (EY014660) | 93 | | 143,888 |
| Johns Hopkins University | Agreement of 7/6/07 | 93 | | 74,544 |
| Johns Hopkins University | PO# 2000370613 | 93 | | 9,386 |
| Johns Hopkins University | PO# 2000786830 | 93 | | 442,922 |
| Johns Hopkins University | U01 CA084986 | 93 | | (3,596) |
| Johns Hopkins University | U01 CA084986 | 93 | | 21,463 |
| Joslin Diabetes Center | CTA to Protocol TINSAL-T2D | 93 | | 6,150 |
| Joslin Diabetes Center | Sub 1 DK041526-20-KRO | 93 | | 56,168 |
| Kaiser Foundation Research Institute | 115-9834-03 | 93 | | 62,996 |
| Kessler Foundation | Subcontract Agmt | 93 | | 17,606 |
| M.D. Anderson Cancer Center | Basic Research Agreement | 93 | | 134,073 |
| Maine Medical Center | 0926-003 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 114,513 |
| Massachusetts Eye & Ear Infirmary | Agmt of 6/17/04 | 93 | | (233) |
| Massachusetts General Hospital | Agmt under R01 NS042147-01A2 | 93 | | 13 |
| Massachusetts General Hospital | Prime#R01NS052592-02 | 93 | | 18,389 |
| Massachusetts General Hospital | Research Services Agreement | 93 | | 6,139 |
| Mayo Clinic | 2P01NS044233-06A2 | 93 | | 45,713 |
| Mayo Clinic | sub 5R01CA133049-03 | 93 | | 26,005 |
| Mayo Clinic | Sub Agmnt 5 R01 DK077950-04 | 93 | | 62,617 |
| Mayo Clinic Rochester | 1 R01 CA133049-01 | 93 | | (1,000) |

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| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|--------------------------------|---------------------|--|----------------------|
| Mayo Clinic Rochester | 2 R01 NS04155806 A2 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 253,323 |
| MC3 Inc | Agreement | 93 | | 65,473 |
| MC3 Inc | Appendix C to Master Agreement | 93 | | 55,649 |
| MedArray, Inc. | Research Agreement | 93 | | (12,874) |
| Medical Cyberworlds, Inc | Letter dtd 12/04/09 | 93 | | 8,539 |
| Medical University of Ohio | 942536 | 93 | | 8,015 |
| Meso Scale Diagnostics | MSC001733 | 93 | | (1,558) |
| Michigan Critical Care Consultants, Inc. | append D Master agmt | 93 | | 34,370 |
| Michigan Critical Care Consultants, Inc. | Appendix B to Agmt | 93 | | 16,539 |
| Michigan Critical Care Consultants, Inc. | Appendix B to Proj Mstr Agmnt | 93 | | 6,346 |
| Michigan Critical Care Consultants, Inc. | Appendix to Mstr Agmt | 93 | | 19,785 |
| Michigan Public Health Institute | C-87005-115-504200 | 93 | | 10,448 |
| Michigan State University | 61-0037UM | 93 | | 29,214 |
| Michigan State University | 61-0047UM | 93 | | 15,109 |
| Michigan State University | 61-0810um | 93 | | (2,065) |
| Michigan State University | 61-0850UM | 93 | | 42,123 |
| Michigan State University | 61-0860UM Prm#1U19AI08968301 | 93 | | 46,851 |
| Michigan State University | 61-1407UM | 93 | | 1,139,277 |
| Michigan State University | 61-1438UM3 | 93 | | (31) |
| Michigan State University | Sub No 61-0029UM | 93 | | 13,290 |
| Molecular Innovations, Inc | Prorenin-Phase I | 93 | | 11,712 |
| Mount Sinai Medical Center, The | 0255-1214-4609 | 93 | | 12,684 |
| Mount Sinai Medical Center, The | 0255-1215-4609 | 93 | | 149,491 |
| Mount Sinai Medical Center, The | 0255-5031-4609 | 93 | | 82,726 |
| Mount Sinai Medical Center, The | 0256-4531-4609 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 228,526 |
| Muse Technologies | dtd 6/1/08 K# 2R42PR22942-02 | 93 | | 613 |
| NanoBio Corporation | NIH Grnt#1R41AIO85944-01 | 93 | | 165,346 |
| National Bureau of Economic Research | 33-4118-07-2-80-147 | 93 | | 430,722 |
| National Bureau of Economic Research | 40-4119-00 | 93 | | 76,977 |
| National Bureau of Economic Research | 40-4128 | 93 | | 99,431 |
| National Bureau of Economic Research | 83-4029-01-4-80-537-7700 | 93 | | (191) |
| National Bureau of Economic Research | SubK 33-4118-07-1-80-147 | 93 | | 66,553 |
| National Childhood Cancer Foundation | 18746 | 93 | | 13,983 |
| National Childhood Cancer Foundation | 19923 | 93 | | 9,748 |
| National Childhood Cancer Foundation | Contract # 020751 | 93 | | 238,024 |
| National Childhood Cancer Foundation | Contract No. 19379 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 45,411 |
| National Childhood Cancer Foundation | PO Number 16249 | 93 | | 15,407 |
| National Childhood Cancer Foundation | Sub Contract #19195 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 16,373 |
| National Childhood Cancer Foundation | Subcontract 19246 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 12,854 |
| National Childhood Cancer Foundation | U01CA9745209 | 93 | | 77,756 |
| National Childhood Cancer Foundation | U10 CA98543-07 | 93 | | 9,276 |
| National Childhood Cancer Foundation | U10CA9854308 | 93 | | 14,590 |
| National Jewish Medical Center | Clin Study under NHLB Prime | 93 | | 106,669 |
| National Jewish Medical Center | Collaborative Agreement | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 18,408 |
| National Marrow Donor Program (NMDP) | Master Agmt #13703 | 93 | | 158,650 |
| National Opinion Research Center | 5644.035Michigan | 93 | | 21,245 |
| National Surgical Adjuvant Breast and Bowel Project (NSABP) Foundation, Inc. | Amendment #2 PFED16-MIC-01 | 93 | | (4,200) |
| National Surgical Adjuvant Breast and Bowel Project (NSABP) Foundation, Inc. | Michigan-YR23 | 93 | | 53,696 |

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|--|--------------------------------|---------------------|--|----------------------|
| NeoStem | Agreement | 93 | | 96,743 |
| NeuroNexus Technologies, Inc. | Appendix D | 93 | | 35,736 |
| NeuroNexus Technologies, Inc. | Master agreement Appendix A | 93 | | 2,184 |
| New England Research Institute | Award Letter | 93 | | 12,917 |
| New England Research Institute | U01HL068270 | 93 | | 23,878 |
| New York University | 10-00238; Proj#801795 | 93 | | 2,479 |
| New York University | F6393-01 | 93 | | 104,697 |
| New York University | UW408893-1 | 93 | | 29,747 |
| Nico Technologies Corporation | Append 1 to Proj Mstr Agmt | 93 | | 362 |
| North Shore-Long Island Jewish Health System | 500491UMICH PO#186150 | 93 | | 118,879 |
| Northeastern University | 500158 and 500159 | 93 | | 402,848 |
| Northeastern University | 500208 and 500209 | 93 | | 3,656 |
| Northern California Institute for Research & Education, Inc. (NCIRE) | Sub Agmt 1456 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 273,224 |
| Northwestern University | 60027274 UM | 93 | | 55,122 |
| Ohio State University Research Foundation | 60020639, PO # RF01227474 | 93 | | 1,396 |
| Ohio State University, The | 60025570 | 93 | | 31,092 |
| Ohio State University, The | 60026141 | 93 | | 41,687 |
| Ohio State University, The | 60018596 PO# RF01179458 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 124,689 |
| Ohio State University, The | 60024386,PO#RF01190509 | 93 | | 101,243 |
| Ohio State University, The | GRT00016639/60026713 | 93 | | 31,535 |
| Ohio State University, The | PO #RF01091793 Proj #60011024 | 93 | | 194,744 |
| Ohio State University, The | Proj #60011543, PO# RF01167958 | 93 | | 89,467 |
| Ohio State University, The | RF01220510-60022100 | 93 | | 7,696 |
| Oregon Health and Science University | 1001429UM | 93 | | 6,544 |
| Oregon Health and Science University | GNEUR0580A7 | 93 | | 25,352 |
| Patient Provider Communications, Inc | Agmt dtd 11/10/10 | 93 | | 44,365 |
| Pennsylvania State University | 3140-UM-DHHS-0075 | 93 | | 27,241 |
| Pennsylvania State University | 3140-UM-DHHS-0075 | 93 | | 322,328 |
| Pennsylvania State University | 4245-UM-DHHS-0709 | 93 | | 21,177 |
| Pennsylvania State University | 4263-UM-DHHS-8140 | 93 | | 2,737 |
| Pennsylvania State University | UMI EY018336-02 | 93 | | 12,852 |
| Pixel Velocity | Roundtable Resch Agmt | 93 | | 124,588 |
| Pixel Velocity | Roundtable Resch Agmt | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 109,131 |
| Portland State University | 200REY246 | 93 | | 8,940 |
| Princeton University | 00001809 | 93 | | 13,915 |
| Princeton University | 00001869 | 93 | | 36,395 |
| Princeton University | 00001912 | 93 | | 5,052 |
| Purdue University | 4102-31814 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 342,641 |
| Purdue University | 4102-41070 | 93 | | 12,554 |
| Purdue University | 511-2048-01 | 93 | | 26,733 |
| Radiation Monitoring Devices, Inc. | C09-26 | 93 | | 109,874 |
| Radiation Monitoring Devices, Inc. | C11-45 | 93 | | 18 |
| Rand Corporation | 9920070127 | 93 | | 20,931 |
| Rand Corporation | 9920080002 | 93 | | 102,622 |
| Rand Corporation | 9920080119 | 93 | | 578,042 |
| Rand Corporation | 9920090060 | 93 | | (43,172) |
| Rand Corporation | 9920090060 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 54,832 |
| Rapid Biosense, LLC | Agmt dtd 4/20/09 | 93 | | 23,198 |
| Renova Life, Inc. | Contract dated 10/5/10 | 93 | | 164,591 |
| Research Foundation of State University of New York | RF Local File #1075090-2-48351 | 93 | | 130,932 |
| Rhode Island Hospital | HL077221 | 93 | | 24,571 |

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|---|-------------------------------|---------------------|--|----------------------|
| Rhode Island Hospital | U01-DK61700-FAVORIT | 93 | | 29,359 |
| Roswell Park Cancer Institute | 55-0949-02 | 93 | | 26,860 |
| Roswell Park Cancer Institute | Mod #3 R01 CA119358 | 93 | | 44,060 |
| Rutgers University | Rutgers #3766 / PO# S1236353 | 93 | | 119,829 |
| San Francisco General Hospital | 4815SC | 93 | | 2,243 |
| Science Applications International Corporation (SAIC) | 10XS178 | 93 | | 45,086 |
| Science Applications International Corporation (SAIC) | 25XS105, Task order 11 | 93 | | 130 |
| Science Applications International Corporation (SAIC) | 27XS115 | 93 | | 213,071 |
| Science Applications International Corporation (SAIC) | 29XS091 | 93 | | 150,639 |
| Science Applications International Corporation (SAIC) | 29XS161 | 93 | | 40,315 |
| Scripps Research Institute, The | IH U19 AI063603 | 93 | | 4,251 |
| Seattle Children's Hospital | 10118SUB | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 128,443 |
| Sonetics Ultrasound, Inc. | sub-#1 R43 EB009281-01A1 | 93 | | 3,975 |
| Southern Illinois University Medical School | 520302 | 93 | | (41,338) |
| Southern Illinois University Medical School | 520317 | 93 | | 379,432 |
| Southern Illinois University Medical School | Agmt dtd 09/01/06 | 93 | | 70,693 |
| St. Jude Children's Research Hospital | 111287160-7366641 | 93 | | (35,245) |
| Stanford University | 22234140-39087A | 93 | | 251,527 |
| Stanford University | sub award 21781580-8099-B | 93 | | 11,500 |
| State University of New York | 11-14 | 93 | | 959 |
| State University of New York | 1087781-2-54202 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 38,419 |
| State University of New York | 54183-2-1087790 | 93 | | 24,006 |
| State University of New York at Buffalo | R572942 | 93 | | 95,029 |
| Syracuse University | 23620-02268 SO2 | 93 | | 31,155 |
| Technion - Israel Institute of Technology | | 93 | | 8,386 |
| Texas A & M Research Foundation | S060049 | 93 | | 14,037 |
| The Feinstein Institute for Medical Research | 08-B-104 | 93 | | (7,290) |
| The Feinstein Institute for Medical Research | PO GRT286122 | 93 | | 127,103 |
| The Jackson Laboratory | 633420 RR001183-32 | 93 | | (51,878) |
| The Jackson Laboratory | 633420 RR001183-33 | 93 | | 239,028 |
| The University of Texas Health Science Center at Houston | 0007721B | 93 | | 22,457 |
| Therapeutics System Research Lab, Inc. (TSRL, Inc.) | Agreement | 93 | | 90,929 |
| Tufts Medical Center | 5R21 DK077368-02 | 93 | | 26,977 |
| Tufts University | HS2648 | 93 | | 78,736 |
| Tulane University | Sbawd#TUL-175-04/05 | 93 | | 20,088 |
| Tulane University | TUL-612-10/11 | 93 | | 11,730 |
| University Hospitals/Rainbow Babies and Children's Hospital | N01-DK-6-2203 | 93 | | 170,186 |
| University of Arkansas for Medical Sciences | 37347 | 93 | | 2,025 |
| University of Bath | RE-PA0278 | 93 | | (36,443) |
| University of Bath | SH278A | 93 | | 186,442 |
| University of California | 10313964 | 93 | | 65,498 |
| University of California | 10314706-SUB | 93 | | 106,735 |
| University of California | 2003-1187 Amnt. 06 | 93 | | 3,357 |
| University of California - Berkeley | 00007566 | 93 | | 15,526 |
| University of California - Davis | Sub # 0800038 | 93 | | 953,341 |
| University of California - Irvine | 2005-1677-1678 | 93 | | 188,818 |
| University of California - Irvine | 2008-2049 | 93 | | 198 |
| University of California - Irvine | 2008-2050 Amdt. 1 | 93 | | 24,437 |
| University of California - Irvine | 2008-2052 | 93 | | 2,167 |
| University of California - Irvine | 2009-2289 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 51,000 |
| University of California - Irvine | Subcontr#2005-1619 | 93 | | 14,868 |
| University of California - Los Angeles | 1460 F KB114 | 93 | | 81,212 |
| University of California - Los Angeles | 1550GNA961 | 93 | | 17,012 |

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| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|--------------------------------|---------------------|--|----------------------|
| University of California - Los Angeles | 1563 G JB617 | 93 | | 2,581 |
| University of California - Los Angeles | 1719 P MC118 | 93 | | 99,989 |
| University of California - Los Angeles | 1719 P NB912 | 93 | | 184,223 |
| University of California - Los Angeles | 1920-G-KB309 | 93 | | 110,982 |
| University of California - San Francisco | 4516SC | 93 | | 71,428 |
| University of California - San Francisco | 4911sc | 93 | | 115,246 |
| University of California - San Francisco | 5375SC | 93 | | 17,988 |
| University of California - San Francisco | 5766sc | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 5,224 |
| University of California - San Francisco | 5787SC | 93 | | 135,440 |
| University of California - San Francisco | 5824SC | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 860,754 |
| University of California - San Francisco | 6386sc | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 6,576 |
| University of California - San Francisco | ITN10146-00sc | 93 | | 97,669 |
| University of California - San Francisco | N01-AI-15416,Agmt ITN10203-00 | 93 | | 43,009 |
| University of California - San Francisco | R01 HD044876 prime | 93 | | 67,800 |
| University of California - San Francisco | sub award 5363sc amend #1 | 93 | | 15,096 |
| University of California - San Francisco | Subcontract #3680SC | 93 | | 11,973 |
| University of California-San Diego | 10302052 | 93 | | 72,213 |
| University of California-San Diego | ADC-030 | 93 | | 3,254 |
| University of California-San Diego | ADC-039 | 93 | | 21 |
| University of California-San Diego | Agmt 3/1/07 | 93 | | 4,010 |
| University of California-San Diego | CTA #6-0 UMICH ADNI-GO | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 13,114 |
| University of California-San Diego | Mstr Agrmt #6-00-ANDI | 93 | | 14,759 |
| University of California-San Diego | PO # 10277758 | 93 | | (16,200) |
| University of California-San Diego | Trial Protocol Attachmnt | 93 | | (5,637) |
| University of California-San Diego | U01 AG10483, Prtl #6-00-ADNI | 93 | | (6,781) |
| University of Chicago | 31069 | 93 | | 21,984 |
| University of Chicago | 33267-0851 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 56,848 |
| University of Chicago | 35829-003S3-B | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 3,495 |
| University of Chicago | 39778-5-30562 | 93 | | 26,788 |
| University of Chicago | 39778-5-30562 | 93 | | 383 |
| University of Chicago | 39778-5-30972 | 93 | | 159,345 |
| University of Chicago | 39778-530977,Proj RP3 | 93 | | 248,418 |
| University of Chicago | HHSN26120062001C-TRACS 31249 | 93 | | 123,826 |
| University of Cincinnati | COEUS #005695 | 93 | | 47,248 |
| University of Cincinnati | PO No. L11-450052146 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 56,724 |
| University of Colorado | 1547677, PO#0000076261 | 93 | | 13,227 |
| University of Colorado | FY10.220.006/2-5-50188 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 24,760 |
| University of Florida, The | 00051551-UM | 93 | | (33,536) |
| University of Florida, The | UF JAX 08027 | 93 | | (83,585) |
| University of Florida, The | UF10177 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 68,510 |
| University of Illinois at Chicago | E0010365 | 93 | | 26,293 |
| University of Iowa | W000103063 | 93 | | 1,081 |
| University of Iowa | W000113397 | 93 | | (87,547) |
| University of Iowa | W000211688 | 93 | | 14,833 |
| University of Iowa | W000239032; PO 1000854166 | 93 | | 7,247 |
| University of Iowa | W000248874 | 93 | | 4,348 |
| University of Iowa | W000285700 / PO No. 1000787890 | 93 | | 7,846 |

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|--|--------------------------------|---------------------|--|----------------------|
| University of Kansas | FY2011-101 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 31,410 |
| University of Kansas | QF847760 | 93 | | 43,791 |
| University of Kentucky | 3048105116-09-228 | 93 | | 132,832 |
| University of Kentucky | UKRF 3049022617-09-263 | 93 | | 2,487 |
| University of Maryland, The | 000002000 | 93 | | (28) |
| University of Maryland, The | PO# SR000001407 | 93 | | 419,872 |
| University of Maryland, The | SR00000236 | 93 | | 171,117 |
| University of Maryland, The | SR00001330 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 84,883 |
| University of Maryland, The | TBD | 93 | | 318,295 |
| University of Maryland-Baltimore County (UMBC) | PO # SR00001372 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 50,559 |
| University of Massachusetts | 6114511/RFS900208 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 55,775 |
| University of Miami, Florida, The | 66575N; PO M157973 | 93 | | 3,001 |
| University of Miami, Florida, The | M159075 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 121,925 |
| University of Miami, Florida, The | PO # M165251 | 93 | | 27,881 |
| University of Minnesota | A000028501 | 93 | | 24,123 |
| University of Minnesota | A844603902 | 93 | | 25,745 |
| University of Minnesota | B6367777101 | 93 | | (14,101) |
| University of Minnesota | N000460901 | 93 | | 9,546 |
| University of Minnesota | N000483802 | 93 | | 16,351 |
| University of Minnesota | N001204501 | 93 | | 434,184 |
| University of Minnesota | N001364902 | 93 | | 18,724 |
| University of Missouri | 00027714-1 | 93 | | 1,944 |
| University of Missouri | C00027714-3 | 93 | | 8,986 |
| University of Missouri | C00028567-1 | 93 | | 7,678 |
| University of Nebraska | 24-1106-0002-207 | 93 | | 109,871 |
| University of North Carolina | 5-30069 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 94,022 |
| University of North Carolina | 5-34711 | 93 | | (2,853) |
| University of North Carolina | 5-50413 | 93 | | 72,086 |
| University of North Carolina | 5-51327 | 93 | | 9,713 |
| University of North Carolina | Subaward #5-50056,Amd YR 4, #1 | 93 | | (4,945) |
| University of North Carolina | Subaward No. 5-50173 | 93 | | (34,549) |
| University of North Carolina at Greensboro | Subagreement 09-0293.3 | 93 | | 112,166 |
| University of North Carolina-Chapel Hill | 5 U01 NS042167 | 93 | | 17,658 |
| University of North Carolina-Chapel Hill | 5-30788 | 93 | | 141,700 |
| University of North Carolina-Chapel Hill | 5-31120 | 93 | | 16,327 |
| University of North Carolina-Chapel Hill | 5-52203 | 93 | | 8,894 |
| University of North Carolina-Chapel Hill | PROMIS Study Svc Agmt | 93 | | (28,991) |
| University of Pennsylvania | 545327 | 93 | | 6,530 |
| University of Pennsylvania | 549094 | 93 | | 74,900 |
| University of Pennsylvania | 550844 | 93 | | 36,712 |
| University of Pennsylvania | 552704 | 93 | | 107,901 |
| University of Pennsylvania | 553356 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 143,981 |
| University of Pennsylvania | 554393 | 93 | | 91,261 |
| University of Pennsylvania | 2224537 | 93 | | 22,958 |
| University of Pennsylvania | 547061 PO# 2502577 | 93 | | 69,993 |
| University of Pennsylvania | 553478 / PO# 2525463 | 93 | | 18,300 |
| University of Pennsylvania | Empty | 93 | | 26,422 |
| University of Pennsylvania | PO # 2621829 | 93 | | 32,282 |

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| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|-------------------------------|---------------------|--|----------------------|
| University of Pennsylvania | PO# 2332066 Sub Award# 553520 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 33,534 |
| University of Pennsylvania | PO# 2342103 Subawrd #5-44131 | 93 | | 6,186 |
| University of Pennsylvania | PO# 2531827 | 93 | | 29,793 |
| University of Pennsylvania | PO#2139263 Sub #5-45929 | 93 | | 6,235 |
| University of Pennsylvania | PO#2594604 | 93 | | 128,921 |
| University of Pennsylvania | Prime 1 R01 HL086622-01A1 | 93 | | 295 |
| University of Pittsburgh | 0005318 | 93 | | 9,841 |
| University of Pittsburgh | 402913 | 93 | | 92,462 |
| University of Pittsburgh | 0004080-R01 DK054639-13 prime | 93 | | 64,938 |
| University of Pittsburgh | 0004651 / 111882-1 | 93 | | 275,900 |
| University of Pittsburgh | 0009032(115597-1) | 93 | | 111,629 |
| University of Pittsburgh | 0011424 (118245-2) 116289-6 | 93 | | 103,769 |
| University of Pittsburgh | 0011424 116289-5 | 93 | | 70,651 |
| University of Pittsburgh | 0014526 115255-4 | 93 | | (29) |
| University of Pittsburgh | 0016269 115825-9 | 93 | | 7,286 |
| University of Pittsburgh | 0020149(118590-1) | 93 | | 94,216 |
| University of Pittsburgh | 114009-03 | 93 | | (40,289) |
| University of Pittsburgh | Agreement | 93 | | 299,022 |
| University of Pittsburgh | Inst#0003812-Proj #110583 | 93 | | (1,543) |
| University of Pittsburgh | Sub 0005432.Proj 112885-6 | 93 | | 5,350 |
| University of Pittsburgh | Sub awd#0001190 .. | 93 | | 3,575 |
| University of Pittsburgh | Subaward 0010681 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 84,424 |
| University of Pittsburgh | Subaward 8677; Proj #113901-1 | 93 | | 38,558 |
| University of Pittsburgh | Subaward No. 0005117 | 93 | | (3,659) |
| University of Pittsburgh | Subawd 0011670 proj 117262-1 | 93 | | 97,146 |
| University of Pittsburgh | Subcontract No. 402417-18 | 93 | | (5,132) |
| University of Rochester | 000004-D | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 78,270 |
| University of Rochester | 415077-G 5-24613 | 93 | | 25,231 |
| University of Rochester | P.O.#412658-G | 93 | | 1,213 |
| University of South Carolina | PO#21833/11550-FA21/10-1749 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 114,514 |
| University of South Florida | Site #1326-1U01-DK61055 | 93 | | 15,440 |
| University of Southern California | 115671 | 93 | | 261,539 |
| University of Southern California | 146472 | 93 | | 11,456 |
| University of Southern California | U01AI069545 PRIME | 93 | | 18,014 |
| University of Texas | 0004293 | 93 | | (1,066) |
| University of Texas | 0006439A | 93 | | 117,992 |
| University of Texas | 0007224C | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 279,763 |
| University of Texas | 150670/131201 | 93 | | 45,581 |
| University of Texas | 29272/98010457; PO#29085-2000 | 93 | | 211 |
| University of Texas Health Science Center at San Antonio | 150428/130450 | 93 | | 598,341 |
| University of Texas Health Science Center at San Antonio | 150671/131201 | 93 | | 13,820 |
| University of Texas Southwestern Medical Center | GMO 111129 | 93 | | 108,448 |
| University of Texas Southwestern Medical Center | GMO-500811 | 93 | | 7,178 |
| University of Texas Southwestern Medical Center | GMO-600123 | 93 | | 5,083 |
| University of Toledo | Agmt. No. NS 2005-080 | 93 | | 7,265 |
| University of Toledo | N 2010-11 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 11,868 |
| University of Toledo | N2004-43, PO#19385 | 93 | | 44,263 |
| University of Toledo | NS 2010-26 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 103,701 |
| University of Utah | 10004099 | 93 | | 4,577 |

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| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|-------------------------------|---------------------|--|----------------------|
| University of Utah | 10001873; PO#0000143988 | 93 | | 66,351 |
| University of Utah | 10006268 PO#0000137154 | 93 | | 1,260 |
| University of Utah | 2408022-09 | 93 | | 332,817 |
| University of Virginia | GC11589-136499 | 93 | | 164,360 |
| University of Virginia | GC11617-130377 | 93 | | 5,250 |
| University of Virginia | GC11812-132228 | 93 | | 35,579 |
| University of Virginia | GC11822-137295 | 93 | | 151,954 |
| University of Virginia | GC11822-137684 | 93 | | 54,678 |
| University of Virginia | ZC10062-134295 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 35,949 |
| University of Washington | 661125 | 93 | | 260,852 |
| University of Washington | 684460 | 93 | | 36,960 |
| University of Washington | 705170 | 93 | | 15,022 |
| University of Washington | 675168Z | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 20 |
| University of Washington | Subaward # 697084 | 93 | | 19,160 |
| University of Washington | Subaward No. 300368 | 93 | | 8,720 |
| University of Wisconsin | 257K386 | 93 | | 182,445 |
| University of Wisconsin | 836F463 | 93 | | 155,450 |
| University of Wisconsin | V221432, U01 AI074515-prime | 93 | | 117,285 |
| University of Wisconsin | X493695 | 93 | | 48,357 |
| Van Andel Research Institute | UMDS-NCI-BH-10-40140-1 | 93 | | 18,842 |
| Van Andel Research Institute | UMDS-NCI-BH-10-40152-1 | 93 | | 4,048 |
| Van Andel Research Institute | UMIG-NCI-BH-10-40140-1 | 93 | | 14,647 |
| Van Andel Research Institute | UMPA-NCI-BH-10-40140-1 | 93 | | 14,462 |
| Vanderbilt University | U 01 CA114771 Prime | 93 | | 26,767 |
| Veterans Medical Research Foundation | 07223-PO#296350 | 93 | | 17,485 |
| Wake Forest University | WFUHS 30225 | 93 | | 16,302 |
| Washington University | Subaward # WU-09-375 | 93 | | 3,256 |
| Washington University | Subaward #WU-09-369 | 93 | | 13,617 |
| Washington University | WU-10-167, PO#2911457A | 93 | | 69,460 |
| Washington University | WU-HT-10-16 | 93 | | 15,127 |
| Washington University in St. Louis | WU-11-107/PO#2911193P | 93 | | 100,353 |
| Wayne State University | P0481966 | 93 | | 1,443 |
| Wayne State University | P0492214 / WSU09077 | 93 | | 12,452 |
| Wayne State University | P0507698 | 93 | | 216,341 |
| Wayne State University | PO #480137 | 93 | | 2,145 |
| Wayne State University | WSU04055-A11 PO# P0423079 #1 | 93 | | (17,182) |
| Wayne State University | WSU09018;PO#P0494592 | 93 | | 9,385 |
| Wayne State University | WSU09081-PO# P0495991 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 20,794 |
| Wayne State University | WSU11029 | 93 | | 30,060 |
| Wayne State University | WSU11047; PO# P0511378 | 93 | | 11,974 |
| Wayne State University | WSU7068/PO# P0465988 | 93 | | 3,756 |
| Wayne, John, Cancer Institute | Agmt dtd 8/10/06 | 93 | | 7,701 |
| Wayne, John, Cancer Institute | Clinical Trial | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 2,993 |
| West Virginia University | PO #50054638 | 93 | | 20,451 |
| Western Interstate Commission for Higher Education | 4475.00.5240 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 57,253 |
| Winprobe Corporation | Research Agmt | 93 | | (54,018) |
| Yale University | A07225 | 93 | | (1,183) |
| Yale University | A07571 (M09A10047) | 93 | | 349 |
| Yale University | A07685 / 702120 | 93 | | 18,452 |
| Yale University | A07868 (M08A00761) | 93 | | 18,019 |
| Yale University | A08023(M09A10047) | 93 | | 18,606 |

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|--|-------------------------------|---------------------|---|----------------------|
| Yale University | A08152(M11A11003) | 93 | | 32,329 |
| Yale University | A08168(M11A10986) | 93 | | 12,590 |
| Yale University | A08254(M11A11079) | 93 | | 6,007 |
| Yale University | Purchase Svcs Agmt | 93 | | 29,519 |
| Yale University | Srv agm dtd 10/25/10 | 93 | | 17,795 |
| Yale University | Sub award C10A10829 | 93 | | 127,460 |
| Yale University | U10 D055925 prime | 93 | | 29,180 |
| Health and Human Services, Department of-Office of the Secretary | | | | |
| Direct | | 93 | | 747,977 |
| Pass-Through: | | | | |
| Michigan, State of, Community Health, Department of | 20110787 | 93 | | 189,401 |
| Michigan, State of, Community Health, Department of | 20111566 | 93 | | 74,936 |
| Health and Human Services, Department of-Substance Abuse and Mental Health Services Administration | | | | |
| Direct | | 93 | | 1,367,774 |
| Pass-Through: | | | | |
| American Indian Health and Family Services of SE Michigan, Inc (AIHFS) | 8/16/10 under 5HS5SM058836-03 | 93 | | 15,209 |
| Starfish Family Services | Subgrant Agmt | 93 | | 1,767 |
| Homeland Security, Department of | | | | |
| Direct | | 97 | | 2,572,472 |
| Pass-Through: | | | | |
| Johns Hopkins University | 979910 | 97 | | 33,307 |
| Radiation Monitoring Devices, Inc. | C09-35 | 97 | | 41,171 |
| Radiation Monitoring Devices, Inc. | Subcontract # C09-36 | 97 | | (5,009) |
| University of Maryland, The | Z966301 | 97 | | 11,720 |
| University of Nebraska | 25-0521-0119-013 | 97 | | 15,239 |
| Housing and Urban Development, Department of | | | | |
| Direct | | 14 | | 276,592 |
| Institute of Museum and Library Services | | | | |
| Direct | | 3 | | 552,564 |
| Pass-Through: | | | | |
| University of Maryland, The | Z929605 | 3 | | 54,378 |
| Yale University | C09P10245 | 3 | | 64,458 |
| Interior, Department of the | | | | |
| Direct | | 15 | | 234,179 |
| Pass-Through: | | | | |
| Michigan Tech Research Institute | 070910Z1 | 15 | | 5,011 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 237000,PO#777P1300399 | 15 | | 63,668 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 237016, PO# 751P0200868 | 15 | | 50,088 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 237016,PO#751P0200076 | 15 | | (33,283) |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 751P0200075 | 15 | | 3,108 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 751P0200869 | 15 | | 55,314 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | 751P9200163 | 15 | | (29,335) |
| Michigan, State of, Natural Resources and Environment (MDNRE) | PO#751P0200074 | 15 | | 20,603 |
| Michigan, State of, Natural Resources and Environment (MDNRE) | PO#777P1300488, proj 237016 | 15 | | 14,586 |
| Wisconsin, State of | PO#NMA00000033 | 15 | | 13,835 |
| Wisconsin, State of | PO#NMJ00000259 | 15 | | (1,247) |
| Justice, Department of | | | | |
| Direct | | 16 | | 1,731,458 |
| Pass-Through: | | | | |
| Michigan Public Health Institute | C-27064-115-504200 | 16 | | 6,273 |
| Michigan Public Health Institute | C-27066-115-504200 | 16 | | 13,409 |
| Michigan, State of, Community Health, Department of | 20111564 | 16.803 | ARRA-Recovery Act - Eward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories | 195,210 |
| Library of Congress | | | | |

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|--|-------------------------------|---------------------|--------------------|----------------------|
| Direct | | 42 | | 80,508 |
| National Aeronautics and Space Administration | | | | |
| Direct | | 43 | | 10,607,103 |
| Pass-Through: | | | | |
| Alion Science and Technology | PO SCR1100627 | 43 | | 65,343 |
| California Institute of Technology | 2-1087640 | 43 | | 102,080 |
| California Institute of Technology | 44A-1085637 | 43 | | 279,227 |
| Carnegie Institution of Washington | DTM-3250-04 | 43 | | 299,884 |
| CFD Research Corporation | 1385 | 43 | | (1,301) |
| Collier Research Corp | 080821 | 43 | | 27,781 |
| Collier Research Corp | SUB-K #070327 | 43 | | 51,084 |
| ElectroDynamic Applications, Inc. | NNX10CF59P, po 20100129 | 43 | | 41,751 |
| ElectroDynamic Applications, Inc. | NNX11CF70P, PO 10090001 | 43 | | 9,965 |
| EPIR, Ltd. | A62P-10-SUMI-0001 | 43 | ARRA | 6,079 |
| Jet Propulsion Laboratory | 942565 | 43 | | 50,194 |
| Jet Propulsion Laboratory | 1214369 | 43 | | 76,254 |
| Jet Propulsion Laboratory | 1266313 | 43 | | 466,433 |
| Jet Propulsion Laboratory | 1266314 | 43 | | 60,621 |
| Jet Propulsion Laboratory | 1306356 | 43 | | 571 |
| Jet Propulsion Laboratory | 1309693 | 43 | | 24,085 |
| Jet Propulsion Laboratory | 1309728 | 43 | | (387) |
| Jet Propulsion Laboratory | 1309768 | 43 | | 44,462 |
| Jet Propulsion Laboratory | 1310222 | 43 | | (312) |
| Jet Propulsion Laboratory | 1322807 | 43 | | 10,228 |
| Jet Propulsion Laboratory | 1327417 | 43 | | 24,338 |
| Jet Propulsion Laboratory | 1335558 | 43 | | 19,831 |
| Jet Propulsion Laboratory | 1342979 | 43 | | 2,417 |
| Jet Propulsion Laboratory | 1344183 | 43 | | 69,120 |
| Jet Propulsion Laboratory | 1346899 | 43 | | 1,147 |
| Jet Propulsion Laboratory | 1352405 | 43 | | 262,091 |
| Jet Propulsion Laboratory | 1356511 | 43 | | 53,133 |
| Jet Propulsion Laboratory | 1358124 | 43 | | 183,583 |
| Jet Propulsion Laboratory | 1363062 | 43 | | 57,935 |
| Jet Propulsion Laboratory | 1364989 | 43 | | 44,807 |
| Jet Propulsion Laboratory | 1370172 | 43 | | (14,240) |
| Jet Propulsion Laboratory | 1370331 | 43 | | 107,044 |
| Jet Propulsion Laboratory | 1371383 | 43 | | 54,996 |
| Jet Propulsion Laboratory | 1371593 | 43 | | 59,271 |
| Jet Propulsion Laboratory | 1373822 | 43 | | 2,495 |
| Jet Propulsion Laboratory | 1375929 | 43 | | 22,077 |
| Jet Propulsion Laboratory | 1376685 | 43 | | 15,189 |
| Jet Propulsion Laboratory | 1376898 | 43 | | 30,476 |
| Jet Propulsion Laboratory | 1377380 | 43 | | 16,675 |
| Jet Propulsion Laboratory | 1378586 | 43 | | 13,607 |
| Jet Propulsion Laboratory | 1379206 | 43 | | 8,258 |
| Jet Propulsion Laboratory | 1393453 | 43 | | 40,259 |
| Jet Propulsion Laboratory | 1401136 | 43 | | 71,065 |
| Jet Propulsion Laboratory | 1401151 | 43 | | 18,346 |
| Jet Propulsion Laboratory | 1403361 | 43 | | 23,782 |
| Jet Propulsion Laboratory | 1409449 | 43 | | 403,433 |
| Jet Propulsion Laboratory | 1411301 | 43 | | 81,186 |
| Jet Propulsion Laboratory | 1416972 | 43 | | 86,104 |
| Jet Propulsion Laboratory | 1416974 | 43 | | 23,147 |
| Jet Propulsion Laboratory | 1418621 | 43 | | 39,633 |
| Jet Propulsion Laboratory | 1427898 | 43 | | 332 |
| Jet Propulsion Laboratory | 1430980 | 43 | | 3,425 |

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|--|--------------------------------|---------------------|---|----------------------|
| Jet Propulsion Laboratory | 1431266 | 43 | | 6,059 |
| Michigan Tech Research Institute | PO# P0085592/090916Z1 | 43 | | 27,502 |
| North Carolina State University | 2007-1418-01 | 43 | | 2,443 |
| Northwestern University | PROJ0001363 | 43 | | 12,479 |
| Ohio State University, The | 60014113 | 43 | | 140,737 |
| Picomatrix, Inc. | R & D Subcontract | 43 | | 25,361 |
| Planetary Science Institute | Subcontract Agreement | 43 | | 1,203 |
| Scientific Monitoring, Inc. | U/M1001 | 43 | | 15,913 |
| Scientific Monitoring, Inc. | UoM1002 | 43 | | 1,187 |
| Southwest Research Institute | 699056KC | 43 | | 81,466 |
| Southwest Research Institute | A99154LM | 43 | | 32,169 |
| Southwest Research Institute | A99201MO | 43 | | 354,242 |
| Southwest Research Institute | B99073JD | 43 | | 24,827 |
| Space Telescope Science Institute | HST-AR-10939.01-A | 43 | | 52,794 |
| Space Telescope Science Institute | HST-AR-11252.05 | 43 | | 2,545 |
| Space Telescope Science Institute | HST-GO-10814.01-A | 43 | | (638) |
| Space Telescope Science Institute | HST-GO-10824.13-A | 43 | | 475 |
| Space Telescope Science Institute | HST-GO-11125.01-A | 43 | | 16,312 |
| Space Telescope Science Institute | HST-GO-11129.01-A | 43 | | 26,971 |
| Space Telescope Science Institute | HST-GO-11548.04-A | 43 | | 7,516 |
| Space Telescope Science Institute | HST-GO-11583.01-A | 43 | | 7,314 |
| Space Telescope Science Institute | HST-GO-11589.01.A | 43 | | 19,584 |
| Space Telescope Science Institute | HST-GO11607-01-A | 43 | | 13,254 |
| Space Telescope Science Institute | HST-GO-11608.01-A | 43 | | 16,002 |
| Space Telescope Science Institute | HST-GO-11613.14-A | 43 | | 52,971 |
| Space Telescope Science Institute | HST-GO-12060.52-A | 43 | | 18,158 |
| Space Telescope Science Institute | HST-GO-12238.07-A | 43 | | 72,910 |
| Streamline Numerics, Inc | Fixed Price Research Agreement | 43 | | 18,987 |
| University of California - Berkeley | SA4765-26309 PO1077462 | 43 | | 44,487 |
| University of California - Los Angeles | 2090 G MA823 | 43 | | 28,082 |
| University of California - Los Angeles | 2090 G NA117 | 43 | | 39,164 |
| University of Florida, The | UF09150 | 43 | | 37,472 |
| University of Maryland, The | Z634020 | 43 | | 529,977 |
| University of Massachusetts | S120 000000 0016; PO0001268631 | 43 | | 77,055 |
| University of Notre Dame, The | 201255 | 43 | | (4) |
| University of Virginia | GR10008-129918 | 43 | | 65,932 |
| National Archives and Records Administration | | | | |
| Direct | | 89 | | 62,274 |
| National Endowment for the Humanities | | | | |
| Direct | | 6 | | (26,579) |
| National Science Foundation | | | | |
| Direct | | 47 | | 67,550,213 |
| Direct | | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 7,489,433 |
| Pass-Through: | | | | |
| American Educational Research Association | Agreement | 47 | | 102,385 |
| American Educational Research Association | Awd ltr dtd 4/22/09 | 47 | | (193) |
| Arbor Photonics, Inc | Check #001455 | 47 | | 8,670 |
| Association for Institutional Research | DG 09-120 | 47 | | 379 |
| Association for Institutional Research | DG10-209 | 47 | | 19,103 |
| Association for Institutional Research | RG10-129 | 47 | | 41,603 |
| Association for Institutional Research | RG10-131 | 47 | | 37,521 |
| Baker-Calling | Research Agmt | 47 | | 39,939 |
| California Institute of Technology | 42B-1084325 | 47 | | (165) |
| Carnegie-Mellon University | 1121322-236717 | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 10,121 |

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|--|--------------------------------|---------------------|---|----------------------|
| Columbia University | 563900 | 47 | | 708,214 |
| Columbia University | 563907 | 47 | | 168,247 |
| Computing Research Association (CRA) | CIF-B-144 | 47 | | 68,517 |
| Computing Research Association (CRA) | CIF-B-66 | 47 | | 92,748 |
| Consortium for Ocean Leadership | SAF10-04 | 47 | | 28,000 |
| Consortium for Ocean Leadership | T319A2 | 47 | | 3,365 |
| Consortium for Ocean Leadership | T320A2 | 47 | | 14,044 |
| Consortium for Ocean Leadership | T335A2 | 47 | | 39,537 |
| Cornell University | 44771-7472 | 47 | | 1,209,007 |
| Cornell University | 46222-7763 | 47 | | 62,789 |
| Cornell University | 55816-8779 | 47 | | (385,421) |
| Cornell University | 60419-9037 | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 219,574 |
| Duke University | 10-NSF-1074 | 47 | | 18,537 |
| Eastern Michigan University | R71040.4 | 47 | | 21,498 |
| Florida State University | R01303 | 47 | | 14,074 |
| George Mason University | E2022091 | 47 | | 11,143 |
| Georgetown University | RX2745-401-UMICH | 47 | | 60,853 |
| Georgia Institute of Technology | R8112-G1 | 47 | | (358) |
| Georgia Institute of Technology | R9758-G4 | 47 | | 88,711 |
| Georgia Institute of Technology | Y0001-G2 | 47 | | 2,022 |
| Georgia Institute of Technology | Y0011-G8 | 47 | | 3,702 |
| Harvard University | 108051-5021742 | 47 | | 248,583 |
| Harvard University | 108075-5026906 | 47 | | 326,896 |
| Harvard University | 123658 5039998 | 47 | | 28,406 |
| Harvard University | 131926 | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 17,807 |
| Industrial Optical Measurement Systems | Res Agmt & Ck #811 | 47 | | (10,096) |
| Intelligent Prosthetic Systems | Check# 1059 dtd 12/18/07 | 47 | | 5,851 |
| Intelligent Prosthetic Systems | Ck#1057 - 12/18/07 | 47 | | 160 |
| Internet2 | Subaward Agmt | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 20,009 |
| Iowa State University | 420-72-34/19 69672 23 | 47 | | 141,613 |
| IUPUI (Indiana University Purdue University Indianapolis) | IN-4870110-UM | 47 | | 50,318 |
| Kent State University | 442197-P060510 | 47 | | 43,069 |
| Marine Biological Laboratory | 40985 | 47 | | 29,721 |
| Marine Biological Laboratory | MBL Subaward #25282 | 47 | | 64,621 |
| Michigan State University | 61 2019UM | 47 | | 37,312 |
| Michigan State University | 61-2554UM | 47 | | 143,803 |
| Michigan State University | RC100168UM | 47 | | 59,856 |
| NanoMech, LLC | Research Agmt | 47 | | 13,160 |
| New York Hall of Science | ESI-0540152 | 47 | | (7,240) |
| Northwestern University | 610-4738004-60019152 | 47 | | 113,240 |
| Northwestern University | 610473800460019155proj0002699 | 47 | | 160,380 |
| Northwestern University | PROJ0000072 | 47 | | 106,491 |
| Northwestern University | PROJ0000746 | 47 | | 33,163 |
| Northwestern University | PROJ0002254 | 47 | | 21,558 |
| Oberlin College | CNS 0930153 | 47 | | 23,400 |
| OG Technologies, Inc. | PO# 3093 | 47 | | 95 |
| Ohio State University, The | EEC 0914790 | 47 | | 101,022 |
| Ohio State University, The | PO RF01227497 | 47 | | 45,066 |
| Pennsylvania State University | 3743-UM-NSF-0404 | 47 | | 46,498 |
| Pennsylvania State University | 4042-UM-NSF-9447 | 47 | | 1,006 |
| PicoCal, Inc. | Check#1657-dtd 8/6/10 | 47 | | 61,328 |
| Purdue University | NEES 4101-31912 | 47 | | 49,344 |
| Rand Corporation | Sub #9920070065 -- SES-0624353 | 47 | | 63,048 |

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|--|-------------------------------|---------------------|---|----------------------|
| Rutgers University | Subawd 00003703; PO#S1197974 | 47 | | 14,380 |
| South Carolina Research Authority | 2010-711 | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 22,201 |
| South Dakota State University | 3F0200 | 47 | | 4,597 |
| South Dakota State University | USD 1028 | 47 | | 12,365 |
| SRI International | 115-000028 | 47 | | 40,504 |
| SRI International | 115-000056 | 47 | | 5,974 |
| State University of New York at Buffalo | PTAEO#1087905/2/54259 | 47 | | 83,946 |
| The Algebra Project, Inc | ESI-0822175 | 47 | | 181,607 |
| Thixomat, Inc. | Research Agreement | 47 | | 110,156 |
| United States Civilian Research and Development Foundation | RUB1-2916-ST-07 | 47 | | 2,131 |
| United States Civilian Research and Development Foundation | RUG1-2949-MO-09 | 47 | | 4,501 |
| United States Civilian Research and Development Foundation | RUP-2945-PE-09 | 47 | | 13,803 |
| University of Arizona | Y553599 | 47 | | 102,862 |
| University of Arizona | Y561457 | 47 | | 35,977 |
| University of California - Los Angeles | 100 G NB315 | 47 | | 58,899 |
| University of California - Santa Barbara | KK6156 | 47 | | 4,053 |
| University of California-San Diego | 10293887 | 47 | | 23,148 |
| University of California-San Diego | 10301095 | 47 | | 23,507 |
| University of California-San Diego | PO# 10301277 | 47 | | 55,736 |
| University of Central Florida | UCF 65016192 | 47 | | 82,474 |
| University of Georgia | RR246-005/5812127 | 47 | | 44,322 |
| University of Georgia | RR551-481/4784726 | 47 | | 19,033 |
| University of Illinois-Urbana-Champaign | 2006-038071-01A4816 | 47 | | 1,148 |
| University of Illinois-Urbana-Champaign | 2009 01053 01 | 47 | | 61,973 |
| University of Illinois-Urbana-Champaign | 2009 04479 01 | 47 | | 51,436 |
| University of Illinois-Urbana-Champaign | 2010-03235-01 Code A1694 | 47 | | 390 |
| University of Illinois-Urbana-Champaign | 2010-07322-01/C5508 | 47 | | 2,247 |
| University of Maryland, The | Z326101 | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 124,584 |
| University of Maryland, The | Z491502 u/prime #IIS 0705832 | 47 | | (19) |
| University of Massachusetts | 06-003720M 00, PO#0001289847 | 47 | | 43,767 |
| University of Massachusetts | 10-005620 A 00 | 47 | | 6,155 |
| University of Minnesota | A528605612 | 47 | | 51,190 |
| University of Mississippi | 09-03-058 | 47 | | 11,296 |
| University of Missouri | C00026277-1 | 47 | | 111,713 |
| University of Nebraska | 25-0550-0001-129 | 47 | | 25,166 |
| University of Nevada | UNR-07-92 | 47 | | 854 |
| University of Notre Dame, The | 201646 | 47 | | 105,900 |
| University of Texas | UTA06-776 | 47 | | 6,471 |
| University of Virginia | GA10778-133387 | 47 | | 22,919 |
| University of Washington | 431145 | 47 | | 202,335 |
| University of Wisconsin | 028K755 | 47 | | 46,284 |
| University of Wisconsin | 159K832 | 47.082 | ARRA-Trans-NSF Recovery Act Reasearch Support | 19,222 |
| Virginia Commonwealth University | PT095050 - SC100044 | 47 | | 31,024 |
| Virginia Polytechnic Institute and State University | 478195-19337 | 47 | | 173,645 |
| Vortex Hydro Energy, LLC | Roundtable Res Agmt | 47 | | 90,763 |
| WayLogics, LLC | Check #993 | 47 | | 18,000 |
| WayLogics, LLC | Sponsor Itr 7/20/10-Ck#994 | 47 | | 16,021 |
| Wesleyan University | WESU 5011048122 | 47 | | 28,670 |
| Nuclear Regulatory Commission | | | | |
| Direct | | 77 | | 850,287 |
| Pass-Through: | | | | |
| Oregon State University | X0105A-A | 77 | | 89,819 |
| Small Business Administration | | | | |

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| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|-------------------------------|---------------------|--------------------|----------------------|
| Direct | | 59 | | (4,305) |
| Smithsonian Institution | | | | |
| Direct | | 60 | | 465,048 |
| Social Security Administration | | | | |
| Direct | | 96 | | 2,355,789 |
| State, Department of | | | | |
| Direct | | 19 | | 397,009 |
| Pass-Through: | | | | |
| National Academy of Sciences | PGA-P210884 | 19 | | 18,397 |
| Transportation, Department of-Federal Aviation Administration | | | | |
| Direct | | 20 | | 88,436 |
| Pass-Through: | | | | |
| George Mason University | E2020272 | 20 | | 81,118 |
| Transportation, Department of-Federal Highway Administration | | | | |
| Direct | | 20 | | 562,853 |
| Pass-Through: | | | | |
| Michigan, State of, Transportation, Department of | 2006-0412 | 20 | | 803 |
| Michigan, State of, Transportation, Department of | 2006-0412 | 20 | | 25,137 |
| Michigan, State of, Transportation, Department of | 2010-0296/Z1 | 20 | | 83,821 |
| Michigan, State of, Transportation, Department of | 2010-0436 | 20 | | 300,829 |
| Michigan, State of, Transportation, Department of | Auth Z6, 2009-0747 | 20 | | 195,501 |
| Michigan, State of, Transportation, Department of | Contract 2010-0296 Auth Z2 | 20 | | 74,606 |
| Michigan, State of, Transportation, Department of | Z4 2009-0747 | 20 | | 152,974 |
| Nichols Consulting Engineers | Subconsultant Agmt | 20 | | 24,204 |
| Transtec Group, Inc. | SHRP R-06(E) | 20 | | 220 |
| Virginia Polytechnic Institute and State University | 451054-19337 | 20 | | 25,562 |
| Transportation, Department of-Federal Motor Carrier Safety Administration | | | | |
| Direct | | 20 | | 945,503 |
| Transportation, Department of-Federal Railroad Administration | | | | |
| Direct | | 20 | | 81,393 |
| Transportation, Department of-Federal Transit Administration | | | | |
| Direct | | 20 | | 306 |
| Transportation, Department of-Maritime Administration | | | | |
| Pass-Through: | | | | |
| Great Lakes Maritime Research Institute | 021210GLMR13-1BALLAST | 20 | | 38,912 |
| Great Lakes Maritime Research Institute | 021210GLMR13-1UNLOADER | 20 | | 32,261 |
| Transportation, Department of-National Highway Traffic Safety Administration | | | | |
| Direct | | 20 | | 2,574,853 |
| Pass-Through: | | | | |
| ArvinMeritor, Inc. | Email dtd 10/27/09 | 20 | | 37,110 |
| Delphi Automotive Systems | EKS98622 (Delphi) | 20 | | (10,600) |
| Meritor WABCO | Research Agmt | 20 | | 644,953 |
| Nissan Technical Center, North America | Agreement | 20 | | 43,686 |
| Virginia Polytechnic Institute and State University | 425940-19337 | 20 | | 11,476 |
| Virginia Polytechnic Institute and State University | 451012-19337 | 20 | | 173,543 |
| Virginia Polytechnic Institute and State University | 451019-19337 | 20 | | 90,000 |
| Virginia Polytechnic Institute and State University | 451057-19337 | 20 | | 185,832 |
| Transportation, Department of-Other | | | | |
| Direct | | 20 | | 96,736 |
| Pass-Through: | | | | |
| Battelle Memorial Institute | 269974 | 20 | | 18,383 |
| Delphi Automotive Systems | DTRS57-02-C-10049 | 20 | | 100 |
| Great Lakes Maritime Research Institute | 144 051042 4/101610GLMR13 | 20 | | 9,294 |
| International Electronic Machines Corp | DRDA 07-0638 | 20 | | (249) |
| Michigan State University | 61-3716A | 20 | | 151 |
| Michigan, State of, State Police, Department of | TR-10-01 | 20 | | 91,373 |

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|---|--------------------------------|---------------------|--|-----------------------|
| Michigan, State of, State Police, Department of | TR-11-01 | 20 | | 201,597 |
| Michigan, State of, Transportation, Department of | Contract 2009-0747,Auth Z1 | 20 | | 107,322 |
| Michigan, State of, Transportation, Department of | Contract 2009-0747,Auth Z2 | 20 | | 59,608 |
| Michigan, State of, Transportation, Department of | Contract 2009-0747,Auth Z3 | 20 | | 47,777 |
| National Academy of Sciences | HR 08-63 | 20 | | 26,301 |
| National Academy of Sciences | SHRP-S-09 | 20 | | (13,750) |
| Science Applications International Corporation (SAIC) | SAIC CC Pymt | 20 | | 3,795 |
| Transportation, Department of-Research and Special Programs Administration | | | | |
| Direct | | 20 | | 681,745 |
| United States Agency for International Development | | | | |
| Pass-Through: | | | | |
| Africare-Liberia | Subgrant to AID-OAA-A-10-00034 | 98 | | 66,431 |
| Oregon State University | RD011G-B | 98 | | 140,804 |
| Research Triangle Institute | Award ltr dtd 4/08/11 | 98 | | 10,291 |
| University of Wisconsin | 164K894 | 98 | | 214,859 |
| Veterans Affairs, Department of | | | | |
| Direct | | 64 | | 70,935 |
| Pass-Through: | | | | |
| Intelligent Prosthetic Systems | Letter dtd 12/23/08 | 64 | | 66,213 |
| Intelligent Prosthetic Systems | Sponsor Check #2197 | 64 | | 30,614 |
| Total research and development cluster | | | | \$ 862,124,901 |
| STUDENT FINANCIAL AID CLUSTER | | | | |
| Education, Department of-Programs-Office of Student Financial Assistance Programs | | | | |
| Direct | | 84.007 | Federal Supplemental Educational Opportunity Grant | \$ 1,156,312 |
| Direct | | 84.033 | Federal Work-Study Program | 5,236,710 |
| Direct | | 84.038 | Federal Perkins Loan Program Federal Capital Contributions (Note 5) | - |
| Direct | | 84.063 | Federal Pell Grant Program | 46,667,379 |
| Direct | | 84.268 | William D. Ford Federal Direct Loan Program (Note 4) | - |
| Direct | | 84.375 | Academic Competitiveness Grants | 2,089,549 |
| Direct | | 84.376 | National Science and Mathematics Access to Retain | 2,090,815 |
| Direct | | 84.379 | Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) | 103,566 |
| Health and Human Services, Department of-Health Resources and Services Administration | | | | |
| Direct | | 93.264 | Nurse Faculty Loan Program (NFLP) (Note 5) | - |
| Direct | | 93.342 | Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Note 5) | - |
| Direct | | 93.364 | Nursing Student Loans (Note 5) | - |
| Direct | | 93.407 | ARRA-Scholarships for Disadvantaged Students | 57,031 |
| Direct | | 93.925 | Scholarships for Health Professions Students from Disadvantaged Backgrounds (Note 5) | 86,340 |
| Total student financial aid cluster | | | | \$ 57,487,702 |

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|---|---|----------------------------|---|------------------------------|
| FEDERAL TRANSIT CLUSTER | | | | |
| Transportation, Department of-Federal Transit Administration Pass-Through: | | | | |
| Ann Arbor Transportation Authority | Agmt dtd 2/28/10 | 20.500 | ARRA-Federal Transit_Capital Investment Grants | <u>\$ 1,756,899</u> |
| VETERANS AFFAIRS HOUSE OFFICERS | | | | |
| Veterans Affairs, Department of Direct | | 64.HO Contract | | <u>\$ 9,172,681</u> |
| NON-CLUSTER | | | | |
| Agriculture, Department of Pass-Through: | | | | |
| Michigan, State of, Education, Department of Commerce, Department of-Economic & Statistics Administration Direct | 810000039 | 10.558 | Child and Adult Care Food Program | \$ 52,626 |
| Commerce, Department of-National Institute of Standards & Technology Direct | | 11.50YABC266059 | | 326,807 |
| Commerce, Department of-National Oceanic and Atmospheric Administration Direct | | 11.618 | National Institute of Standards and Technology Construction Grant Program | 132,966 |
| Direct | | 11.417 | Sea Grant Support | 465,064 |
| Direct | | 11.463 | Habitat Conservation | 55,569 |
| Direct | | 11.IPA | | 193,499 |
| Pass-Through: | | | | |
| Consortium for Ocean Leadership Great Lakes Observing System (GLOS) | Check #64478 MPA/SGN-09 | 11.469 11.473 | Congressionally Identified Awards and Projects Coastal Services Center | 2,845 22,593 |
| Commerce, Department of-Office of the Secretary Direct | | 11.313 | Trade Adjustment Assistance for Firms | 1,588,332 |
| Pass-Through: | | | | |
| University of Maryland, The Corporation for National and Community Service Pass-Through: | Z760004 | | | 389,040 |
| Jump Start for Young Children, Inc Michigan Campus Compact | Co-op Agmt 120200 06LHHMI001 CPY06-05 | 94.006 94.005 | AmeriCorps Learn and Serve America_Higher Education | 70,038 3,020 |
| Michigan, State of, Human Services, Department of Michigan, State of, Human Services, Department of Michigan, State of, Human Services, Department of | MACF-10-81286 MACF-11-81325 MACR-09-81011 | 94.006 94.006 94.006 | AmeriCorps AmeriCorps ARRA - AmeriCorps | 109,627 131,710 21,499 |
| Defense, Department of-Air Force, Department of the Direct | | 12.800 | Air Force Defense Research Sciences Program | 5,000 |
| Direct | | 12.FA8601-09-P-0147 | | (157) |
| Direct | | 12.IPA | | 132,112 |
| Direct | ROTC - Air Force | 12 | | 874,931 |
| Pass-Through: | | | | |
| Massachusetts Institute of Technology Ricardo, Inc. | PO# 7000140603 000032565 | | | 14,073 20,526 |
| Defense, Department of-Army, Department of the Direct | ROTC - Army | 12 | | 868,729 |
| Pass-Through: | | | | |
| NextGen Aeronautics, Inc | 11-01 | | | 3,385 |
| Defense, Department of-Navy, Department of the Direct | | 12.300 | Basic and Applied Scientific Research | 5,000 |
| Direct | | 12.IPA | | 41,069 |
| Direct | | 12.N00140-06-G-0028 | | 3,180 |
| Direct | | 12.N65540-10-C-003 | | 4,186,555 |
| Direct | ROTC - Navy | 12 | | 1,939,073 |
| Pass-Through: | | | | |

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|--|--------------------------------|---------------------|--|----------------------|
| BMT Designers & Planners, Inc. | 2755-094-22/N00178-04-D-402322 | | | 82,800 |
| Focus: Hope | PO 39785 | | | 70 |
| Ricardo, Inc. | PO #4500000844 | | | 20,293 |
| Vortex Hydro Energy, LLC | Letter dated 9/16/2009 | | | 22,000 |
| Defense, Department of-Other | | | | |
| Pass-Through: | | | | |
| Battelle Memorial Institute | TCN 08064 | | | (46) |
| ICx Agentase | PO# 3238 | 12.114 | Collaborative Research and Development | 876 |
| Lockheed Martin Corporation | 8100002204 | | | (753) |
| Education, Department of | | | | |
| Direct | | 84.004 | Civil Rights Training and Advisory Services | 740,988 |
| Direct | | 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 | 3,419,058 |
| Direct | | 84.021 | Overseas Programs - Group Projects Abroad | (5,476) |
| Direct | | 84.116 | Fund for the Improvement of Postsecondary Education | 41,999 |
| Direct | | 84.170 | Javits Fellowships | 175,112 |
| Direct | | 84.195 | Bilingual Education_Professional Developmen | 172,941 |
| Direct | | 84.220 | Centers for International Business Education | 413,849 |
| Pass-Through: | | | | |
| Arizona, State of | Agreement 10/1/09 | | | (6,895) |
| Arkansas, State of, Department of Workforce Education | Agreement | | | (10,171) |
| Arkansas, State of, Department of Workforce Education | Agmt dtd 7/1/10 | 84.002 | Adult Education - Basic Grants to States | 8,280 |
| Dickinson-Iron-Menominee Intermediate School District | MSPF2010 | 84.366 | Mathematics and Science Partnerships | 127,670 |
| Massachusetts, State of | 112300UMICHIGANIDEAL | 84.002 | Adult Education - Basic Grants to States | 8,838 |
| Massachusetts, State of | Agreement | 84.002 | Adult Education - Basic Grants to States | 6,611 |
| Michigan Campus Compact | SFACD09-07 | | | 34 |
| Michigan Campus Compact/Michigan Nonprofit Association | CPC11-10 | 84.378 | College Access Challenge Grant Program | 1,226 |
| Michigan Campus Compact/Michigan Nonprofit Association | SFACD10-07 | 84.387 | Education for Homeless Children and Youth, Recovery Act | 13,404 |
| Michigan, State of, Education, Department of | 090290-2893 | 84.367 | Improving Teacher Quality State Grants | 74,742 |
| Michigan, State of, Education, Department of | 100290-8524 | 84.367 | Improving Teacher Quality State Grants | 63,438 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 09-00-11 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 2,860 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 09-00-12 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 5,573 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 09-00-13 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 1,380 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 09-00-17 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 13,631 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 10-00-11 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 142,073 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 10-00-12 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 8,412 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 10-00-13 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 21,933 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 10-00-17 | 84.334 | Gaining Early Awareness and Readiness for Undergraduate Programs | 23,469 |
| Minnesota, State of | Agreement | | | 1,553 |
| Missouri, State of | Agreement | | | 4,598 |
| Missouri, State of | Grant Agreement of 7/1/09 | | | (1,412) |
| Muskegon Area Intermediate School District | Agmt dtd 4/1/11 | 84.186 | Safe and Drug-Free Schools and Communities_State Grants | 13,959 |
| National Writing Project | 00-M103 | | | 56,157 |

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|---|--------------------------------|---------------------|--|----------------------|
| New Mexico, State of | Agreement | | | 2,337 |
| New Mexico, State of | Agreement 5/26/09 | | | (3,087) |
| North Carolina, State of, Community College System | EP4656961 | | | (4,995) |
| North Carolina, State of, Community College System | EP4756712 | | | 7,969 |
| Oakland Schools | SC00000005299-1 | | | 4,335 |
| Ohio State University Foundation | 60018289 | 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 | (1,818) |
| Oklahoma, State of | Agreement | | | 1,248 |
| Pennsylvania, State of, Department of Education | 10001543 | | | 1,336 |
| Pennsylvania, State of, Department of Education | Agmnt 7/1/09 & Check #00208133 | 84.002 | Adult Education - Basic Grants to States | (1,538) |
| Texas, State of | Agreement | | | (708) |
| University of Washington | FIPSE2-UMICH09 | 84.116 | Fund for the Improvement of Postsecondary Education | 63 |
| Energy, Department of | | | | |
| Direct | | 81.086 | Conservation Research and Development | 25,626 |
| Direct | | 81.117 | Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance | 96,754 |
| Direct | | 81.117 | ARRA-Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance | 938,654 |
| Pass-Through: | | | | |
| Battelle Energy Alliance, LLC | 00102732 | | | 7,410 |
| Krell Institute | ORAU-FELLOWSHIP | 81.049 | Office of Science Financial Assistance Program | 6,472 |
| Krell Institute | Awd ltr 10/06/06 | 81.112 | Stewardship Science Grant Program | 209 |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | BES-10-166 | 81.119 | State Energy Program Special Projects | 154,155 |
| Oak Ridge National Laboratory | 4000083689 | | | (190) |
| Sandia National Laboratories | 1097232 | | | 6,388 |
| Environmental Protection Agency | | | | |
| Direct | | 66.469 | Great Lakes Program | 52,348 |
| Pass-Through: | | | | |
| Alion Science and Technology | 003230-002-BDM/PO# SFP2191753 | | | 153,528 |
| Nature Conservancy, The | GLP-11-08-2 | 66.469 | Great Lakes Program | 8 |
| Health and Human Services, Department of-Administration for Children and Families | | | | |
| Direct | | 93.652 | Adoption Opportunities | 655,509 |
| Pass-Through: | | | | |
| Michigan, State of, Human Services, Department of | TRAIN-08-99014 | 93.558 | Temporary Assistance for Needy Families | 5,954 |
| Health and Human Services, Department of-Administration on Aging | | | | |
| Pass-Through: | | | | |
| Area Agency on Aging - Michigan | Agreement of October 1, 2010 | | | 41,420 |
| Area Agency on Aging - Michigan | Direct Svc Purch Agmt | | | (15) |
| Area Agency on Aging - Michigan | Letter dtd 8/26/09 | | | 14,393 |
| Area Agency on Aging - Michigan | Various Checks | | | 13,500 |
| Catholic Social Services | Agmt signed 9/14/09 | | | 10,805 |
| Catholic Social Services | Agreement of October 1, 2010 | | | 27,821 |
| Washtenaw, County of | 40833-000-SC CR 41431 | | | 63,081 |
| Health and Human Services, Department of-Centers for Disease Control and Prevention | | | | |
| Direct | | 93.061 | Innovations in Applied Public Health Research | (6,336) |
| Direct | | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 108,258 |
| Direct | | 93.200-2009-32618 | | 227,479 |
| Direct | | 93.200-2007-M-21852 | | (2,742) |

The University of Michigan
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For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|---|-------------------------------|---------------------|--|----------------------|
| Direct | | 93.IPA | | 567 |
| Pass-Through: | | | | |
| Arizona State University | 11-637 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 6,509 |
| Association for Prevention Teaching and Research | Contract #05-09 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | (1,068) |
| Hemophilia Foundation of Michigan | 2009-2010 CDC Grant Award | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 11,582 |
| Hemophilia Foundation of Michigan | Grant Contract | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 23,189 |
| McKing Consulting Corporation | Subcontract Agreement #4554 | | | 444,106 |
| Michigan Coalition Against Domestic and Sexual Violence, The (MCADSV) | Award ltr dtd 3/4/11 | 93.136 | Injury Prevention and Control Research and State and Community Based Programs | 22,328 |
| Michigan Coalition Against Domestic and Sexual Violence, The (MCADSV) | Cooperative Agmt | 93.136 | Injury Prevention and Control Research and State and Community Based Programs | 34,963 |
| Michigan, State of, Community Health, Department of | 20091879 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 1,191 |
| Michigan, State of, Community Health, Department of | 20101417 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 1,208 |
| Michigan, State of, Community Health, Department of | 20101427 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | (74) |
| Michigan, State of, Community Health, Department of | 20103291 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 3,500 |
| Michigan, State of, Community Health, Department of | 20103292 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 3,500 |
| Michigan, State of, Community Health, Department of | 20110118 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 1,996 |
| Michigan, State of, Community Health, Department of | 20111556 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 4,660 |
| Michigan, State of, Community Health, Department of | 20112993 | 93.712 | ARRA-Immunization | 33,929 |
| Michigan, State of, Community Health, Department of | 20110117-00 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 12,534 |
| Michigan, State of, Community Health, Department of | 20111557-00 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 4,598 |
| National Kidney Foundation of Michigan | Agmt dtd 9/1/10 | 93.283 | Centers for Disease Control and Prevention_Investigations and Technical Assistance | 25,405 |
| Health and Human Services, Department of-Centers for Medicare and Medicaid Services | | | | |
| Pass-Through: | | | | |
| Michigan, State of, Community Health, Department of | 20090317 | 93.778 | Medical Assistance Program | (11,284) |
| Michigan, State of, Community Health, Department of | 20100053 | 93.778 | Medical Assistance Program | 375,011 |
| Michigan, State of, Community Health, Department of | 20100054 | 93.778 | Medical Assistance Program | 426,928 |
| Michigan, State of, Community Health, Department of | 20100055 | 93.778 | Medical Assistance Program | 69,481 |

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|-------------------------------|---------------------------|---|----------------------|
| Michigan, State of, Community Health, Department of | 20101901 | 93.778 | Medical Assistance Program | 51,607 |
| Michigan, State of, Community Health, Department of | 20111558 | 93.778 | Medical Assistance Program | 182,047 |
| Michigan, State of, Community Health, Department of | 20110233-20110244 | 93.778 | Medical Assistance Program | 476,902 |
| Michigan, State of, Community Health, Department of | 20111560-00 | 93.778 | Medical Assistance Program | 710,020 |
| Health and Human Services, Department of-Food and Drug Administration Direct | | 93.HHSF223201000082C | | 119,356 |
| Health and Human Services, Department of-Health Resources and Services Administration | | | | |
| Direct | | 93.127 | Emergency Medical Services for Children | 992,707 |
| Direct | | 93.134 | Grants to Increase Organ Donations | 1,774,457 |
| Direct | | 93.178 | Nursing Workforce Diversity | 546,346 |
| Direct | | 93.249 | Public Health Training Centers Grant Program | 177,517 |
| Direct | | 93.359 | Nurse Education, Practice and Retention Grants | 245,415 |
| Direct | | 93.411 | ARRA-Equipment to Enhance Training for Health Professionals | 261,704 |
| Direct | | 93.515 | Affordable Care Act (ACA) Nurse-Managed Health Clinics | 43,219 |
| Direct | | 93.516 | Affordable Care Act (ACA) Public Health Training Centers Program | 335,330 |
| Direct | | 93.822 | Health Careers Opportunity Program | 664,893 |
| Direct | | 93.918 | Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease | 665,352 |
| Pass-Through: | | | | |
| Hemophilia Foundation of Michigan | 2010-11 DHHS/MCHB | | | 23,000 |
| National Kidney Foundation of Michigan | Agreement | 93.134 | Grants to Increase Organ Donations | 55,873 |
| Health and Human Services, Department of-National Institutes of Health | | | | |
| Direct | | 93.113 | Environmental Health | (1) |
| Direct | | 93.173 | Research Related to Deafness and Communication Disorders | 15,746 |
| Direct | | 93.242 | Mental Health Research Grants | 333,902 |
| Direct | | 93.389 | National Center for Research Resources | 267,820 |
| Direct | | 93.393 | Cancer Cause and Prevention Research | 19,390 |
| Direct | | 93.846 | Arthritis, Musculoskeletal and Skin Diseases Research | 85,285 |
| Direct | | 93.865 | Child Health and Human Development Extramural Research | 9,365 |
| Direct | | 93.BRCF Invoices | | 35,883 |
| Direct | | 93.Check# 184700 | | 21,599 |
| Direct | | 93.Co-Spon Agmt with OHRP | | 5,000 |
| Direct | | 93.HHSN269201000281P | | 30,007 |
| Direct | | 93.IPA | | 98,397 |
| Direct | | 93.PO 263-MD-611267 | | (45,567) |
| Pass-Through: | | | | |
| Alluvium Biosciences, Inc | Agreement | | | 11,627 |
| Baylor College of Medicine | 101102587 | 93.866 | Aging Research | 1,435 |
| Booz Allen Hamilton, Inc. | 98615XSB23 | | | 20,000 |
| Bowling Green State University | 10450045 | | | 17,956 |
| Cancer Trials Support Unit (CTSU) | Various Checks | 93.395 | Cancer Treatment Research | 757,757 |
| Children's Hospital of Denver | Sub Agmt 5 U54 DK078377 | | | 55,957 |
| Cincinnati Children's Hospital | Agmt | | | 3,568 |
| Cornell University | Order #UM-2010-2919 to 3002 | | | 10,026 |
| Duke University | 3036644/3034950 | 93.838 | Lung Diseases Research | 37,051 |
| Duke University | Agmt of 5/1/02 | 93.395 | Cancer Treatment Research | 2,628 |
| Duke University | PO#4521014075 | 93.393 | Cancer Cause and Prevention Research | 16,238 |
| Duke University | Sub award #203-9941 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 4,955 |

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|-------------------------------|----------------------|--|----------------------|
| Duke University | Subcontract Agrmt | 93.395 | Cancer Treatment Research | 4,084 |
| Fenway Community Health Center | Agreement | | | 20,242 |
| Fenway Community Health Center | Agreement | 93.865 | Child Health and Human Development Extramural Research | 23,416 |
| Hemophilia Foundation of Michigan | 2009-2010 MCHB Grant Award | 93.110 | Maternal and Child Health Federal Consolidated Programs | (963) |
| Howard Hughes Medical Institute | 2010-2239 & 2010-2303 | | | (7,929) |
| Indiana University | Indiana Request | | | 9,775 |
| International Union, UAW | Amend #5 to Res.Agmt 9/6/05 | | | 160,356 |
| International Union, UAW | Res Agmt dtd 9/6/05 | | | 24,701 |
| Kaiser Foundation Research Institute | Cost Center 8030 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 7,280 |
| Medical College of Wisconsin | Agreement | 93.855 | Allergy, Immunology and Transplantation Research | 2,210 |
| Michigan State University | Agmt | | | 1,158 |
| National Childhood Cancer Foundation | 19992 | 93.395 | Cancer Treatment Research | 9,550 |
| National Marrow Donor Program (NMDP) | 19393 | 93.839 | Blood Diseases and Resources Research | 5,600 |
| National Network of Libraries of Medicine (NN/LM) | N01-LM-6-3503 | | | 1,565 |
| National Survey of Parents and Youth (NSPY) Center JV, LLC | N01DA-5-5532 | | | 21,847 |
| New England Research Institute | SubContract U01HL68270 | 93.837 | Cardiovascular Diseases Research | 17,140 |
| New York University School of Medicine | Order Form | 93.396 | Cancer Biology Research | 3,899 |
| Research Triangle Institute | IP47864 | | | 58,706 |
| Research Triangle Institute | 54447 | 93.865 | Child Health and Human Development Extramural Research | 34,987 |
| RTI International | Subcont 70-312-0209818 | | | 6,996 |
| Science Applications International Corporation (SAIC) | 28XS125 | | | 215,014 |
| The Feinstein Institute for Medical Research | 500373 | 93.865 | Child Health and Human Development Extramural Research | 5 |
| University of California - Berkeley | Quote | | | 302 |
| University of California - Davis | Agmt | 93.855 | Allergy, Immunology and Transplantation Research | 2,160 |
| University of Illinois at Chicago | P0273689 | | | (510) |
| University of Illinois at Chicago | 20006-00167-73-00 | 93.879 | Medical Library Assistance | 21,110 |
| University of Massachusetts | 6129468/RFS2011196 | | | 12,394 |
| University of Miami, Florida, The | M123399 | 93.853 | Extramural Research Programs in the Neurosciences and Neurological Disorders | 910,750 |
| University of Southern California | 129570 | 93.866 | Aging Research | 14,826 |
| University of Texas | PP#UTHSC-0000381372 | 93.846 | Arthritis, Musculoskeletal and Skin Diseases Research | 11,207 |
| University of Toledo | Order #UM-2010-3047-3049 | | | 418 |
| Various Sponsors | email dated 11/12/09 | | | (1,968) |
| Washington University | Sub award WU-10-126 | 93.701 | ARRA-Trans-NIH Recovery Act Research Support | 35,888 |
| Wayne State University | PO#P0510037 | 93.310 | Trans-NIH Research Support | 5,369 |
| Wayne State University | Agreement | 93.701 | Trans-NIH Recovery Act Research Support | 4,387 |
| Westat | Checks | 93.395 | Cancer Treatment Research | 176 |
| Health and Human Services, Department of-Office of the Secretary | | | | |
| Direct | | 93.PO #467-MA-002130 | | (2,083) |
| Pass-Through: | | | | |
| Ingham, County of | Agreement of 10/1/02 | 93.919 | Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs | 11,118 |
| Michigan Primary Care Association | FY09-10 Grant Agreement | 93.778 | Medical Assistance Program | 160,354 |
| Michigan Primary Care Association | FY10-11 Grant Agmt | 93.778 | Medical Assistance Program | 416,966 |
| Michigan, State of, Community Health, Department of | 20101309 | 93.889 | National Bioterrorism Hospital Preparedness Program | 81,686 |

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|--------------------------------|---------------------|---|----------------------|
| Michigan, State of, Community Health, Department of | 20101971 | 93.778 | Medical Assistance Program | 78,125 |
| Michigan, State of, Community Health, Department of | 20111565 | 93.778 | Medical Assistance Program | 111,317 |
| Michigan, State of, Community Health, Department of | 20112400 | 93.889 | National Bioterrorism Hospital Preparedness Program | 199,645 |
| Michigan, State of, Community Health, Department of | 20112994-00 | 93.991 | Preventive Health and Health Services Block Grant | 2,747 |
| Michigan, State of, Human Services, Department of | COUN-09-99475 | 93.556 | Promoting Safe and Stable Families | 1,638 |
| Michigan, State of, Human Services, Department of | Admin 11-82001 | 93.674 | Chafee Foster Care Independence Program | 12,556 |
| Snow, John Inc. | Ltr | | | 831 |
| Health and Human Services, Department of-Substance Abuse and Mental Health Services Administration | | | | |
| Pass-Through: | | | | |
| Michigan, State of, Community Health, Department of | 20111561-00 | 93.243 | Substance Abuse and Mental Health Services_Projects of Regional and National Significance | 25,471 |
| Michigan, State of, Community Health, Department of | ltr 9/30/09-FY-0910 Mstr Agmt | 93.243 | Substance Abuse and Mental Health Services_Projects of Regional and National Significance | 12,499 |
| Homeland Security, Department of | | | | |
| Direct | | 97.HSHQDC-10-P-0076 | | 34,903 |
| Pass-Through: | | | | |
| Michigan, State of, State Police, Department of | PDMC-PL-05-MI-2009-006 | 97.047 | Pre-Disaster Mitigation | 22,524 |
| University of South Carolina | Subaward#11-1855/PO#31715 | | | 110,385 |
| Institute of Museum and Library Services | | | | |
| Direct | | 45.303 | Conservation Project Support | (4,526) |
| Direct | | 45.312 | National Leadership Grants | 262,262 |
| Direct | | 45.313 | Laura Bush 21st Century Librarian Program | 115,150 |
| Pass-Through: | | | | |
| Harvard University | 137263-03 | | | 56,423 |
| University of California - Los Angeles | 0285 GMA123/FAU 4-622171 | 45.313 | Laura Bush 21st Century Librarian Program | 83,300 |
| Interior, Department of the | | | | |
| Direct | | 15.G09PX01385 | | 21,320 |
| Direct | | 15.G10PX01406 | | 6,927 |
| Direct | | 15.IPA | | 19,550 |
| Pass-Through: | | | | |
| Michigan, State of, Natural Resources and Environment (MDNRE) | Agmt 5/1/10-fed id C-8-M ID C- | 15.614 | Coastal Wetlands Planning, Protection and Restoration Act | 3,057 |
| Justice, Department of | | | | |
| Direct | | 16.525 | Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus | 74,164 |
| Direct | | 16.IPA | | 215,964 |
| Pass-Through: | | | | |
| Michigan, State of, State Police, Department of | BVP Program | 16.607 | Bulletproof Vest Partnership Program | 1,563 |
| Michigan, State of, State Police, Department of | 20094108 | 16.803 | ARRA-Recovery Act - Eward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories | 28,000 |
| Washtenaw, County of | PS 35626 | | | 36,500 |
| Labor, Department of | | | | |
| Pass-Through: | | | | |
| Detroit Regional Chamber of Commerce | Partner Grant Agmt | 17.261 | WIA Pilots, Demonstrations, and Research Projects | (2,662) |
| Michigan, State of, Energy, Labor and Economic Growth, Department of | 071B8200248, PO#641P1301119 | 17.260 | ARRA-WIA Dislocated Workers | 1,885,684 |
| Michigan, State of, Management and Budget, Department of | 071B8200248 | 17.260 | WIA Dislocated Workers | 1,187,432 |
| Library of Congress | | | | |
| Direct | | 42.LC0SI10C0115 | | 79,793 |

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Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|--|-------------------------------|---------------------|---|----------------------|
| National Aeronautics and Space Administration | | | | |
| Direct | | 43.NNC10VJ97P | | 1,724 |
| Direct | | 43.NNG05GH68H | | 1,338 |
| Direct | | 43.NNG09FG00C | | 1,084,199 |
| Direct | | 43.NNG10DB02P | | 68,460 |
| Direct | | 43.NNG11PU50C | | 359,690 |
| Direct | | 43.NNG11RE76P | | 42,166 |
| Direct | | 43.NNX10AM46H | | 746,654 |
| Pass-Through: | | | | |
| Jet Propulsion Laboratory | 1401004 | | | 18,165 |
| Jet Propulsion Laboratory | 1406608 | | | 196,272 |
| National Archives and Records Administration | | | | |
| Direct | | 89.NAMA-05-C-0007 | | 16,785 |
| Direct | | 89.NAMA-10-C-0006 | | 414,703 |
| National Endowment for the Arts | | | | |
| Direct | | 45.024 | Promotion of the Arts_Grants to Organizations and Individuals | 15,335 |
| Pass-Through: | | | | |
| Michigan, State of, Michigan Council for Arts and Cultural Affairs | 100P0062OS | | | 7,300 |
| Michigan, State of, Michigan Council for Arts and Cultural Affairs | 100P0042OS | 45.025 | Promotion of the Arts_Partnership Agreements | 13,691 |
| Michigan, State of, Michigan Council for Arts and Cultural Affairs | 110P0099OS | 45.025 | Promotion of the Arts_Partnership Agreements | 8,695 |
| Michigan, State of, Michigan Council for Arts and Cultural Affairs | 110P0100OS | 45.025 | Promotion of the Arts_Partnership Agreements | 6,076 |
| National Endowment for the Humanities | | | | |
| Direct | | 45.149 | Promotion of the Humanities_Division of Preservation and Access | 927,041 |
| Direct | | 45.160 | Promotion of the Humanities_Fellowships and Stipends | (17,917) |
| Pass-Through: | | | | |
| American Musicological Society | RQ-50327 | | | 58,817 |
| Brigham Young University | 09-0264 | 45.149 | Promotion of the Humanities_Division of Preservation and Access | 3,639 |
| Michigan Humanities Council | 2800 H 10 | 45.168 | Promotion of the Humanities_We the People | 6,018 |
| National Science Foundation | | | | |
| Direct | | 47.041 | Engineering Grants | 62,802 |
| Direct | | 47.049 | Mathematical and Physical Sciences | 69,723 |
| Direct | | 47.050 | Geosciences | 188,934 |
| Direct | | 47.070 | Computer and Information Science and Engineering | 66,070 |
| Direct | | 47.074 | Biological Sciences | 13,590 |
| Direct | | 47.075 | Social, Behavioral, and Economic Sciences | 189,906 |
| Direct | | 47.076 | Education and Human Resources | 1,936,415 |
| Direct | | 47.079 | International Science and Engineering (OISE) | 120,535 |
| Direct | | 47.080 | Office of Cyberinfrastructure | 43,109 |
| Direct | | 47.IPA | | 662,265 |
| Pass-Through: | | | | |
| Internet2 | Sub Agmnt under 0956272 | 47.080 | ARRA-Office of Cyberinfrastructure | 18,000 |
| Johns Hopkins University | Subaward Under OCI-0948134 | 47.080 | Office of Cyberinfrastructure | 7,715 |
| Michigan Technological University | 070325S8 | 47.076 | Education and Human Resources | 4,728 |
| Puget Sound Center for Teaching, Learning & Technology (PSCTLT) | Memo of Understanding | 47.076 | Education and Human Resources | 15,245 |
| University of California - Berkeley | PO#1636871 | 47.050 | Geosciences | 38,244 |
| University of Minnesota | A528605646 | 47.049 | Mathematical and Physical Sciences | 127,966 |
| Peace Corps | | | | |
| Direct | | 8.PC-09-8-096 | | 13,122 |

The University of Michigan
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For the Year Ended June 30, 2011

| Cluster Title/Federal Grantor/Program/Pass-Through Grantor | Pass-Through Award Identifier | Federal CFDA Number | CFDA Program Title | Federal Expenditures |
|---|-----------------------------------|-----------------------------------|---|-----------------------|
| President, Executive Office of the | | | | |
| Direct | | 99.IPA | | 138,373 |
| State, Department of | | | | |
| Direct | | 19.019 | International Programs to Combat Human Trafficking | 49,059 |
| Direct | | 19.415 | Professional and Cultural Exchange Programs - Citizen Exchanges | 205,069 |
| Transportation, Department of-Federal Highway Administration | | | | |
| Pass-Through: | | | | |
| Michigan, State of, Transportation, Department of | 2006-0667 | | | 374,153 |
| Transportation, Department of-Federal Motor Carrier Safety Administration | | | | |
| Direct | | 20.DTMC75-09-P-00048 | | 7,276 |
| Transportation, Department of-Other | | | | |
| Pass-Through: | | | | |
| Michigan, State of, Transportation, Department of | Contract 2009-0747/authZ5 | | | 27,988 |
| Treasury, Department of the | | | | |
| Direct | | 21.008 | Low Income Taxpayer Clinics | 43,806 |
| United States Agency for International Development | | | | |
| Pass-Through: | | | | |
| American Council on Education | Subagreement dtd 1/10/07 | | | 1,961 |
| Davidson, William, Institute | Research Agmt 6/6/08 | | | 20,920 |
| Veterans Affairs, Department of | | | | |
| Direct | | 64.506-C01508 / VA251-P-0856 | | 16,916 |
| Direct | | 64.506-C80092 | | 22,500 |
| Direct | | 64.506-C80110 | | 16,500 |
| Direct | | 64.506-D17002 | | 46,809 |
| Direct | | 64.IPA | | 3,724,057 |
| Direct | | 64.PO#506D07036/VA-251-10-RQ-0319 | | 58,895 |
| Direct | | 64.PO#523-D17063 ... | | 1,621 |
| Direct | | 64.V506P-3785 / 506C91390 | | (37,621) |
| Direct | | 64.VA248-P-1617, PO# 673-D05084 | | 20,069 |
| Direct | | 64.VA-251-11RP0066/506-D17024 | | 23,930 |
| Direct | | 64.VA251-P-0385 | | 989 |
| Direct | | 64.VA251-P-0976; PO 506-C11099 | | 15,847 |
| Direct | | 64.VA251-P-1068/506-D17033 | | 5,993 |
| Pass-Through: | | | | |
| Chesapeake Health Education Program, Inc (CHEP) | Agmt dtd 2/1/11 | | | 1,059 |
| | Total non-cluster | | | \$ 49,896,064 |
| | Total federal expenditures | | | \$ 980,438,247 |

University of Michigan

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the “SEFA”) includes all federal grant transactions of the University of Michigan (the “University”) recorded on the accrual basis of accounting. The information in this 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 these Schedules may differ from amounts presented in, or used in the presentation of, the consolidated financial statements. Negative amounts presented in the Schedule represent adjustments, in the normal course of business, to expenditures reported in prior years. Complete CFDA numbers (except for direct R&D awards which are listed in total by Federal awarding agency) and pass-through numbers are provided on the SEFA when available.

2. Indirect Costs

The University’s cognizant agent (the Department of Health and Human Services) has approved predetermined, indirect cost rates for the University’s organized research, instruction, and other sponsored activities through June 30, 2014, as follows:

| | <u>July 1, 2008-June 30, 2011</u> | <u>July 1, 2011-June 30, 2014</u> |
|----------------------------|-----------------------------------|-----------------------------------|
| On-campus research | 54.5% | 55.5% |
| Off-campus research | 26% | 26% |
| On-campus instruction | 54% | 54% |
| Other sponsored activities | 30% | 30% |

3. Subrecipient Awards

During 2011, the University disbursed approximately \$88,599,000 to subrecipients. Of that amount, \$83,461,000 related to research and development cluster awards and \$5,138,000 related to non-cluster awards.

The University of Michigan
Notes to Schedule of Expenditures of Federal Awards

4. Federal Direct Loan Program

Under the William D. Ford Federal Direct Loan Program, students and parents borrow funds directly from the federal government; the University is responsible for verifying student eligibility, electronically transmitting the loan records to the federal processor and distributing the loan funds directly to the student account or parent borrower. During the fiscal year ended June 30, 2011, the University's students and parents received the following amount of new loans under this program.

| | <u>CFDA</u> <u>Number</u> | <u>Loans issued</u> |
|--|--|----------------------------|
| Direct Student Loans: | | |
| Undergraduate subsidized | 84.268 | \$ 124,576,046 |
| Undergraduate unsubsidized | 84.268 | 153,189,591 |
| Graduate | 84.268 | 22,235,981 |
| Direct Parent Loans for Undergraduate Students | 84.268 | <u>58,979,669</u> |
| | | <u>\$ 358,981,287</u> |

5. University-Administered Federal Loan Programs

The University administers the following federal loan programs:

| | <u>CFDA</u> <u>Number</u> | <u>Outstanding</u> <u>balance at</u> <u>June 30, 2011</u> |
|--|--|--|
| Department of Education, Federal Perkins Program | 84.038 | <u>\$ 70,260,132</u> |
| Department of Health and Human Services: | | |
| Health Professions Loan Program - Medicine/Primary Care | 93.342 | 3,121,672 |
| Health Professions Loan Program - Pharmacy | 93.342 | 1,535,342 |
| Health Professions Loan Program - Dentistry | 93.342 | <u>7,318,092</u> |
| | | <u>11,975,106</u> |
| Disadvantaged Student Loan Program - Medicine/Primary Care | 93.925 | 2,344,787 |
| Disadvantaged Student Loan Program - Pharmacy | 93.925 | 102,823 |
| Disadvantaged Student Loan Program - Dentistry | 93.925 | <u>44,642</u> |
| | | <u>2,492,252</u> |
| Nursing Student Loan - Baccalaureate | 93.364 | 2,130,479 |
| Nursing Student Loan - Baccalaureate, Flint | 93.364 | 500 |
| Nursing Student Loan - Graduate | 93.364 | <u>207,265</u> |
| | | <u>2,338,244</u> |
| Nursing Faculty Loan Program | 93.264 | <u>2,205,224</u> |
| Total federal loans outstanding | | <u>\$ 89,270,958</u> |

The University of Michigan
Notes to Schedule of Expenditures of Federal Awards

5. University-Administered Federal Loan Programs (continued)

The total of new loans issued during the fiscal year ended June 30, 2011 is identified below.

| | CFDA | |
|--|----------------------|----------------------------|
| | <u>Number</u> | <u>Loans issued</u> |
| Department of Education, Federal Perkins Program | 84.038 | <u>\$ 5,351,226</u> |
| Department of Health and Human Services: | | |
| Health Professions Loan Program - Medicine/Primary Care | 93.342 | 326,240 |
| Health Professions Loan Program - Pharmacy | 93.342 | 124,000 |
| Health Professions Loan Program - Dentistry | 93.342 | <u>1,009,266</u> |
| | | <u>1,459,506</u> |
| Disadvantaged Student Loan Program - Medicine/Primary Care | 93.925 | 427,105 |
| Disadvantaged Student Loan Program - Pharmacy | 93.925 | |
| Disadvantaged Student Loan Program - Dentistry | 93.925 | |
| | | <u>427,105</u> |
| Nursing Student Loan – Baccalaureate | 93.364 | 328,301 |
| Nursing Student Loan - Baccalaureate, Flint | 93.364 | |
| Nursing Student Loan – Graduate | 93.364 | <u>35,198</u> |
| | | <u>363,499</u> |
| Nursing Faculty Loan Program | 93.264 | <u>714,655</u> |
| Total federal loans issued July 1, 2010 – June 30, 2011 | | <u><u>\$ 8,315,991</u></u> |

Loan cancellations for the fiscal year ended June 30, 2011 totaled \$526,949 for the Federal Perkins Program and \$51,579 for the Nursing Faculty Loan program.



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*

The Regents of the University of Michigan

We have audited the financial statements of the University of Michigan (the "University") as of and for the year ended June 30, 2011, and have issued our report thereon dated September 12, 2011. 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 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

This report is intended solely for the information and use of the Regents of the University of Michigan, the Finance, Audit and Investment Committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

September 12, 2011



**Report of Independent Auditors on Compliance with Requirements Applicable to
Each Major Program and on Internal Control Over Compliance in Accordance
with OMB Circular A-133**

The Regents of the University of Michigan

Compliance

We have audited the compliance of the University of Michigan (the "University") with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011, 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 the University's compliance with the billing, record-keeping, payment processing, reporting and due diligence compliance requirements specified by the Federal Perkins Loan Program and described in the OMB *Circular A-133 Compliance Supplement*. Compliance with those requirements was examined by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the 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 the other auditors, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as finding numbers 2011-1, 2011-2 and 2011-3.

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 our 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 billing, record-keeping, payment processing, reporting and due diligence 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 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 the response.

This report is intended solely for the information and use of the Regents of the University of Michigan, the Finance, Audit and Investment Committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

March 2, 2012

**The University of Michigan
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011**

Section I – Summary of Independent Accountant’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| Various | Research and Development Cluster |
| Various | Student Financial Aid Cluster |
| 20.500 | Federal Transit Cluster |
| 64.000 | Veteran’s Affairs House Officers |

Dollar threshold used to distinguish between Type A and Type B programs: \$4,286,071

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None.

The University of Michigan
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section III – Federal Award Findings and Questioned Costs

Finding No. 2011-1 – Return of Title IV Funds (Student Financial Aid Cluster)

Grantor(s): Department of Education

Award(s): Various -- Student Financial Aid Cluster

Criteria – When a recipient of Title IV grant or loan assistance does not begin attendance or withdraws from an institution during a payment period or period of enrollment, all disbursed Title IV grant and loan funds are to be returned in accordance with the calculation and timeline prescribed by the Code of Federal Regulations (34 CFR 682.607). Title IV funds that have been disbursed in excess of the earned amount are required to be processed to and accepted by the Department of Education’s Common Origination and Disbursement system as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.

Condition – We selected 45 students from a listing of students who withdrew from the University’s Dearborn campus during the 2010-2011 year. For 11 of the 45 Dearborn campus students selected, Title IV funds were returned to the federal government outside of the 45 day parameter. No instances of noncompliance were noted for the 60 students selected from the University’s main Ann Arbor campus.

Questioned Costs – Not applicable.

Context - The Dearborn campus maintains a separate financial aid office from the University’s main campus in Ann Arbor. All instances of late returns of occurred on the Dearborn campus with the number of days late ranging from 2 to 11 days. The finding was isolated to unofficial category of student withdrawals for the winter 2011 semester, which ended April 27, 2011. An unofficial withdrawal for Title IV purposes occurs at the end of a semester when a student does not receive any earned grades.

Effect – The Department of Education does not receive return of Title IV funds within the required timelines.

Cause – The University did not have adequate control procedures or adequate staffing in place to ensure Title IV funds were returned on a timely basis.

Recommendation – The University should implement procedures to ensure return that Title IV funds that are required to be returned due to student withdrawals are done so on a timely basis in accordance with 34 CFR 682.607.

The University of Michigan
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section III – Federal Award Findings and Questioned Costs (continued)

Views of Responsible Officials – The University concurs with the auditor's finding and recommendation. The University's Dearborn Campus Office of Financial Aid is taking actions to ensure that all necessary returns of Title IV funds are done on a timely basis. Planned actions include

- Establish a detailed master calendar with timelines for each semester's deadlines and conduct semiannual training to remind staff of regulatory requirements and timelines
- Process official student withdrawal reports more frequently (at least weekly) and generate the unofficial student withdrawal reports as soon as notification received from the Registrar that all grades have been processed
- Increase the number of staff responsible for this process to allow for a primary and back-up team
- Add formal director, associate director and peer reviews of student withdrawal processes for more targeted monitoring and timely oversight and review
- Conduct organizational review of the Dearborn Financial Aid Office, including consideration of reorganization of current roles and assignments for efficiency and effectiveness as well as adding additional staffing

Finding No. 2011-2 – Enrollment Reporting (Student Financial Aid Cluster)

Grantor(s): Department of Education

Award(s): Federal Direct Loan Program

Criteria – As required by the University's participation in the Federal Direct Loan Program, enrollment reporting must be completed in a timely and accurate manner to meet regulatory requirements. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. These changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves-of absence. The University utilizes the National Student Clearinghouse as an agent to report enrollment changes to the Department of Education and guarantors, lenders, and servicers of student loans.

Condition – We selected 40 students from a listing of students who graduated or withdrew from the University during the 2010-2011 year. It was noted that two students did not have their status changed from full-time student to graduated student in the National Student Clearinghouse records.

Questioned Costs – Not applicable.

The University of Michigan

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2011

Section III – Federal Award Findings and Questioned Costs (continued)

Context – The University Registrar’s Office practice has been to submit degree verify files to the National Student Clearinghouse monthly for degrees awarded. The University sends enrollment data on all students to the Clearinghouse, not just those students who receive financial aid.

On May 13, 2011 after a transmission of a degree verify file to the Clearinghouse earlier in the day, a group of 107 degrees was posted by the Registrar’s Office to the university’s student information system. When the degree verify file was prepared and transmitted to the Clearinghouse the following month, it included new degrees posted subsequent to the date of the last submission. This resulted in the 107 degrees posted on May 13, 2011 after the submission to the Clearinghouse not being included in the degree verify file transmitted to the Clearinghouse on June 15, 2011. One student in our sample was part of this group. After being identified, the updated status for the students in this group was submitted to the National Student Clearinghouse on August 16, 2011.

One other student in our sample did not have an updated graduation status because a notation flag added by the Clearinghouse for that student did not allow the degree verify submission to process. On June 6, 2011, the Clearinghouse contacted the Registrar’s Office to inquire about the status of a student that had graduated subsequent to the last degree verify submission. Based on the information received, the Clearinghouse changed the student’s status to “degree verify pending.” This student was included in the June 15, 2011 degree verify submission of all students with a degree conferred the previous four weeks. However, the “degree verify pending” flag that the Clearinghouse had added earlier in the month resulted in this degree verify submission being rejected as a duplicate record. The University was not aware that this student’s enrollment status change was not processed by the Clearinghouse. After being identified, the University contacted their Clearinghouse representative on August 16, 2011 to update the enrollment status for this student.

Effect – The Department of Education may not receive notification of student status changes timely.

Cause – The University did not have adequate procedures in place to detect incomplete updates to the National Student Clearinghouse data on a timely basis.

Recommendation – The University should implement procedures to ensure that file transmissions to the National Student Clearinghouse are complete and that any items rejected by the Clearinghouse are identified and cleared on a timely basis.

Views of Responsible Officials – The University concurs with the auditor’s finding and recommendation. To ensure that file transmissions are complete in the future, the University has revised its degree posting and Clearinghouse submission procedures. The Registrar’s Office will generate the degree verify submission to the Clearinghouse in the afternoon instead of the morning and, once the process is run, will not post any additional degrees in the university’s student information system until the next business day. In addition, the Registrar’s Office will increase the frequency of sending degree files to the Clearinghouse, particularly during peak award times, as well as request and review a rejected records list from the Clearinghouse after every file transmission.

The University of Michigan
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section III – Federal Award Findings and Questioned Costs (continued)

Finding No. 2011-3 – American Recovery and Reinvestment Act Reporting

Grantor(s): Various

Award(s): All American Recovery and Reinvestment awards

Criteria – Section 1512 of the American Recovery and Reinvestment Act (the "Recovery Act") requires reports on the use of Recovery Act funding by recipients no later than the 10th day after the end of each calendar quarter (beginning the quarter ending September 30, 2009). All data contained in each quarterly report will be cumulative in order to encompass the total amount of funds expended to date. This means that reports due on October 10, 2009, will include funding from February 17, 2009 (the date the Act was enacted by Congress) through September 30, 2009. Each subsequent quarterly report will also be cumulative.

Condition – Due to the volume of awards received by the University, and the due date of reports ten days after each quarter end, the University took a position that the best available data to use for quarterly Section 1512 reporting was the data as of the month end of the month preceding the quarter-end (e.g. data through August 31 utilized for the September 30 reporting cycle). We selected 25 Section 1512 reports for testing and noted that each report was submitted timely with the quarterly data lagging one month in arrears pursuant to the University's reporting plan. However, the Office of Management and Budget's current interpretation is that reporting one month in arrears is not an acceptable use of best available data.

Cause – Due to the volume of Section 1512 reporting to complete, the University has a very short time period between when its monthly general ledger is closed and the 10-day period each quarter-end when Section 1512 reports are due in order to meet Federal requirements. In order to ease the administrative burden and increase data accuracy, the University adopted a process that seemed to be supported by the federal agencies in the university research community whereby each quarter cumulative financial results are reported one month in arrears.

Effect – The University's Section 1512 reports did not include complete quarterly data covering the periods required.

Questioned Costs – None noted.

Recommendation – We recommend that the University prospectively implement a policy to modify the data reported in its Section 1512 reports to capture data through the actual quarter-end in order to ensure compliance with Section 1512 reporting requirements, utilizing the continuous correction period, if necessary. Should the cutoff of the last month in the cutoff period be not available or complete to facilitate timely reporting, the use of reasonable estimates would be acceptable.

The University of Michigan
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section III – Federal Award Findings and Questioned Costs (continued)

Views of Responsible Officials – The University’s position to use a one-month reporting lag as best available data for quarterly Section 1512 reporting was consistent with guidance we received during our participation at federal agency panel meetings during fiscal 2010. In addition, no issues were identified with this method of reporting during a federal agency on-campus audit of Recovery Act fund utilization and reporting. We understand that interpretations of best available data have evolved and have developed new processes for quarterly Section 1512 reporting which discontinue the use of a one month lag which were implemented commencing with the quarter ended September 30, 2011 for prime awards and the quarter ended December 31, 2011 for subrecipient awards.

The University of Michigan

Schedule of Status of Prior Year Findings and Questioned Costs

Finding No. 2010-1 – Enrollment Reporting (Student Financial Aid Cluster)

Criteria – As required by the University’s participation in the Federal Direct Loan Program, enrollment reporting must be completed in a timely and accurate manner to meet regulatory requirements. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. These changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves-of absence. The University utilizes the National Student Clearinghouse as an agent to report enrollment changes to the Department of Education and guarantors, lenders, and servicers of student loans.

Condition – We selected 25 students from a listing of students who graduated or withdrew from the University during the 2009-2010 year. It was noted that one student did not have their status changed from a full-time student to a graduate student per review of the records of the National Student Clearinghouse.

Questioned Costs – Not applicable.

Context – One degree transmission file to National Student Clearinghouse was incomplete due to a file transmission failure and, as a result, some degree records were not transmitted. This file transmission, which took place on June 25, 2010, included 7,020 degree record changes of which the National Student Clearinghouse received 5,082 of the records. No other transmission failures to the National Student Clearinghouse occurred during the year. The University sends enrollment data on all students to the National Student Clearinghouse, not just those students who receive financial aid.

Effect – The Department of Education may not receive notification of student status changes timely.

Cause – The University did not have adequate procedures in place to detect file transmission errors to the National Student Clearinghouse on a timely basis.

Recommendation – The University should implement procedures to detect file transmission errors to the National Student Clearinghouse on a timely basis.

Views of Responsible Officials – The University concurs with the auditor’s finding and recommendation. To ensure that any file transmission errors will be detected timely in the future, the University’s Office of the Registrar has added a check of the File Transfer Protocol (“FTP”) log to its step-by-step procedures. This check will be done after each transmission. In addition, the Office of the Registrar requested that the National Student Clearinghouse review all past FTP log files and the National Student Clearinghouse reported that this was the only instance where the FTP transmission failed.

Current Status – Corrected, the corrective action plan has been fully implemented. No similar findings of this type of file transmission error were noted in the current year.

The University of Michigan

Schedule of Status of Prior Year Findings and Questioned Costs

Finding No. 2010-2 – American Recovery and Reinvestment Act Reporting

Grantor(s): Various

Award(s): All American Recovery and Reinvestment awards

Criteria – Section 1512 of the American Recovery and Reinvestment Act (the "Recovery Act") requires reports on the use of Recovery Act funding by recipients no later than the 10th day after the end of each calendar quarter (beginning the quarter ending September 30, 2009). All data contained in each quarterly report will be cumulative in order to encompass the total amount of funds expended to date. This means that reports due on October 10, 2009, will include funding from February 17, 2009 (the date the Act was enacted by Congress) through September 30, 2009. Each subsequent quarterly report will also be cumulative.

Condition – Due to the volume of awards received by the University, and the due date of reports ten days after each quarter end, the University took a position that the best available data to use for quarterly Section 1512 reporting was the data as of the month end of the month preceding the quarter-end (e.g. data through August 31 utilized for the September 30 reporting cycle). We selected 25 Section 1512 reports for testing and noted that each report was submitted timely with the quarterly data lagging one month in arrears pursuant to the University's reporting plan. However, the Office of Management and Budget's current interpretation is that reporting one month in arrears is not an acceptable use of best available data.

Cause – Due to the volume of Section 1512 reporting to complete, the University has a very short time period between when its monthly general ledger is closed and the 10-day period each quarter-end when Section 1512 reports are due in order to meet Federal requirements. In order to ease the administrative burden and increase data accuracy, the University adopted a process that seemed to be supported by the federal agencies in the university research community whereby each quarter cumulative financial results are reported one month in arrears.

Effect – The University's Section 1512 reports did not include complete quarterly data covering the periods required.

Questioned Costs – None noted.

Recommendation – We recommend that the University prospectively implement a policy to modify the data reported in its Section 1512 reports to capture data through the actual quarter-end in order to ensure compliance with Section 1512 reporting requirements, utilizing the continuous correction period, if necessary. Should the cutoff of the last month in the cutoff period be not available or complete to facilitate timely reporting, the use of reasonable estimates would be acceptable.

The University of Michigan

Schedule of Status of Prior Year Findings and Questioned Costs

Views of Responsible Officials – The University’s position to use a one-month reporting lag as best available data for quarterly Section 1512 reporting was consistent with guidance we received during our participation at federal agency panel meetings during fiscal 2010. In addition, no issues were identified with this method of reporting during a federal agency on-campus audit of Recovery Act fund utilization and reporting. We understand that interpretations of best available data have evolved and we will take action to discontinue the use of a one month lag for quarterly Section 1512 reporting.

Current Status – The University developed new processes for quarterly Section 1512 reporting which discontinue the use of a one month lag and implemented them commencing with the quarter ended September 30, 2011 for its prime awards and the quarter ended December 31, 2011 for subrecipient awards. This finding is included in the current year schedule of findings and questioned costs because, consistent with the timeline anticipated in the prior year corrective action plan, the full remediation was completed in fiscal year 2012.

The University of Michigan

6032 Wolverine Tower
3003 S. State Street
Ann Arbor, Michigan 48109

CHERYL L. SOPER
Controller and Director of
Financial Operations

(734) 764-7214
Fax (734) 647-5284

March 2, 2012

RE: Reporting Package [_.320(c)(4)] - Corrective action plan [_.315(c)]

1. Name of the contact person responsible for corrective actions planned:

Cheryl Soper
Controller and Director of Financial Operations
The University of Michigan (386006309)
6032 Wolverine Tower
3003 South State Street
Ann Arbor, MI 48109-1287
Phone: 734-764-7214
E-mail: clsoper@umich.edu

2. Corrective actions planned:

The corrective action plan for each finding is contained in the Views of Responsible Officials section below.

Finding No. 2011-1 – Return of Title IV Funds (Student Financial Aid Cluster)

Grantor(s): Department of Education

Award(s): Various -- Student Financial Aid Cluster

Criteria – When a recipient of Title IV grant or loan assistance does not begin attendance or withdraws from an institution during a payment period or period of enrollment, all disbursed Title IV grant and loan funds are to be returned in accordance with the calculation and timeline prescribed by the Code of Federal Regulations (34 CFR 682.607). Title IV funds that have been disbursed in excess of the earned amount are required to be processed to and accepted by the Department of Education’s Common Origination and Disbursement system as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.

Condition – We selected 45 students from a listing of students who withdrew from the University’s Dearborn campus during the 2010-2011 year. For 11 of the 45 Dearborn campus students selected, Title IV funds were returned to the federal government outside of the 45 day parameter. No instances of noncompliance were noted for the 60 students selected from the University’s main Ann Arbor campus.

Questioned Costs – Not applicable.

Context - The Dearborn campus maintains a separate financial aid office from the University's main campus in Ann Arbor. All instances of late returns of occurred on the Dearborn campus with the number of days late ranging from 2 to 11 days. The finding was isolated to unofficial category of student withdrawals for the winter 2011 semester, which ended April 27, 2011. An unofficial withdrawal for Title IV purposes occurs at the end of a semester when a student does not receive any earned grades.

Effect – The Department of Education does not receive return of Title IV funds within the required timelines.

Cause – The University did not have adequate control procedures or adequate staffing in place to ensure Title IV funds were returned on a timely basis.

Recommendation – The University should implement procedures to ensure return that Title IV funds that are required to be returned due to student withdrawals are done so on a timely basis in accordance with 34 CFR 682.607.

Views of Responsible Officials – The University concurs with the auditor's finding and recommendation. The University's Dearborn Campus Office of Financial Aid is taking actions to ensure that all necessary returns of Title IV funds are done on a timely basis. Planned actions include

- Establish a detailed master calendar with timelines for each semester's deadlines and conduct semiannual training to remind staff of regulatory requirements and timelines
- Process official student withdrawal reports more frequently (at least weekly) and generate the unofficial student withdrawal reports as soon as notification received from the Registrar that all grades have been processed
- Increase the number of staff responsible for this process to allow for a primary and back-up team
- Add formal director, associate director and peer reviews of student withdrawal processes for more targeted monitoring and timely oversight and review
- Conduct organizational review of the Dearborn Financial Aid Office, including consideration of reorganization of current roles and assignments for efficiency and effectiveness as well as adding additional staffing

Anticipated Completion Date – November 30, 2012

Finding No. 2011-2 – Enrollment Reporting (Student Financial Aid Cluster)

Grantor(s): Department of Education

Award(s): Federal Direct Loan Program

Criteria – As required by the University’s participation in the Federal Direct Loan Program, enrollment reporting must be completed in a timely and accurate manner to meet regulatory requirements. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. These changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves-of absence. The University utilizes the National Student Clearinghouse as an agent to report enrollment changes to the Department of Education and guarantors, lenders, and servicers of student loans.

Condition – We selected 40 students from a listing of students who graduated or withdrew from the University during the 2010-2011 year. It was noted that two students did not have their status changed from full-time student to graduated student in the National Student Clearinghouse records.

Questioned Costs – Not applicable.

Context – The University Registrar’s Office practice has been to submit degree verify files to the National Student Clearinghouse monthly for degrees awarded. The University sends enrollment data on all students to the Clearinghouse, not just those students who receive financial aid.

On May 13, 2011 after a transmission of a degree verify file to the Clearinghouse earlier in the day, a group of 107 degrees was posted by the Registrar’s Office to the university’s student information system. When the degree verify file was prepared and transmitted to the Clearinghouse the following month, it included new degrees posted subsequent to the date of the last submission. This resulted in the 107 degrees posted on May 13, 2011 after the submission to the Clearinghouse not being included in the degree verify file transmitted to the Clearinghouse on June 15, 2011. One student in our sample was part of this group. After being identified, the updated status for the students in this group was submitted to the National Student Clearinghouse on August 16, 2011.

One other student in our sample did not have an updated graduation status because a notation flag added by the Clearinghouse for that student did not allow the degree verify submission to process. On June 6, 2011, the Clearinghouse contacted the Registrar's Office to inquire about the status of a student that had graduated subsequent to the last degree verify submission. Based on the information received, the Clearinghouse changed the student's status to "degree verify pending." This student was included in the June 15, 2011 degree verify submission of all students with a degree conferred the previous four weeks. However, the "degree verify pending" flag that the Clearinghouse had added earlier in the month resulted in this degree verify submission being rejected as a duplicate record. The University was not aware that this student's enrollment status change was not processed by the Clearinghouse. After being identified, the University contacted their Clearinghouse representative on August 16, 2011 to update the enrollment status for this student.

Effect – The Department of Education may not receive notification of student status changes timely.

Cause – The University did not have adequate procedures in place to detect incomplete updates to the National Student Clearinghouse data on a timely basis.

Recommendation – The University should implement procedures to ensure that file transmissions to the National Student Clearinghouse are complete and that any items rejected by the Clearinghouse are identified and cleared on a timely basis.

Views of Responsible Officials – The University concurs with the auditor's finding and recommendation. To ensure that file transmissions are complete in the future, the University has revised its degree posting and Clearinghouse submission procedures. The Registrar's Office will generate the degree verify submission to the Clearinghouse in the afternoon instead of the morning and, once the process is run, will not post any additional degrees in the university's student information system until the next business day. In addition, the Registrar's Office will increase the frequency of sending degree files to the Clearinghouse, particularly during peak award times, as well as request and review a rejected records list from the Clearinghouse after every file transmission.

Anticipated Completion Date – March 31, 2012

Finding No. 2011-3 – American Recovery and Reinvestment Act Reporting

Grantor(s): Various

Award(s): All American Recovery and Reinvestment awards

Criteria – Section 1512 of the American Recovery and Reinvestment Act (the "Recovery Act") requires reports on the use of Recovery Act funding by recipients no later than the 10th day after the end of each calendar quarter (beginning the quarter ending September 30, 2009). All data contained in each quarterly report will be cumulative in order to encompass the total amount of funds expended to date. This means that reports due on October 10, 2009, will include funding from February 17, 2009 (the date the Act was enacted by Congress) through September 30, 2009. Each subsequent quarterly report will also be cumulative.

Condition – Due to the volume of awards received by the University, and the due date of reports ten days after each quarter end, the University took a position that the best available data to use for quarterly Section 1512 reporting was the data as of the month end of the month preceding the quarter-end (e.g. data through August 31 utilized for the September 30 reporting cycle). We selected 25 Section 1512 reports for testing and noted that each report was submitted timely with the quarterly data lagging one month in arrears pursuant to the University's reporting plan. However, the Office of Management and Budget's current interpretation is that reporting one month in arrears is not an acceptable use of best available data.

Cause – Due to the volume of Section 1512 reporting to complete, the University has a very short time period between when its monthly general ledger is closed and the 10-day period each quarter-end when Section 1512 reports are due in order to meet Federal requirements. In order to ease the administrative burden and increase data accuracy, the University adopted a process that seemed to be supported by the federal agencies in the university research community whereby each quarter cumulative financial results are reported one month in arrears.

Effect – The University's Section 1512 reports did not include complete quarterly data covering the periods required.

Questioned Costs – None noted.

Recommendation – We recommend that the University prospectively implement a policy to modify the data reported in its Section 1512 reports to capture data through the actual quarter-end in order to ensure compliance with Section 1512 reporting requirements, utilizing the continuous correction period, if necessary. Should the cutoff of the last month in the cutoff period be not available or complete to facilitate timely reporting, the use of reasonable estimates would be acceptable.

Views of Responsible Officials – The University's position to use a one-month reporting lag as best available data for quarterly Section 1512 reporting was consistent with guidance we received during our participation at federal agency panel meetings during fiscal 2010. In addition, no issues were identified with this method of reporting during a federal agency on-campus audit of Recovery Act fund utilization and reporting. We understand that interpretations of best available data have evolved and have developed new processes for quarterly Section 1512 reporting which discontinue the use of a one month lag which were implemented commencing with the quarter ended September 30, 2011 for prime awards and the quarter ended December 31, 2011 for subrecipient awards.

Anticipated Completion Date – January 10, 2012