

The University of Michigan
Reports on Federal Awards in Accordance
with OMB Circular A-133
For the Year Ended June 30, 2009
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, 2009 and 2008, 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.

As described in Note 1 to the financial statements, the University adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of July 1, 2007.

The Management's Discussion and Analysis ("MD&A") on pages 3 through 26 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 8, 2009 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, 2009. 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, 2009 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.

Princeton University
Princeton, NJ

September 8, 2009

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, 2009 and 2008 and its activities for the three fiscal years ended June 30, 2009. 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 57,000 students and 6,700 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, in total, employs more than 48,000 permanent and temporary staff. The University also maintains one of the largest health care complexes in the world through its Hospitals and Health Centers ("HHC"). HHC consists of three hospitals, 40 health centers and more than 120 outpatient clinics. HHC is an integral part of the University's Health System which also includes the University's Medical School and Michigan Health Corporation, a wholly-owned corporation created to pursue joint venture and managed care initiatives.

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 \$12.9 billion and liabilities of \$4.2 billion at June 30, 2009, compared to assets of \$14.8 billion and liabilities of \$4.0 billion at June 30, 2008. Net assets, which represent the residual interest in the University's assets after liabilities are deducted, totaled \$8.7 billion at June 30, 2009 as compared to \$10.8 billion at June 30, 2008. Changes in net assets represent the University's results of operations and are summarized for the years ended June 30, 2009 and 2008 as follows:

	2009	2008
	(in millions)	
Operating revenues and state educational appropriations	\$ 4,687.3	\$ 4,508.6
Total expenses	5,119.3	4,853.6
	(432.0)	(345.0)
Net investment (loss) income	(1,851.2)	621.9
Gifts and other nonoperating revenues, net	195.5	287.5
	(2,087.7)	564.4
Implementation of GASB Statement No. 45, postemployment benefits obligations as of July 1, 2007		(1,306.9)
Decrease in net assets	\$ (2,087.7)	\$ (742.5)

Net assets decreased \$2.1 billion in fiscal 2009 primarily due to net investment losses. Net assets decreased \$743 million in fiscal 2008, primarily due to the implementation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, offset by net investment income.

Operating revenues and state educational appropriations increased 4 percent, or \$179 million, while total expenses increased 5 percent, or \$266 million. The results of operations reflect the University's focus on maintaining its national standards academically, and in research and health care, while addressing declining state appropriations and rising health care, regulatory, and facility costs in a competitive recruitment environment for faculty and health care professionals.

Net investment losses in 2009 were \$1.9 billion compared to net investment income of \$622 million in 2008. 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 a long term strategy where a greater allocation to equity and equity-like investments left it more exposed to the effects of the global financial crisis in 2009. The impact of losses in the endowment was muted by the University's spending policy which seeks to insulate University operations from expected volatility in the capital markets and provide for a stable and predictable level of spending from the endowment.

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 GASB principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the University as a whole.

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, 2009 and 2008 is summarized as follows:

	2009	2008
	(in millions)	
Current assets	\$ 1,825	\$ 2,536
Noncurrent assets:		
Endowment, life income and other investments	6,215	7,855
Capital assets, net	4,628	4,130
Other	241	250
Total assets	<u>12,909</u>	<u>14,771</u>
Current liabilities other than long-term bonds payable subject to remarketing, net	1,017	1,058
Long-term bonds payable subject to remarketing, net	652	707
Noncurrent liabilities	2,573	2,251
Total liabilities	<u>4,242</u>	<u>4,016</u>
Net assets	<u>\$ 8,667</u>	<u>\$ 10,755</u>

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, 2009 and 2008, 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 decreased \$711 million, to \$1.8 billion at June 30, 2009, primarily due to decreases in cash and investments. Cash, cash equivalents and operating investments totaled \$704 million at June 30, 2009, which represents approximately two months of total expenses excluding depreciation.

Current liabilities other than long-term bonds payable subject to remarketing consist primarily of accounts payable, accrued compensation, deferred revenue, commercial paper and the current portion of bonds payable.

Endowment, Life Income and Other Investments

The University's endowment, life income and other investments decreased \$1.6 billion, to \$6.2 billion at June 30, 2009. This decrease primarily resulted from unrealized losses on investments and endowment distributions to beneficiary units for operations, offset by the receipt of new endowment funds through gifts and transfers. The composition of the University's endowment, life income and other investments at June 30, 2009 and 2008 is summarized as follows:

	2009	2008
	(in millions)	
Endowment investments	\$ 6,001	\$ 7,572
Life income investments	89	118
Noncurrent portion of insurance and benefits obligations investments	125	165
	<u>\$ 6,215</u>	<u>\$ 7,855</u>

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 nearly 7,000 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 University's endowment spending rate policy provides for an annual distribution of 5 percent of the one-quarter lagged, seven-year moving average fair value of University Endowment Fund assets, with distributions limited to 5.3 percent of current fair value. Any capital gains or income generated above the endowment spending rate are reinvested so that in lean times funds will be available for distribution. Effective July 1, 2006, the moving average period was extended from three to four years and was extended by one quarter each subsequent quarter until it reached seven years at June 30, 2009. This change was enacted to further reduce distribution volatility, as well as to better preserve and grow the endowment corpus over time. In addition, departments may also use withdrawals from funds functioning as endowment to support capital expenditures and operations.

Endowment spending rate distributions totaled \$244 million, \$227 million and \$205 million and withdrawals from funds functioning as endowment totaled \$46 million, \$20 million and \$57 million in 2009, 2008 and 2007, respectively. Total spending rate distributions combined with withdrawals from funds functioning as endowment averaged 5.9 percent, 4.0 percent and 5.0 percent of the fair value of the University Endowment Fund for 2009, 2008 and 2007, respectively. Over the past ten years, total spending rate distributions combined with withdrawals from funds functioning as endowment averaged 6.5 percent.

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 \$844 million in 2009, as compared to \$701 million in 2008. Capital asset additions primarily represent replacement, renovation and new construction of academic, research, clinical and athletic 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 \$592 million, as well as debt proceeds of \$240 million and state capital appropriations of \$12 million.

THE UNIVERSITY OF MICHIGAN

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 includes 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 174 acres of land acquired. Known collectively as the North Campus Research Complex, these buildings with nearly 2 million square feet of sophisticated laboratory facilities and administrative space will provide much needed space for current research as well as help attract new projects and faculty to the University. This acquisition is classified as property held for future use at June 30, 2009 and committees with campus-wide representation are in the process of developing a strategy for the optimum utilization of this complex.

Construction in progress, which totaled \$786 million at June 30, 2009 and \$647 million at June 30, 2008, includes important new facilities for patient care, research, instruction, athletics and student residential life.

At June 30, 2009, construction continues on a new facility for C.S. Mott Children's Hospital and 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 pregnant 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. After the new facility is completed in 2012, the existing C.S. Mott Children's Hospital and Women's Hospital will be used to benefit the entire Health System.

Construction also continues on a new state-of-the art eye center that will more than double capacity for eye care, research and education, as well as give scientists more space to search for a cure for Type 1 diabetes. The new facility, which includes eight floors for clinics, surgery and research, will serve the growing number of patients who need advanced eye care and access to the latest research discoveries. Large windows and a full wall of glass panels on the building's façade will allow natural light to fill the clinics and common space, of particular benefit to patients whose vision is impaired. Clinics will have space for patient education and comfortable waiting areas designed to aid patient flow. Research areas will feature open laboratories to encourage collaboration and provide flexibility as research projects grow. The new facility will also house the Brehm Center for Type 1 Diabetes Research and Analysis, which will provide opportunities for collaboration among diabetes and vision scientists, particularly on vision loss caused by diabetes. The new eye center, which is expected to open in 2010, will be connected to the current Kellogg Eye Center tower.

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

A comprehensive renovation and expansion of Michigan Stadium continues. Renovation to the stadium itself will result in improvements in the number and quality of restrooms and concession stands; wider aisles, handrails and additional entry and exit points for improved crowd circulation and safety; and additional dedicated seating for fans with impaired mobility. The expansion will add 400,000 square feet encompassed by two multi-story masonry structures on both the east and west sides of the stadium, leaving the end zones open. The structures include 83 suites and approximately 3,000 club seats. Construction is taking place in the off-season so as not to interrupt the home football schedule and is expected to be completed before the 2010 season.

Construction of the first new student residence hall in more than 40 years on the Ann Arbor campus continues. The North Quad Residential and Academic Complex combines sophisticated classroom and academic space with residence space for 460 students. The result will be an environment in which interactions among students and faculty flow from classrooms to hallways to faculty offices to living quarters. The living spaces, like the whole of the project, are designed to facilitate student learning, and student social and programmatic needs. The academic space will provide classrooms, studios and offices for five information and communications-related university programs. The University expects this new facility to be completed in Summer 2010.

Renovation of the Stockwell Residence Hall serves to meet the contemporary and future needs of students, while preserving the building's historic character. Dining services, formerly located within the building, will be provided in the new Hill Dining Center freeing room to create meeting and community spaces for student interaction and living and learning activities. In addition, the building's infrastructure is being thoroughly upgraded, from high-speed network access to renovated bath facilities, accessibility improvements, and new plumbing, heating, cooling, ventilation, fire detection and fire suppression systems. This renovation will be completed in time for the Fall 2009 semester.

Renovation and expansion projects completed in 2009 include the Mosher-Jordan Residence Hall and Hill Dining Center, Flint Student Housing Facility, Stephen M. Ross School of Business and Alumni Memorial Hall Museum of Art.

The expansion and comprehensive renovation of the Mosher-Jordan Residence Hall provides a new dining center and preserves the existing historic areas and details, while creating new community environments by reconfiguring current spaces. A new, multi-level lobby and entrance were created to provide a single point of entry for residents and visitors, as well as centralized services for students in both houses of Mosher-Jordan. The infrastructure was upgraded to include new plumbing, elevators, heating, ventilation, fire detection and suppression systems, high-speed network access, renovated bath facilities and accessibility improvements.

THE UNIVERSITY OF MICHIGAN

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

The first student housing facility on the Flint Campus provides accommodations for approximately 300 students. The facility consists of one, two and four bedroom units, which include handicap accessible units. All units contain one or two bathrooms, a kitchen and living room. The first floor of the facility provides communal living and learning space for residents.

The new facility for the Stephen M. Ross School of Business encompasses 270,000 square feet that houses state-of-the-art classrooms, an auditorium and colloquiums, faculty offices, student service activities space, and a central gathering space providing seating areas and a food court.

The Museum of Art's historic home, Alumni Memorial Hall, underwent a transformative facility expansion and restoration. The expansion nearly doubled the Hall's size to address current space needs and allow for future growth in collections and programming, while the restoration addressed needed infrastructure improvements. The addition consists of three floors with a lower level and now provides space for galleries, collections, exhibitions, classrooms and administration.

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 May 2009, Moody's Investors Service, Inc. ("Moody's") affirmed its highest credit rating (Aaa) for bonds backed by a broad revenue pledge based on the University's extremely strong credit fundamentals, including significant financial resources, strong market position and consistent operating performance derived from a well diversified revenue base. Standard & Poor's Ratings Services ("Standard & Poor's") also affirmed its highest credit rating (AAA) based on the University's national reputation for 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, 2009, 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	\$ 137	\$ 21	\$ 55	\$ 103
Bonds and Notes:				
General revenues	459	315	21	753
Hospital revenues	552		12	540
Faculty Group Practice revenues	92		3	89
Student residences revenues	2			2
	<u>\$ 1,242</u>	<u>\$ 336</u>	<u>\$ 91</u>	<u>\$ 1,487</u>

THE UNIVERSITY OF MICHIGAN

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

The University maintains a combination of fixed and variable rate debt with effective interest rates that averaged 2.2 percent in 2009 and 3.4 percent in 2008. Consistent with the University's capital and debt financing plans, total outstanding debt increased \$245 million, or 20 percent, to \$1.5 billion at June 30, 2009, while interest expense decreased 25 percent, to \$25 million.

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, 2009 and 2008, commercial paper totaled \$103 million and \$137 million, respectively, and is included in current liabilities. During 2009, the University issued \$21 million of commercial paper to fund new construction projects.

During 2009, the University issued \$307 million in fixed and variable rate general revenue bonds (Series 2009A, Series 2009B and Series 2009D) with a net original issue premium of \$8 million. Bond proceeds were used to convert \$51 million of commercial paper to long-term debt and provide \$218 million for capital projects including the C.S. Mott Children's and Women's Hospitals, Michigan Stadium Renovation and Expansion, and North Quad Residential and Academic Complex. Bond proceeds will also be used to refund \$46 million of Series 2005B general revenue bonds in July 2009, which as a result are included in the current portion of bonds payable at June 30, 2009. Of the total bond issue, \$119 million is variable rate debt, \$98 million is fixed rate debt and \$90 million is fixed rate taxable Build America Bonds.

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 debt is put back to the University by the debt holder, management believes that it 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. In 2009, the University experienced the failed remarketing of \$47 million of its variable rate bonds, which were subsequently remarketed within ten days.

THE UNIVERSITY OF MICHIGAN

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

Obligations for Postemployment Benefits

The University implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, during 2008. This Statement requires accrual-based measurement and recognition of the cost of postemployment benefits during the periods when employees render their services. Previously, the University recognized obligations for most postemployment benefits as they were paid.

Using current actuarial assumptions, and presuming a continuation of the current level of benefits, the University's liability for postemployment benefits obligations totaled \$1.56 billion and \$1.49 billion at June 30, 2009 and 2008, 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 \$199 million and \$201 million at June 30, 2009 and 2008, respectively.

By implementing a series of health benefit initiatives over the past few years, the University has favorably impacted its liability for postemployment benefits obligations by \$215 million. In accordance with GASB Statement No. 45, the University's liability for postemployment benefits obligations at June 30, 2009 does not reflect anticipated Medicare Part D prescription drug subsidies for future years of \$143 million.

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, 2009 and 2008 is summarized as follows:

	2009	2008
	(in millions)	
Invested in capital assets, net of related debt	\$ 3,276	\$ 3,030
Restricted:		
Nonexpendable:		
Permanent endowment corpus	1,144	1,071
Expendable:		
Net appreciation of permanent endowments	808	1,492
Funds functioning as endowment	1,291	1,561
Restricted for operations and other	606	680
Unrestricted	1,542	2,921
	\$ 8,667	\$ 10,755

THE UNIVERSITY OF MICHIGAN

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

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 \$246 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 \$73 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 \$2.7 billion at June 30, 2009, as compared to \$3.7 billion at June 30, 2008. This decrease is primarily due to investment market conditions.

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. At June 30, 2009 unrestricted net assets included funds functioning as endowment of \$2.6 billion offset by unfunded obligations for postemployment benefits of \$1.6 billion. At June 30, 2008, unrestricted net assets included funds functioning as endowment of \$3.3 billion offset by unfunded obligations for postemployment benefits of \$1.5 billion.

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, 2009 is summarized as follows:

	2009	2008	2007
	(in millions)		
Operating revenues:			
Student tuition and fees, net of scholarship allowances	\$ 826.3	\$ 791.2	\$ 718.7
Sponsored programs	922.2	853.2	823.7
Patient care revenues and managed care premiums	2,220.6	2,105.4	1,983.6
Other	344.4	354.8	309.4
	4,313.5	4,104.6	3,835.4
Operating expenses	5,094.2	4,820.0	4,433.6
Operating loss	(780.7)	(715.4)	(598.2)
Nonoperating and other revenues (expenses):			
State educational appropriations	373.8	404.0	332.4
Private gifts for operating activities	96.5	136.7	132.8
Net investment (loss) income	(1,851.2)	621.9	1,572.6
Interest expense	(25.1)	(33.6)	(30.6)
State capital appropriations	12.2	11.8	6.4
Endowment and capital gifts and grants	88.4	160.1	137.6
Other	(1.6)	(21.1)	60.0
Nonoperating and other (expenses) revenues, net	(1,307.0)	1,279.8	2,211.2
Implementation of GASB Statement No. 45, postemployment benefits obligations as of July 1, 2007		(1,306.9)	
(Decrease) increase in net assets	(2,087.7)	(742.5)	1,613.0
Net assets, beginning of year	10,754.6	11,497.1	9,884.1
Net assets, end of year	\$ 8,666.9	\$ 10,754.6	\$ 11,497.1

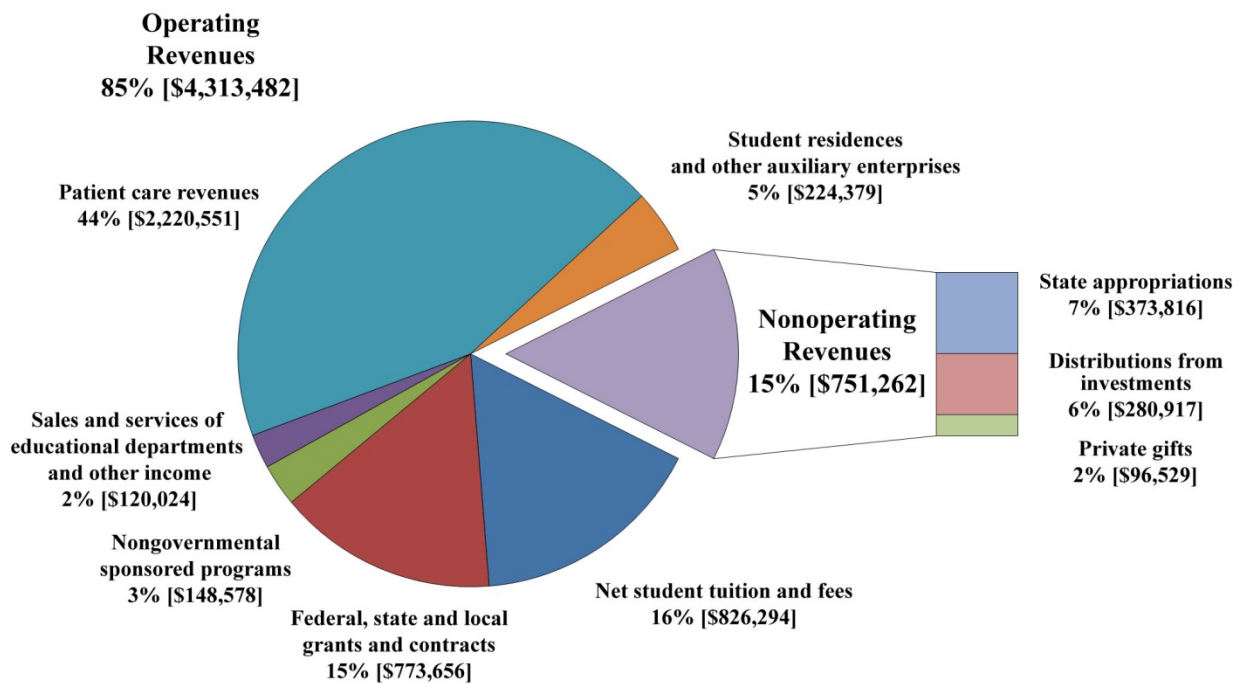
One of the University's greatest strengths is the diverse streams of revenue that supplement its student tuition and fees, including private support from individuals, foundations and corporations, along with government and other sponsored programs, state appropriations and investment income. The University 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, 2009 (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, private gifts and distributions from investments.

Fiscal Year 2009 Revenues for Operating Activities

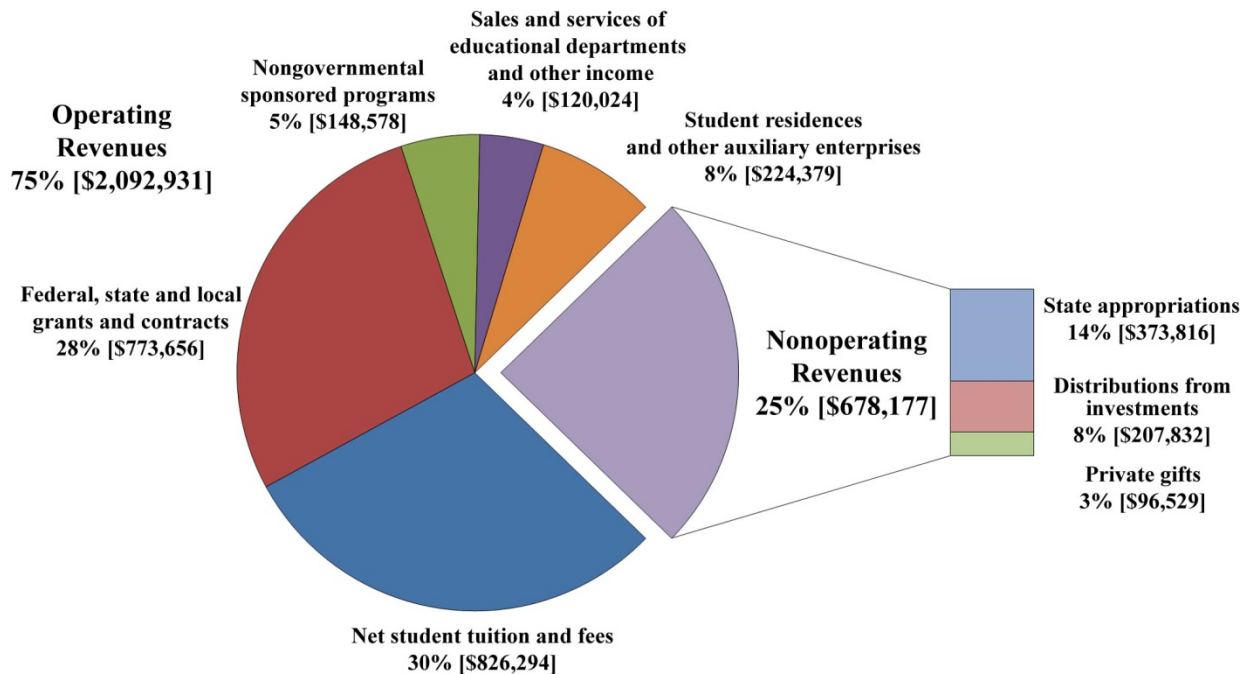


THE UNIVERSITY OF MICHIGAN

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, 2009 (amounts are presented in thousands of dollars).

**Fiscal Year 2009 Revenues for Operating Activities
Excluding Revenues from the University's Health System**



THE UNIVERSITY OF MICHIGAN

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

Tuition and state appropriations are the primary sources of funding for the University's academic programs. There is a direct 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 3 percent, or \$39 million, to \$1.20 billion in 2009, as compared to 6 percent, or \$70 million, to \$1.16 billion in 2008.

Downturns in state of Michigan tax revenues continue to put pressure on the state budget. For the three years ended June 30, 2009, state educational appropriations revenue consisted of the following components:

	2009	2008	2007
	(in millions)		
Base appropriations	\$ 373.8	\$ 370.1	\$ 372.8
Net restoration (rescission)		33.9	(40.4)
	<u>\$ 373.8</u>	<u>\$ 404.0</u>	<u>\$ 332.4</u>

Due to ongoing pressures and volatility in the state budget, the University's base appropriations continue to be constrained, and increased only \$1 million or 0.3 percent, over the past two years. The \$34 million net restoration in 2008 represents the return of part of a 2007 mid-year rescission. The \$40 million mid-year rescission in 2007 consists of a reduction in base appropriations of \$6 million and a deferral of \$34 million until 2008.

To offset constrained base state appropriations, net student tuition and fees revenue has increased 15 percent, or \$108 million, over the past two years. For the three years ended June 30, 2009, net student tuition and fees revenue consisted of the following components:

	2009	2008	2007
	(in millions)		
Student tuition and fees	\$ 1,029.2	\$ 975.3	\$ 891.6
Scholarship allowances	(202.9)	(184.1)	(172.9)
	<u>\$ 826.3</u>	<u>\$ 791.2</u>	<u>\$ 718.7</u>

In 2009, net student tuition and fees revenue increased 4 percent, or \$35 million, to \$826 million, which reflects a 6 percent, or \$54 million, increase in gross tuition and fee revenues offset by a 10 percent, or \$19 million, increase in scholarship allowances. Tuition rate increases in 2009 were 5.6 percent for all undergraduate students on the Ann Arbor campus, with a 6.5 percent tuition rate increase for the Dearborn campus, a 5.9 percent tuition rate increase for the Flint campus and a 5 percent increase for most graduate tuition rates. The University also experienced a modest growth in the number of students.

THE UNIVERSITY OF MICHIGAN

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

In 2008, net student tuition and fees revenue increased 10 percent, or \$73 million, to \$791 million, which reflects a 9 percent, or \$84 million, increase in gross tuition and fee revenues offset by a 6 percent, or \$11 million, increase in scholarship allowances. Tuition rate increases in 2008 were 7.4 percent for all undergraduate students on the Ann Arbor campus, with a 7.9 percent tuition rate increase for the Dearborn campus, a 6.4 percent tuition rate increase for the Flint campus and a 5 percent increase for most graduate tuition rates. The University also experienced a modest growth in the number of students.

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.

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 \$97 million in 2009, as compared to \$137 million in 2008 and \$133 million in 2007.

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 \$69 million, to \$922 million in 2009, as compared to an increase of 4 percent, or \$30 million, to \$853 million in 2008. A significant portion of the University's sponsored programs revenues relate to federal research and its growth is consistent with the national trends of increasing activity after several years of stabilized federal research activity.

Patient care revenues and managed care premiums for the three years ended June 30, 2009 are summarized as follows:

	2009	2008	2007
	(in millions)		
Patient care revenues	\$ 2,220.6	\$ 2,105.4	\$ 1,786.8
Managed care premiums			196.8
	<u>\$ 2,220.6</u>	<u>\$ 2,105.4</u>	<u>\$ 1,983.6</u>

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 5 percent, or \$115 million, to \$2.2 billion in 2009, as compared to an increase of 18 percent, or \$319 million, to \$2.1 billion in 2008. 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. Managed care premiums in 2007 represent subscription revenue recognized by M-CARE from contracts associated with employers other than the University. M-CARE was sold in December 2006.

THE UNIVERSITY OF MICHIGAN

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

Net investment loss totaled \$1.9 billion in 2009, compared to net investment income of \$622 million in 2008 and \$1.6 billion in 2007. The financial market turmoil and wealth destruction that followed the fall of Lehman Brothers in September 2008 exceeded any since the Great Depression. This resulted in broad based 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 recent years, 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. Fixed income investments in the University's working capital and long-term pools performed in line with expectations and proved to be a stabilizing factor on the University's overall investment portfolio.

It was also a difficult year for public equities in 2008, but the University's returns in nonmarketable limited partnerships and absolute return strategies, aided by strong returns from its energy holdings and hedging strategies, resulted in positive investment income. Prior to 2008, net investment income was primarily the result of strong performance of the University's nonmarketable limited partnerships, non-U.S. dollar equities and absolute return strategies, which provided consistent positive returns during 2007, combined with a meaningful increase in invested balances over the same time period.

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 \$60 million in 2009, as compared to \$94 million in 2008 and \$73 million in 2007. Capital gifts and grants totaled \$28 million in 2009, as compared to \$66 million in 2008 and \$65 million in 2007. Over the past three years, major capital gifts have been received in support of the University's wide-ranging building initiatives, which include the Stephen M. Ross School of Business, 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, 2009 is as follows (amounts in millions):

	2009		2008		2007	
Operating:						
Compensation and benefits	\$ 3,390.5	66%	\$ 3,234.2	67%	\$ 2,961.9	66%
Supplies and services	1,255.1	24	1,167.6	24	1,103.9	25
Depreciation	341.5	7	319.4	6	284.1	6
Scholarships and fellowships	107.1	2	98.8	2	83.7	2
	5,094.2	99	4,820.0	99	4,433.6	99
Nonoperating:						
Interest	25.1	1	33.6	1	30.6	1
	<u>\$ 5,119.3</u>	<u>100%</u>	<u>\$ 4,853.6</u>	<u>100%</u>	<u>\$ 4,464.2</u>	<u>100%</u>

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 5 percent, or \$156 million, to \$3.4 billion in 2009, as compared to a 9 percent increase, or \$272 million, to \$3.2 billion in 2008. Of this 2008 increase, \$97 million represents additional operating expenses with the implementation of GASB Statement No. 45.

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

The University utilizes a single pharmacy benefit administrator to manage all pharmacy benefits with University oversight. The University also actively promotes and manages generic drug utilization and has achieved a 71 percent generic dispensing rate in 2009, as compared to 68 percent in 2008 and 60 percent in 2007. In January 2006, the University unbundled pharmacy benefit claim processing and mail order services and selected separate vendors for each service to achieve better discounts for retail and mail order pricing arrangements and additional rebates.

THE UNIVERSITY OF MICHIGAN

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

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 such as 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's MHealthy initiative is a campus-wide effort to encourage healthier living through increased activity, attention to physical safety in the workplace, and other health and wellness efforts. The health and wellness programs offered by the University through this initiative have resulted in greater integration of evidence-based wellness programming into the University's benefit programs.

Over the past several years, MHealthy has offered a broad spectrum of programs designed to support healthy lifestyles. For example, the Focus on Medicines program offers employees, retirees and dependents taking seven or more prescription medications a comprehensive medication review with a University pharmacist to optimize treatment and reduce drug interaction risks. The Focus on Diabetes program reduces or eliminates co-pays for selected medications for employees and dependents who have diabetes to encourage the proper and sustained use of specific drugs that help manage their diabetes and to help prevent or reduce the long-term complications of the disease.

During 2009, MHealthy completed the first university-wide health risk assessment, with more than 17,500 faculty and staff completing an online health risk questionnaire and participating in a wellness screening at sites throughout the University. Data gathered from this assessment will be used to design programs to address the greatest areas of community health risk and thereby reduce the costs incurred by the University.

These initiatives 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 \$88 million, to \$1.3 billion in 2009, as compared to an increase of 6 percent, or \$64 million, to \$1.2 billion in 2008. The increases in 2009 and 2008 are primarily due to increases in patient activity experienced by the Health System, sponsored research activity and utilities.

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, 2009 is as follows (amounts in millions):

	2009		2008		2007	
Operating:						
Instruction	\$ 820.3	16%	\$ 784.7	16%	\$ 727.3	16%
Research	622.6	12	571.7	12	540.6	12
Public service	126.5	2	121.9	2	103.9	2
Institutional and academic support	485.2	10	448.7	9	378.7	9
Auxiliary enterprises:						
Patient and managed care	2,164.5	42	2,046.0	42	1,860.6	42
Other	148.6	3	179.6	4	198.5	4
Operations and maintenance of plant	277.9	5	249.2	5	256.3	6
Depreciation	341.5	7	319.4	7	284.0	6
Scholarships and fellowships	107.1	2	98.8	2	83.7	2
	5,094.2	99	4,820.0	99	4,433.6	99
Nonoperating:						
Interest	25.1	1	33.6	1	30.6	1
	<u>\$ 5,119.3</u>	<u>100%</u>	<u>\$ 4,853.6</u>	<u>100%</u>	<u>\$ 4,464.2</u>	<u>100%</u>

Instruction and public service expenses increased 4 percent, or \$40 million, to \$947 million in 2009, as compared to 9 percent, or \$75 million, to \$907 million in 2008. These increases are consistent with the small level of growth in the related revenue sources, as well as the implementation of GASB Statement No. 45, which increased instruction and public service expenses by 2 percent in 2008.

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 \$1.017 billion in 2009, as compared to \$929 million in 2008 and \$881 million in 2007. This represents an increase of 15 percent, or \$136 million, from 2007 to 2009, which includes the impact of the implementation of GASB Statement No. 45, which increased the total volume of research expenditures by 2 percent in 2008.

Patient and managed care expenses increased 6 percent, or \$119 million, to \$2.2 billion in 2009, as compared to a 10 percent, or \$185 million increase in 2008. The increases in 2009 and 2008 are the result of increased patient activity, including costs of medical supplies and pharmaceuticals. The increase in 2008 as compared to 2007 also reflects the implementation of GASB Statement No. 45, offset by the sale of M-CARE effective December 31, 2006.

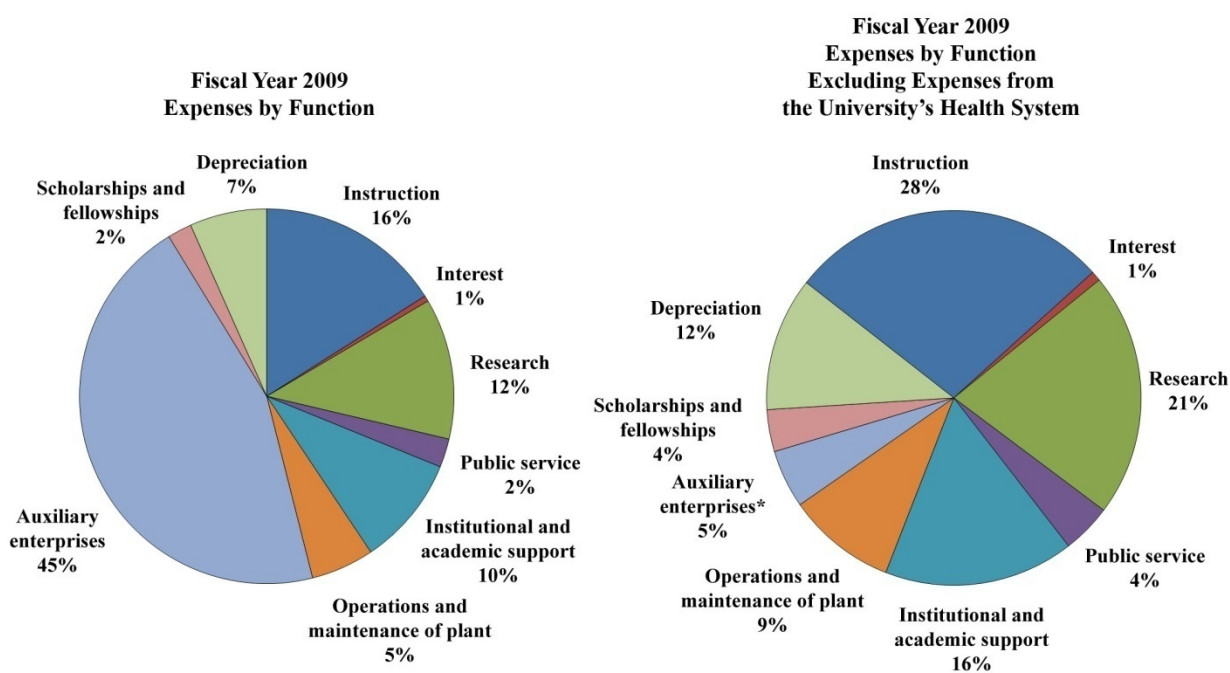
THE UNIVERSITY OF MICHIGAN

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

Total scholarships and fellowships provided to students aggregated \$327 million in 2009, as compared to \$300 million in 2008 and \$272 million in 2007, an increase of 20 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, 2009 are summarized as follows:

	2009	2008	2007
	(in millions)		
Paid directly to students	\$ 107.1	\$ 98.8	\$ 83.7
Applied to tuition and fees	202.9	184.1	172.9
Applied to University Housing	16.5	16.7	15.7
	\$ 326.5	\$ 299.6	\$ 272.3

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 \$2.2 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, 2009 and 2008 is as follows:

	2009	2008
	(in millions)	
Cash received from operations	\$ 4,335.2	\$ 4,109.3
Cash expended for operations	(4,699.3)	(4,391.7)
Net cash used in operating activities	(364.1)	(282.4)
Net cash provided by investing activities	256.1	189.6
Net cash used in capital and related financing activities	(575.0)	(478.6)
Net cash provided by noncapital financing activities	546.3	585.0
Net (decrease) increase in cash and cash equivalents	(136.7)	13.6
Cash and cash equivalents, beginning of year	495.1	481.5
Cash and cash equivalents, end of year	<u>\$ 358.4</u>	<u>\$ 495.1</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 and private gifts used to fund operating activities. Cash and cash equivalents decreased \$137 million in 2009, as compared to an increase of \$14 million in 2008.

THE UNIVERSITY OF MICHIGAN

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

Economic Factors That Will Affect the Future

The University continues to successfully 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 especially impressive 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 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 our strong relationship with the state of Michigan. Historically, there has been a direct relationship between the growth or reduction of state support and the University's ability to control tuition increases, as reduced growth in state appropriations generally necessitates increased tuition levels. In adopting the budget for 2010, the University anticipated a 3 percent decrease in state educational appropriations. To support the University's commitment to both academic excellence and accessibility, the University's budget for 2010 includes a moderate increase in tuition rates along with an increased investment in financial aid for undergraduates. Based on state revenue forecasts, the University is also preparing for further declines in state support for higher education in 2011 and beyond.

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 and research methodologies. Authorized costs to complete construction and other projects totaled \$1.17 billion at June 30, 2009. Funding for these projects is anticipated to include \$1.04 billion from gifts and net assets designated for capital purposes as well as future borrowings, \$126 million from the utilization of unexpended debt proceeds and \$4 million from the State Building Authority. While the State continues to support the University's systematic renewal of core academic facilities, economic pressures may also affect the State's future support.

The University is developing a strategy for the optimum utilization of the newly acquired North Campus Research Complex, which is classified as property held for future use at June 30, 2009. This investment 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 over the next ten years.

THE UNIVERSITY OF MICHIGAN

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

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.

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.

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.

After careful review by top clinical and health policy faculty and financial experts, the University announced a new health benefits cost sharing program which will be phased in over two years, commencing January 1, 2010. 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 to 80 percent of the contribution made for full-time staff in the lowest salary band. Once fully implemented in 2011, these changes are expected to reduce the University's annual health care expenses by approximately \$31 million. Beginning January 1, 2010, newly hired faculty and staff will also be subject to a one year waiting period before receiving the University's ten percent retirement savings plan contribution. This change is expected to result in annual savings of \$11 million.

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,	
	2009	2008
	(in thousands)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 358,373	\$ 495,137
Operating investments	345,207	686,218
Investments for capital activities	541,577	697,269
Investments for student loan activities	31,483	29,869
Investment trade settlements receivable	128	56,289
Accounts receivable, net	434,798	443,375
Current portion of notes and pledges receivable, net	64,055	73,832
Current portion of prepaid expenses and other assets	49,401	54,037
Total Current Assets	1,825,022	2,536,026
Noncurrent Assets:		
Endowment, life income and other investments	6,215,286	7,854,562
Notes and pledges receivable, net	219,823	233,572
Prepaid expenses and other assets	21,425	17,153
Capital assets, net	4,627,498	4,129,830
Total Noncurrent Assets	11,084,032	12,235,117
Total Assets	\$ 12,909,054	\$ 14,771,143
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 184,595	\$ 191,694
Investment trade settlements payable	5,658	64,442
Accrued compensation and other	305,563	297,725
Deferred revenue	187,519	178,638
Current portion of insurance and benefits reserves	67,133	64,117
Current portion of obligations for postemployment benefits	58,401	60,792
Commercial paper and current portion of bonds payable	178,690	172,939
Long-term bonds payable subject to remarketing, net	652,285	706,870
Deposits of affiliates and others	29,705	27,933
Total Current Liabilities	1,669,549	1,765,150
Noncurrent Liabilities:		
Accrued compensation	76,924	78,578
Insurance and benefits reserves	85,912	78,448
Obligations for postemployment benefits	1,504,569	1,431,021
Obligations under life income agreements	47,843	60,437
Government loan advances	87,548	86,567
Bonds payable	656,341	362,408
Deposits of affiliates and other	113,393	153,860
Total Noncurrent Liabilities	2,572,530	2,251,319
Total Liabilities	4,242,079	4,016,469
Net Assets:		
Invested in capital assets, net of related debt	3,275,855	3,030,110
Restricted:		
Nonexpendable	1,143,668	1,070,958
Expendable	2,705,369	3,733,022
Unrestricted	1,542,083	2,920,584
Total Net Assets	8,666,975	10,754,674
Total Liabilities and Net Assets	\$ 12,909,054	\$ 14,771,143

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,	
	2009	2008
	(in thousands)	
Operating Revenues		
Student tuition and fees	\$ 1,029,240	\$ 975,316
Less scholarship allowances	202,946	184,095
Net student tuition and fees	826,294	791,221
Federal grants and contracts	766,416	712,963
State and local grants and contracts	7,240	9,649
Nongovernmental sponsored programs	148,578	130,634
Sales and services of educational departments	117,690	138,484
Auxiliary enterprises:		
Patient care revenues	2,220,551	2,105,439
Student residence fees (net of scholarship allowances of \$16,542,000 in 2009 and \$16,701,000 in 2008)	81,391	74,759
Other revenues	142,988	139,410
Student loan interest income and fees	2,334	2,049
Total Operating Revenues	4,313,482	4,104,608
Operating Expenses		
Compensation and benefits	3,390,470	3,234,232
Supplies and services	1,255,078	1,167,616
Depreciation	341,462	319,351
Scholarships and fellowships	107,127	98,847
Total Operating Expenses	5,094,137	4,820,046
Operating loss	(780,655)	(715,438)
Nonoperating Revenues (Expenses)		
State educational appropriations	373,816	404,003
Private gifts for other than capital and endowment purposes	96,529	136,713
Net investment (loss) income	(1,851,234)	621,878
Interest expense	(25,136)	(33,644)
Total Nonoperating (Expenses) Revenues, Net	(1,406,025)	1,128,950
(Loss) income before other revenues (expenses)	(2,186,680)	413,512
Other Revenues (Expenses)		
State capital appropriations	12,244	11,796
Capital gifts and grants	27,791	66,372
Private gifts for permanent endowment purposes	60,602	93,777
Implementation of GASB Statement No. 45, postemployment benefits obligations as of July 1, 2007		(1,306,859)
Other	(1,656)	(21,065)
Total Other Revenues (Expenses), Net	98,981	(1,155,979)
Decrease in net assets	(2,087,699)	(742,467)
Net Assets, Beginning of Year	10,754,674	11,497,141
Net Assets, End of Year	\$ 8,666,975	\$ 10,754,674

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,	
	2009	2008
	(in thousands)	
Cash Flows From Operating Activities		
Student tuition and fees	\$ 826,536	\$ 798,616
Federal, state and local grants and contracts	774,376	735,478
Nongovernmental sponsored programs	147,246	134,387
Sales and services of educational departments	260,275	275,134
Patient care revenues	2,228,907	2,073,439
Student residence fees	81,203	75,412
Payments to employees	(2,578,312)	(2,413,442)
Payments for benefits	(739,668)	(681,369)
Payments to suppliers	(1,258,755)	(1,182,195)
Payments for scholarships and fellowships	(107,081)	(98,783)
Student loans issued	(15,488)	(15,866)
Student loans collected	14,319	14,700
Student loan interest and fees collected	2,334	2,049
Net Cash Used in Operating Activities	(364,108)	(282,440)
Cash Flows From Investing Activities		
Interest and dividends on investments, net	84,634	294,545
Proceeds from sales and maturities of investments	4,635,466	5,039,730
Purchases of investments	(4,535,346)	(5,252,622)
Net decrease in cash equivalents from noncurrent investments	57,479	100,741
Net increase in deposits of affiliates and others	13,852	7,288
Net Cash Provided by Investing Activities	256,085	189,682
Cash Flows From Capital and Related Financing Activities		
State capital appropriations	22,379	1,773
Private gifts and other receipts	39,527	65,013
Proceeds from issuance of capital debt	336,440	393,770
Principal payments on capital debt	(90,893)	(193,644)
Interest payments on capital debt	(27,908)	(35,072)
Payments for bond refunding and related costs	(277)	(251)
Purchases of capital assets	(855,834)	(710,638)
Proceeds from sales of capital assets	1,501	483
Net Cash Used in Capital and Related Financing Activities	(575,065)	(478,566)
Cash Flows From Noncapital Financing Activities		
State educational appropriations	373,143	364,159
Private gifts and other receipts	173,729	217,599
Student direct lending receipts	299,404	253,462
Student direct lending disbursements	(298,857)	(255,765)
Amounts received for annuity and life income funds	5,034	15,029
Amounts paid to annuitants and life beneficiaries and related expenses	(6,129)	(6,992)
Other		(2,519)
Net Cash Provided by Noncapital Financing Activities	546,324	584,973
Net (decrease) increase in cash and cash equivalents	(136,764)	13,649
Cash and Cash Equivalents, Beginning of Year	495,137	481,488
Cash and Cash Equivalents, End of Year	\$ 358,373	\$ 495,137

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,	
	2009	2008
	(in thousands)	
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (780,655)	\$ (715,438)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	341,462	319,351
Changes in assets and liabilities:		
Accounts receivable, net	(2,655)	(24,602)
Prepaid expenses and other assets	(4,920)	2,841
Accounts payable	(1,075)	(6,403)
Accrued compensation and other	(1,302)	26,991
Deferred revenue	8,881	13,343
Insurance and benefits reserves	4,999	4,210
Obligations for postemployment benefits	71,157	97,267
Net cash used in operating activities	\$ (364,108)	\$ (282,440)

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

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements

June 30, 2009 and 2008

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 57,000 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 the 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.

During 2009, the University implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement establishes criteria to ascertain whether certain events result in a requirement for the University to estimate the components of any expected pollution remediation costs and determine whether these costs should be accrued as a liability or, if appropriate, capitalized. Implementation of this Statement did not have a material impact on net assets.

During 2008, the University implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement requires accrual-based measurement and recognition of the cost of postemployment benefits during the periods when employees render their services. Previously, the University recorded obligations for most postemployment benefits as they were paid.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

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

The University elected to amortize its initial unfunded actuarial accrued liability of \$1,306,859,000 over one year, the minimum period allowed by the Statement. This amount is recorded as a one-time nonoperating expense in 2008 and represents the present value of the University's obligations for postemployment benefits as of July 1, 2007.

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

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 or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and research programs and initiatives, and capital programs.

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.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

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

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.

Investment trade settlements receivable and payable relate to investment transactions occurring on or before June 30, which settle after such date.

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, 2009 and 2008, as adjusted by cash receipts, cash disbursements, and securities distributions through June 30, 2009 and 2008. 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, 2009 and 2008. 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.

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.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

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

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. 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 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 net of related liabilities for the present value of estimated future payments due to beneficiaries.

For donor restricted endowments, the Uniform Management of Institutional Funds Act, as adopted in Michigan, permits the Board of Regents to appropriate an amount of realized and unrealized endowment appreciation as determined to be 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 \$808,000,000 and \$1,492,000,000 at June 30, 2009 and 2008, respectively, is available to meet spending rate distributions and 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. 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, 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.

Revision: The statement of net assets as of June 30, 2008 has been revised to reflect a debt classification adjustment that was not recorded in the previously issued financial statements due to immateriality. The University has historically presented debt with remarketing features as noncurrent liabilities based on scheduled maturities. In connection with the preparation of the June 30, 2009 financial statements, the University determined that pursuant to GASB Interpretation No. 1, long-term debt subject to remarketing arrangements should be shown as a current liability unless the debtor has entered into a take-out agreement or has available lines of credit sufficient to refinance that debt on a long-term basis. The following table summarizes the effect on the statement of net assets for the correction of this immaterial error:

	As originally reported	Adjustments (in thousands)	As adjusted
Long-term bonds payable subject to remarketing, net	\$ -	\$ 706,870	\$ 706,870
Bonds payable	\$ 1,069,278	\$ (706,870)	\$ 362,408

New Accounting Pronouncements: In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for the University's fiscal year beginning July 1, 2009. This Statement requires capitalization of identifiable intangible assets in the statement of net assets and provides guidance for amortization of intangible assets unless they are considered to have an indefinite useful life.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, effective for the University's fiscal year beginning July 1, 2009. This Statement requires derivative instruments to be reported at fair value. In addition, for derivative instruments that qualify as effective hedges, changes in fair value will be reported as deferrals in the statement of net assets, while changes in the fair value of derivative instruments that do not qualify as an effective hedge, including investment derivative instruments, will be reported as investment income. This Statement also requires additional disclosures about the University's derivative instruments.

The University is evaluating the effect that these Statements will have on its financial statements.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

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. 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 University Investment Pool is invested together with the University's insurance and other benefit 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 University Investment Pool 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.

Distributions are made from the University Endowment Fund to the University entities that benefit from the endowment fund. The endowment spending rule provides for an annual distribution of 5 percent of the one-quarter lagged moving average fair value of fund units, limited to 5.3 percent of the current fair value to protect endowment principal in the event of a prolonged market downturn. Effective July 1, 2006, the moving average period was extended from three years to four years, and it was extended by one quarter each subsequent quarter until it reached seven years at June 30, 2009. Distributions are also made from the University Investment Pool 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 University Investment Pool are funded by investment returns.

Cash and Cash Equivalents: Cash and cash equivalents, which totaled \$358,373,000 and \$495,137,000 at June 30, 2009 and 2008, 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. The University had actual cash balances in its bank accounts in excess of Federal Deposit Insurance Corporation limits in the amount of \$10,788,000 and \$17,667,000 at June 30, 2009 and 2008, respectively. The University does not require deposits to be collateralized or insured.

Investments: At June 30, 2009 and 2008, the University's investments, which are held by the University or its agents in the University's name, are summarized as follows:

	2009	2008
	(in thousands)	
Cash equivalents, noncurrent	\$ 181,564	\$ 239,043
Fixed income securities	1,261,477	1,663,408
Commingled funds	1,399,681	2,050,114
Equity securities	781,719	1,171,267
Nonmarketable alternative investments	3,502,987	4,136,925
Other investments	6,125	7,161
	\$ 7,133,553	\$ 9,267,918

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 no 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, 2009, compared to 4.7 years at June 30, 2008. The University manages the effective duration of its fixed income securities at the account level; 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, 2009 and 2008, along with credit quality and effective duration measures, is summarized as follows:

	2009					
	U.S. Government	Investment Grade	Non- Investment Grade (in thousands)	Not Rated	Total	Duration (in years)
U.S. Treasury	\$ 67,363				\$ 67,363	6.3
U.S. Treasury inflation protected	306,078				306,078	2.3
U.S. government agency	88,632				88,632	1.3
Mortgage backed		\$ 40,293	\$ 9,979		50,272	1.5
Asset backed		54,384	3,296		57,680	4.6
Corporate and other		641,313	39,693	\$ 10,446	691,452	6.8
	\$ 462,073	\$ 735,990	\$ 52,968	\$ 10,446	\$ 1,261,477	5.0

	2008					
	U.S. Government	Investment Grade	Non- Investment Grade (in thousands)	Not Rated	Total	Duration (in years)
U.S. Treasury	\$ 70,900				\$ 70,900	3.6
U.S. Treasury inflation protected	489,523				489,523	4.4
U.S. government agency	126,522				126,522	1.6
Mortgage backed		\$ 123,464			123,464	2.7
Asset backed		56,035		\$ 3	56,038	5.7
Corporate and other		773,542	\$ 22,960	459	796,961	5.8
	\$ 686,945	\$ 953,041	\$ 22,960	\$ 462	\$ 1,663,408	4.7

Of the University's fixed income securities, 95 percent and 99 percent were rated investment grade or better at June 30, 2009 and 2008, with 44 percent and 57 percent of these securities rated AAA/Aaa or better at June 30, 2009 and 2008, 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, which are held in the Long Term and Monthly Portfolios, 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, 2009 and 2008 is summarized as follows:

	2009	2008
	(in thousands)	
Absolute return	\$ 743,480	\$ 1,177,265
U.S. equities	67,080	152,614
Non-U.S./global equities	525,366	644,542
U.S. fixed income	8,452	54,350
Other	55,303	21,343
	\$ 1,399,681	\$ 2,050,114

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, 2009, approximately 80 percent are redeemable within one year, with 44 percent redeemable within 90 days. The remaining 20 percent of commingled funds are redeemable beyond one year, with redemption of certain funds dependent on disposition of the underlying assets.

Nonmarketable alternative investments consist of limited partnerships 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. The composition of these partnerships at June 30, 2009 and 2008 is summarized as follows:

	2009	2008
	(in thousands)	
Private equity	\$ 849,529	\$ 1,074,706
Real estate	836,498	969,778
Absolute return	737,541	741,348
Energy	613,981	849,458
Venture capital	465,438	501,635
	\$ 3,502,987	\$ 4,136,925

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

While the University's limited partnership investments are diversified in terms of manager selection and industry and geographic focus, one energy partnership represented 6 percent, or \$540,000,000, of total investments at June 30, 2008. The University's committed but unpaid obligation to these limited partnerships is further discussed in Note 12.

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. The University's investments also include securities 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 forward foreign exchange contracts was \$793,952,000, or 11 percent of total investments at June 30, 2009, compared to \$1,324,618,000, or 14 percent of total investments at June 30, 2008. The University manages foreign exchange risk through manager agreements that provide minimum diversification and maximum exposure limits by country and currency.

The Daily and Monthly Portfolios held positions in bond futures at June 30, 2009 and 2008, while the Long Term Portfolio held positions in stock index futures at June 30, 2008. Bond futures are used to adjust the duration of cash equivalents and the fixed income portion of the portfolios. Stock index futures were used to overlay cash equivalents and more closely align the portfolios' asset class exposures with asset allocation targets. To meet trading margin requirements, the University had U.S. Government securities and cash with a fair value of \$3,889,000 and \$29,373,000 at June 30, 2009 and 2008, respectively, on deposit with its futures contract broker as collateral.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 2--Cash and Investments--Continued

The Long Term Portfolio and the Monthly Portfolio, together, had fully collateralized short-term securities loans of \$234,288,000 and \$377,025,000 at June 30, 2009 and 2008, respectively, through a securities lending program administered by the University's master custodian. 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 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. The fair value of the collateral totaled \$241,092,000, or 103 percent of the fair value of the securities on loan, at June 30, 2009, as compared to \$393,361,000, or 104 percent of the fair value of the securities on loan, at June 30, 2008. Neither the University nor its securities lending agent has the ability to pledge or sell collateral securities unless a borrower defaults. Securities loans may be terminated upon notice by either the University or the borrower. Since the University does not control the securities lending collateral, the related assets and liabilities are not recorded in the accompanying financial statements.

Note 3--Accounts Receivable

The composition of accounts receivable at June 30, 2009 and 2008 is summarized as follows:

	2009	2008
	(in thousands)	
Patient care	\$ 355,395	\$ 362,323
Sponsored programs	72,001	66,800
State appropriations, educational and capital	68,865	78,326
Student accounts	21,118	18,383
Other	33,568	31,593
	550,947	557,425
Less provision for uncollectible accounts receivable	116,149	114,050
	\$ 434,798	\$ 443,375

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, 2009 and 2008 is summarized as follows:

	2009	2008
	(in thousands)	
Notes:		
Federal student loan programs	\$ 99,710	\$ 99,464
University student loan funds	19,753	18,837
Other	761	729
	120,224	119,030
Less allowance for doubtfully collectible notes	2,800	2,800
Total notes receivable, net	117,424	116,230
Gift pledges outstanding:		
Capital	123,976	137,270
Operations	62,329	77,570
	186,305	214,840
Less:		
Allowance for doubtfully collectible pledges	7,114	6,843
Unamortized discount to present value	12,737	16,823
Total pledges receivable, net	166,454	191,174
Total notes and pledges receivable, net	283,878	307,404
Less current portion	64,055	73,832
	<u>\$ 219,823</u>	<u>\$ 233,572</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, 2009 are expected to be received in the following years ended June 30 (in thousands):

2010	\$ 54,314
2011-2014	107,627
2015 and after	24,364
	<u>\$ 186,305</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 \$91,587,000 and \$105,467,000 at June 30, 2009 and 2008, 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, 2009 and 2008 is summarized as follows:

	2009			
	Beginning Balance	Additions	Retirements	Ending Balance
	(in thousands)			
Land	\$ 88,893	\$ 324		\$ 89,217
Land improvements	96,399	1,344		97,743
Infrastructure	185,163	15,108		200,271
Buildings	4,702,944	413,893	\$ 4,189	5,112,648
Construction in progress	646,908	139,572		786,480
Property held for future use	-	114,029		114,029
Equipment	1,414,315	137,215	42,231	1,509,299
Library materials	405,928	22,681		428,609
	7,540,550	844,166	46,420	8,338,296
Less accumulated depreciation	3,410,720	341,462	41,384	3,710,798
	<u>\$ 4,129,830</u>	<u>\$ 502,704</u>	<u>\$ 5,036</u>	<u>\$ 4,627,498</u>
	2008			
	Beginning Balance	Additions	Retirements	Ending Balance
	(in thousands)			
Land	\$ 81,808	\$ 7,085		\$ 88,893
Land improvements	93,887	2,512		96,399
Infrastructure	164,091	21,072		185,163
Buildings	4,481,092	231,888	\$ 10,036	4,702,944
Construction in progress	348,891	298,017		646,908
Equipment	1,345,544	120,039	51,268	1,414,315
Library materials	386,020	19,908		405,928
	6,901,333	700,521	61,304	7,540,550
Less accumulated depreciation	3,145,935	319,351	54,566	3,410,720
	<u>\$ 3,755,398</u>	<u>\$ 381,170</u>	<u>\$ 6,738</u>	<u>\$ 4,129,830</u>

The increase in construction in progress of \$139,572,000 in 2009 represents the amount of capital expenditures for new projects of \$556,578,000 net of capital assets placed in service of \$417,006,000. The increase in construction in progress of \$298,017,000 in 2008 represents the amount of capital expenditures for new projects of \$472,012,000 net of capital assets placed in service of \$173,995,000.

Property held for future use represents the North Campus Research Complex. The University acquired this property in June 2009 for approximately \$114,000,000, including liabilities assumed in the purchase. Committees with campus-wide representation are in the process of developing a strategy for the optimum utilization of this complex, which includes 30 buildings and 174 acres of land adjacent to the University's North Campus.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 6--Long-term Debt

Long-term debt at June 30, 2009 and 2008 is summarized as follows:

	2009	2008
	(in thousands)	
Commercial Paper:		
Tax-exempt, variable rate (.34%)*	\$ 96,070	\$ 129,825
Taxable, variable rate (.35%)*	6,435	6,760
General Revenue Bonds:		
Series 2009A, 2.00% to 5.00% through 2029	98,555	
Series 2009B, variable rate (.28%)* through 2039 unamortized premium	118,710 8,150	
Series 2009D, taxable – Build America Bonds, 5.155% to 6.172% through 2030	89,815	
Series 2008A, variable rate (.19%)* through 2038	105,810	105,810
Series 2008B, variable rate (.17%)* to fixed via swap through 2026 and variable rate 2027 through 2028	116,800	118,335
Series 2005A, 5.00% through 2018 unamortized premium	30,430 1,955	34,315 2,498
unamortized loss on extinguishment	(241)	(316)
Series 2005B, variable rate (.17%)* through 2009	46,070	48,020
Series 2002, variable rate (.25%)* to fixed via swap through 2018 and variable rate 2019 through 2032	112,845	119,900
General Revenue Refunding Bonds:		
Series 2003, 3.50% to 5.00% through 2015 unamortized premium	23,850 1,031	29,395 1,552
unamortized loss on extinguishment	(184)	(281)
Hospital Revenue Bonds:		
Series 2007A, variable rate (.18%)* through 2038	50,120	50,120
Series 2007B, variable rate (.17%)* through 2038	100,235	100,235
Series 2005A, variable rate (.28%)* through 2036	69,315	69,315
Series 2005B, variable rate (.25%)* to fixed via swap through 2026	71,940	75,065
Series 1995A, variable rate (.20%)* through 2028	100,000	100,000
Hospital Revenue Refunding Bonds:		
Series 2002A, 5.00% to 5.25% through 2022 unamortized premium	49,095 946	58,325 1,279
unamortized loss on extinguishment	(2,036)	(2,342)
Series 1998A2, variable rate (.28%)* to fixed via swap through 2025	44,670	44,670
Series 1992A, variable rate (.28%)* through 2020	56,000	56,000
Medical Service Plan Revenue Bonds:		
Series 1995A, variable rate (.20%)* through 2028	48,200	48,800
Series 1991, 6.90% to 7.05% capital appreciation through 2012	5,945	7,674
Medical Service Plan Revenue Refunding Bonds:		
Series 1998A-1, variable rate (.28%)* to fixed via swap through 2022	34,695	35,030
Housing Energy Conservation HUD Loan, 3.00% through 2021	2,090	2,233
	1,487,316	1,242,217
Less:		
Commercial paper and current portion of bonds payable	178,690	172,939
Long-term bonds payable subject to remarketing, net	652,285	706,870
	<u>\$ 656,341</u>	<u>\$ 362,408</u>

*Denotes variable rate at June 30, 2009

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, 2009 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
		(in thousands)		
Commercial Paper:				
General revenues	\$ 136,585	\$ 21,210	\$ 55,290	\$ 102,505
Bonds and Notes:				
General revenues	459,228	315,230	20,862	753,596
Hospital revenues	552,667		12,382	540,285
Faculty Group Practice revenues	91,504	471	3,135	88,840
Student residences revenues	2,233		143	2,090
	<u>\$ 1,242,217</u>	<u>\$ 336,911</u>	<u>\$ 91,812</u>	<u>\$ 1,487,316</u>

The University maintains a combination of variable and fixed rate debt, with effective interest rates that averaged 2.21 percent in 2009 and 3.40 percent in 2008. 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 \$150,000,000 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 2009, the University issued \$307,080,000 of General Revenue Bonds with a net original issue premium of \$8,150,000. Bond proceeds were used to convert \$50,520,000 of commercial paper to long-term debt and provide \$218,117,000 for capital projects and \$523,000 for debt issuance costs. Bond proceeds will also be used to refund \$46,070,000 of Series 2005B General Revenue Bonds in July 2009. The total bond issue includes \$98,555,000 (Series 2009A) of fixed rate bonds, \$118,710,000 (Series 2009B) of variable rate bonds based on a commercial paper rate mode and \$89,815,000 (Series 2009D) of fixed rate taxable Build America 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 2039. Principal maturities and interest on debt obligations for the next five years and in subsequent five-year periods are as follows:

	Principal	Interest*	Total
	(in thousands)		
2010	\$ 177,383	\$ 16,733	\$ 194,116
2011	32,185	16,234	48,419
2012	45,727	15,188	60,915
2013	51,051	13,819	64,870
2014	46,151	12,701	58,852
2015-2019	237,321	54,639	291,960
2020-2024	261,447	36,235	297,682
2025-2029	274,860	16,383	291,243
2030-2034	189,265	3,443	192,708
2035-2039	162,305	885	163,190
	1,477,695	\$ 186,260	\$ 1,663,955
Plus unamortized premiums, net	9,621		
	<u>\$ 1,487,316</u>		

* Interest on variable rate debt is estimated based on rates in effect at June 30, 2009

The variable rate portion 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, 2009 and 2008 is summarized as follows:

	2009	2008
	(in thousands)	
Variable rate bonds payable subject to remarketing	\$ 1,075,410	\$ 971,300
Less:		
Current principal maturities	57,920	14,430
Long-term liquidity agreements:		
Unsecured lines of credit	250,000	250,000
Standby bond purchase agreement for Series 2008B General Revenue Bonds	115,205	
Long-term bonds payable subject to remarketing, net	<u>\$ 652,285</u>	<u>\$ 706,870</u>

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 6--Long-term Debt--Continued

The University also has a \$200,000,000 line of credit to provide short-term liquidity for up to five days. The University's available lines of credit and standby bond purchase agreement were entirely unused at June 30, 2009.

In connection with the Series 2008B General Revenue Bonds, the University entered into a floating-to-fixed interest rate swap agreement with a notional value covering a portion of the principal amount outstanding, \$98,490,000 at June 30, 2009 and 2008, and decreasing as principal on the underlying bonds is repaid. The swap agreement converts the floating variable rate on these bonds to a fixed rate of 3.105 percent until the swap terminates in April 2026. The University makes fixed rate payments to the counterparty and receives a variable rate payment based on 68 percent of the One-Month USD LIBOR. The University has the option to terminate the swap upon five business days written notice and payment of the fair market compensation for the value of the swap.

In connection with the issuance of the Series 2005B Hospital Revenue Bonds, the University entered into a floating-to-fixed interest rate swap agreement for a notional amount tied to the outstanding balance of the bonds. The swap agreement converts the floating variable rate on these bonds to a fixed rate of 3.229 percent commencing December 2005 through December 2025, the final maturity of the underlying bonds. The University makes fixed rate interest payments to the counterparty and receives a variable rate payment based on 68 percent of the One-Month USD LIBOR. The University has the option to terminate the swap upon five business days written notice and payment of the fair market compensation for the value of the swap.

In connection with the Series 2002 General Revenue Bonds, the University entered into a floating-to-fixed interest swap agreement with a notional value covering a portion of the principal amount outstanding, \$58,215,000 at June 30, 2009 and 2008, and decreasing as principal on the underlying bonds is repaid. The swap agreement converts the floating variable rate on these bonds to a fixed rate of 3.5375 percent until the swap terminates in April 2018. The University makes fixed rate payments to the counterparty and receives a variable rate payment 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. The University has the option to terminate the swap upon five business days written notice and payment of the fair market compensation for the value of the swap.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 6--Long-term Debt--Continued

In connection with the issuance of the Series 1998A-2 Hospital Revenue Refunding Bonds and the Series 1998A-1 Medical Service Plan Revenue Refunding Bonds, the University entered into floating-to-fixed interest rate swap agreements for notional amounts tied to the outstanding balance of the bonds. The swap agreements convert the floating variable rates on these Hospital and Medical Service Plan bonds to fixed rates of 4.705 percent and 4.685 percent, through December 2024 and December 2021, respectively, the final maturity dates of the underlying bonds. The University makes fixed interest payments to the counterparty and receives a variable rate payment based on the floating Securities Industry and Financial Markets Association (SIFMA) Municipal Index. 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.

The estimated fair value of the interest rate swaps was a liability of \$25,637,000 at June 30, 2009 and a liability of \$11,612,000 at June 30, 2008. 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. In accordance with governmental accounting standards, these amounts are not required to be included in the accompanying financial statements.

Note 7--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.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 7--Self-Insurance-Continued

Changes in the total reported liability for insurance and benefits obligations for the years ended June 30, 2009 and 2008 are summarized as follows:

	2009	2008
	(in thousands)	
Balance, beginning of year	\$ 142,565	\$ 141,202
Claims incurred and changes in estimates	360,002	220,493
Claim payments	(349,522)	(219,130)
Balance, end of year	153,045	142,565
Less current portion	67,133	64,117
	\$ 85,912	\$ 78,448

Note 8--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 34,000 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 who 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.

During 2008, the University implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement requires accrual-based measurement and recognition of the cost of postemployment benefits during the periods when employees render their services. Previously, the University recognized obligations for most postemployment benefits as they were paid.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 8--Postemployment Benefits--Continued

The University's annual postemployment benefits expense is actuarially determined in accordance with the parameters of GASB Statement No. 45. 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 elected to amortize its initial unfunded actuarial accrued liability over one year, the minimum period allowed by GASB Statement No. 45. 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 net OPEB obligation 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, 2009, the net OPEB obligation and the actuarial accrued liability totaled \$1,562,970,000 and \$1,167,457,000, respectively.

Changes in the total reported liability for postemployment benefits obligations for the years ended June 30, 2009 and 2008 are summarized as follows:

	2009		
	Retiree Health and Welfare	Long-term Disability (in thousands)	Total
Balance, beginning of year	\$ 1,360,175	\$ 131,638	\$ 1,491,813
Annual required contribution:			
Service cost	49,749	5,439	55,188
Amortization of assumption changes and actuarial (gains) losses	(28,941)	328	(28,613)
Interest cost	87,051	10,531	97,582
Payments of current premiums and claims	(39,234)	(13,766)	(53,000)
Balance, end of year	1,428,800	134,170	1,562,970
Less current portion	42,287	16,114	58,401
	<u>\$ 1,386,513</u>	<u>\$ 118,056</u>	<u>\$ 1,504,569</u>
	2008		
	Retiree Health and Welfare	Long-term Disability (in thousands)	Total
Balance, beginning of year	\$ 4,749	\$ 82,938	\$ 87,687
Annual required contribution:			
One-time amortization of total unfunded actuarially accrued liability at July 1, 2007	1,259,125	47,734	1,306,859
Service cost	55,200	5,110	60,310
Interest cost	79,620	10,454	90,074
Payments of current premiums and claims	(38,519)	(14,598)	(53,117)
Balance, end of year	1,360,175	131,638	1,491,813
Less current portion	45,514	15,278	60,792
	<u>\$ 1,314,661</u>	<u>\$ 116,360</u>	<u>\$ 1,431,021</u>

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 8--Postemployment Benefits--Continued

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 \$198,665,000 of actuarial accrued liability at June 30, 2009 and \$201,294,000 at June 30, 2008. In accordance with GASB Statement No. 45, the University's liability for postemployment benefit obligations at June 30, 2009 is not reduced by the anticipated Medicare Retiree Drug Subsidy for future periods of \$143,000,000 on an actuarial accrued liability basis.

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. 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, 2009 and 2008 as a percentage of covered payroll of \$2,456,343,000 and \$2,311,422,000, was 64 and 65 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, 2009 and 2008 are as follows:

	2009	
	<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%/5.0%	9.0%/5.0%
Immediate/Ultimate Rx Trend Rate	8.0%/5.0%	8.0%/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)
	2008	
	<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	11.7%/5.0%	11.7%/5.0%
Immediate/Ultimate Rx Trend Rate	8.5%/5.0%	8.5%/5.0%
Expected Retirement Age (Faculty/Staff/Union)	66/62/61	Not Applicable
Mortality/Termination Table	RP-2000 Projected to 2014	2005 SOA Life Waiver (Modified)

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 9--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. 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, 2009 are summarized as follows:

	2009	2008	2007
	(in thousands)		
University contributions	\$ 208,707	\$ 194,962	\$ 183,145
Employee contributions	\$ 102,705	\$ 96,015	\$ 90,252
Payroll covered under plan	\$ 2,456,343	\$ 2,311,422	\$ 2,172,592
Total payroll	\$ 2,580,373	\$ 2,444,522	\$ 2,292,929

Note 10--Unrestricted Net Assets

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, the Board of Regents, or may otherwise be limited by contractual agreements with outside parties. All of the unrestricted net assets, which totaled \$1,542,083,000 at June 30, 2009, have been designated for academic and research programs and initiatives, and capital programs.

Note 11--Federal Direct Lending Program

The University distributed \$298,857,000 and \$255,765,000 for the years ended June 30, 2009 and 2008, 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 payable of \$2,573,000 and \$2,026,000 at June 30, 2009 and 2008, respectively, for DoED funding received in advance of distribution.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 12--Commitments and Contingencies

Authorized expenditures for construction and other projects unexpended as of June 30, 2009 were \$1,166,956,000. Of these expenditures, approximately \$1,037,263,000 will be funded by internal sources, gifts and future borrowings, \$126,053,000 will be funded using unexpended debt proceeds and the remaining \$3,640,000 will be funded by the State Building Authority.

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, 2009, the University had committed, but not paid, a total of \$2,758,820,000 in funding for these alternative investments. Outstanding commitments for such investments are anticipated to be paid in the following years ended June 30 (in thousands):

2010	\$ 642,692
2011	730,900
2012	490,966
2013	251,546
2014	207,769
2015 and beyond	434,947
	<u>\$ 2,758,820</u>

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

2010	\$ 28,598
2011	22,845
2012	19,869
2013	15,203
2014	9,563
2015-2019	15,800
2020-2024	2,966
2025-2027	1,338
	<u>\$ 116,182</u>

Operating lease expenses totaled \$32,467,000 and \$31,320,000 in 2009 and 2008, respectively.

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 12--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 13--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 several 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 13--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, 2009 and 2008 is as follows:

	2009	2008
	(in thousands)	
Condensed Statement of Net Assets		
Assets:		
Current assets	\$ 415,451	\$ 396,679
Noncurrent assets	2,277,025	2,451,429
Total assets	<u>\$ 2,692,476</u>	<u>\$ 2,848,108</u>
Liabilities:		
Current liabilities	\$ 415,106	\$ 387,091
Noncurrent liabilities	740,061	582,566
Total liabilities	<u>1,155,167</u>	<u>969,657</u>
Net assets:		
Invested in capital assets, net of related debt	596,070	538,854
Restricted:		
Nonexpendable	2,646	2,338
Expendable	70,262	70,843
Unrestricted	868,331	1,266,416
Total net assets	<u>1,537,309</u>	<u>1,878,451</u>
Total liabilities and net assets	<u>\$ 2,692,476</u>	<u>\$ 2,848,108</u>
Condensed Statement of Revenues, Expenses and Changes in Net Assets		
Operating revenues	\$ 1,836,837	\$ 1,743,251
Operating expenses other than depreciation expense	(1,691,520)	(1,584,504)
Depreciation expense	(129,974)	(122,363)
Operating income	15,343	36,384
Nonoperating expenses, net	(297,293)	(162,036)
Net expenses before transfers	(281,950)	(125,652)
Transfers (to) from other University units, net	(59,192)	7,954
Decrease in net assets	(341,142)	(117,698)
Net assets, beginning of year	1,878,451	1,996,149
Net assets, end of year	<u>\$ 1,537,309</u>	<u>\$ 1,878,451</u>
Condensed Statement of Cash Flows		
Net cash provided by operating activities	\$ 175,354	\$ 188,792
Net cash provided by investing activities	61,485	92,117
Net cash used in capital and related financing activities	(147,389)	(211,183)
Net cash (used in) provided by noncapital financing activities	(56,187)	4,905
Net increase in cash and cash equivalents	33,263	74,631
Cash and cash equivalents, beginning of year	157,012	82,381
Cash and cash equivalents, end of year	<u>\$ 190,275</u>	<u>\$ 157,012</u>

THE UNIVERSITY OF MICHIGAN

Notes to Consolidated Financial Statements--Continued

Note 14--Operating Expenses by Function

Operating expenses by functional classification for the years ended June 30, 2009 and 2008 are summarized as follows:

	2009				
	Compensation and Benefits	Supplies and Services	Depreciation (in thousands)	Scholarships and Fellowships	Total
Instruction	\$ 708,171	\$ 112,082			\$ 820,253
Research	427,564	195,079			622,643
Public service	86,682	39,782			126,464
Academic support	178,111	46,773			224,884
Student services	66,127	17,063			83,190
Institutional support	134,631	42,452			177,083
Operations and maintenance of plant	43,718	234,166			277,884
Auxiliary enterprises	1,745,466	567,681			2,313,147
Depreciation			\$ 341,462		341,462
Scholarships and fellowships				\$ 107,127	107,127
	\$ 3,390,470	\$ 1,255,078	\$ 341,462	\$ 107,127	\$ 5,094,137
	2008				
	Compensation and Benefits	Supplies and Services	Depreciation (in thousands)	Scholarships and Fellowships	Total
Instruction	\$ 676,273	\$ 108,472			\$ 784,745
Research	397,464	174,188			571,652
Public service	85,931	35,949			121,880
Academic support	166,489	37,148			203,637
Student services	62,365	16,343			78,708
Institutional support	124,370	41,955			166,325
Operations and maintenance of plant	40,584	208,661			249,245
Auxiliary enterprises	1,680,756	544,900			2,225,656
Depreciation			\$ 319,351		319,351
Scholarships and fellowships				\$ 98,847	98,847
	\$ 3,234,232	\$ 1,167,616	\$ 319,351	\$ 98,847	\$ 4,820,046

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

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		\$ 1,028,406
Pass-Through:				
Biotechnology Research and Development Corporation	146	10		67,429
Cornell University	53997-8517	10		42,867
Michigan Technological University	P0074554	10		22,634
Middle Michigan Development Corporation	Letter dtd 6/25/08	10		19,975
Southwestern Michigan Commission	Contract Agmt dtd 11/3/06	10		3,113
T/J Technologies, Inc.	USDA-II-07	10		68,883
University of Chicago	35843-B / Helen Levy	10		38,342
University of Chicago	35843-F	10		5,143
US-Israel Binational Agricultural Research and Development Fund (BARD)	IS-3869-06	10		48,941
Central Intelligence Agency				
Direct		13		11,154
Pass-Through:				
Mitre Corporation	5-23405	13		12,315
Seventh Sense Biosystems, Inc.	Proj Append 1 Proj Mstr Agmt	13		363,355
Commerce, Department of-Economic Development Administration				
Direct		11		822,267
Commerce, Department of-National Institute of Standards & Technology				
Pass-Through:				
Powertrain Engineering & Manufacturing Alliance (PEMA)	SubK dtd 2/18/08	11		799,269
Commerce, Department of-National Oceanic and Atmospheric Administration				
Direct		11		5,298,105
Pass-Through:				
Michigan, State of, Environmental Quality, Department of	08-309-14	11		653
Michigan, State of, Environmental Quality, Department of	09-309-15	11		12,430
Michigan, State of, Environmental Quality, Department of	Project#08-309-13	11		18,037
Ohio State University Research Foundation	RF01066360	11		10,055
University of Maryland, The	CA03-23; NOAA Award NA16OC2473	11		326
University of Maryland, The	Cooperative Agreement 07-14	11		101,022
Von Braun Center for Science & Innovation (VCSI)	Fixed Price Ltr Contract	11		144,409
Commerce, Department of-Office of the Secretary				
Direct		11		335,539
Pass-Through:				
Center for Automotive Research (CAR)	UM/CAR Subcontract	11		52,271
POM Group, Inc., The	Faxed SubK dtd 8/10/04	11		(2,539)
Defense, Department of-Air Force, Department of the				
Direct		12		10,191,814
Pass-Through:				
Advanced Ceramics Manufacturing, Inc	Roundtable Res Agmt	12		49,140
Comet Technology Corp	RT Res Agmt dated 9/15/08	12		37,487
Delcross Technologies, LLC	RT Res. Agmt. dtd 12/21/07	12		108,845
Delcross Technologies, LLC	RT Res. Agmt. Dtd 3/21/07	12		76,701
Electrodynamic Applications, Inc.	20071201	12		2,018
Electrodynamic Applications, Inc.	Agreement	12		(6)
ERC, Inc.	RS060133	12		12,750
Fracture Analysis Consultants	Agmt Subcnt# PW-07-1	12		67,905
Harvard University	133486 -09	12		51,175
Honeywell International	AD554A MAI HON-6	12		138,877
HyPerComp, Inc	Sponsor email dtd 10/15/08	12		32,260
Kent State University	444286-P8061716	12		269,594
Massachusetts Institute of Technology	5710001867	12		181,203

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Ohio State University, The	60006916	12		160,456
Ohio State University, The	GRT00008581/RF60012388	12		169,946
Opteos, Inc.	Opteos Agreement	12		(36)
Picomatrix, Inc.	Contract	12		38,182
Picomatrix, Inc.	Sub to FA9550-07-c0110	12		17
Pohang University of Science & Technology (Postech)	Agreement	12		67,093
Purdue University	4104-18065	12		78,090
Rolls Royce, PLC	PO#5100000451	12		52,724
Signal Innovations Group, Inc	43.001	12		53,770
Soar Technology, Inc.	sub#10121-1, Vendor#8001900	12		572
Spectral Sciences, Inc	8576	12		22,282
Stellar Micro Devices	Subentrt dtd 6/1/04	12		(10,968)
Streamline Numerics, Inc	aGREETMENT 11/8/07	12		28,872
UES, Inc.	PO Agmt S-827-000-001	12		4,376
UES, Inc.	S-854-000-001	12		44,315
University of Arizona	Y452425	12		(72,626)
University of Illinois-Urbana-Champaign	2003-07178-01-00	12		116,264
University of Maryland, The	5315	12		71,476
University of Massachusetts	1255673	12		72,966
University of Wisconsin	A867086	12		226,860
Virtual EM Inc	SUBk 09/01/07	12		2,310
Defense, Department of-Army, Department of the Direct		12		25,142,784
Pass-Through:				
BAE Systems	316095	12		1,394,024
Carollo Engineers, A Professional Corporation	Agmt. Proj. #7387A dtd 8/31/06	12		(3,635)
Center for Rotorcraft Innovation	07-B-01-01.7-A17	12		(3,352)
Center for Rotorcraft Innovation	2008-B-11-01.7-A1	12		42,973
Center for Rotorcraft Innovation	2009-B-41-T2.1-A17	12		12,726
Duke University	06-SC-ARO-1055	12		14
EPIR, Ltd.	0106-08-SUMI-0001	12		12,291
EPIR, Ltd.	Agmt Cntrct#0001-SUOM-07-0001	12		6,947
Georgia Institute of Technology	R7443-S1	12		248,161
Global ET	PO# 1562-V2G	12		11,632
Global Technologies Connection Inc	Letter dtd 10/12/07	12		70,537
Innovative Biotherapies	Master Res Agmt & Proj Specifi	12		107,358
Innovative Biotherapies	Proj Spec Addend for Res Agmt	12		16,878
Mayaterials Company	Letter dtd 9/30/08	12		14,338
Mayaterials Company	Sponsor ltr of 7/3/08	12		21,000
Micro Analysis and Design, Inc.	DAAD19-01-2-0009	12		160,087
Nico Technologies Corporation	W81XWH-05-C-0128	12		34,932
Omni Sciences, Inc.	R T Res. Agmt Dtd 4/9/07	12		132,645
Omni Sciences, Inc.	RT Res. Agmt. dtd 9/1/06	12		61,009
Opteos, Inc.	Award Letter	12		20,457
OptiGrate	C-4134-2	12		1,020
Pennsylvania State University	3655-UM-USA-0395	12		26,778
Physical Sciences, Inc.	SubK#41286-1533-46	12		5,557
Science & Technology International	W81XWH-07-C-0086	12		96,805
Sensorcon	Roundtable Research Agreement	12		5,302
Stemnion Inc.	Agmt dtd 08/24/06	12		207,663
T.E.A.M., Inc	1886	12		84,984
T/J Technologies, Inc.	W56HZV-07-C-0030	12		(18,771)
Techno-Sciences, Inc. (TSi)	S041115-01A	12		8,019
Telcordia Technologies	SubK#10085872-9/1/03	12		232,032
Tulane University	TUL-572-08/09	12		2,655

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University of Illinois at Chicago	2005-03207-01-00	12		32,310
University of Leeds	RG.ELEC.473923	12		25,039
University of Maryland, The	Z918803	12		188,134
University of Washington	145611	12		37,582
Defense, Department of-Defense Advanced Research Projects Agency				
Direct		12		4,702,459
Pass-Through:				
BAE Systems	71548	12		59,618
CBRITE	Ltr -HARDI-081507-002 8/28/07	12		83,930
Duke University	N66001-07-C-2024	12		91,887
Electro Chemical Finishing Company	Agreement	12		57,640
Georgia Institute of Technology	R9292-G1	12		181,299
Honeywell International	PO C09050025 under HL-C09...	12		773
HRL Laboratories	SubK# 900279-BS	12		131,613
Institute for Clinical Research, Inc.	Ltr of Agreement	12		(16,537)
Integrated Science & Technology, Inc.	27-0005	12		153,050
International Business Machines Corporation	W0853330	12		339,421
Johns Hopkins University	907975	12		27,136
Michigan Tech Research Institute	080427Z1	12		83,075
Pratt and Whitney Aircraft	Svc Agreement	12		(2,073)
Rice University	R15271	12		(413)
Rice University	R16181	12		189,052
Science Applications International Corporation	SubK# 4400136311	12		(857)
SRI International	Task Order #005 u/subk03-00022	12		90,947
University of California - Berkeley	SA4242-79952	12		742,056
University of California - Berkeley	SA4474-32446	12		69,149
University of California - Berkeley	SA5611-11559	12		7,378
University of California - Los Angeles	0205-S-JD499	12		91,374
University of Connecticut	Personal Serv Agmt	12		40,175
Defense, Department of-Defense Threat Reduction Agency				
Direct		12		277,762
Defense, Department of-National Geospatial-Intelligence Agency				
Direct		12		292,072
Pass-Through:				
Scientific Modeling	HM1582-07-C-0013	12		33,360
Defense, Department of-National Security Agency				
Direct		12		62,109
Pass-Through:				
Nico Technologies Corporation	Research Agmt	12		23,821
Defense, Department of-Navy, Department of the				
Direct		12		10,941,287
Pass-Through:				
Adaptive Materials Inc	Research Agmt	12		(328)
AlphaSense, Inc	608-1	12		19,188
Computer Sciences Corporation	S-9292	12		(396)
Computer Sciences Corporation	SUB k #S-9292 Prime K # N00024	12		11,218
Computer Sciences Corporation	Sub-K Agmt. dtd 4/13/06	12		106,851
Computer Sciences Corporation	Task Order 002-Subk S9292	12		6,413
Computer Sciences Corporation	Tsk#006-Cnt#N00024-01-D-7017	12		34,573
EMAG Technologies, Inc.	Res. Agmt. dtd 11/12/08	12		407
eMagin Corporation	Agmt#N05-T003 Prop#-1801	12		(2,527)
Focus: Hope	39786	12		158,753
Focus: Hope	39786	12		14,116
Focus: Hope	PO #38842 dated 8/30/07	12		74,506
Georgia Institute of Technology	D-5109-S1	12		3,598

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Georgia Institute of Technology	E -21-6RU-G6	12		5
GPA Technologies, Inc	07-255	12		64,572
Michigan Engineering Services	Agreement	12		7,624
Michigan Engineering Services	cK#1222&Allocation of Rights A	12		9,587
Michigan State University	61-3488A	12		38,471
Nico Technologies Corporation	Research Agmt	12		27,096
North Carolina A & T State University	210013FF	12		24,464
North Carolina A & T State University	210013GG	12		23,298
North Carolina A & T State University	210100E	12		26,400
North Carolina A & T State University	210100F	12		29,519
Ohio State University, The	RF01144591	12		22,255
OptiGrate	Subcontract M-0081-1	12		24,349
Praxis, Inc	SC20090018	12		378
QuesTek Innovations, LLC	PO# 05-194	12		72,509
University of California - Santa Barbara	KK5152	12		35,707
University of California - Santa Barbara	KK5153	12		169,060
University of California - Santa Barbara	KK8153.Prime: N00014-08-1-0655	12		52,372
University of California-San Diego	10293740	12		79,397
University of Chicago	27499	12		232,581
University of New Mexico	271130-871E	12		203,888
Vyalex Inc.	Res Agmt 8/7/07	12		37,592
Defense, Department of-Other				
Direct		12		552,343
Pass-Through:				
Alion Science and Technology	Subc Agmt #19185KR	12		829,815
AT Sciences	subcontract	12		4,106
Case Western Reserve University	sub to grnt# W81XWH-07-1-0409	12		167,435
CBRITE	W 15P7T-08-C-P410-01	12		1,718,051
Clemson University	1272-7559-225-2006738	12		45,309
Constellation Technology Corporation	D7-0503	12		19,344
Focus: Hope	PO# 38813 dtd 8/21/07	12		18,617
Omni Sciences, Inc.	RT Res Agmt 4/09/07	12		84,684
Radiation Monitoring Devices, Inc.	DTRA SBIR #HDTRA 1-07-C-0044	12		37,268
Radiation Monitoring Devices, Inc.	Sub SBIR Con-HDTRA 1-07-C-0045	12		2,345
Robotic Research, LLC	Agreement	12		117,410
Sarcoma Alliance for Research Through Collaboration (SARC)	Clinical Trial SARC 006	12		3,794
Science Applications International Corporation	4400154903	12		107,486
The Geneva Foundation	S-2008-TSNRP-01	12		3,724
Director of National Intelligence, Office of the				
University of Maryland, The	Z851301	99		25,595
Education, Department of				
Direct		84		4,427,122
Pass-Through:				
Abt Associates, Inc.	Subconrt#20409	84		5,284
Corporation for Public Broadcasting	Agmt For CPB#9811	84		1,489,769
Florida State University	R00874	84		11,046
Florida State University	Subcntrt #R00119	84		15,631
Higher Education for Development	E-mail dated 3/13/07	84		1,086
Institute for Matching Person & Technology	Research Agmt	84		1,576
Learning Point Associates	Cont # S2008-053-PO 00501	84		147,745
Learning Point Associates	S2008-054 PO#00500	84		165,212
Learning Point Associates	S2008-058 PO-00541	84		234,753
Michigan, State of, Education, Department of	P.O. #313P7200478	84		484,970
Michigan, State of, Education, Department of	Prj #070290-130/ltr dtd 8/1/06	84		82,142
Michigan, State of, Treasury, Department of	PO#271N9200143	84		43,176

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Northwestern University	PROJ000198	84		308,019
Texas A & M University	Agmt S090025-Acct 415099	84		40,287
United States Automotive Materials Partnership LLC	81936	84		33,502
University of Chicago	Subawd32638	84		86,368
University of Minnesota	X9106023103	84		33,962
University of Pennsylvania	Agmt #5-43287-A - PO#2007425	84		104,320
University of Pittsburgh	5455	84		187,957
University of Washington	514217	84		269,270
Energy, Department of				
Direct		81		16,078,848
Pass-Through:				
Alliance for Sustainable Energy, LLC	ZEE-9-99406-01	81		18,974
Argonne National Laboratory	9F-30001	81		124,648
Battelle Memorial Institute	46827	81		660,337
Battelle Pacific Northwest Laboratories	22898	81		296,075
Brookhaven National Laboratory	89911	81		11,562
Brookhaven National Laboratory	C90770	81		14,877
Carnegie-Mellon University	1070083-202847	81		197,460
Case Western Reserve University	RES501429	81		29,518
Consortium for Plant Biotechnology Research	GO12026-281	81		101,206
Electric Power Research Institute	EP-P18924/C9349	81		100,588
General Motors Corporation	TCS526480	81		41,662
General Motors Corporation	TCS75069 003	81		73,739
Harvard University	Under prime 4731RFPA046/0552	81		19,906
Idaho National Laboratory	38523	81		30,784
Idaho National Laboratory	51890	81		77,886
Idaho National Laboratory	52338	81		65,264
Idaho National Laboratory	78841	81		59,994
Idaho National Laboratory	80572	81		64,916
Lawrence Berkeley National Laboratory	6720903	81		304,802
Lawrence Livermore National Laboratory	B581315	81		11,300
Lawrence Livermore National Security, LLC	B561528	81		146,402
Lawrence Livermore National Security, LLC	B574750	81		45,009
Lawrence Livermore National Security, LLC	B574751	81		19,151
Los Alamos National Laboratory	33673-001-06	81		33,541
Los Alamos National Security, LLC	25369-001-06	81		38,375
Los Alamos National Security, LLC	48826-001-07	81		(9,295)
Los Alamos National Security, LLC	59549-002-08	81		16,836
Michigan Technological University	MTU 050516Z16	81		121,020
Michigan Technological University	P0076114	81		93,831
Michigan, State of, Energy, Labor and Economic Growth, Department of	Letter dtd 6/19/07	81		6,886
Midwest Research Institute	XFT-8-88508-01	81		110,000
Next Energy	Agrmnt -#DE-FC26-06NT42813	81		606,374
Northwestern University	PROJ0001507	81		32,653
Oak Ridge National Laboratory	4000076759	81		35,594
Oak Ridge National Laboratory	4000079632	81		93
Radiation Monitoring Devices, Inc.	Sub under DE-FG02-05ER84589	81		70,551
Robert Bosch Corporation	Research Agreement	81		90,189
Sandia National Laboratories	554742	81		(6,233)
Sandia National Laboratories	651105	81		50,174
Sandia National Laboratories	752592	81		65,909
Sandia National Laboratories	763642	81		35,373
Sandia National Laboratories	768225	81		61,228
Sandia National Laboratories	802846	81		151,982
Sandia National Laboratories	805234	81		5,951

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Sandia National Laboratories	875249	81		98,404
Sandia National Laboratories	Doc#790791 PO #767581	81		38,757
Sandia National Laboratories	PECASE Awd-5-4-04	81		22,826
Stanford University	21747220-40367-B	81		161,086
United States Automotive Materials Partnership LLC	88572	81		50,841
United States Automotive Materials Partnership LLC	07-1880	81		174,110
United States Automotive Materials Partnership LLC	PO #07-1806	81		5,493
United States Automotive Materials Partnership LLC	PO #07-1855	81		12,129
Universal Display Corporation	Amend #1 Master Subcnt Agmt	81		134,568
Universal Display Corporation	Amend Ltr #3 dtd 09/29/08	81		28,873
Universal Display Corporation	Amend Ltr No. 2 dtd 7/25/08	81		71,166
Universal Display Corporation	Ltr #4 Mstr Agmt dtd 1/8/08	81		30,818
Universal Display Corporation	Subcont Agmt # 062007.01	81		309
Universal Display Corporation	Subcontract Agmt No. 062007.02	81		(13)
Universal Display Corporation	SubK #100104.02	81		(42,837)
Universal Oil Products,LLC	4500290595	81		217,070
University of California	34132-001-06	81		59,871
University of Illinois-Urbana-Champaign	2007-05891-02	81		149,218
University of Southern California	116411	81		3,934
University of Texas	UTA07-895	81		83,214
University of Toledo	U/Toledo Agmt	81		7,485
University of Wisconsin	A827761	81		48,460
UT-Battelle, LLC	4000056824	81		163,564
UT-Battelle, LLC	4000067426	81		9,188
UT-Battelle, LLC	4000071351	81		23,036
Environmental Protection Agency				
Direct		66		1,639,073
Pass-Through:				
Environmental Science and Engineering, Inc.	200704424	66		3,445
Environmental Science and Engineering, Inc.	3921101GB1002115	66		1,814
Great Lakes Commission	Award Letter dated 3/2/07	66		32,525
Great Lakes Commission	LOA dtd 4/13/06	66		790
Great Lakes Commission	Ltr dtd 3/20/06	66		50,686
Health Effects Institute	Res Agmt #4748-RFPA05-3/06-9	66		3,598
Michigan State University	61 3361A	66		(104)
Michigan State University	61-3383F	66		257,693
Michigan, State of, Community Health, Department of	20081661	66		6,633
Michigan, State of, Community Health, Department of	20090162	66		54,001
Ohio State University, The	60004377 PO#RF01073836	66		11,885
St. Michaels Hospital	Subaward Agreement	66		32,718
University of Washington	412177	66		71,999
Federal Reserve System				
Direct		18		15,827
General Services Administration				
Direct		39		(933)
Health and Human Services, Department of-Administration for Children and Families				
Direct		93		64,172
Pass-Through:				
Columbia University	1 (Acct# 5-36801)	93		425,696
Michigan, State of, State Court Administrative Office	SCAO-08-059	93		19,027
Research Foundation of State University of New York	18476	93		37,311
Health and Human Services, Department of-Agency for Health Care Research and Quality				
Direct		93		638,952

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Pass-Through:				
Michigan Public Health Institute	C-87003-115-504200	93		5,470
Michigan Public Health Institute	C-87003-115-504200	93		13,826
Michigan Public Health Institute	C-87004-115-504200	93		17,259
Michigan Public Health Institute	C-87004-115-504200	93		60,815
University of Illinois at Chicago	Grant App dtd 7/28/05	93		377
University of North Carolina	5-51392	93		27,178
Wayne State University	3100771 R01 HS017414-01A1	93		7,137
Health and Human Services, Department of-Centers for Disease Control and Prevention				
Direct		93		11,280,942
Pass-Through:				
Association for Prevention Teaching and Research	5U50CD3000-860-21	93		118,165
Association of American Medical Colleges	MM-0789-04/04	93		24,983
Association of American Medical Colleges	MM-0996-07/07	93		285,000
Association of Schools of Public Health, Inc.	Agmt dtd 10/1/03	93		626
Boston University	R49 CE00946 Prime	93		6,772
Boston University	RA232924BAJ	93		1,646
Genesee County	Contract 10/1/07	93		117,924
Harvard Pilgrim Health Care	U 01 IP000143	93		74,540
Michigan, State of, Community Health, Department of	20090410	93		451,710
National Bureau of Economic Research	83-4015-19-2	93		211,767
National Bureau of Economic Research	Subcontract #40-4102-00	93		684,953
North Dakota Farm Bureau Foundation	Letter dtd 10/31/08	93		347
Saginaw, County of	ltr dtd 12/3/08-MOU 9/30/08	93		9,817
Special Olympics, Inc.	Agreement	93		813
TKC Integration Services, LLC	PO 300619101-01	93		48,371
University of California - Davis	Sub 0700016	93		29,881
University of North Carolina	UNC-CH Subcontract # 5-38610	93		15,596
University of Utah	Agreement#2506055-02	93		84,786
Health and Human Services, Department of-Centers for Medicare and Medicaid Services				
Direct		93		1,353,633
Pass-Through:				
Arbor Research Collaborative For Health	Subent under HHSM-500-2005-000	93		653,984
Arbor Research Collaborative For Health	SubK 10/1/04-9/30/05	93		(12,083)
Florida Medical Quality Assurance, Inc	#HHSM-500-2006-NW07C	93		162,169
Florida Medical Quality Assurance, Inc	HHSM-500-2006-NW07C	93		83,008
Iowa Foundation for Medical Care	CMS500-02-0030/TSK ORD	93		148,240
Michigan, State of, Community Health, Department of	20080921	93		64,086
Health and Human Services, Department of-Food and Drug Administration				
Direct		93		127,326
Health and Human Services, Department of-Health Resources and Services Administration				
Direct		93		687,468
Pass-Through:				
Arbor Research Collaborative For Health	SubK Agrmnt 9/25/05...	93		1,053,040
Lutheran Medical Center	Agreement	93		8,436
Michigan State University	61-0560UM	93		7,810
National Kidney Foundation of Michigan	Agmt dtd 9/1/07	93		109,065
University of California - Los Angeles	1595 G HC453	93		6,888
University of California - Los Angeles	2000 G KM384	93		10,281
University of California - Los Angeles	FAU No 4-445940-AP-31400	93		115,978
University of California-San Diego	PO# 10277739-001	93		82,264
University of Texas Southwestern Medical Center	GMO-901009	93		26,729

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Health and Human Services, Department of-National Institutes of Health				
Direct		93		414,931,597
Direct			ARRA-TRANS-NIH RECOVERY ACT	
Pass-Through:		93.701	RESEARCH SUPPORT	139,681
Accord Biomaterials, Inc	Research Agmt	93		23,232
Albert Einstein College of Medicine	9-526-2463	93		19,661
Albert Einstein College of Medicine	9-526-2869	93		91,367
Albert Einstein College of Medicine	Sub Grant # 9-526-2347	93		449,493
Albert Einstein Healthcare Network	Subcontract Agmt 5K12 HD001097	93		59,106
American College of Radiology	ACRIN 6654	93		148,335
American College of Radiology	Check No. 77904 dtd 7/23/02	93		33,777
American College of Radiology	Member Agreement	93		54,481
American Medical Student Association (AMSA)	Subcontract Agreement	93		3,000
ArchieMD, Inc.	Roundtable Research Agreement	93		16,205
Averta Pharmaceuticals	Rt Res Agmt dtd 10/19/06	93		36,812
Avid Pharmaceuticals	Awd Itr dtd 10/13/08	93		39,099
Beth Israel Hospital	7 R01 CA095662-03	93		4,323
Beth Israel Hospital	Mem of Agmt 6/14/05	93		111,084
Beth Israel Hospital	R01 DA 03574	93		(7,264)
Bio Logic Engineering, Inc.	RT Res Agmt 4/1/07	93		74,935
Boston University	7426-5	93		137,982
Boston University	7558-05	93		179,363
Brigham and Women's Hospital	Agmt to NIH# 5 R01ES0170798-05	93		6,521
Brigham and Women's Hospital	Agmt# 1 R01ES013744-01A2	93		9,179
Brigham and Women's Hospital	Consort Agmt Eft-9/16/06	93		19,431
Brigham and Women's Hospital	Const Agmt effect 8/11/06	93		59,606
Burnham Institute, The	5 U54 RR020843-03 prime	93		(12,809)
California Pacific Medical Center	108577	93		151,606
Cancer Therapy and Research Center	CCOP 07001	93		23,306
Cancer Therapy and Research Center	CCOP-06008	93		(820)
Cancer Therapy and Research Center	SELENIUM-07003	93		(186)
Cancer Trials Support Unit (CTSU)	CTWU Coop Group Fiscal	93		5,600
Carnegie-Mellon University	1090172-208367	93		85,864
Case Western Reserve University	15330872001	93		24,402
Case Western Reserve University	Agmt dtd 9/1/04	93		(32)
Case Western Reserve University	Amend #3 5 R01 DK069764-02	93		73,879
Case Western Reserve University	Case Subaward No. RES501460	93		5,127
Case Western Reserve University	RES502898 PO#ZJK0800003	93		819
Children's Hospital of Boston	233005	93		25,564
Children's Hospital of Denver	G07056 prime U54 DK078377-04	93		21,165
Children's Hospital of Los Angeles	CT Agmt to NANT Consortium	93		7,599
Children's Hospital of Philadelphia, The	320756-02-04	93		39,878
Children's Hospital of Pittsburgh	U01 DK072146 3/06	93		912
Children's Research Institute	Subent #7928-04-04	93		114,724
Cielo MedSolutions, LLC	RT Res. Agmt Dtd March 2008	93		(8,309)
Cincinnati Children's Hospital Medical Center	3100116869	93		42,087
Colorado State University	G-4413-1/PO P319713	93		48,241
Colorado State University	G-4498-1	93		40
Columbia University	512131	93		8,483
Columbia University	1 R01 HG003380-01A1	93		15,792
Columbia University	5-27891/PO #575071	93		65,999
Columbia University	Agmt dtd 12/01/07	93		448
Columbia University	Agmnt to Protocols-Study 1&2	93		53,651
Columbia University	PO# 557602	93		13,501

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Columbia University	subaward 5-32050	93		11,890
Community Health and Social Services, Inc.	Sub-Contract dtd 9/1/05 CDC GR	93		52,454
Cornell University	1	93		5,951
Cornell University	1-N01-CN-43302	93		66,323
Creighton University	R01 AR054496	93		23,427
Dartmouth College	364	93		1,599,629
Dartmouth College	521	93		6,663
Duke University	151309	93		100,258
Duke University	CHEER Network	93		17,547
Duke University	Duke Univ U01 DK065176	93		16,373
Duke University	MENOPENEM 25	93		83,435
Duke University	N01-A1-05419 SubK#10GC102970..	93		14,978
Duke University	N01-HD-4-3385	93		7,221
Duke University	N01-HD-43385 prime	93		86,115
Duke University	Protocol No. Z1031	93		5,471
Duke University	Purch. Services Agrmnt 3/27/00	93		3,928
Duke University	U 10 HL080413 prime	93		270,017
Emmes Corporation, The	Letter Agreement	93		23,938
Evergen Biotechnologies, Inc	Contract dtd 7/3/08	93		43,658
Evergen Biotechnologies, Inc	NIH# 4R44HL091605-02	93		191,469
Florida State University	Subcontract R00619	93		28,140
Fluorescence Innovations, Inc	Research Agmt	93		16,981
Forsyth Institute, The	R01 DE016276	93		102,065
Forsyth Institute, The	Under Grant# R01 DE016376	93		88,055
General Electric Company	700174652	93		211,247
George Washington University	04-C03	93		25,867
George Washington University	Sub#05-B02 Awrd#N01-DK-6-2204	93		(32,380)
Georgetown University	RX 4265-053-UM-MORGENSTERN	93		64,542
Georgetown University	RX 4265-053-UM-SANCHEZ	93		17,409
Georgetown University	RX4265-058-UM-SANCHEZ	93		64,590
Georgetown University	Subcnt #RX4300-019-	93		136,609
Grizzly Moose LLC	Agreement	93		32,036
Group Health Center for Health Studies	PO#2009107553	93		56,061
HAMZTEC, LLC	Research Agreement	93		21,970
Harvard University	148208.0203	93		298,718
Harvard University	150015.0006	93		46,830
Harvard University	1 R01 ES013967-01-A1 prime	93		43,259
Henry Ford Health System	2 U19 CA79689-09	93		(4,515)
Henry Ford Health System	SC under 1 R01 HL068971-05A1	93		169,891
Henry Ford Health System	Sub #2 R01 DK064695-04A1	93		42,387
Henry Ford Health System	Subcontract	93		19,014
HighThroughput Development (HTD) Biosystems, Inc	Res Agmt dtd 7/1/07	93		7,720
Howard University	Agmt	93		273,212
Hudson Alpha Institute for Biotechnology	Subaward #04	93		17,594
Hunter College, CUNY (City University of New York)	41657A	93		54,536
Hutchinson, Fred, Cancer Research Center	Subaward # 0000659541	93		19,263
IMMCO Diagnostics	Research Agmt	93		9,602
Incept BioSystems Inc.	Appendix A2 to Master Agmt	93		4,748
Indiana University	203897	93		342,287
Indiana University	IU 4624847 proposal 91900	93		27,524
Indiana University	PO #296057	93		28,694
Indiana University	PO 552182	93		58,660
Indiana University	PO# EP-10370	93		14,023
Indiana University	R01-DC006436	93		(1,011)
Industrial Science and Technology Network	Letter Authorization	93		15,194

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Industrial Science and Technology Network	Letter Authorization 12/2/08	93		33,585
Industrial Science and Technology Network	Letter dtd 7/29/08	93		83,037
Industrial Science and Technology Network	Ltr dtd 8/30/06	93		203,369
Innovative Biotherapies	Agmt dtd 1/1/07	93		61,062
Innovative Biotherapies	Proj Spec Adden to Master Agmt	93		28,818
IUPUI (Indiana University Purdue University Indianapolis)	330789	93		54,239
IUPUI (Indiana University Purdue University Indianapolis)	#46-888-16 UOM PO#185606	93		736
IUPUI (Indiana University Purdue University Indianapolis)	po # 521310	93		348,541
Jaeb Center for Health Research	Agmt U10 EY11751	93		2,907
Jaeb Center for Health Research	Agmt U10 EY11751	93		1,530
Jaeb Center for Health Research	Agmt U10 EY11751	93		2,754
Jaeb Center for Health Research	Agreement dtd 03/06/00	93		29
Johns Hopkins University	2000117620	93		(84)
Johns Hopkins University	2000348825	93		151,412
Johns Hopkins University	2000246064-1000663024	93		34,742
Johns Hopkins University	Agmt of 5/1/05 (EY014660)	93		136,478
Johns Hopkins University	Agreement of 7/6/07	93		64,933
Johns Hopkins University	Agmnt of 9/30/03	93		648
Johns Hopkins University	PO #27221 Subawd #2000060270	93		13,556
Johns Hopkins University	PO 8502 89474-7	93		18,877
Johns Hopkins University	PO# 2000370613	93		116,724
Johns Hopkins University	PO#2000010105	93		44,221
Johns Hopkins University	U01 CA084986	93		64,059
Johns Hopkins University	U01 DK066174 prime	93		903
Kaiser Permanente Northern California	115-9290-01	93		6,554
Kessler Foundation	Subcontract Agreemtn	93		3,596
Kessler Medical Rehab Research & Educational Corp (UMDNJ)	Research Study Sub Agreement	93		2,160
Massachusetts Eye & Ear Infirmary	Agmt of 6/17/04	93		38,035
Massachusetts General Hospital	Agmt under R01 NS042147-01A2	93		65
Massachusetts General Hospital	Prime#R01NS052592-02	93		2,700
Mayo Clinic	5 R01 HL075794-04	93		(20,402)
Mayo Clinic Rochester	1 R01 CA133049-01	93		23,105
MedArray, Inc.	Research Agreement	93		70,663
Medical College of Georgia	20497-16	93		40,003
Medical College of Georgia	23361A	93		6,295
Medical University of Ohio	942536	93		925
Medical University of Ohio	N2004-43, PO#19385	93		38,707
Medical University of South Carolina	MUSC07-062	93		151,491
Medigenix, LLC	MNSP-Phase 1	93		32,622
Michigan Critical Care Consultants, Inc.	Agmt dtd 3/29/05	93		143
Michigan Critical Care Consultants, Inc.	Appendix to Mstr Agmt	93		4,599
Michigan State University	61-0746UM	93		4,386
Michigan State University	61-0754UM2	93		29,734
Michigan State University	61-0850UM	93		86,549
Michigan State University	61-1407UM	93		65,411
Michigan State University	61-1438UM2	93		47,562
Microbiotix, Inc.	Awd letter	93		(2,798)
Molecular Design International	Email dated 4/16/09	93		261,308
Molecular Design International	Research Agreement	93		36,781
Mount Sinai Medical Center, The	0255-0911-4609	93		31,660
Mount Sinai Medical Center, The	0255-2451-4609	93		13,023
Mount Sinai Medical Center, The	Sub #0255-0911-4609	93		(15,115)
Muse Technologies	dtd 6/1/08 K# 2R42PR22942-02	93		103,743
National Bureau of Economic Research	33-4116	93		191,087
National Bureau of Economic Research	40-4076-00	93		497,883

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National Bureau of Economic Research	40-4082-00	93		312,840
National Bureau of Economic Research	40-4108-00	93		183,045
National Bureau of Economic Research	83-4029-01-4-80-537-7700	93		102,819
National Childhood Cancer Foundation	16810	93		59,232
National Childhood Cancer Foundation	17094	93		(32,084)
National Childhood Cancer Foundation	Contr#17782/Clin Study Rider	93		12,796
National Childhood Cancer Foundation	Contract #17506	93		111,181
National Childhood Cancer Foundation	Contract #18287	93		7,085
National Childhood Cancer Foundation	PO Number 16249	93		17,973
National Childhood Cancer Foundation	SubContract #16100	93		126,996
National Jewish Medical Center	Clin Study under NHLB Prime	93		140,678
National Marrow Donor Program (NMDP)	Master Agmt #13703	93		137,519
National Surgical Adjuvant Breast and Bowel Project (NSABP) Foundation, Inc.	Amendment #2 PFED16-MIC-01	93		7,458
National Surgical Adjuvant Breast and Bowel Project (NSABP) Foundation, Inc.	Michigan-YR23	93		16,912
NeuroNexus Technologies, Inc.	Master Agmt-Append B	93		4,156
NeuroNexus Technologies, Inc.	Master agreement Appendix A	93		149,428
New England Research Institute	Award Letter	93		16,818
New England Research Institute	Sub-con to U01 HL68270-04	93		109,115
New York Academy of Medicine	Contract	93		(6,787)
New York Academy of Medicine	Sub 1 R01 DA022123-01A1	93		43,421
New York Medical College	R01 DK54602-09 41-115-3	93		43,134
New York University	F6393-01	93		3,990
New York University	F6393-01	93		76,919
Northern California Institute for Research & Education, Inc. (NCIRE)	Weiner 000855	93		289,061
Oak Ridge Associated Universities	Ltr dtd 5/21/07	93		5,296
Ohio State University, The	60014226	93		9,517
Ohio State University, The	60003546/PO RF01030015	93		19,865
Ohio State University, The	PO #RF01091793 Proj #60011024	93		188,739
Ohio State University, The	Proj#60016709;PO#RF01148261	93		34,564
Oregon Health and Science University	GNEUR0355A(A)	93		27,233
OtoMedicine, Inc	Append A-Mast Agmt dtd 1/1/08	93		6,714
Pennsylvania State University	3140-UM-DHHS-0075	93		422,183
Pennsylvania State University	3202-UM-DHHS-6476	93		64,631
Pennsylvania State University	3386-UM-DHHS-0223	93		727
Pennsylvania State University	3744-UM-NIH-0705	93		54,467
Phrixus Pharmaceuticals, Inc	R43HL088813	93		27,991
Portland State University	PSU PIAF #040235	93		25,562
Princeton University	00000972 (400-6225)	93		21,543
Purdue University	4102-16337	93		30,932
Purdue University	4102-18263	93		7,844
Purdue University	511-2048-01	93		24,434
Radiation Monitoring Devices, Inc.	C08-32	93		56,266
Rainbow Babies and Children's Hospital	N01-DK-6-2203	93		185,305
Rand Corporation	9920050077	93		14,691
Rand Corporation	9920070127	93		217,048
Rand Corporation	9920080002	93		99,881
Rand Corporation	9920080119	93		395,698
Rand Corporation	9920080125	93		202,217
Rand Corporation	9920090060	93		490,329
Rapid Biosense, LLC	Research Agreement	93		10,535
Research Triangle Institute	Agreement	93		69,119
Research Triangle Institute	Email dtd 7/17/08	93		1,767
Rhode Island Hospital	701-1498-1R21CA133976	93		16,757

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Rhode Island Hospital	HL077221	93		382
Rhode Island Hospital	U01-DK61700-FAVORIT	93		42,363
Roswell Park Cancer Institute	55-0949-02	93		30,402
Roswell Park Cancer Institute	55-0955-01	93		18,646
Roswell Park Cancer Institute	5R01 CA104479-04	93		(37)
Roswell Park Cancer Institute	Agreement	93		5,633
Roswell Park Cancer Institute	Mod #3 R01 CA119358	93		106,071
Rutgers University	3548	93		41,428
San Francisco General Hospital	4815SC	93		62,856
Sandia National Laboratories	102315 and Revision #1	93		(12,207)
Science Applications International Corporation	25XSO24A	93		134,984
Science Applications International Corporation	27XS115	93		450,748
Science Applications International Corporation	28XS132	93		68,380
Science Applications International Corporation	Subk#25XS102	93		49,919
Science Applications International Corporation	Sub-K323XS110A dtd 9/21/04	93		(293,703)
Southern Illinois University Medical School	520302	93		155,165
Southern Illinois University Medical School	Agmt dtd 09/01/06	93		89,250
St. Jude Children's Research Hospital	111287150-7324210	93		26,323
St. Jude Children's Research Hospital	111287150-7325504	93		46,914
St. Luke's Health System	Res Agmt TRIUMPH	93		97
Stanford University	22151520-37041-A	93		3,298
Stanford University	22234140-39087A	93		242,343
Stanford University	sub award 21781580-8099-B	93		15,130
State University of New York	47371-1073071-2	93		28,555
State University of New York	Subaward No. 43817-1064875-2	93		(5,632)
State University of New York at Buffalo	R572942	93		41,491
Texas A & M Research Foundation	Agmt S060049	93		79,156
The Feinstein Institute for Medical Research	08-B-104	93		148,491
The Feinstein Institute for Medical Research	AMS03-08-C-27	93		339,260
Therapeutics System Research Lab, Inc. (TSRL, Inc.)	Agreement	93		3,911
Therapeutics System Research Lab, Inc. (TSRL, Inc.)	Agreement	93		167,494
Therapeutics System Research Lab, Inc. (TSRL, Inc.)	Agreement	93		44,455
Therapeutics System Research Lab, Inc. (TSRL, Inc.)	Res Agmt dtd 02/01/05	93		196,575
Therapeutics System Research Lab, Inc. (TSRL, Inc.)	Res Agmt dtd 2/1/05	93		128,499
Therapeutics System Research Lab, Inc. (TSRL, Inc.)	RT Res agmt 7/1/06	93		(838)
Tufts Medical Center	5R21 DK077368-02	93		36,877
Tulane University	Shawd#TUL-175-04/05	93		34,389
University at Albany	40057	93		83,665
University of Alabama	Subaward No. 001	93		11,963
University of Arizona	R01 AT00314 PRIME	93		8,740
University of Bath	Agmt 9/25/05	93		127,326
University of California	2003-1187 Amnt. 06	93		(18,104)
University of California - Davis	Sub # 0800038	93		618,384
University of California - Fullerton	Proj# 55834 PO# 08GR1733	93		15,102
University of California - Irvine	2005-1677-1678	93		242,587
University of California - Irvine	2008-2049	93		11,895
University of California - Irvine	2008-2050 Amdt. 1	93		164,284
University of California - Irvine	2008-2052	93		32,217
University of California - Irvine	subaward no. 2005-1672	93		(16)
University of California - Irvine	Subawd # 2004-1506 amend#3	93		341,104
University of California - Irvine	SubAwd # 2005-1671	93		6,814
University of California - Irvine	Subcontr#2005-1619	93		80,093
University of California - Los Angeles	1430 G JD139	93		49,402
University of California - Los Angeles	1460 F KB114	93		38,909
University of California - Los Angeles	1550 G JC623	93		4,692

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University of California - Los Angeles	1563 G JB617	93		31,516
University of California - Los Angeles	1920 G GC053	93		6,583
University of California - Los Angeles	1920-G-KB309	93		32,923
University of California - San Francisco	3825sc	93		93,430
University of California - San Francisco	4516SC	93		66,679
University of California - San Francisco	4911sc	93		84,301
University of California - San Francisco	5375SC	93		9,399
University of California - San Francisco	Agmt # 4279sc	93		44,604
University of California - San Francisco	ITN10146-00sc	93		15,242
University of California - San Francisco	N01-AI-15416,Agmt ITN10203-00	93		18,880
University of California - San Francisco	R01 HD044876 prime	93		174,300
University of California - San Francisco	Subaward No. 5363sc	93		9,995
University of California - San Francisco	Subcntr#4264SC	93		12,427
University of California - San Francisco	Subcontract #3680SC	93		14,118
University of California-San Diego	#6.00.protocol 6-LL	93		(9,998)
University of California-San Diego	ADC-030	93		1,216
University of California-San Diego	Agmt 3/1/07	93		22,711
University of California-San Diego	Mstr Agmt #6-00-ANDI	93		55,374
University of California-San Diego	PO # 10277758	93		68,213
University of California-San Diego	PO #10231578	93		15,626
University of California-San Diego	PO#10282793	93		(12,139)
University of California-San Diego	Prtcl.Atcm. to MOA 6-00	93		(14,480)
University of California-San Diego	U01 AG10483, Prtl #6-00-ADNI	93		4,110
University of Chicago	31069	93		18,367
University of Chicago	05/19/06 Agmt under UC # U54 A	93		134,195
University of Chicago	26020/5-30430	93		332
University of Chicago	26020/5-30430 (Project M)	93		(12,155)
University of Chicago	26020/5-30882	93		118,523
University of Chicago	26020/5-30882	93		102,289
University of Chicago	26020/5-30882	93		174,370
University of Chicago	26020-5-30882, Proj M	93		146,992
University of Chicago	26020-5-30882, PROJ O	93		62,742
University of Chicago	39778-5-30977	93		81,208
University of Chicago	39778-5-30977	93		27,987
University of Chicago	39778-5-30977, Project #RP3	93		67,898
University of Chicago	5/19/06 Agmt under UC#	93		(1,472)
University of Chicago	HHSN26120062001C	93		148,333
University of Chicago	Prime award R01 HL085553	93		21,931
University of Cincinnati	P021-040-P111-1078	93		146,882
University of Cincinnati	PO # A08-4500026316	93		16,567
University of Cincinnati	Sub No P021-040-N151-1105	93		(7,313)
University of Colorado	SPO 59364	93		(3,592)
University of Florida, The	00051551-UM	93		64,160
University of Florida, The	UF JAX 08027	93		75,273
University of Georgia	Agreement of 09/30/01	93		3,640
University of Hawaii	PO Z884743, Proj 651564	93		72,446
University of Illinois at Chicago	2006-02026	93		22,598
University of Illinois at Chicago	P0203193	93		36,700
University of Illinois-Urbana-Champaign	R33 EB004940 prime	93		(49,873)
University of Iowa	Agmt of 12/1/07	93		2,256
University of Iowa	W000103063	93		21,230
University of Iowa	W000113397	93		243,199
University of Kentucky	3048104033-08-185	93		4,155
University of Kentucky	3048105116-09-228	93		121,947
University of Kentucky	PO#4800001416	93		1,199

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University of Kentucky	UKRF 3049022617-09-263	93		13,246
University of Maryland, The	2000	93		40,418
University of Maryland, The	4889	93		273,706
University of Maryland, The	P.O. #S01861	93		(9,211)
University of Maryland, The	PO# SR 00000475	93		306,526
University of Maryland, The	PO# SR00000186	93		95,275
University of Maryland, The	SR00000236	93		51,055
University of Massachusetts	6068090/RFS700047	93		(344)
University of Medicine and Dentistry of New Jersey (UMDNJ)	PO 253663	93		78,306
University of Minnesota	B6367777101	93		388,047
University of Minnesota	N636775801	93		97,818
University of Minnesota	S4496017201	93		(310)
University of Minnesota	Subawd#Q6437410101	93		(8,179)
University of Missouri	C00023185-1	93		9,748
University of Nebraska	1R34AG028684-01A1	93		2,000
University of North Carolina	5-34711	93		23,129
University of North Carolina	5-50413	93		109,744
University of North Carolina	5-50536	93		25,118
University of North Carolina	5-50782	93		240,045
University of North Carolina	Subaward #5-50056,Amd YR 4, #1	93		30,961
University of North Carolina	Subaward No. 5-50173	93		146,641
University of North Carolina at Chapel Hill	5 U01 NS042167	93		12,382
University of Pennsylvania	551595	93		29,453
University of Pennsylvania	1985752	93		111,477
University of Pennsylvania	2124721 / Award 544193	93		174,128
University of Pennsylvania	547061 PO# 2148992	93		109,764
University of Pennsylvania	7 R01 DE017471-02 PRIME	93		27,198
University of Pennsylvania	PO# 2115633 Subawrd #5-44131	93		63,198
University of Pennsylvania	PO# 2136290 Sub-award 5-45327	93		21,060
University of Pennsylvania	PO# 2184107	93		21,370
University of Pennsylvania	PO#1854630 Agmt dtd 12/5/4	93		95,087
University of Pennsylvania	PO#2088905	93		18,060
University of Pennsylvania	PO#2139263 Sub #5-45929	93		32,551
University of Pennsylvania	Prime 1 R01 HL086622-01A1	93		14,754
University of Pennsylvania	Subaward # 534169	93		103,417
University of Pennsylvania	Subawd #5-45383-C PO# 1891984	93		11,347
University of Pittsburgh	5287	93		27,007
University of Pittsburgh	5318	93		65,432
University of Pittsburgh	402913	93		142,100
University of Pittsburgh	112600-1	93		36,073
University of Pittsburgh	114009-03	93		281,065
University of Pittsburgh	agmt of 6/1/02	93		(404)
University of Pittsburgh	R01 DK054639-09 prime	93		77,937
University of Pittsburgh	Sub 0005432,Proj 112885-6	93		10,290
University of Pittsburgh	Subaward No. 0005117	93		27,931
University of Pittsburgh	Subaward No. 111882-1	93		533,881
University of Pittsburgh	Subcontract No. 402417-18	93		119,913
University of Rochester	P.O.#412658-G	93		8,804
University of Rochester	PO 414510-G, UR-5-23005	93		65,481
University of South Florida	Site #1326-1U01-DK61055	93		17,896
University of Southern California	115671	93		253,108
University of Southern California	123820	93		26,846
University of Southern California	U01AI069545 PRIME	93		26,604
University of Texas	4293	93		214,112
University of Texas	0005151A	93		50,485

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University of Texas	0006439A	93		80,620
University of Texas	06-101, POUOSPC-0000000130	93		78,964
University of Texas	22037/98010457	93		22,249
University of Texas	5 P01 CA049639-18 PRIM	93		308
University of Texas	CA108964-prime sub	93		1,937
University of Texas	GMO-010114 (N01MH90003)	93		76,025
University of Texas	No. NO1 MH90003- GMO-010148	93		13,988
University of Texas	UTA07-589	93		65,987
University of Texas San Antonio	Agmt # 125370/125214	93		20,550
University of Texas San Antonio	CA37429	93		4,698
University of Texas Southwestern Medical Center	GMO-500811	93		48,227
University of Texas Southwestern Medical Center	GMO-600123	93		41,517
University of Toledo	Agmt. No. NS 2005-080	93		6,557
University of Utah	10001873; PO#0000136365	93		92,551
University of Utah	10004099 PO #0000136598	93		7,784
University of Utah	10006268 PO#0000137154	93		18,075
University of Utah	Agmt#10000262-01, R01 DK060508	93		10,567
University of Utah	PO# 0000137107	93		114,119
University of Virginia	GC11136-121377	93		990
University of Virginia	GC11270-123803	93		1,487
University of Virginia	GC11589-129190	93		185,538
University of Virginia	GC11812-132228	93		21,807
University of Washington	Prime U01 AG06976 Sub 401168	93		1,232
University of Washington	Subaward #544983	93		60,998
University of Washington	Subaward No. 300368	93		111,698
University of Washington	Subaward No. 528618	93		12,699
University of Wisconsin	370H834-144-PL81	93		2,913
University of Wisconsin	836F463	93		50,002
University of Wisconsin	Agmt #04-8167 PO#095H185 07069	93		717
University of Wisconsin	V221432, U01 AI074515-prime	93		313,649
University of Wisconsin	X493695	93		83,300
Van Andel Research Institute	UMDS-NCI-BH-10-40111-1	93		18,885
Van Andel Research Institute	UMIG-NCI-BH-10-40111-1	93		12,068
Van Andel Research Institute	UMPA-NCI-BH-10-40140-1	93		28,142
Vanderbilt University	THO 0640	93		5,262
Vanderbilt University	U 01 CA114771 Prime	93		108,445
Vanderbilt University	UDI CA114771	93		(870)
Veterans Medical Research Foundation	2-07223-03-4 PO#2756895SUB	93		36,996
Washington University	1 U01 HL08847601A1	93		1,384
Washington University	5 U01 NS42167-03	93		17,498
Washington University	WU-07-114/PO #29426S	93		3,102
Washington University	WU-09-89	93		1,500
Washington University in St. Louis	WU-08-77	93		16,925
Washington University in St. Louis	WU-09-145	93		78,964
Washington University in St. Louis	WU-7-227 PO#2903483N	93		24,004
Wayne State University	6035	93		2,751
Wayne State University	PO #480137	93		71,536
Wayne State University	R34 DK076663 PRIME, WSU07062	93		38,400
Wayne State University	Subaward# WSU06070-A1	93		1,390
Wayne State University	WSU04009	93		(100)
Wayne State University	WSU04055 PO# P0423079 #9	93		187,517
Wayne State University	WSU06072	93		1,980
Wayne State University	WSU07039/PO# P0467065	93		235,574
Wayne State University	WSU7068/PO# P0465988	93		38,132
Wayne, John, Cancer Institute	Agmt dtd 8/10/06	93		223

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West Virginia University	06-650	93		16,149
Westat	CTSU #21	93		7,600
Westat	CTSU #21	93		4,800
Westat	FSC-SEOG-F-017	93		33,875
Westat	PO# FSC-SWOG-F-018	93		(1,725)
Westat	PO# FSC-SWOG-F-019	93		5,122
Yale University	A06490 (M07A00085)	93		(5,333)
Yale University	A06657 (M-08-333)	93		8,569
Yale University	A07225	93		104,181
Yale University	Sub Award # A06138	93		73,698
Yale University	U10 D055925 prime	93		4,507
Health and Human Services, Department of-Office of the Secretary				
Direct		93		900,334
Pass-Through:				
Columbia University	5-35744 / PO# 570247	93		329,747
Michigan, State of, Community Health, Department of	20090315	93		157,334
Washtenaw, County of	PO# 35418-000-PS	93		25,972
Health and Human Services, Department of-Substance Abuse and Mental Health Services Administration				
Direct		93		1,016,034
Homeland Security, Department of				
Direct		97		1,495,089
Pass-Through:				
Brookhaven Science Associates, LLC	115581	97		(156)
Johns Hopkins University	2000457358	97		26,751
Radiation Monitoring Devices, Inc.	pr#HSHQDC-07-C-00039RMD C07-43	97		173,909
Structural Engineers Association of California	2TA7.02-1	97		(11,501)
University of Nebraska	25-0521-0119-013	97		79,133
Housing and Urban Development, Department of				
Direct		14		22,302
Pass-Through:				
National Bureau of Economic Research	Sub #40-5057-00/1,Prjct 0044B3	14		979,060
Institute of Museum and Library Services				
Direct		3		150,602
Pass-Through:				
Drexel University	SubK Agmt	3		22,082
University of Maryland, The	Z929604	3		10,427
Yale University	C09P10245	3		29,031
Interior, Department of the				
Direct		15		237,868
Pass-Through:				
Great Lakes Fishery Commission	30181-6-G107	15		13,987
Michigan State University	61-3846A	15		10,589
Michigan Tech Research Institute	070910Z1	15		18,052
Michigan, State of, Natural Resources, Department of	751P9200162	15		67,247
Michigan, State of, Natural Resources, Department of	751P9200163	15		66,352
Michigan, State of, Natural Resources, Department of	751P9200324	15		22,952
Justice, Department of				
Direct		16		1,982,952
Pass-Through:				
Michigan Public Health Institute	C-27062-115-504200	16		4,563
Labor, Department of				
Direct		17		70,971
Pass-Through:				
Michigan, State of, Michigan Economic Development Corporation	PO # 1148	17		971,211

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Library of Congress				
Direct		42		291,910
National Aeronautics and Space Administration				
Direct		43		10,814,308
Pass-Through:				
Boston University	GC 202139 NGA	43		5,924
California Institute of Technology	44A-1080828	43		(18,335)
California Institute of Technology	44A-1085637	43		300,382
Carnegie Institution of Washington	DTM-3250-04	43		273,026
Collier Research Corp	80821	43		70,475
Collier Research Corp	SUB-K #070327	43		58,174
George Mason University Foundation	E6004461	43		(144)
Harvard University	123485	43		543
Jet Propulsion Laboratory	1266313	43		331,657
Jet Propulsion Laboratory	1266314	43		44,078
Jet Propulsion Laboratory	1267460	43		62,741
Jet Propulsion Laboratory	1268016	43		305,857
Jet Propulsion Laboratory	1277433	43		3,686
Jet Propulsion Laboratory	1277575	43		(128)
Jet Propulsion Laboratory	1277577	43		(15)
Jet Propulsion Laboratory	1277579	43		2,300
Jet Propulsion Laboratory	1277581	43		(11)
Jet Propulsion Laboratory	1277600	43		(2)
Jet Propulsion Laboratory	1277764	43		(356)
Jet Propulsion Laboratory	1277901	43		9,955
Jet Propulsion Laboratory	1279089	43		250,993
Jet Propulsion Laboratory	1279285	43		106,118
Jet Propulsion Laboratory	1279720	43		37,338
Jet Propulsion Laboratory	1284086	43		35,589
Jet Propulsion Laboratory	1288654	43		(3,208)
Jet Propulsion Laboratory	1288881	43		751
Jet Propulsion Laboratory	1290244	43		9,840
Jet Propulsion Laboratory	1290774	43		12,883
Jet Propulsion Laboratory	1292494	43		7,969
Jet Propulsion Laboratory	1297633	43		3,292
Jet Propulsion Laboratory	1298642	43		6,095
Jet Propulsion Laboratory	1299930	43		7,293
Jet Propulsion Laboratory	1300451	43		(16,743)
Jet Propulsion Laboratory	1302640	43		(123)
Jet Propulsion Laboratory	1303558	43		5,763
Jet Propulsion Laboratory	1306356	43		55,334
Jet Propulsion Laboratory	1309693	43		71,961
Jet Propulsion Laboratory	1309728	43		16,303
Jet Propulsion Laboratory	1309768	43		99,933
Jet Propulsion Laboratory	1310222	43		23,894
Jet Propulsion Laboratory	1312978	43		20,645
Jet Propulsion Laboratory	1315764	43		68
Jet Propulsion Laboratory	1319538	43		77,371
Jet Propulsion Laboratory	1322807	43		32,909
Jet Propulsion Laboratory	1327417	43		14,367
Jet Propulsion Laboratory	1335521	43		16,251
Jet Propulsion Laboratory	1335558	43		70,932
Jet Propulsion Laboratory	1341232	43		12,089
Jet Propulsion Laboratory	1342979	43		60,144
Jet Propulsion Laboratory	1344183	43		30,842

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Jet Propulsion Laboratory	1346017	43		32,494
Jet Propulsion Laboratory	1346899	43		2,234
Jet Propulsion Laboratory	1350103	43		50,231
Jet Propulsion Laboratory	1352405	43		217,338
Jet Propulsion Laboratory	1356283	43		30,729
Jet Propulsion Laboratory	1356511	43		56,811
Jet Propulsion Laboratory	1358124	43		337,239
Jet Propulsion Laboratory	1363062	43		26,741
Jet Propulsion Laboratory	1364989	43		3,127
Jet Propulsion Laboratory	1370331	43		37,775
Jet Propulsion Laboratory	1371948	43		18,720
Jet Propulsion Laboratory	1372324	43		191
Jet Propulsion Laboratory	1373822	43		10,086
Jet Propulsion Laboratory	JPL #1214369	43		166,696
Johns Hopkins University	936114	43		30,492
Johns Hopkins University	937441	43		28,728
Johns Hopkins University	942565	43		40,656
Johns Hopkins University	NNG05GL45G	43		67,401
North Carolina State University	2005-0372-02	43		31,799
Northwestern University	PROJ0001363	43		16,551
Ohio State University, The	60014113	43		188,005
Pennsylvania State University	3686-UM-NASA-C58A	43		146,813
Planetary Science Institute	Subcontract Agreement	43		71,622
Southwest Research Institute	599966Q	43		932
Southwest Research Institute	699040X	43		2,272
Southwest Research Institute	699056KC	43		11,809
Southwest Research Institute	792013BT	43		16,720
Southwest Research Institute	792018BT	43		26,677
Southwest Research Institute	799114 MO	43		19,998
Southwest Research Institute	SubK #699064X	43		49,457
Space Telescope Science Institute	HST-AR-05924.05-A	43		(323)
Space Telescope Science Institute	HST-AR-10648.01A	43		(376)
Space Telescope Science Institute	HST-AR-10939.01-A	43		19,153
Space Telescope Science Institute	HST-GO-09776.01-A	43		(709)
Space Telescope Science Institute	HST-GO-09796.12-A	43		19,174
Space Telescope Science Institute	HST-GO-10148-01	43		38,884
Space Telescope Science Institute	HST-GO-10248.11-A	43		4,565
Space Telescope Science Institute	HST-GO-10341.07-A	43		11,323
Space Telescope Science Institute	HST-GO-10438.09-A	43		(3,121)
Space Telescope Science Institute	HST-GO-10491.07-A	43		(63)
Space Telescope Science Institute	HST-GO-10531.01-A	43		(11)
Space Telescope Science Institute	HST-GO-10573.01-A	43		12,610
Space Telescope Science Institute	HST-GO-10629.01	43		16,450
Space Telescope Science Institute	HST-GO-10810.01-A	43		7,165
Space Telescope Science Institute	HST-GO-10814.01-A	43		5,830
Space Telescope Science Institute	HST-GO-10824.13-A	43		609
Space Telescope Science Institute	HST-GO-10840.01-A	43		(4,528)
Space Telescope Science Institute	HST-GO-10862.13-A	43		(6,272)
Space Telescope Science Institute	HST-GO-11125.01-A	43		52,596
Space Telescope Science Institute	HST-GO-11129-01-A	43		37,082
Space Telescope Science Institute	HST-GO-11145.01-A	43		32,981
Space Telescope Science Institute	HST-GO-11199.01-A	43		16,357
United Negro College Fund Special Programs Corporation	Award letter dtd 4/18/07	43		4,250
University of Alabama	SUB2006-271	43		(20,708)
University of Arizona	Y402840	43		85,193

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University of California - Berkeley	SA 4700-10477	43		15,331
University of California - Berkeley	SA4765-26309	43		49,466
University of Maryland, The	Z634001	43		1,262,757
University of Massachusetts	07-004013 A 00	43		48,251
University of Notre Dame, The	201255	43		14,676
University of Virginia	GR10008-129918	43		76,937
Von Braun Center for Science & Innovation (VCSI)	Ltr contract dtd 1/16/09	43		43,005
National Archives and Records Administration				
Direct		89		16,718
National Endowment for the Humanities				
Direct		6		211,152
National Science Foundation				
Direct		47		65,261,325
			ARRA-TRANS-NSF RECOVERY ACT	
Direct		47.082	RESEARCH SUPPORT	8,568
Pass-Through:				
American Association for the Advancement of Science (AAAS)	ESI-0227557	47		196,242
American Educational Research Association	Agreement	47		9,765
American Educational Research Association	Awd ltr dtd 4/22/09	47		12,091
American Indian Science and Engineering Society	AISES 2006-003	47		2,313
Arizona State University	09-014/SC 19109M000073	47		8,300
Auburn University	07-C&T-200111-UM	47		142,772
Brandeis University	4-00674	47		30,803
California Institute of Technology	1005452	47		(104)
California Institute of Technology	42B-1072301	47		64,998
California Institute of Technology	42B-1084325	47		25,850
California Institute of Technology	67F-1086951	47		24,200
Cary Institute of Ecosystem Studies	3051/200201078	47		22,508
Columbia University	563900	47		665,504
Columbia University	563907	47		307,412
Columbia University	PHY 0301292 Subawrd3 PO#541377	47		1,037
Consortium for Ocean Leadership	T320A2	47		53,116
Cornell University	44771-7472	47		1,708,525
Cornell University	46222-7763	47		74,799
Cornell University	46417-7752	47		62,108
Cornell University	52120-8455 u/prime 0649215	47		6,811
Duke University	08-SC-NSF-1097	47		99,319
Eastern Michigan University	0522174 PO# P0023342	47		16,447
Educause Security Commission	Agreement dtd 8/28/08	47		34,551
Electrodynamic Applications, Inc.	Appendix 1 to Proj Master agmn	47		22,164
Georgetown University	RX2745-401-UMICH	47		6,268
Georgia Institute of Technology	C36-A98-G3	47		3,043
Georgia Institute of Technology	R8112-G1	47		3,617
Georgia Institute of Technology	R9758-G4	47		20,953
Georgia Institute of Technology	Y0001-G2	47		7,468
Grand Valley State University	215411-S	47		28,017
Harvard University	108051-5021742	47		1,374
Illinois Institute of Technology	SA302-1005-4369	47		104,772
Industrial Optical Measurement Systems	Res Agmt & Ck #811	47		100,914
Intelligent Prosthetic Systems	Check# 1058 dtd 12/18/07	47		21,102
Intelligent Prosthetic Systems	Check# 1059 dtd 12/18/07	47		32,152
Intelligent Prosthetic Systems	Check# 1060 dtd 12/20/07	47		30,453
Intelligent Prosthetic Systems	Ck#1057 - 12/18/07	47		4,761
Iowa State University	EEC-0813570/19 69672 23	47		114,339
Kent State University	442197-P060510	47		41,276

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Marine Biological Laboratory	MBL Subaward #25282	47		194,359
Michigan State University	61-2422UM CMS 0501294	47		15,280
Michigan State University	61-2554UM	47		194,844
Michigan State University	61-2651 UM	47		(1,292)
Midwest Thermal Spray	PO #18365	47		(1,335)
National Bureau of Economic Research	28-3422-02	47		155,894
National Radio Astronomy Observatory	GSSP07-0016	47		10,133
New York Hall of Science	ESI-0540152	47		71,858
North Carolina State University	2004-0679-01	47		96,999
Northwestern University	0830 310 A600 1322	47		221,105
Northwestern University	0830 520 T618 1031	47		536,927
nScript	Sub Awd #10024-UMICH	47		(17,455)
Ohio State University, The	60002999	47		69,710
Pennsylvania State University	3020-UM-NSF-7146	47		286
Pennsylvania State University	3371-UM-NSF-4688	47		25,905
Pennsylvania State University	3743-UM-NSF-0404	47		6,907
Princeton University	1234	47		12,246
Purdue University	4101-20588	47		25,826
Rand Corporation	Sub #9920070065 -- SES-0624353	47		1,556
Rensselaer Polytechnic Institute	Subawd #A11729	47		(1,205)
Rutgers University	Subawd 00003703; PO#S1197974	47		6,574
Solidica Inc	5365	47		33,345
Sonetics Ultrasound, Inc.	RT Res Agmt dtd 1/1/05	47		4,793
Southwest Research Institute	799131 LU NSF K#CHE0650647	47		22,029
Southwest Research Institute	SUBK#499951Q 15-10694	47		21,326
SRI International	Letter dtd. 10/17/01	47		(5,926)
Stanford University	16391370-34122	47		92,619
Survey Sciences, Inc	Ltr Agmt dtd 3/23/07	47		4,473
The Algebra Project Inc	ESI-0822175	47		41,269
Thixomat, Inc.	Agmt dtd 11/1/06	47		(9,619)
United States Civilian Research and Development Foundation	ESE1-2900-TR-07	47		2,931
United States Civilian Research and Development Foundation	RUB1-2916-ST-07	47		2,751
United States Civilian Research and Development Foundation	RUB2-2838-OB-06	47		2,062
United States Civilian Research and Development Foundation	RUP1-2689PE-05	47		151
University Corporation for Atmospheric Research	S08-67523	47		18,771
University of California - Santa Barbara	KK6156	47		40,063
University of California-San Diego	10293887	47		1,106
University of Chicago	34024	47		89,064
University of Cincinnati	PATS#25280	47		9,030
University of Georgia	RR229-227/5812127	47		221,863
University of Illinois at Chicago	2005-06198-02	47		5,691
University of Illinois-Urbana-Champaign	2006-01515-01 A5337	47		35,589
University of Illinois-Urbana-Champaign	2006-038071-01A4816	47		45,532
University of Illinois-Urbana-Champaign	2008-01606-01	47		2,211
University of Illinois-Urbana-Champaign	A7929	47		(1,246)
University of Kansas	FY2007-100	47		9,712
University of Kansas	FY2008-040	47		19,949
University of Maryland, The	Z491501 u/prime #IIS 0705832	47		74,791
University of Minnesota	X4056459201	47		11,535
University of Mississippi	09-03-058	47		15,796
University of Missouri	C00011301-1	47		12,793
University of Nebraska	25-0550-0001-129	47		47,403
University of Nevada	UNR-07-92	47		128,214
University of Oregon	206381B-5.8	47		13,003
University of Pennsylvania	5-41191-B (PO# 1796438)	47		(5,424)

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University of Texas	UTA06-776	47		49,198
University of Texas	UTA08-817	47		413,520
University of Utah	EEC 0304433	47		586
University of Washington	431145	47		191,305
University of Washington	454484	47		516,144
University of Wisconsin	028K755	47		7,005
Virginia Commonwealth University	PT095050 - SC100044	47		16,503
Virginia Commonwealth University	PT100983 SC100255	47		22,147
Western Robotics	RT Res Agmt dtd 1/1/09	47		31,488
Nuclear Regulatory Commission				
Direct		77		346,468
Pass-Through:				
Oregon State University	X0105A-A	77		150,070
Purdue University	4112-25434, Ref.09032640 Downa	77		117,678
Small Business Administration				
Direct		59		(520)
Smithsonian Institution				
Direct		60		519,277
Social Security Administration				
Direct		96		2,611,916
Pass-Through:				
Boston College	5001251-7 SANDELL	96		315
Boston College	EAGLE-0000041788; 1109-3 SANDE	96		29,757
State, Department of				
Direct		19		405,783
Transportation, Department of-Federal Highway Administration				
Direct		20		674,003
Pass-Through:				
City of Sacramento-Department of Police	PO# 8G639B8488	20		3,038
Michigan, State of, Transportation, Department of	2003-0026 Auth 11	20		6,720
Michigan, State of, Transportation, Department of	2006-0412,Auth #9	20		101,825
Michigan, State of, Transportation, Department of	2009-0081	20		89,708
Michigan, State of, Transportation, Department of	Auth 6/IDS Ctr# 2006-0412	20		13,334
Michigan, State of, Transportation, Department of	Auth#1 Ctr #2006-0412	20		57,559
Michigan, State of, Transportation, Department of	Email-9/15/08 Ctr#2006-0412	20		20,917
Michigan, State of, Transportation, Department of	Email-9/15/08-Ctr#2006-0412	20		8,976
Michigan, State of, Transportation, Department of	Ltr 1/24/08- 8 Ctr#2006-0412	20		4,437
Michigan, State of, Transportation, Department of	MDOT Contract #2006-0507	20		9,338
Soils & Materials Engineers, Inc.	PP 47973	20		26,388
Spy Pond Partners	Prof Svcs Contract	20		17,558
University of California - Berkeley	SA5564 / PO #1249795	20		21,699
Transportation, Department of-Federal Motor Carrier Safety Administration				
Direct		20		1,096,474
Pass-Through:				
Chenega Advanced Solutions & Engineering, LLC	112507-UMTR-TRACX	20		54,670
Transportation, Department of-Federal Transit Administration				
Direct		20		18,005
Pass-Through:				
Michigan, State of, Transportation, Department of	2007-0315	20		41,541
Transportation, Department of-Maritime Administration				
Pass-Through:				
University of Wisconsin	144 051038 4	20		32,607
Transportation, Department of-National Highway Traffic Safety Administration				
Direct		20		7,737,532
Pass-Through:				

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Nissan Technical Center, North America	Agreement	20		221,480
Virginia Polytechnic Institute and State University	CR-19337-425766	20		(6,011)
Virginia Polytechnic Institute and State University	CR-19337-425805	20		(9,934)
Virginia Tech Transportation Institute	19337-415586	20		187,671
Transportation, Department of-Other				
Pass-Through:				
Ford Motor Company	A10-PO07-154018	20		459,303
Great Lakes Maritime Research Institute	U/W-Superior-SubK DOT	20		101
International Electronic Machines Corp	DRDA 07-0638	20		26,719
Meritor WABCO	Research Agreement	20		(13,634)
Michigan State University	61-3716A	20		15,717
Michigan, State of, State Police, Department of	TR-08-01	20		86,045
Michigan, State of, State Police, Department of	TR-09-01	20		141,856
Michigan, State of, Transportation, Department of	2003-0026 Auth #12	20		278,388
Michigan, State of, Transportation, Department of	2006-0412 Auth 7	20		13,290
Michigan, State of, Transportation, Department of	2006-0412 Job #86886	20		71,614
Michigan, State of, Transportation, Department of	Auth No. 10 Contract#2003-0026	20		(17)
National Academy of Sciences	HR 08-63	20		45,529
National Academy of Sciences	SHRP S-01 (C)	20		153,361
National Academy of Sciences	SHRP-S-09	20		389,648
National Safety Council	LOA under DTNH22-04-H-05087	20		41,868
Transportation, Department of-Research and Special Programs Administration				
Direct		20		996,121
United States Agency for International Development				
Pass-Through:				
Oregon State University	RD010E-J	98		5,893
Oregon State University	RD011G-B	98		267,573
University of Wisconsin	P699355	98		56,413
Veterans Affairs, Department of				
Direct		64		75,002
Pass-Through:				
Intelligent Prosthetic Systems	Letter dtd 12/23/08	64		22,577
Total research and development cluster				\$ 687,797,584

STUDENT FINANCIAL AID CLUSTER

Education, Department of-Programs-Office of Student Financial Assistance Programs

Direct	84.007	Federal Supplemental Educational Opportunity Grant	\$ 2,093,001
Direct	84.033	Federal Work-Study Program	4,815,030
Direct	84.038	Federal Perkins Loan Program Federal Capital Contributions (Note 5)	-
Direct	84.063	Federal Pell Grant Program	24,929,028
Direct	84.268	William D. Ford Federal Direct Loan Program (Note 4)	-
Direct	84.375	Academic Competitiveness Grants	912,332
Direct	84.376	National Science and Mathematics Access to Retain	1,257,695
Direct	84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	2,500
Health and Human Services, Department of-Health Resources and Services Administration			

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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		93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	117,506
Total student financial aid cluster				\$ 34,127,092
NATIONAL RESOURCE CENTERS PROGRAM FOR FOREIGN LANGUAGE AND AREA STUDIES OR FOREIGN LANGUAGE AND INTERNATIONAL STUDIES PROGRAM AND FOREIGN LANGUAGE AND AREA STUDIES				
Education, Department of				
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	\$ 2,178,237
NON-CLUSTER				
Agriculture, Department of				
Direct		10.250	Agricultural and Rural Economic Research	\$ 3,429
Direct		10.303	Integrated Programs	71,044
Pass-Through:				
Michigan, State of, Education, Department of	810000039	10.558	Child and Adult Care Food Program	52,260
Commerce, Department of-Economic Development Administration				
Direct		11.313	Trade Adjustment Assistance for Firms	17,763
Commerce, Department of-National Oceanic and Atmospheric Administration				
Pass-Through:				
Consortium for Ocean Leadership	Check# 8094 dated 9/19/08	11.469	Congressionally Identified Awards and Projects	11,307
Consortium for Ocean Leadership	Ck# 7336	11.469	Congressionally Identified Awards and Projects	15,000
Commerce, Department of-Office of the Secretary				
Direct		11.313	Trade Adjustment Assistance for Firms	1,221,898
Direct		11.550	Public Telecommunications Facilities Planning and Construction	90,255
Direct		11.YA1323-07-CN-0012		126,663
Pass-Through:				
University of Maryland, The	Z766002			311,376
Corporation for National and Community Service				
Pass-Through:				
Jump Start for Young Children, Inc	Co-op agmt 120200	94.006	AmeriCorps	52,889
Michigan Campus Compact	CPY07-06	94.004	Learn and Serve America_School and Community Based Programs	23,511
Michigan Campus Compact	CPY07-06	94.004	Learn and Serve America_School and Community Based Programs	10,167
Michigan Campus Compact	06LHHMI001 BF07-05	94.005	Learn and Serve America_Higher Education	(10,960)
Michigan Campus Compact	06LHHMI001 BF07-07	94.005	Learn and Serve America_Higher Education	(463)
Michigan Campus Compact	06LHHMI001 BF07-11	94.005	Learn and Serve America_Higher Education	(417)
Michigan Campus Compact	06LHHMI001 BF07-12	94.005	Learn and Serve America_Higher Education	(1,337)
Michigan Campus Compact	06LHHMI001 CPY06-05	94.005	Learn and Serve America_Higher Education	56,690
Michigan Campus Compact	BF08-6	94.005	Learn and Serve America_Higher Education	1,782
Michigan Campus Compact	CEF-0803	94.005	Learn and Serve America_Higher Education	1,376
Michigan Campus Compact	CEF-0805	94.005	Learn and Serve America_Higher Education	1,920

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Michigan Campus Compact	MLK-08-05/06	94.007	Planning and Program Development Grants	743
Michigan Campus Compact	MLK08-07	94.007	Planning and Program Development Grants	500
Michigan, State of, Human Services, Department of	MACF-08-81250	94.006	AmeriCorps	142,161
Michigan, State of, Human Services, Department of	MACR-09-81011	94.006	ARRA-AmeriCorps	4,241
Michigan, State of, Human Services, Department of	MACF-09-81268	94.006	AmeriCorps	268,581
Defense, Department of-Air Force, Department of the			Air Force Defense Research Sciences Program	
Direct		12.800		7,935
Direct		12.304939		207,306
Direct		12.IPA Assignment-Dr. Lau		51,421
Direct		12.IPA Dennis Bernstein 2008		34,138
Direct		12.IPA-09-01-2007		163,566
Pass-Through:				
Arinc, Inc	136294			19,882
Azimuth Corporation	203-010-002			5,513
Defense, Department of-Defense Advanced Research Projects Agency				
Pass-Through:				
Corporation for National Research Initiatives (CNRI)	Amend #10 to MEMS Exchange			(39,106)
SeaLandAire Technologies, Inc	PO# PSO-F920B-UMI-01 -12/21/06			4,000
Defense, Department of-National Security Agency				
Direct		12.901	Mathematical Sciences Grants Program	14,870
Defense, Department of-Navy, Department of the				
Direct		12.300	Basic and Applied Scientific Research	9,064
Direct		12.IPA Kratz, Mary		43,262
Direct		12.N00140-06-G-0028		1,193
Pass-Through:				
Bath Iron Works Corporation	07191AFSSO			8,309
BMT Designers & Planners, Inc.	N00178-04-D-4023-22			45,882
Focus: Hope	PO 39785			63,950
Michigan Aerospace Corporation	Letter dtd 7/27/08			22,060
North Carolina A & T State University	210013X			28,440
Defense, Department of-Other				
Pass-Through:				
Battelle	TCN 08064			5,719
Lockheed Martin Corporation	8100002204			10,325
Education, Department of				
Direct		84.002	Adult Education - Basic Grants to States	37,793
Direct		84.004	Civil Rights Training and Advisory Services	613,543
Direct		84.017	International Research and Studies	192,145
Direct		84.021	Overseas Programs - Group Projects Abroad	82,461
Direct		84.116	Fund for the Improvement of Postsecondary Education	247,841
Direct		84.133	National Institute on Disability and Rehabilitation Research	(3,789)
Direct		84.170	Javits Fellowships	362,495
Direct		84.195	Bilingual Education-Professional Development	311,143
Direct		84.220	Centers for International Business Education	275,738
Direct		84.ED05CO0062		1,373,678
Pass-Through:				
Arizona, State of	E8PD1618	84.002	Adult Education - Basic Grants to States	(5,103)
Arizona, State of	E9PD0378 / E9PD2474	84.002	Adult Education - Basic Grants to States	11,659
Arkansas, State of, Department of Workforce Education	Agreement	84.002	Adult Education - Basic Grants to States	18,031
Flint Community Schools	Letter dtd 2/3/09	84.213	Even Start_State Educational Agencies	6,508

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Flint Community Schools	Ck#287086	84.350	Transition to Teaching	28,747
Florida, State of	Agreement	84.002	Adult Education - Basic Grants to States	19,312
Georgia, State of	Agreement	84.002	Adult Education - Basic Grants to States	21,492
Idaho, State of, Department of Education	Agreement	84.002	Adult Education - Basic Grants to States	1,689
Indiana, State of Department of Administration	Agreement	84.002	Adult Education - Basic Grants to States	(4,302)
Louisiana, State of	670219	84.002	Adult Education - Basic Grants to States	4,855
Louisiana, State of	Agreement	84.002	Adult Education - Basic Grants to States	800
Medical College of Wisconsin	FIPSE2-UMICH09	84.116	Fund for the Improvement of Postsecondary Education	767
Michigan, State of, Education, Department of	090290-2893	84.367	Improving Teacher Quality State Grants	5,969
Michigan, State of, Education, Department of	Prj#070290-103 Ltr 8/1/06	84.367	Improving Teacher Quality State Grants	8,708
Michigan, State of, Education, Department of	Proj #070290-670	84.367	Improving Teacher Quality State Grants	5,446
Michigan, State of, Energy, Labor and Economic Growth, Department of	07-00-011	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	(8,468)
Michigan, State of, Energy, Labor and Economic Growth, Department of	07-00-12	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	18,860
Michigan, State of, Energy, Labor and Economic Growth, Department of	07-00-13	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	1,761
Michigan, State of, Energy, Labor and Economic Growth, Department of	07-00-17	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	16,466
Michigan, State of, Energy, Labor and Economic Growth, Department of	08-00-011	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	120,787
Michigan, State of, Energy, Labor and Economic Growth, Department of	08-00-12	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	11,377
Michigan, State of, Energy, Labor and Economic Growth, Department of	08-00-13	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	19,720
Michigan, State of, Energy, Labor and Economic Growth, Department of	08-00-17	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	6,962
Missouri, State of	Agreement	84.002	Adult Education - Basic Grants to States	1,459
Missouri, State of	Agreement	84.002	Adult Education - Basic Grants to States	6,006
Montana, State of	7667	84.002	Adult Education - Basic Grants to States	1,292
Montana, State of	ISA# 7242	84.002	Adult Education - Basic Grants to States	2,036
National Writing Project	00-M103	84.928	National Writing Project	46,489
New Mexico, State of	Agreement	84.002	Adult Education - Basic Grants to States	2,096
New Mexico, State of	Agreement	84.002	Adult Education - Basic Grants to States	12,944
North Carolina, State of, Community College System	Agreement	84.002	Adult Education - Basic Grants to States	20,282
North Carolina, State of, Community College System	PO# EP4481852	84.002	Adult Education - Basic Grants to States	(197)
Oklahoma, State of	2659009030	84.002	Adult Education - Basic Grants to States	44,340
Pennsylvania, State of, Department of Education	Agreement	84.002	Adult Education - Basic Grants to States	1,196
Saginaw Valley State University	07-0000-003	84.366	Mathematics and Science Partnerships	688
Saginaw Valley State University	08-0000-003	84.366	Mathematics and Science Partnerships	207,191
Saginaw Valley State University	08-0000-01	84.366	Mathematics and Science Partnerships	815,376
Saginaw Valley State University	Agmt 07-0000-001	84.366	Mathematics and Science Partnerships	(119,028)
State Higher Education Executive Officers Organization	Agmt dtd 11/01/08			43,804
Texas, State of	Agreement	84.002	Adult Education - Basic Grants to States	3,861
Washington, State of	Agreement	84.002	Adult Education - Basic Grants to States	(450)
Energy, Department of				
Direct		81.086	Conservation Research and Development	121,052
			Energy Efficiency and Renewable Energy	
			Information Dissemination, Outreach, Training and	
Direct		81.117	Technical Analysis/Assistance	87,116
Pass-Through:				
			Office of Science Financial Assistance	
Krell Institute	ORAU-FELLOWSHIP	81.049	Program	137
Krell Institute	Awd ltr 10/06/06			1,028

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Oak Ridge National Laboratory	4000080249			3,861
Vortex Hydro Energy, LLC	Check# 1023 dtd 4/30/06			1,413
Environmental Protection Agency				
Pass-Through:				
Nature Conservancy, The	GLP-11-08-2	66.469	Great Lakes Program	3,100
Wayne, County of	20804082-000	66.202	Congressionally Mandated Projects	132,582
Wayne, County of	20962726-000 OB	66.202	Congressionally Mandated Projects	8,312
Health and Human Services, Department of-Administration for Children and Families				
Direct		93.648	Child Welfare Services Training Grants	89,310
Pass-Through:				
Michigan Primary Care Association	Grant Agreement	93.778	Medical Assistance Program	36,982
Michigan, State of, Human Services, Department of	TRAIN-08-99014	93.558	Temporary Assistance for Needy Families	37,522
Washtenaw, County of	Agmt 8/1/05	93.600	Head Start	2,925
Health and Human Services, Department of-Administration on Aging				
Pass-Through:				
Area Agency on Aging - Michigan	08-9202-03			38,669
Area Agency on Aging - Michigan	09-9202-03			30,291
Area Agency on Aging - Michigan	Various Checks			45,610
Catholic Social Services	Agreement dated 12/09/08			30,695
Catholic Social Services	Letter dated 12/11/07			1,878
Washtenaw, County of	38417-000-SC 38550			8,602
Washtenaw, County of	39585-000-SC CR 38550			57,822
Health and Human Services, Department of-Centers for Disease Control and Prevention				
Direct		93.061	Innovations in Applied Public Health Research	415,941
Direct		93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention	1,125,552
Direct		93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	779,709
Direct		93.05IPA28258.03		1,855
Direct		93.05IPA28258.2		(1,666)
Direct		93.Contract 200-2007-M-21852		60,601
Pass-Through:				
Association of Schools of Public Health, Inc.	S3931-26/26	93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	50,084
Hemophilia Foundation of Michigan	08-09 DHHS/CDC Prev Con	93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	23,222
Hemophilia Foundation of Michigan	Agreement	93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	24,965
Hemophilia Foundation of Michigan	07-08 DHHS/CDC Prev Contract			9,341
Michigan Public Health Institute	108225-115-504200			11,520
Michigan, State of, Community Health, Department of	20092919	93.268	Immunization Grants	3,472
Michigan, State of, Community Health, Department of	20080372	93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	1,200
Michigan, State of, Community Health, Department of	20081651	93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	13,014

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Michigan, State of, Community Health, Department of	20081759	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	171,950
Michigan, State of, Community Health, Department of	20091128	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	32,417
Michigan, State of, Community Health, Department of	20091131	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	120
Michigan, State of, Community Health, Department of	20091879	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	8,328
Michigan, State of, Community Health, Department of	20081256	93.889	National Bioterrorism Hospital Preparedness Program	84,585
Michigan, State of, Community Health, Department of	20081493	93.991	Preventive Health and Health Services Block Grant	109,602
Michigan, State of, Community Health, Department of	20091130	93.991	Preventive Health and Health Services Block Grant	96,042
Michigan, State of, Community Health, Department of	20082411			7,279
Michigan, State of, Community Health, Department of	PO#391N8202196			6,500
National Association for Chronic Disease Directors National Public Health Information Coalition	Agreement Check # 1597	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	93,799 8,678
Health and Human Services, Department of-Centers for Medicare and Medicaid Services				
Pass-Through:				
Delta Dental Fund	Subcontract			92,249
Michigan, State of, Community Health, Department of	20080919	93.778	Medical Assistance Program	14,989
Michigan, State of, Community Health, Department of	20080920	93.778	Medical Assistance Program	50,594
Michigan, State of, Community Health, Department of	20080932	93.778	Medical Assistance Program	208,578
Michigan, State of, Community Health, Department of	20090110	93.778	Medical Assistance Program	401,982
Michigan, State of, Community Health, Department of	20090312	93.778	Medical Assistance Program	168,923
Michigan, State of, Community Health, Department of	20090317	93.778	Medical Assistance Program	459,167
Health and Human Services, Department of-Health Resources and Services Administration				
Direct		93.124	Nurse Anesthetist Traineeships	15,698
Direct		93.127	Emergency Medical Services for Children	950,882
Direct		93.134	Grants to Increase Organ Donations	1,198,315
Direct		93.178	Nursing Workforce Diversity	689,030
Direct		93.249	Public Health Training Centers Grant Program	424,755
Direct		93.264	Nurse Faculty Loan Program (NFLP) (Note 5)	-
Direct		93.359	Nurse Education, Practice and Retention Grants	619,709
Direct		93.822	Health Careers Opportunity Program	148,706
Direct		93.884	Grants for Training in Primary Care Medicine and Dentistry	34,295
Direct			Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	584,880
Pass-Through:				
Hemophilia Foundation of Michigan	DHHS/MCHB Comp Care	93.110	Maternal and Child Health Federal Consolidated Programs	23,921

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Hemophilia Foundation of Michigan	DHHS/MCHB Comp Care			(1,225)
Health and Human Services, Department of-Indian Health Service				
Direct		93.SD-CA-03-0007		8,766
Health and Human Services, Department of-National Institutes of Health				
Direct		93.121	Oral Diseases and Disorders Research	197,634
Direct		93.242	Mental Health Research Grants	244,127
			Discovery and Applied Research for Technological Innovations to Improve	
Direct		93.286	Human Health	8,720
Direct		93.389	National Center for Research Resources	405,407
Direct		93.394	Cancer Detection and Diagnosis Research	1,726
Direct		93.839	Blood Diseases and Resources Research	116,554
			Kidney Diseases, Urology and Hematology Research	
Direct		93.849		50,540
			Extramural Research Programs in the	
Direct		93.853	Neurosciences and Neurological Disorders	32,000
Direct		93.864	Population Research	(594)
Direct		93.08-4782 Soliman		7,790
Direct		93.HHSN263200700833P		16,508
Direct		93.HHSN263200801294P		5,981
Direct		93.HHSN263200801649M		2,582
Direct		93.IPA Agmt		10,222
Direct		93.IPA Agmt		20,740
Direct		93.IPA for Austra Liepa		7,769
Direct		93.IPA Song, Debbie		74,126
Direct		93.PO 263-MD-611267		41,679
Direct		93.Various Checks		7,382
Direct		93.Wire Transf rec'd 10/20/08		51,086
Pass-Through:				
American College of Radiology	CA21661-32S			3,634
Booz Allen Hamilton, Inc.	80307CBS10			(5,095)
Bowling Green State University	Agreement	93.239	Policy Research and Evaluation Grants	19,532
Bowling Green State University	U01 AE000001	93.239	Policy Research and Evaluation Grants	11,011
Cancer Therapy and Research Center	Multiple Checks			629
Cayuse, Inc.	subcontract dtd 12/5/02			(58,418)
Children's Hospital of Los Angeles	NANT Cln Schlr Agmt dtd 6/1/04			19,909
Columbia University	XAA37W			1,067
Duke University	Agmt of 5/1/02	93.395	Cancer Treatment Research	5,030
Duke University	Subcontract Agrmt			6,172
Emmes Corporation, The	Ltr of Agmt			31,274
Fenway Institute at Fenway Community Health	Agreement			12,435
International Union, UAW	Res Agmt dtd 9/6/05			209,636
Johns Hopkins University	8407-46290-X	93.399	Cancer Control	2,053
Johns Hopkins University	PO# 2000473371	93.837	Cardiovascular Diseases Research	687
Medical College of Wisconsin	PO# 1009446	93.127	Emergency Medical Services for Children	(3,330)
Michigan Coalition Against Domestic and Sexual Violence, The (MCADSV)			Injury Prevention and Control Research and State and Community Based Programs	
Michigan State University	Coop Agmt - Delta Prjt	93.136		57,027
National Network of Libraries of Medicine (NN/LM)	NO1-AI-30058 #61-1438UM			121,268
National Network of Libraries of Medicine (NN/LM)	OUTR203, PO0180669	93.879	Medical Library Assistance	302
National Network of Libraries of Medicine (NN/LM)	NO1-LM-6-3503			714
New England Research Institute	SubContract U01HL68270	93.837	Cardiovascular Diseases Research	50,945
Science Applications International Corporation	28XS125			458,159
University of Alabama at Birmingham (UAB)	Prime R01 HL078946			2,097
University of Illinois at Chicago	2006-00167-31-00/N01-L-M-6-385	93.879	Medical Library Assistance	25,911
University of Illinois at Chicago	N01 LM-6-3503/2006-00167-14-00	93.879	Medical Library Assistance	5,363

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University of Illinois at Chicago	N01-LM-6-3503/2006-00167-13-00	93.879	Medical Library Assistance	6,247
University of Miami, Florida, The	M123399	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	27,126
University of Pittsburgh	114632-2 Sub award 9003044	93.389	National Center for Research Resources	54,361
University of Southern California	129570	93.866	Aging Research	31,426
Wayne State University	WSU04043-A1			737
Health and Human Services, Department of-Office of the Secretary				
Pass-Through:				
Delta Dental Fund	Subcontract			347,106
			Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	9,736
Ingham, County of	Agreement of 10/1/02	93.919	Medical Assistance Program	22,418
Michigan Primary Care Association	Grant Agmt	93.778	Medical Assistance Program	37,812
Michigan Primary Care Association	Grant Agmt	93.778	Medical Assistance Program	83,623
Michigan Primary Care Association	Grant Agmt	93.778	Medical Assistance Program	118,068
Michigan Primary Care Association	GRANT AGREEMENT	93.778	Medical Assistance Program	14,884
Michigan Primary Care Association	Grant Agreement	93.778	Medical Assistance Program	1,362
Michigan Public Health Institute	N-08743-115-504200			(131,711)
Michigan, State of, Community Health, Department of	20071029	93.778	Medical Assistance Program	13,641
Michigan, State of, Community Health, Department of	20080373	93.778	Medical Assistance Program	295,220
Michigan, State of, Community Health, Department of	20080918	93.778	Medical Assistance Program	39,027
Michigan, State of, Community Health, Department of	20081060	93.778	Medical Assistance Program	570,494
Michigan, State of, Community Health, Department of	20081770	93.778	Medical Assistance Program	39,875
Michigan, State of, Community Health, Department of	20090319	93.778	Medical Assistance Program	224,911
Michigan, State of, Community Health, Department of	20090582	93.778	Medical Assistance Program	
Michigan, State of, Community Health, Department of	20080895	93.994	Maternal and Child Health Services Block Grant to the States	29,340
Michigan, State of, Community Health, Department of	20090461	93.994	Maternal and Child Health Services Block Grant to the States	73,092
Health and Human Services, Department of-Substance Abuse and Mental Health Services Administration				
Pass-Through:				
			Substance Abuse and Mental Health Services_Projects of Regional and National Significance	5,686
Michigan, State of, Community Health, Department of	20081703	93.243	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	15,690
Michigan, State of, Community Health, Department of	20091132	93.243	Block Grants for Prevention and Treatment of Substance Abuse	12,969
Washtenaw, County of	CR-38743 65107-000-PS	93.959		
Housing and Urban Development, Department of			Community Development Block Grants/Special Purpose Grants/Insular Areas	15,400
Pass-Through:				
Washtenaw, County of	39650-000-SC CR40551	14.225		
Institute of Museum and Library Services				
Direct		45.301	Museums for America	143,165
Direct		45.303	Conservation Project Support	107,716
Direct		45.312	National Leadership Grants	79,896
Direct		45.313	Laura Bush 21st Century Librarian Program	103,150
Interior, Department of the				
Direct		15.929	Save America's Treasures	21,043
Direct		15.IPA Agmt Dr. Sung Pil Hyun		60,233
Direct		15.P6620080039		8,000
Justice, Department of				

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Cluster Title/Federal Grantor/Program/Pass-Through Grantor	Pass-Through Award Identifier	Federal CFDA Number	CFDA Program Title	Federal Expenditures
Direct Labor, Department of		16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	131,936
Direct Pass-Through:		17.DOLJ081A20632		120,000
Detroit Regional Chamber of Commerce	Partner Grant Agmt	17.261	WIA Pilots, Demonstrations, and Research Projects	157,029
Detroit Regional Chamber of Commerce Michigan, State of, Management and Budget, Department of	Partner Grant Agmt 071B8200248	17.261	WIA Pilots, Demonstrations, and Research Projects	89,067 492,802
National Aeronautics and Space Administration Direct Pass-Through:		43.NNG05GH68H		674,818
Jet Propulsion Laboratory	1341070			19,761
National Archives and Records Administration Direct		89.NAMA-05-C-0007		315,748
National Endowment for the Arts Pass-Through:			Promotion of the Arts_Partnership Agreements	7,870
Michigan, State of, Michigan Council for Arts and Cultural Affairs National Endowment for the Humanities	09AO0035C2	45.025		184,754
Direct		45.130	Promotion of the Humanities_Challenge Grants	182,383
Direct		45.149	Promotion of the Humanities_Division of Preservation and Access	17,676
Direct		45.162	Promotion of the Humanities_Teaching and Learning Resources and Curriculum Development	39,505
Direct Pass-Through:		45.163	Promotion of the Humanities_Professional Development	65,847
American Musicological Society	RZ-20921			6,130
Michigan Humanities Council	2697 H 07	45.129	Promotion of the Humanities_Federal/State Partnership	28,667
Michigan Humanities Council	00 WTP 09	45.168	Promotion of the Humanities_We the People	13,942
Michigan, State of, Michigan Council for Arts and Cultural Affairs National Science Foundation	08AO0043C2	45.025	Promotion of the Arts_Partnership Agreements	101,912
Direct		47.041	Engineering Grants	283,069
Direct		47.049	Mathematical and Physical Sciences	164,426
Direct		47.050	Geosciences	118,517
Direct		47.070	Computer and Information Science and Engineering	119,550
Direct		47.074	Biological Sciences	253,187
Direct		47.075	Social, Behavioral, and Economic Sciences	2,101,125
Direct		47.076	Education and Human Resources	9,485
Direct		47.079	International Science and Engineering (OISE)	203,203
Direct		47.CBET 0649769		214,250
Direct		47.CCF 0715164		240,030
Direct		47.CHE 0715527		203,804
Direct		47.CMMI 0853478		199,200
Direct		47.ECCS 0734962		

The University of Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Cluster Title/Federal Grantor/Program/Pass-Through Grantor	Pass-Through Award Identifier	Federal CFDA Number	CFDA Program Title	Federal Expenditures
Direct		47.OCI-0635459		(4,182)
Pass-Through:				
Puget Sound Center for Teaching, Learning & Technology (PSCTLT)	Memo of Understanding	47.076	Education and Human Resources	4,068
University of Alabama	Agreement			1,220
Peace Corps				
Direct		8.PC-08-8-156		13,287
State, Department of				
Direct		19.415	Professional and Cultural Exchange Programs - Citizen Exchanges	125,785
Transportation, Department of-Federal Highway Administration				
Pass-Through:				
Michigan, State of, Transportation, Department of	2006-0667			206,055
Michigan, State of, Transportation, Department of	Auth. Z12, Contract 2006-0412			45,010
Treasury, Department of the				
Direct		21.008	Low Income Taxpayer Clinics	58,462
Direct		21.Agreement		147,477
United States Agency for International Development				
Direct		98.HRN-A-00-00-00001		(1)
Pass-Through:				
American Council on Education	Subagreement dtd 1/10/07			88,013
Veterans Affairs, Department of				
Direct		64.018	Sharing Specialized Medical Resources	10,922,068
	Total non-cluster			\$ 41,174,504
	Total federal expenditures			\$ 765,277,417

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 includes all federal grant transactions of 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, 2011, as follows:

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

3. Subrecipient Awards

During 2009, the University disbursed approximately \$64,393,000 to subrecipients. Of that amount, \$61,107,000 related to research and development cluster awards and \$3,286,000 related to other 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, 2009, 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	\$ 107,032,966
Undergraduate unsubsidized	84.268	137,944,769
Graduate	84.268	16,011,695
Direct Parent Loans for Undergraduate Students	84.268	<u>37,867,814</u>
		<u>\$ 298,857,244</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, 2009</u>
Department of Education, Federal Perkins Program	84.038	<u>\$ 81,514,403</u>
Department of Health and Human Services:		
Health Professions Loan Program - Medicine/Primary Care	93.342	3,503,899
Health Professions Loan Program - Pharmacy	93.342	1,886,578
Health Professions Loan Program - Dentistry	93.342	<u>7,232,162</u>
		<u>12,622,639</u>
Disadvantaged Student Loan Program - Medicine/Primary Care	93.925	1,806,729
Disadvantaged Student Loan Program - Pharmacy	93.925	152,919
Disadvantaged Student Loan Program - Dentistry	93.925	<u>54,645</u>
		<u>2,014,293</u>
Nursing Student Loan - Baccalaureate	93.364	2,186,845
Nursing Student Loan - Baccalaureate, Flint	93.364	500
Nursing Student Loan - Graduate	93.364	<u>258,473</u>
		<u>2,445,818</u>
Nursing Faculty Loan Program	93.264	<u>1,112,700</u>
Total federal loans outstanding		<u>\$ 99,709,853</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, 2009 is identified below.

	CFDA	
	<u>Number</u>	<u>Loans issued</u>
Department of Education, Federal Perkins Program	84.038	\$ <u>8,817,522</u>
Department of Health and Human Services:		
Health Professions Loan Program - Medicine/Primary Care	93.342	455,546
Health Professions Loan Program - Pharmacy	93.342	154,500
Health Professions Loan Program - Dentistry	93.342	<u>660,442</u>
		<u>1,270,488</u>
Disadvantaged Student Loan Program - Medicine/Primary Care	93.925	459,841
Disadvantaged Student Loan Program - Pharmacy	93.925	
Disadvantaged Student Loan Program - Dentistry	93.925	<u>459,841</u>
Nursing Student Loan – Baccalaureate	93.364	281,963
Nursing Student Loan - Baccalaureate, Flint	93.364	
Nursing Student Loan – Graduate	93.364	<u>23,720</u>
		<u>305,683</u>
Nursing Faculty Loan Program	93.264	<u>419,123</u>
Total federal loans issued July 1, 2008 – June 30, 2009		<u>\$ 11,272,657</u>

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, 2009, and have issued our report thereon dated September 8, 2009. 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of 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 8, 2009

**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 U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009, except as described in the second paragraph of this report. The University of Michigan'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, 2009.

Internal Control Over Compliance

The 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration 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 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 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.

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.



September 8, 2009

**The University of Michigan
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2009**

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:

CFDA Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
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

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

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, 2009**

Section III – Federal Award Findings and Questioned Costs

None.

The University of Michigan
Schedule of Status of Prior Year Findings and Questioned Costs

There are no findings from prior years that require a status update.