



**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Financial Statements, Management's Discussion and  
Analysis, and Schedules of Expenditures of Federal  
and State of New Jersey Awards

June 30, 2012

(With Independent Auditors' Reports Thereon)

# NEW JERSEY INSTITUTE OF TECHNOLOGY

June 30, 2012

## Table of Contents

	<b>Page</b>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Statement of Net Assets at June 30, 2012 and 2011	12
Statement of Revenues, Expenses, and Changes in Net Assets for the years ended June 30, 2012 and 2011	13
Statement of Cash Flows for the years ended June 30, 2012 and 2011	14
Notes to Financial Statements:	
1. Organization and Summary of Significant Accounting Policies	15
2. Cash and Cash Equivalents, Investments, and Deposits Held with Trustees	19
3. Capital Assets	23
4. Supplementary Statement of Net Assets Detail	24
5. Noncurrent Liabilities	25
6. Long Term Debt	26
7. Compensated Absences	29
8. Retirement Programs	29
9. Investment (Loss) Income	30
10. Unrestricted Net Assets	31
11. Commitments and Contingencies	31
12. Subsequent Event	31
Schedule of Expenditures of Federal Awards for the year ended June 30, 2012	32
Schedule of Expenditures of State of New Jersey Awards for the year ended June 30, 2012	40

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

**June 30, 2012**

**Table of Contents**

	<b>Page</b>
Notes to Schedules of Expenditures of Federal and State of New Jersey Awards:	
1. Basis of Presentation	42
2. Federal Perkins Loan Program	42
3. Other Loan Programs	42
4. Subrecipient Awards	43
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government     Auditing Standards</i>	44
Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With Federal OMB Circular A-133 and New Jersey OMB Circular 04-04	46
Schedule of Findings and Questioned Costs for the year ended June 30, 2012:	
1. Summary of Auditor's Results	49
2. Findings Relating to the Financial Statements Reported in Accordance with <i>Government     Auditing Standards</i>	50
3. Findings and Questioned Costs Relating to Federal or State of New Jersey Awards	50



**KPMG LLP**  
**New Jersey Headquarters**  
51 John F. Kennedy Parkway  
Short Hills, NJ 07078-2702

## **Independent Auditors' Report**

The Board of Trustees  
New Jersey Institute of Technology:

We have audited the accompanying basic financial statements of New Jersey Institute of Technology (the University), a component unit of the State of New Jersey, as of and for the years ended June 30, 2012 and 2011, as listed in the table of contents. 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 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 also 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Jersey Institute of Technology as of June 30, 2012 and 2011, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 audits.



U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

September 28, 2012

# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

### Introduction

The following discussion and analysis provides an analytical overview of the financial position and activities of New Jersey Institute of Technology (NJIT) and Foundation at New Jersey Institute of Technology (the Foundation) (collectively, the University) at and for the years ended June 30, 2012 and 2011. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Since its founding in 1881, NJIT has been transformed from a local technical school to one of America's top tier national research universities. While moving steadily to increasingly higher levels of excellence in educational performance, NJIT has become a research and development hub, participating in entrepreneurial development and building business partnerships through research and development initiatives. NJIT has evolved into an international presence, both in the scope of its educational programs, including on-site and distance learning offerings, attraction of international students to its programs, and through the reach of its educational, scientific, and technological influence at international forums and in international research projects.

NJIT is a public, student-centered, urban research university, committed to the pursuit of excellence in undergraduate, graduate, and continuing professional education, in the conduct of research with emphasis on applied and multi-disciplinary areas, in contributing to the economic development of New Jersey (the State), and in service to both its local communities and the broader society of the State and the nation. In fiscal year 2012, approximately 400 full-time faculty members served over 9,500 students. NJIT offers a diverse range of degree programs in an array of engineering and technology disciplines, computer and information science, architecture, applied sciences, management, statistics and actuarial science, including Ph.D. programs in nineteen professional areas, masters programs in fifty-nine specialties, and forty-seven baccalaureate degree programs. NJIT also operates a small business incubator whose mission is to accelerate the successful development of entrepreneurial companies through an array of business support resources and services.

Established pursuant to an 1881 New Jersey statute, NJIT was formally recognized as a body corporate and politic by The New Jersey Institute of Technology Act of 1995. The Foundation is a separately incorporated 501(c)(3) resource development organization that encourages private philanthropy on behalf of NJIT.

### Financial Highlights

The University's financial position at June 30, 2012 and 2011 was sound, with total assets of \$509,916 and \$427,778, and total liabilities of \$298,039 and \$216,574, respectively. Net assets, which represent the excess of the University's assets over its liabilities, totaled \$211,877 and \$211,204 at June 30, 2012 and 2011, respectively. Net assets increased \$673 and \$19,105 in fiscal years 2012 and 2011, respectively, due to an excess of net nonoperating and other revenues over the operating loss.

## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

### The Financial Statements

The University's financial statements include a statement of net assets at June 30, 2012 and 2011, and statements of revenues, expenses, and changes in net assets and of cash flows for the years then ended. The financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB).

### Statement of Net Assets

The statement of net assets presents the University's financial position at June 30, 2012 and 2011, and is summarized as follows. The summarized statement of net assets at June 30, 2010 is also presented for comparative purposes.

	<b>June 30,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
Current assets	\$ 91,037	\$ 83,828	\$ 62,624
Endowment investments	74,513	75,582	64,527
Capital assets, net	234,926	233,274	237,583
Other assets	109,440	35,094	29,150
Total assets	509,916	427,778	393,884
Current liabilities	47,983	38,711	35,647
Long term debt, noncurrent portion	238,828	166,558	155,696
Other liabilities	11,228	11,305	10,442
Total liabilities	298,039	216,574	201,785
Invested in capital assets, net of related debt	76,643	83,996	88,604
Restricted nonexpendable	53,197	49,851	44,809
Restricted expendable	18,225	21,044	17,375
Unrestricted	63,812	56,313	41,311
Total net assets	\$ 211,877	\$ 211,204	\$ 192,099

Current assets consist principally of cash and cash equivalents, grants and accounts receivable, deposits held with trustees, and short term investments. The increase in current assets at June 30, 2012 as compared to June 30, 2011 of \$7,209 relates principally to increases in cash and cash equivalents, deposits held with trustees due to the new 2012 Series A bonds and TD Master Leases, and short term investments, partially offset by a decrease in grants and accounts receivable, principally resulting from cash collections on students accounts receivable as well as write-offs of student accounts receivable deemed uncollectible and a decrease in Federal and State grants and accounts receivable. The increase in current assets at June 30, 2011 as compared to June 30, 2010 of \$21,204 relates principally to increases in cash and cash equivalents, deposits held with trustees due to the new 2010 Series H and I bonds, and grants and accounts receivable, partially offset by a decrease in short term investments.

## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

Current liabilities are comprised of accounts payable and accrued liabilities, the current portion of long term debt, deferred revenue, and amounts due to affiliates. The increase in current liabilities at June 30, 2012 as compared to June 30, 2011 of \$9,272 principally results from increases in accounts payable, primarily relating to construction and renovation projects, accrued salaries and fringe benefits, accrued interest expense, deferred revenue, current portion of long term debt, and due to affiliates. The increase in current liabilities at June 30, 2011 as compared to June 30, 2010 of \$3,064 principally results from increases in accounts payable and accrued liabilities due to the timing of payment of invoices, accrued interest expense, deferred revenue resulting from an increase in advance payments from grants and contracts and students, and due to affiliates, partially offset by a decrease in current portion of long term debt.

Excluding deposits held with trustees, which can only be used for debt service and facilities construction, and the current portion of long term debt, current assets exceeded current liabilities by \$37,194 and \$42,153 at June 30, 2012 and 2011, respectively. The University had \$42,536 and \$32,686 in cash and cash equivalents and short term investments to fund current operations, facilities rehabilitation projects, and other activities at June 30, 2012 and 2011, respectively. The net increase in cash and cash equivalents and short term investments at June 30, 2012 as compared to June 30, 2011 of \$9,850, principally results from a decrease in net cash used by operating activities as a result of the University's resource generating and cost cutting initiatives.

Endowment investments include gifts from donors that are to be invested in perpetuity, life income and annuity funds, unrestricted funds designated by management as quasi-endowment, and the related income and appreciation. Only the realized income and appreciation can be spent for the purposes specified by the donors in the gift documents. During fiscal year 2012, endowment investments decreased 1.4% reflecting fair value decreases at June 30, 2012 and realized investment losses, partially offset by growth from new gifts. During fiscal year 2011, endowment investments increased 17.1%, reflecting fair value increases at June 30, 2011, realized investment income, and growth from new gifts.

Capital assets increased 1.4% and 3.1% at cost during fiscal years 2012 and 2011, respectively. The fiscal year 2012 increase is the result of continued work on the rehabilitation and renovation of an academic facility, the commencement of construction of the Warren Street Village, a mixed-use residential housing complex, and campus facilities renovations, partially offset by write-offs of assets no longer in service. The fiscal year 2011 increase is the result of rehabilitation and renovation of an academic facility, implementation costs associated with an enterprise resource planning system, continued work on an indoor athletic recreation facility, an energy efficiency/renewable energy update to Oak Residence Hall, and campus facilities renovations.

Total long term debt at June 30, 2012 and 2011 totaled \$247,436 and \$173,251, respectively. During fiscal year 2012, the University issued 2012 Series A General Obligation Bonds in the amount of \$65,495. The proceeds of the bonds will finance, in part, the costs of constructing the Warren Street Village. The debt is composed of \$5,470 in serial bonds bearing interest rates of 4.0% and 5.0% and maturing at various dates through fiscal year 2028, and \$60,025 in term bonds bearing an interest rate of 5.0% with final maturity in fiscal year 2043. The University also entered into three TD Master Leases in the amount of \$14,159 for the purpose of repaying the SunTrust Master Lease and financing the costs of an upgrade to the University's information technology and research infrastructure. The debt matures in fiscal year 2019 with interest rates between 1.35% and 1.72%.



## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

Net assets invested in capital assets, net of related debt, represents the University's interests in land and land improvements, buildings and building improvements, equipment and other assets, and construction in progress, less the debt incurred to finance their acquisition. Net assets invested in capital assets, net of related debt, decreased \$7,353 and \$4,608, during fiscal years 2012 and 2011, respectively, as the increase in capital assets discussed above was more than offset by depreciation expense and a net increase in long term debt.

Restricted net assets represent the original value of additions to the University's endowment, the remainder of life income and annuity funds, gifts that are restricted to use for specific purposes by the donor, capital appropriations, endowment income, and other restricted sources. As discussed above, endowment funds represent gifts from donors that are to be invested in perpetuity. Life income and annuity funds are given to the University to be invested with the stipulation that the University pay an agreed-upon sum to designated individuals for a period of time or for the beneficiary's lifetime, after which period the remaining funds become part of the University's endowment or are used for the purpose designated by the donor. Restricted net assets increased \$527 during fiscal year 2012, primarily due to additions to permanent endowments, offset partially by realized investment losses and a decrease in the fair value of investments at June 30, 2012. Restricted net assets increased \$8,711 during fiscal year 2011, primarily due to additions to permanent endowments, realized investment gains, and a net increase in the fair value of investments at June 30, 2011. At June 30, 2012 and 2011, \$2,118 and \$1,571 were transferred from restricted nonexpendable net assets—scholarships and fellowships, and \$141 and \$26 were transferred from restricted nonexpendable net assets—instructional and other, respectively, to the corresponding restricted expendable net assets to temporarily fund deficits therein.

Unrestricted net assets are all other net assets that are available for general operations. Even though unrestricted net assets are not subject to external restrictions, management has designated the following unrestricted net assets in order to set them aside for the following specified purposes:

	<b>June 30,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
Scholarships and fellowships	\$ 5,433	\$ 5,853	\$ 5,172
Instructional and other	7,413	7,731	6,360
Debt service	3,698	5,209	4,579
Deferred financing costs	1,679	1,182	1,258
Outstanding purchase orders	3,615	2,770	2,320
Construction and capital programs	16,000	13,412	10,276
Warren Street Village construction	10,000	—	—
	<u>\$ 47,838</u>	<u>\$ 36,157</u>	<u>\$ 29,965</u>

### Statement of Revenues, Expenses, and Changes in Net Assets

The statement of revenues, expenses, and changes in net assets presents the operating results and the nonoperating and other revenues and expenses of the University.

## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

The components of revenues for the fiscal years ended June 30, 2012 and 2011 are as follows. The components of revenues for the fiscal year ended June 30, 2010 are also presented for comparative purposes:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Operating revenues:</b>			
Student tuition and fees, net	\$ 94,898	\$ 88,362	\$ 80,760
Federal, State, and other grants and contracts	88,518	81,823	72,575
Auxiliary enterprises, net	12,258	11,887	9,900
Other operating revenues	2,314	2,503	3,601
Total operating revenues	<u>197,988</u>	<u>184,575</u>	<u>166,836</u>
<b>Nonoperating and other revenues:</b>			
State appropriations	65,382	66,096	67,913
Gifts and bequests, capital grants and gifts, and additions to permanent endowments	6,897	7,043	7,043
Investment (loss) income	(1,039)	12,204	6,503
Other nonoperating revenues, net	2,068	1,758	1,754
Total nonoperating and other revenues	<u>73,308</u>	<u>87,101</u>	<u>83,213</u>
Total revenues	<u>\$ 271,296</u>	<u>\$ 271,676</u>	<u>\$ 250,049</u>

The components of expenses for the fiscal years ended June 30, 2012 and 2011 are as follows. The components of expenses for the fiscal year ended June 30, 2010 are also presented for comparative purposes:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Operating expenses:</b>			
Instruction	\$ 77,509	\$ 74,121	\$ 71,145
Research and programs	55,927	48,452	42,336
Public service	1,615	1,965	2,564
Academic support	22,075	19,287	17,788
Student services	17,134	15,687	15,533
Institutional support	37,664	32,067	31,384
Operation and maintenance of plant	13,532	13,524	15,677
Scholarships and fellowships	8,782	9,958	9,698
Depreciation and amortization	18,825	20,360	17,231
Auxiliary enterprises	9,972	9,647	7,391
Total operating expenses	<u>263,035</u>	<u>245,068</u>	<u>230,747</u>
<b>Nonoperating expenses:</b>			
Interest expense	7,588	7,503	7,460
Total nonoperating expenses	<u>7,588</u>	<u>7,503</u>	<u>7,460</u>
Total expenses	<u>\$ 270,623</u>	<u>\$ 252,571</u>	<u>\$ 238,207</u>

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

Student tuition and fees, auxiliary enterprises, and State appropriations are the primary sources of funding for the University's operating expenses.

Student tuition and fees totaled \$94,898, \$88,362, and \$80,760, net of scholarship allowances of \$37,175, \$33,598, and \$34,170, in fiscal years 2012, 2011, and 2010, respectively. The fiscal year 2012 and 2011 increases are principally attributable to 4.5% and 4.0% increases in tuition and fees, respectively, and increases in student enrollment in both years.

Auxiliary enterprises revenues, net of scholarship allowances of \$3,690, \$3,470, and \$3,215 in fiscal years 2012, 2011, and 2010, respectively, increased 3.1% to \$12,258 in fiscal year 2012 and 20.1% to \$11,887 in fiscal year 2011, principally due to increased occupancy and residence hall charges, in both years.

In accordance with GASB requirements, State appropriations are reported as nonoperating revenues despite the fact that their purpose is to fund operating activities. The components of State appropriations are as follows:

	<b>Fiscal Year Ended June 30,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
Direct appropriations for general operating purposes	\$ 37,697	\$ 39,191	\$ 39,472
FICA and fringe benefits paid by the State for University employees	27,685	26,905	25,432
State Fiscal Stabilization Fund	—	—	3,009
	<u>\$ 65,382</u>	<u>\$ 66,096</u>	<u>\$ 67,913</u>

The decreases in State appropriations in fiscal years 2012 and 2011 were the result of a general reduction in funding for Higher Education in the State's fiscal years 2012 and 2011 budgets.

Federal, State, and other grants and contracts revenues, which include facilities and administrative costs recovery, primarily fund the University's research and development activities and student financial aid programs, and are comprised of the following:

	<b>Fiscal Year Ended June 30,</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
Federal grants and contracts, including ARRA awards of \$10,269, \$6,137, and \$3,280 in fiscal years 2012, 2011, and 2010, respectively	\$ 66,078	\$ 60,249	\$ 52,971
State grants and contracts	17,781	17,230	16,044
Other grants and contracts	4,659	4,344	3,560
	<u>\$ 88,518</u>	<u>\$ 81,823</u>	<u>\$ 72,575</u>

## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

Federal grants and contracts revenues increased 9.7% in fiscal year 2012, primarily due to increases in research and program related grants and contracts. Federal grants and contracts revenues increased 13.7% in fiscal year 2011 due to an increase in research grants and contracts, partially offset by a decrease in student financial assistance grants. State grants and contracts revenues increased 3.2% in fiscal year 2012, due to an increase in student financial assistance grants, partially offset by a decrease in research grants and contracts. State grants and contracts revenues increased 7.4% in fiscal year 2011, due to increases in research grants and contracts and student financial assistance grants. Other grants and contracts revenues increased 7.3% and 22.0% in fiscal years 2012 and 2011, respectively.

Private support from corporations, foundations, alumni and other donors is an important factor in the University's growth and development. Gifts and bequests during fiscal years 2012 and 2011 totaled \$2,730 and \$3,354, respectively. Capital grants and gifts generated another \$159 and \$1,378, respectively, for the acquisition of capital assets, including ARRA awards of \$52 and \$1,219 in fiscal years 2012 and 2011, respectively. Additions to permanent endowments were \$4,008 and \$2,311 in fiscal years 2012 and 2011, respectively.

Investment (loss) income includes interest and dividends, realized net (loss) gain on the sale of investments, and net (decrease) increase in the fair value of investments. During fiscal year 2012, investment loss of \$1,039 was due to a decrease in the fair value of investments at June 30, 2012 and a realized net loss on the sale of investments, partially offset by interest and dividends. During fiscal year 2011, investment income of \$12,204 was due to an increase in the fair value of investments at June 30, 2011, a realized net gain on the sale of investments, and interest and dividends.

Instruction, academic support, student services, and scholarships and fellowships expenses totaled \$125,500, \$119,053, and \$114,164 in fiscal years 2012, 2011, and 2010, respectively. The increase of 5.4% in fiscal year 2012 is primarily the result of increased salaries and benefits, partially due to no capitalization of salaries and wages, and increased computer software maintenance costs, partially offset by a decrease in scholarships and fellowships expense resulting from an increase in scholarship allowances. The increase of 4.3% in fiscal year 2011 is primarily the result of increased salaries and benefits, partially attributable to a faculty separation incentive program, and a decrease in salaries and wages capitalized in connection with the implementation of an enterprise resource planning system.

Research and programs expense increased 15.4% to \$55,927 in fiscal year 2012 primarily as a result of the increase in Federal research and program related grants and contracts, and increased 14.4% to \$48,452 in fiscal year 2011 as a result of the increase in Federal, State, and other research grants and contracts.

Public service expenses decreased \$350 to \$1,615 and \$599 to \$1,965 in fiscal years 2012 and 2011, respectively, primarily due to decreased operating expenses of the University's information technology center in both years.

Institutional support increased 17.5% to \$37,664 in fiscal year 2012, primarily due to increases in salaries and benefits, partially due to no capitalization of salaries and wages, allowance for doubtful student accounts, and computer hardware maintenance costs. Institutional support increased 2.2% to \$32,067 in fiscal year 2011, primarily due to increases in salaries and benefits, legal affairs expenses, and an increase in the allowance for doubtful student accounts, partially offset by a decrease in credit card fees.

# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

Operation and maintenance of plant expense remained relatively constant in fiscal year 2012, and decreased 13.7% to \$13,524 in fiscal year 2011, primarily due to a decrease in utility costs due to a more favorable electricity supply contract, energy conservation measures, and an increased allocation of operations and maintenance expense to residence halls.

Auxiliary enterprises expense increased 3.4% to \$9,972 in fiscal year 2012, primarily due to increased operation and maintenance costs for residence halls, and increased 30.5% to \$9,647 in fiscal year 2011, primarily due to the rental of off-campus student housing and increased operation and maintenance costs for residence halls.

During fiscal years 2012 and 2011, the University incurred long term debt interest costs of \$8,383 and \$7,578, of which \$659 and \$75, respectively, was capitalized and will be amortized over the estimated useful lives of the associated capital assets. During fiscal year 2011, the University incurred a short term borrowing interest cost of \$8.

### Summary and Outlook

The University finds itself in a sound financial position at June 30, 2012. Overall enrollment increased for the fiscal 2012 academic year. The University continues to pursue its strategy of enhancing its research and development activities. The University's fundraising activities are successful, and have generated a significant endowment.

The University's debt is rated A1 by Moody's Investors Service and A+ by Standard & Poor's. Moody's affirmed its rating in fiscal year 2012, noting the University's "niche market position as the sole public stand-alone technical research university in the State, enrollment growth accompanied by continued net tuition growth, diversified revenue sources, and three consecutive years of positive operating performance with double-digit cash flows to cover rising debt service, offset by significant increase in debt and very thin balance sheet to pro-forma debt and operations." Standard & Poor's affirmed its rating in fiscal year 2012, noting "The stable outlook reflects our opinion that over the two-year outlook period, enrollment will likely remain stable, financial operations will likely be balanced on a full-accrual basis, and any additional debt issuances will be commensurate with maintenance or growth in financial resource ratios. We also expect that management will manage operations effectively through the constrained State funding environment."

The University's relations with its employees are good. A union contract is in place with one of the seven labor unions representing employees on campus. Negotiations are in progress with five of the unions and are about to commence with yet another. It is anticipated that all negotiations will come to mutually favorable conclusions.

The University's endowment is prudently managed, with a broad-based asset allocation. A group of managers, each focused on their sector of the asset allocation, limited exposure to sub-prime investments, and use of alternative investments, including timber, to implement the investment strategy have, to date, been reasonably effective given the overall market conditions.

## **NEW JERSEY INSTITUTE OF TECHNOLOGY**

### Management's Discussion and Analysis

(Dollars in thousands)

June 30, 2012 and 2011

As part of its long range plan, the University expects that its activities will continue to increase the total operating budget. As a result of the State's reduction in funding for Higher Education over the past several fiscal years, management initiated steps to increase alternative funding sources and to reduce expenses, including increases in enrollment, cost cutting initiatives, a more aggressive research and development program, a more intensive fund raising program, and increases in tuition and fees. Included in the University's strategic plan are a greater emphasis on expanded outreach programs, increased scholarships for desirable students, the establishment of new programs and extension sites in order to generate increases in enrollment, and the hiring of new faculty members who have a stronger inclination to become involved in research activities in addition to their teaching responsibilities in order to expand its research and development program. The University's efforts in these resource generating and expense reduction initiatives have been and are anticipated to continue to be successful.

Management has been and will continue to be an active participant in the State's planning process, in order to ensure that its voice is heard and the University's needs are properly presented and considered in the State's financial deliberations.

All in all, the University's management is of the opinion that the University's financial condition is sound.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Statement of Net Assets

(Dollars in thousands)

at June 30,

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 37,474	\$ 32,686
Short term investments	5,062	—
Grants and accounts receivable, net	32,019	39,520
Deposits held with trustees	14,468	9,657
Other current assets	<u>2,014</u>	<u>1,965</u>
Total current assets	<u>91,037</u>	<u>83,828</u>
Noncurrent assets:		
Endowment investments	74,513	75,582
Investments	8,739	7,760
Investments - Warren Street Village construction	67,706	—
Deposits held with trustees	24,156	18,460
Other assets	8,839	8,874
Capital assets, net of accumulated depreciation of \$284,138 and \$278,707, respectively	<u>234,926</u>	<u>233,274</u>
Total noncurrent assets	<u>418,879</u>	<u>343,950</u>
Total assets	\$ <u>509,916</u>	\$ <u>427,778</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 24,807	\$ 19,972
Long term debt, current portion	8,608	6,693
Deferred revenue	11,433	9,580
Due to affiliates	<u>3,135</u>	<u>2,466</u>
Total current liabilities	<u>47,983</u>	<u>38,711</u>
Noncurrent liabilities:		
Long term debt	238,828	166,558
Other noncurrent liabilities	9,444	9,564
U.S. government grants refundable	<u>1,784</u>	<u>1,741</u>
Total noncurrent liabilities	<u>250,056</u>	<u>177,863</u>
Total liabilities	\$ <u>298,039</u>	\$ <u>216,574</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	\$ 76,643	\$ 83,996
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	43,488	40,031
Instructional and other	9,709	9,820
Expendable:		
Scholarships and fellowships	5,336	7,845
Instructional and other	7,149	7,228
Research and programs	276	736
Debt service	4,430	4,205
Loans	1,034	1,030
Unrestricted (see note 10)	<u>63,812</u>	<u>56,313</u>
Total net assets	\$ <u>211,877</u>	\$ <u>211,204</u>

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

## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Statement of Revenues, Expenses, and Changes in Net Assets

(Dollars in thousands)

For the years ended June 30,

	2012	2011
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$37,175 and \$33,598, respectively	\$ 94,898	\$ 88,362
Federal grants and contracts	66,078	60,249
State grants and contracts	17,781	17,230
Other grants and contracts	4,659	4,344
Auxiliary enterprises, net of scholarship allowances of \$3,690 and \$3,470, respectively	12,258	11,887
Other operating revenues	2,314	2,503
Total operating revenues	197,988	184,575
Operating expenses:		
Instruction	77,509	74,121
Research and programs	55,927	48,452
Public service	1,615	1,965
Academic support	22,075	19,287
Student services	17,134	15,687
Institutional support	37,664	32,067
Operation and maintenance of plant	13,532	13,524
Scholarships and fellowships	8,782	9,958
Depreciation and amortization	18,825	20,360
Auxiliary enterprises	9,972	9,647
Total operating expenses	263,035	245,068
Operating loss	(65,047)	(60,493)
Nonoperating revenues (expenses):		
State appropriations	65,382	66,096
Gifts and bequests	2,730	3,354
Interest expense	(7,588)	(7,503)
Investment (loss) income	(1,039)	12,204
Other nonoperating revenues, net	2,068	1,758
Net nonoperating revenues	61,553	75,909
(Loss) income before other revenues	(3,494)	15,416
Other revenues:		
Capital grants and gifts	159	1,378
Additions to permanent endowments	4,008	2,311
Total other revenues	4,167	3,689
Increase in net assets	673	19,105
Net assets, beginning of year	211,204	192,099
Net assets, end of year	\$ 211,877	\$ 211,204

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



**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Statement of Cash Flows

(Dollars in thousands)

For the years ended June 30,

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Student tuition and fees	\$ 96,857	\$ 83,616
Grants and contracts	91,304	83,823
Payments for salaries and benefits	(148,792)	(139,103)
Payments to suppliers	(60,168)	(54,360)
Payments for scholarships and fellowships	(8,782)	(9,958)
Loans issued to students	(245)	(111)
Loans collected from students	320	284
Auxiliary enterprises	12,270	11,858
University programs	2,247	2,672
Affiliates	669	441
Other receipts	306	247
Net cash used by operating activities	<u>(14,014)</u>	<u>(20,591)</u>
Cash flows from noncapital financing activities:		
State appropriations	46,576	48,882
Gifts and bequests for other than capital purposes	2,059	2,702
Additions to permanent endowments	4,441	1,753
Other receipts	2,050	1,429
Net cash provided by noncapital financing activities	<u>55,126</u>	<u>54,766</u>
Cash flows from capital financing activities:		
Proceeds from capital debt	86,117	73,904
Capital grants and gifts	159	1,991
Purchase of capital assets	(17,248)	(15,938)
Prepaid bond issuance costs	(621)	(631)
Principal paid on long term debt	(7,703)	(7,030)
Repayment of long term debt	(4,018)	—
Refunding of bonds	—	(58,064)
Interest paid on long term debt	(8,593)	(7,352)
Purchase of investments - Warren Street Village construction	(75,102)	—
Sale of investments - Warren Street Village construction	7,306	—
Deposits with trustees	(25,607)	(80,521)
Withdrawals from trustees	15,075	75,021
Net cash used by capital financing activities	<u>(30,235)</u>	<u>(18,620)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	21,512	29,687
Interest and dividends on investments	1,860	1,622
Purchase of investments	(29,461)	(26,451)
Net cash (used by) provided by investing activities	<u>(6,089)</u>	<u>4,858</u>
Net increase in cash and cash equivalents	4,788	20,413
Cash and cash equivalents, beginning of year	<u>32,686</u>	<u>12,273</u>
Cash and cash equivalents, end of year	<u>\$ 37,474</u>	<u>\$ 32,686</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (65,047)	\$ (60,493)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	18,825	20,360
Noncash operating expenses	19,375	17,907
Changes in assets and liabilities:		
Grants and accounts receivable	7,744	(2,362)
Other assets, current and noncurrent	78	(48)
Accounts payable and accrued liabilities	2,489	3,014
Deferred revenue	1,853	589
Due to affiliates	669	442
Net cash used by operating activities	<u>\$ (14,014)</u>	<u>\$ (20,591)</u>
Noncash transactions:		
State appropriations for fringe benefits	\$ 18,776	\$ 17,447
Gifts and bequests for other than capital purposes	12	476
Additions to permanent endowments	7	123
Capital leases	65	60
Capital assets	2,137	474

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

# NEW JERSEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

## 1. Organization and Summary of Significant Accounting Policies

New Jersey Institute of Technology (NJIT), a public research university, includes six collegiate units: Newark College of Engineering, College of Computing Sciences, College of Architecture and Design, College of Science and Liberal Arts, School of Management, and Albert Dorman Honors College; a graduate division; a continuing education program; and a number of research centers. Fields of study include engineering, computer science, architecture, applied sciences, management, statistics, and actuarial science. NJIT offers programs and courses leading to bachelors, masters, and doctoral degrees, and also conducts an extensive research program.

The New Jersey Institute of Technology Act of 1995 established NJIT as a body corporate and politic and determined that the exercise of NJIT's powers was a public and essential government function. NJIT has its origins in an 1881 New Jersey statute.

Foundation at New Jersey Institute of Technology (the Foundation) is a component unit of NJIT. The Foundation raises and manages funds to support the further development and growth of programs at NJIT. Because of the significance of its operational and financial relationships with NJIT, the Foundation's financial statements are combined and reported on a blended basis with those of NJIT. Copies of the Foundation's financial statements can be obtained by writing to Foundation at New Jersey Institute of Technology, University Heights, Newark, New Jersey 07102, Attention: University Advancement Office.

Pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, NJIT, which is financially dependent on the State of New Jersey (the State), is considered to be a component unit of the State for its financial reporting purposes. Accordingly, the financial statements of NJIT and the Foundation (collectively, the University) are included in the State's Comprehensive Annual Financial Report.

### (a) *Basis of Presentation*

The University's financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus, in accordance with U.S. generally accepted accounting principles as promulgated by the GASB. All significant transactions between NJIT and the Foundation have been eliminated.

### (b) *Use of Estimates*

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the statement of net assets dates, as well as the reported amounts of revenues and expenses for the fiscal years then ended. Actual results could differ from those estimates.

### (c) *Cash and Cash Equivalents*

The University considers money market funds, investments with original maturities of three months or less, and investments in sweep accounts with original maturities of twelve months or less to be cash equivalents, except for those included in endowment investments and deposits held with trustees.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

Investments in sweep accounts with original maturities greater than twelve months are classified as noncurrent assets, even though their purpose is to be used for operating activities.

**(d) Investments and Deposits Held with Trustees**

Investments in marketable equity securities, debt instruments, and mutual funds are carried at fair value, based on quoted market prices. Hedge and other investment funds are carried at estimated fair value based on the net asset values reported by the fund managers, which are reviewed by management for reasonableness. Those estimated fair values may differ from the values that would have been used had a ready market for these securities existed.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investment securities could occur. Such changes could materially affect the amounts reported in the statement of net assets.

**(e) Deferred Financing Costs**

Deferred financing costs are included in other current assets and other assets, and are amortized over the life of the related long term debt.

**(f) Capital Assets**

Capital assets are carried at cost or, in the case of gifts, fair value at date of donation. Expenditures for replacements are capitalized, and the replaced items are retired. Expenses resulting from disposal of property are included in other nonoperating revenues, net. Depreciation is calculated on the straight-line basis over the following estimated useful lives:

Land improvements	20 years
Buildings and building improvements	20 to 40 years
Equipment and other assets	3 to 10 years

**(g) Due to Affiliates**

Due to affiliates consists of amounts the University is holding as agent for the following entities:

	<b>June 30,</b>	
	<b>2012</b>	<b>2011</b>
NJEDge.Net	\$ 2,050	\$ 1,526
Student organizations	896	935
Other organizations	189	5
	<b>\$ 3,135</b>	<b>\$ 2,466</b>

# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

### (h) *Classification of Net Assets*

The University classifies its resources into three net asset categories:

- Invested in capital assets, net of related debt, contains the land and land improvements, buildings and building improvements, equipment and other assets, and construction in progress of the University and the indebtedness incurred to finance their acquisition and construction. Title to capital assets acquired through research grants and contracts remains with the University at the conclusion of the grant or contract period with the permission of the grantor.
- Restricted nonexpendable net assets are comprised of endowment, life income, and annuity funds. Endowments are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and that only the realized income and appreciation be utilized.

Life income and annuity funds consist of annuity and unitrust funds which are given to the University to be invested with the stipulation that the University pay an agreed-upon sum to designated individuals for a period of time or for the beneficiary's lifetime. At the termination of the agreement, the remaining funds either become part of the University's endowment or are used for the purpose designated by the donor.

Restricted expendable net assets include gifts that are restricted to use for specific purposes by the donor, capital appropriations, endowment income and appreciation, and other restricted resources. Funds that are restricted are utilized only for the specified purposes.

- Unrestricted net assets are derived principally from student tuition and fees, gifts and bequests, and investment income, and are spent to meet the objectives of the University. The University designates portions of its unrestricted net assets for certain specific purposes (see note 10).

The University's policy is to first utilize available restricted, and then unrestricted, resources in the conduct of its operations.

### (i) *Classification of Revenue*

Operating revenues are those that result from the provision of services related to the University's principal purposes of instruction and research, and are generally associated with exchange transactions. Nonoperating revenues result from activities that are not directly related to the University's principal purposes, but that exist in order to support them, and generally consist of nonexchange transactions. Other revenues arise from nonexchange transactions which provide funding for acquisitions of capital assets and additions to permanent endowments.

### (j) *Revenue Recognition*

Student tuition and fees revenues are recognized in the period earned. Student tuition and fees collected in advance of the fiscal year are recorded as deferred revenue in the statement of net assets.

Grants and contracts revenues are recognized when the related expenditures are incurred. The unexpended portion of advance grant payments is recorded as deferred revenue in the statement of net assets.

# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

Investment income, which includes interest, dividends, and realized and unrealized gains and losses, is recognized on the accrual basis. Gains and losses on investments are determined using specific identification, except for mutual funds, for which they are based on average cost.

Gifts and bequests are recorded upon their donation to the University. Pledges, other than endowment, are recognized as gift income and recorded at their present value. Additions to permanent endowments are recognized upon their receipt.

**(k) *Facilities and Administrative Costs Recovery***

Facilities and administrative costs are recovered at rates specified under the various grants and contracts or at a predetermined rate negotiated with the U.S. Department of Health and Human Services, the University's cognizant Federal agency, and are recorded as grants and contracts revenues.

**(l) *Auxiliary Activities***

Auxiliary activities consist primarily of residence hall and parking operations.

**(m) *Fringe Benefits Paid by the State***

Certain fringe benefits for the University's employees are paid by the State. Such amounts (\$27,685 and \$26,905 in fiscal years 2012 and 2011, respectively) are included in State appropriations. The offsetting expenses are recorded within the appropriate operating expense categories.

**(n) *Tax Status***

NJIT and the Foundation have received determination letters from the Internal Revenue Service stating that they are organizations as described in Sections 115(a)(2) and 501(c)(3), respectively, of the Internal Revenue Code (the Code) and, therefore, are exempt from Federal income taxes under Section 501(a) of the Code.

**(o) *Reclassifications***

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

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

**2. Cash and Cash Equivalents, Investments, and Deposits Held with Trustees**

The cost and fair value of cash and cash equivalents, investments, and deposits held with trustees are as follows:

	<b>June 30,</b>			
	<b>2012</b>		<b>2011</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
<b>Cash and cash equivalents:</b>				
Cash	\$ 405	\$ 405	\$ 405	\$ 405
Money market funds	37,069	37,069	32,281	32,281
	<u>37,474</u>	<u>37,474</u>	<u>32,686</u>	<u>32,686</u>
<b>Investments:</b>				
Money market funds	23,308	23,308	2,566	2,566
Certificates of deposit	24,103	24,103	500	500
U.S. Treasury and government agency bonds	9,183	9,590	8,301	8,481
Commercial paper	10,185	10,197	—	—
Corporate equity securities	20,857	23,531	12,479	15,381
Corporate debt securities	15,941	15,891	587	619
Mutual equity funds	10,825	11,179	20,437	20,991
Mutual bond funds	13,685	14,154	8,385	8,752
Hedge and other investment funds	23,876	24,067	24,649	26,052
	<u>151,963</u>	<u>156,020</u>	<u>77,904</u>	<u>83,342</u>
<b>Deposits held with trustees:</b>				
Money market funds	24,098	24,098	16,129	16,129
U.S. Treasury and government agency bonds	14,527	14,526	10,880	10,882
Mutual bond funds	—	—	1,084	1,106
	<u>38,625</u>	<u>38,624</u>	<u>28,093</u>	<u>28,117</u>
<b>Total cash and cash equivalents, investments, and deposits held with trustees</b>	<u>\$ 228,062</u>	<u>\$ 232,118</u>	<u>\$ 138,683</u>	<u>\$ 144,145</u>

## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

Cash and cash equivalents have a bank balance of \$39,907 and \$36,931, including cash held by depositories of \$421 and \$462 at June 30, 2012 and 2011, respectively. At June 30, 2012 and 2011, respectively, cash held by depositories of \$256 and \$297 are insured by the Federal Deposit Insurance Corporation (FDIC); cash and cash equivalents of \$19,618 and \$21,607 are collateralized or insured; amounts in excess are neither collateralized nor insured. Investments and deposits held with trustees are either insured or held by the University or its agent in the University's name. Money market and mutual funds are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Endowment investments totaling \$2,143 and \$2,295 at fair value (\$1,992 and \$2,093 at cost) at June 30, 2012 and 2011, respectively, are held and administered by external trustees, while the remainder are held and administered by the University.

Hedge and other investment funds are comprised of market neutral funds and private equity, real estate, and timber funds. The University is committed to invest an additional \$963 in these funds over the next two fiscal years.

Investments – Warren Street Village construction represent the proceeds of the 2012 Series A bonds (see note 6). These funds are separately invested, and are designated for the costs of construction of the Warren Street Village, a mixed-use residential housing complex.

Deposits held with trustees represent restricted funds held by U.S. Bank and The Bank of New York Mellon under terms of the revenue bond agreements with the New Jersey Educational Facilities Authority (NJEFA), by Deutsche Bank under terms of the 2012 Series A general obligation bond agreement, and by TD Equipment Finance, Inc. under the TD Master Leases in fiscal year 2012, and by SunTrust bank under the terms of the SunTrust Master lease in fiscal year 2011 (see note 6). Of the total deposits held at June 30, 2012 and 2011, \$7,826 is required to be maintained in accordance with the mortgage bond indenture agreements.

The University, NJEFA, U.S. Bank, and Credit Suisse First Boston International (CSFBI) entered into an agreement for the investment of a portion of the University's debt service reserve for the 2004 Series B Bonds. Under this agreement, the University was committed to purchase up to \$4,100 per year of U.S. Treasury securities at maturity value from CSFBI through fiscal year 2024. For these commitments, CSFBI guaranteed the University an annual payment of \$257. For the years ended June 30, 2012 and 2011, this equated to an effective 6.3% rate of return, the arbitrage rebate limit. This agreement was terminated at the end of fiscal year 2012 in conjunction with the fiscal year 2013 advance refunding of the 2004 Series B bonds (see note 12); proceeds of \$2,064 are included in deferred revenue in the statement of net assets.

The University invests in investment grade bonds rated at least BBB (or equivalent) at the time of purchase and in repurchase agreements rated at least A1 (or equivalent) at the time of purchase. The University may also invest in below investment grade bonds to serve as equity substitutes within the overall allocation for equities. There is no limitation placed on the ownership of U.S. Treasury or government agency bonds. The endowment investment policy establishes as an objective that the aggregate fixed income portfolio have an average rating of A or better.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

The University limits its investments to 5% of the securities of any one company and 15% of the securities of any one industry, in order to achieve a prudent level of portfolio diversification.

At June 30, 2012 and 2011, fixed income investments included in cash and cash equivalents, investments, and deposits held with trustees have the following maturities:

Investment Type	Fair Value	June 30, 2012			
		Investment Maturities (in years)			
		Less Than 1	1 to 5	5 to 10	More Than 10
Money market funds	\$ 84,475	\$ 84,475	\$ —	\$ —	\$ —
Certificates of deposit	24,103	24,103	—	—	—
U.S. Treasury and government agency bonds	24,116	15,605	3,839	4,629	43
Commercial paper	10,197	10,197	—	—	—
Corporate debt securities	15,891	15,272	318	111	190
Mutual bond funds	14,154	5,116	3,265	5,773	—
Total fixed income investments	\$ 172,936	\$ 154,768	\$ 7,422	\$ 10,513	\$ 233

Investment Type	Fair Value	June 30, 2011			
		Investment Maturities (in years)			
		Less Than 1	1 to 5	5 to 10	More Than 10
Money market funds	\$ 50,976	\$ 50,976	\$ —	\$ —	\$ —
Certificate of deposit	500	500	—	—	—
U.S. Treasury and government agency bonds	19,363	10,901	4,994	3,430	38
Corporate debt securities	619	82	221	146	170
Mutual bond funds	9,858	37	7,276	2,545	—
Total fixed income investments	\$ 81,316	\$ 62,496	\$ 12,491	\$ 6,121	\$ 208



**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

The University invests its endowment funds in accordance with applicable limitations set forth in gift instruments or guidelines established by NJIT's Board of Trustees and the Foundation's Board of Overseers.

A portion of the University's endowment investments are held in an endowment investment pool. The cost and fair value of the pooled investments are as follows:

	<b>June 30,</b>			
	<b>2012</b>		<b>2011</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
Money market funds	\$ 4,294	\$ 4,294	\$ 2,223	\$ 2,223
Corporate equity securities	20,493	23,154	12,283	15,171
Mutual equity funds	8,520	8,927	17,221	17,682
Mutual bond funds	7,051	7,474	6,744	7,078
Hedge and other investment funds	23,653	23,829	24,441	25,847
<b>Total endowment investment pool</b>	<b>\$ 64,011</b>	<b>\$ 67,678</b>	<b>\$ 62,912</b>	<b>\$ 68,001</b>

In order to limit the risks associated with changes in interest rates, the University's endowment investment policy calls for a weighted average portfolio duration of not more than seven and one-half years for fixed income securities. At June 30, 2012 and 2011, the weighted average portfolio duration of fixed income securities included in the University's endowment investment pool was 4.4 years and 4.1 years, respectively.

Endowment investment pool units are assigned to new gifts based upon the value of the pool at the end of the quarter in which the gifts are received. There were 352,948 and 329,157 pool units with a fair unit value of \$191.75 and \$206.59 at June 30, 2012 and 2011, respectively. For the years ended June 30, 2012 and 2011, the average return per pool unit was (7.0%) and 16.0%, respectively.

The spending policy for endowment funds requires an annual calculation based on a three year rolling average of the market value per pool unit. The spending rates for the years ended June 30, 2012 and 2011 were 5.4% and 5.1%, respectively.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

**3. Capital Assets**

The activity in capital assets and accumulated depreciation for the years ended June 30, 2012 and 2011 was as follows:

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Placed Into Service</u>	<u>June 30, 2012</u>
Depreciable assets:					
Land improvements	\$ 8,368	\$ 454	\$ —	\$ —	\$ 8,822
Buildings and building improvements	383,712	—	(201)	2,394	385,905
Equipment and other assets	100,564	2,987	(12,825)	19	90,745
	<u>492,644</u>	<u>3,441</u>	<u>(13,026)</u>	<u>2,413</u>	<u>485,472</u>
Accumulated depreciation:					
Land improvements	2,927	494	—	—	3,421
Buildings and building improvements	199,901	12,434	(201)	—	212,134
Equipment and other assets	75,879	5,340	(12,636)	—	68,583
	<u>278,707</u>	<u>18,268</u>	<u>(12,837)</u>	<u>—</u>	<u>284,138</u>
	213,937	(14,827)	(189)	2,413	201,334
Nondepreciable assets:					
Land	17,870	—	—	—	17,870
Construction in progress	1,467	16,668	—	(2,413)	15,722
	<u>\$ 233,274</u>	<u>\$ 1,841</u>	<u>\$ (189)</u>	<u>\$ —</u>	<u>\$ 234,926</u>
	<u>June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Placed Into Service</u>	<u>June 30, 2011</u>
Depreciable assets:					
Land improvements	\$ 8,368	\$ —	\$ —	\$ —	\$ 8,368
Buildings and building improvements	372,071	64	—	11,577	383,712
Equipment and other assets	91,870	4,382	(240)	4,552	100,564
	<u>472,309</u>	<u>4,446</u>	<u>(240)</u>	<u>16,129</u>	<u>492,644</u>
Accumulated depreciation:					
Land improvements	2,508	419	—	—	2,927
Buildings and building improvements	186,691	13,210	—	—	199,901
Equipment and other assets	69,840	6,277	(238)	—	75,879
	<u>259,039</u>	<u>19,906</u>	<u>(238)</u>	<u>—</u>	<u>278,707</u>
	213,270	(15,460)	(2)	16,129	213,937
Nondepreciable assets:					
Land	17,870	—	—	—	17,870
Construction in progress	6,443	11,153	—	(16,129)	1,467
	<u>\$ 237,583</u>	<u>\$ (4,307)</u>	<u>\$ (2)</u>	<u>\$ —</u>	<u>\$ 233,274</u>

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

**4. Supplementary Statement of Net Assets Detail**

	<b>June 30,</b>	
	<b>2012</b>	<b>2011</b>
Grants and accounts receivable:		
Federal and State grants and accounts receivable	\$ 25,915	\$ 27,761
Student accounts receivable	6,312	11,819
Program services accounts receivable	1,147	1,401
Other grants and accounts receivable	2,132	1,821
Pledges receivable, current portion	630	487
Student loans receivable, current portion	321	282
Accrued interest receivable	281	64
	36,738	43,635
Less: allowance for doubtful accounts	4,719	4,115
	\$ 32,019	\$ 39,520
Other assets, noncurrent:		
Deferred financing costs	\$ 6,160	\$ 6,017
Student loans receivable	1,555	1,669
Pledges receivable	850	888
Other	274	300
	\$ 8,839	\$ 8,874
Accounts payable and accrued liabilities:		
Salaries and fringe benefits	\$ 11,144	\$ 8,729
Accrued interest expense	4,688	4,431
Accounts payable – construction	2,384	247
Accounts payable – other	5,388	5,476
Other noncurrent liabilities, current portion	1,203	1,089
	\$ 24,807	\$ 19,972

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

**5. Noncurrent Liabilities**

The activity in noncurrent liabilities for the years ended June 30, 2012 and 2011 was as follows:

	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>	<u>Current Portion</u>
Long term debt	\$ 168,091	\$ 79,719	\$ (11,515)	\$ 236,295	\$ 8,032
Unamortized net premium	5,160	6,463	(482)	11,141	576
Total long term debt	<u>173,251</u>	<u>86,182</u>	<u>(11,997)</u>	<u>247,436</u>	<u>8,608</u>
Retirement incentive programs	3,716	791	(698)	3,809	499
Annuity funds liability	2,364	522	(702)	2,184	489
Insurance liability reserve	1,447	4	—	1,451	—
Compensated absences	2,659	298	(188)	2,769	190
Other	467	97	(130)	434	25
Total other noncurrent liabilities	<u>10,653</u>	<u>1,712</u>	<u>(1,718)</u>	<u>10,647</u>	<u>1,203</u>
U.S. government grants refundable	1,741	43	—	1,784	—
Total noncurrent liabilities	<u>\$ 185,645</u>	<u>\$ 87,937</u>	<u>\$ (13,715)</u>	<u>\$ 259,867</u>	<u>\$ 9,811</u>

  

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2011</u>	<u>Current Portion</u>
Long term debt	\$ 159,951	\$ 71,475	\$ (63,335)	\$ 168,091	\$ 6,311
Unamortized net premium	2,939	2,489	(268)	5,160	382
Total long term debt	<u>162,890</u>	<u>73,964</u>	<u>(63,603)</u>	<u>173,251</u>	<u>6,693</u>
Retirement incentive programs	2,344	1,900	(528)	3,716	376
Annuity funds liability	2,577	895	(1,108)	2,364	506
Insurance liability reserve	1,449	—	(2)	1,447	—
Compensated absences	2,618	206	(165)	2,659	165
Other	485	66	(84)	467	42
Total other noncurrent liabilities	<u>9,473</u>	<u>3,067</u>	<u>(1,887)</u>	<u>10,653</u>	<u>1,089</u>
U.S. government grants refundable	1,713	31	(3)	1,741	—
Total noncurrent liabilities	<u>\$ 174,076</u>	<u>\$ 77,062</u>	<u>\$ (65,493)</u>	<u>\$ 185,645</u>	<u>\$ 7,782</u>

The current portion of other noncurrent liabilities is included in accounts payable and accrued liabilities.

Included in annuity funds liability are a net decrease of \$95 and a net increase of \$814 in the fair value of investments at June 30, 2012 and 2011, respectively.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

**6. Long Term Debt**

Long term debt is composed of:

	<u>June 30,</u>	
	<u>2012</u>	<u>2011</u>
General Obligation Bonds:		
2012 Series A issue:		
Serial bonds (interest rates of 4.00% and 5.00%, due on various dates through fiscal year 2028)	\$ 5,470	\$ —
Term bonds (interest rate at 5.00%, final maturity in fiscal year 2043)	60,025	—
Revenue Bonds:		
2010 Series H issue:		
Serial bonds (interest rates between 3.00% to 5.00%, due on various dates through fiscal year 2026)	29,760	29,760
Term bonds (interest rate at 5.00%, final maturity in fiscal year 2032)	21,205	21,205
2010 Series I issue:		
Term bonds (interest rate at 6.41%, final maturity in fiscal year 2041)	20,450	20,450
2004 Series B issue:		
Serial bonds (interest rates between 2.00% to 5.25%, due on various dates through fiscal year 2026)	63,180	66,465
2001 Series H issue:		
Term bonds (interest rate at 6.05%, final maturity in fiscal year 2017)	5,505	6,425
Other Long Term Debt:		
Higher Education Capital Improvement Fund	15,878	16,716
TD Master Leases	12,277	—
New Jersey Economic Development Authority note	2,217	2,357
SunTrust Master Lease	—	4,315
Other	328	398
	<u>236,295</u>	<u>168,091</u>
Unamortized net premium on obligations	11,141	5,160
	<u>247,436</u>	<u>173,251</u>
Less: current portion	8,608	6,693
Long term debt	<u>\$ 238,828</u>	<u>\$ 166,558</u>

## NEW JERSEY INSTITUTE OF TECHNOLOGY

### Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

The 2012 Series A Bonds were issued by the University to provide funds to finance, in part, the costs of constructing the Warren Street Village. The bonds were issued at a premium of \$6,463, which is being amortized against interest expense over the life of the bonds.

The 2012 Series A Bonds are subject to optional redemption prior to maturity on or after July 1, 2022 at a price of 100%.

The 2010 Series H and 2010 Series I Bonds were issued by NJEFA pursuant to an agreement with the University for the purpose of advance refunding a prior issue of revenue bonds and financing, in whole or in part, the costs of the acquisition, rehabilitation, and renovation of an academic facility and of campus deferred maintenance. The 2010 Series H Bonds were issued at a premium of \$2,489, which is being amortized against interest expense over the life of the bonds.

The 2010 Series H Bonds maturing on or before July 1, 2020 are not subject to optional redemption prior to maturity. The 2010 Series H Bonds maturing on or after July 1, 2021 are subject to redemption prior to maturity on or after July 1, 2020 at a price of 100%.

The 2010 Series I Bonds have been designated as "Build America Bonds". Thirty-five percent of the interest payments will be paid by the Federal government. For the fiscal years ended June 30, 2012 and 2011, \$459 and \$292, respectively, of Federal government interest payments is included in interest expense and in other nonoperating revenues, net in the statement of revenues, expenses, and changes in net assets.

The 2010 Series I Bonds are subject to optional redemption prior to maturity on or after July 1, 2020 at a price of 100%.

The 2004 Series B Bonds were issued by NJEFA pursuant to an agreement with the University for the purpose of refunding two prior issues of revenue bonds. The University's mortgage obligation to NJEFA is collateralized by certain land, buildings and building improvements, and equipment.

Except for extraordinary optional redemption as described in the debt agreement, the 2004 Series B Bonds maturing on or prior to July 1, 2013 are not subject to redemption prior to maturity. The 2004 Series B Bonds maturing on or after July 1, 2014 are subject to redemption prior to maturity on or after January 1, 2014 at a price of 100%.

The 2001 Series H Bonds were issued by NJEFA pursuant to an agreement with the University to provide funds to finance the costs of constructing a small business incubator facility. The University's mortgage obligations to NJEFA are collateralized by certain land, buildings and building improvements, and equipment.

The 2001 Series H Bonds are not subject to optional redemption, except for extraordinary optional redemption as described in the debt agreement.

The Higher Education Capital Improvement Fund (HECIF) obligation was issued by NJEFA to provide funds for certain construction and facilities improvements at the State's public institutions of higher education. The University is responsible for one third of its allocated debt service payments and related

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

program expenses. The HECIF debt bears an effective interest rate of 4.31% and matures in fiscal year 2025.

The TD Master Leases were entered into for the purpose of repaying the SunTrust Master Lease and financing the costs of an upgrade to the University's information technology and research infrastructure. The TD debt bears interest rates of between 1.35% and 1.72% with final maturity in fiscal year 2019.

The New Jersey Economic Development Authority (NJEDA) note, which matures in fiscal year 2028, is noninterest bearing and payable monthly. Imputed interest expense totaled \$85 and \$88 in fiscal years 2012 and 2011, respectively.

At June 30, 2012, deposits held with trustees included \$4,430 for principal payments on revenue bonds due on July 1, 2012. Payments due on long term debt, including mandatory sinking fund payments on the revenue bonds, are as follows for the fiscal years ending June 30:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2013	\$ 8,267	\$	10,896	\$	19,163
2014	8,494		10,622		19,116
2015	9,710		10,273		19,983
2016	9,040		9,949		18,989
2017	9,453		9,544		18,997
2018 to 2022	50,404		40,473		90,877
2023 to 2027	42,370		29,600		71,970
2028 to 2032	28,122		21,889		50,011
2033 to 2037	31,040		14,577		45,617
2038 to 2042	34,965		5,235		40,200
	<u>\$ 231,865</u>	\$	<u>163,058</u>	\$	<u>394,923</u>

The University has credit agreements with two banks permitting it to borrow up to \$6,000 in total, at the London Interbank Offered Rate (LIBOR) plus 1.0% and at LIBOR plus 1.4% (1.2% and 1.6% at June 30, 2012, respectively) at the time of utilization. At June 30, 2012 and 2011, there were no outstanding borrowings against these agreements.

Deferred financing costs associated with the University's long term debt totaled \$6,792 and \$6,547, net of accumulated amortization of \$3,988 and \$3,421, at June 30, 2012 and 2011, respectively.

Interest charges incurred in fiscal years 2012 and 2011 totaled \$8,383 and \$7,586, respectively. Of these amounts, \$659 and \$75 were capitalized in fiscal years 2012 and 2011, respectively. During fiscal year 2011, the University incurred a short term borrowing interest cost of \$8.

# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

### 7. **Compensated Absences**

Eligible employees accrue vacation leave based upon time employed with a maximum accumulation at June 30 of 10 to 50 days. In addition, eligible employees who retire are paid 50% of their unused sick time up to a maximum of \$15 per employee.

At June 30, 2012 and 2011, accounts payable and accrued liabilities include accrued vacation and related fringe benefits of \$4,761 and \$4,750, respectively, and unused sick time of \$190 and \$165, respectively. At June 30, 2012 and 2011, other noncurrent liabilities include \$2,579 and \$2,494, respectively, of unused sick time. In fiscal years 2012 and 2011, payments for unused sick time totaled \$188 and \$165, respectively.

### 8. **Retirement Programs**

Eligible full-time employees and certain part-time employees of the University participate in one of four retirement systems – the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), the Teachers' Pension and Annuity Fund (TPAF), or the Alternate Benefits Program (ABP). PERS, PFRS, and TPAF are cost-sharing, multiple-employer plans administered by the State of New Jersey. ABP is administered by a separate board of trustees.

By statute, the University's employees are considered to be State employees for purposes of pension contribution and postemployment benefits. Accordingly, the University bears none of the normal costs of its employees' participation, all of which are borne by the State. However, the University is responsible for retirement incentive program contributions to PERS and TPAF.

PERS is a defined benefit retirement program which provides coverage, including post-retirement health care, to substantially all full-time employees and certain part-time employees of the State or public agencies who are not members of another State-administered retirement system. Membership is mandatory for such employees. Vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. Members are eligible for retirement at age 60, with a benefit generally determined to be 1/55th of the average of the three highest years of compensation for each year of service credit. The current employee contribution rate is 3% of base salary. The University's retirement incentive program contributions to PERS for the years ended June 30, 2012 and 2011 were \$174 and \$167, respectively.

TPAF is a defined benefit retirement program which provides coverage, including post-retirement health care, to substantially all full-time public school teachers of the State. The University no longer enrolls new employees in TPAF. Vesting occurs after 10 years of credited service for pension benefits and 25 years for post-retirement health care coverage. The employee contribution rate is 3% of base salary. Members are eligible for retirement at age 60, with a benefit generally determined to be 1/55th of the average of the three highest years of compensation for each year of service credit. The University's retirement incentive program contributions to TPAF for the years ended June 30, 2012 and 2011 were \$53 and \$52, respectively.

PFRS is a defined benefit retirement program which provides coverage, including post-retirement health care, to substantially all permanent, full-time police officers and firemen in the State. Membership is mandatory for such employees. Vesting occurs after 10 years of service. The employee contribution rate is 8.5% of base salary. A member may retire at age 55 with a benefit equal to two percent of final



# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

compensation for each year of creditable service up to 30 years, plus one percent for each year in excess of 30 years.

The State issues publicly available financial reports that include financial statements and required supplementary information for PERS, TPAF, and PFRS. These reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

ABP is a defined contribution retirement program for eligible full-time employees, providing retirement, disability, and death benefits for professionals and faculty members. Membership is mandatory for such employees. Vesting occurs after one year of service. The employee contribution rate is 5% of total base salary, and the employer contribution rate is 8% of base salary up to \$141. Benefits are determined by the amount of individual accumulations and the retirement income option selected. For the years ended June 30, 2012 and 2011, the University's contributions to ABP were \$6,182 and \$6,079, respectively.

To offset the State limit, a supplemental benefit program, a defined contribution plan, exists for ABP participants whose base salary is in excess of \$141, but not in excess of the Federal limit. Vesting occurs after one year of service. Employer contributions are at the discretion of the University, while employees may not contribute. For the year ended June 30, 2012, the University's contribution was \$337.

### 9. Investment (Loss) Income

Investment (loss) income is comprised of the following for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>
Interest and dividends	\$ 1,975	\$ 1,599
Realized net (loss) gain on sale of investments	(1,703)	2,344
Net (decrease) increase in the fair value of investments	<u>(1,311)</u>	<u>8,261</u>
Investment (loss) income	<u>\$ (1,039)</u>	<u>\$ 12,204</u>

Interest income of \$145 and \$8 was capitalized in fiscal years 2012 and 2011, respectively, and is netted against interest expense.

At June 30, 2012 and 2011, \$2,118 and \$1,571 were transferred from restricted nonexpendable net assets—scholarships and fellowships, and \$141 and \$26 were transferred from restricted nonexpendable net assets—instructional and other, respectively, to the corresponding restricted expendable net assets to temporarily fund deficits therein.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Financial Statements

(Dollars in thousands)

June 30, 2012 and 2011

**10. Unrestricted Net Assets**

The components of unrestricted net assets are as follows:

	<b>June 30,</b>	
	<b>2012</b>	<b>2011</b>
Designated unrestricted net assets:		
Scholarships and fellowships	\$ 5,433	\$ 5,853
Instructional and other	7,413	7,731
Debt service	3,698	5,209
Deferred financing costs	1,679	1,182
Outstanding purchase orders	3,615	2,770
Construction and capital programs	16,000	13,412
Warren Street Village construction	10,000	—
	<u>47,838</u>	<u>36,157</u>
Undesignated unrestricted net assets	<u>15,974</u>	<u>20,156</u>
Unrestricted net assets	<u>\$ 63,812</u>	<u>\$ 56,313</u>

**11. Commitments and Contingencies**

At June 30, 2012, open purchase orders totaled \$58,177, primarily for construction and capital program and research expenditures.

In the normal course of business, the University is subject to various lawsuits and claims. Management believes that the ultimate resolution of these matters will not have a significant effect on the University's financial position.

**12. Subsequent Event**

On July 10, 2012, the University issued 2012 Series B General Obligation Bonds in the amount of \$55,475 for the purpose of advance refunding the 2004 Series B Bonds. The advance refunding resulted in a fiscal year 2013 loss on defeasance of \$1,744. Aggregate debt service payments over the next fourteen fiscal years will be reduced by \$3,534, representing an economic gain (difference between the present value of the old and new debt service payments) of \$3,881.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Award Number</b>	<b>Current Year Expenditures</b>
Research and Development Cluster:			
National Science Foundation:			
Algorithms and Complexity for Global Optimization	47.041	CMMI-0825381	\$ 70,126
Collaborative Research: GOALI: AIS Gene Library Based Real-Time Resource Allocation on Time-Sensitive Large-Scale Multi-Rate Systems	47.041	ECCS-0823960	36,587
Collaborative Research: Efficient Transport of Bubbles and Drops	47.041	CTS-0626123	8,188
Collaborative Research: The Nonatomic-Game Approach to Revenue Management Under Competition	47.041	CMMI-0854803	98,660
Collaborative Research: Container Scheduling - Complexity, Algorithms and Heuristics	47.041	CMMI-0969830	65,490
Collaborative Research: I/UCRC - Membrane Science, Engineering and Technology Center	47.041	IIP-1034710	79,033
Collaborative Research: A Unified Dynamical Systems-Simulation-Visualization Approach to Modeling and Analyzing Granular Flow Phenomena	47.041	CMMI-1029809	119,194
Collaborative Research: Using Electric Field and Capillarity for Particle Self-Assembly into Adjustable Monolayers	47.041	CBET-1067004	17,832
NIRT: Environmentally Benign Deagglomeration and Mixing of Nanoparticles	47.041	DMI-0506722	13,386
NIRT: Collaborative Research: Experimental and Computational Investigations of Fluid Interactions/Transport in Nanodomains and Around Nanoparticles	47.041	DMI-0210400	18
CAREER: Engineering Nervous Tissue in Vitro: Discovering the Mechanisms of Rapid Axon Stretch Growth	47.041	CBET-0747615	168,186
Silicon - Germanium Quantum Well-Quantum Dot Nanostructures for Integrated Light Emitters	47.041	ECCS-0725443	25,237
Turbulence in the Solar Photosphere	47.041	ATM-0716512	3,027
Perfluorinated Membranes for Pharmaceutical Processing	47.041	IIP-0624157	15,583
Kinetics of Free Radical Reactions of Combustion Importance at Elevated Pressures	47.041	CBET-0827398	69,915
Modeling the Mechanics of Light Activated Shape Memory Polymers	47.041	CMMI-0900278	60,930
Modeling and Simulation of Complex Stochastic Systems and Cascading Failures, with Applications to the Electric Power Grid	47.041	CMMI-0926949	52,822
Rational Design of Fluorinated Environments for Aerobic "Green Catalysis"	47.041	CBET-0967934	71,101
EAGER: Partial Oxidation of Methane Using Supported, Fluoroalkylated Phthalocyanine Catalysts	47.041	CBET-1022337	8,373
NSF-IFPRI Collaboratory in Dense Particulate Flow	47.041	CBET-1010008	3,750
Passed through Rutgers, The State University of New Jersey:			
ERC for Structured Organic Composites Pharmaceutical, Nutraceutical, and Agrochemical Applications	47.041	EEC-0540855	615,204
Commercializing of Continuous Pharmaceutical Manufacturing Technology	47.041	EEC-0951845	69,377
Silicon-Germanium Nanopillar Heterojunctions for Novel Transferred Electron Devices	47.041	ECCS-1027770	14,508
GOALI: Continuous Coating of Ultrafine Drug Particles by Heterogeneous Polymer Nucleation in a Hollow Fiber Membrane Module	47.041	CMMI-1100622	57,093
Self Sustainable Networking of Survivability - Heterogeneous Sensors	47.041	ECCS-1128369	32,879
Atmospheric Effects on Terahertz Wireless Communications	47.041	ECCS-1102222	79,586
REU Site: Experiences in Neural Engineering	47.041	EEC-1156916	64,776
Conferences on Frontiers of Applied and Computational Mathematics, 2011-2013	47.049	DMS-1108674	32,847
Calcium Dynamics in Exocytosis and Synaptic Facilitation	47.049	DMS-0817703	83,344
Rhythmic Oscillations in the Entorhino-Hippocampal System: Biophysics and Dynamics	47.049	DMS-0817241	86,209
Nonlinear Waves and Dynamical Systems	47.049	DMS-0807284	10,316
CDI-Type II: Collaborative Research: Computational Homology, Jamming, and Force Chains in Dense Granular Flows	47.049	DMS-0835611	32,519
Collaborative Research: Efficient Surface-Based Numerical Methods for 3D Interfacial Flow with Surface Tension	47.049	DMS-1016406	54,663
Collaborative Research: Constructing New Multiple Testing Methods	47.049	DMS-1006021	15,969
Collaborative Research: Mathematical and Computational Methods for Stochastic Systems in Nonlinear Optics	47.049	DMS-1109278	2,731
Collaborative Research: Dynamics of Morphogen Gradients	47.049	DMS-1119724	64,798
CAREER: Optical Spectroscopy of the Soft-Modes in Multiferroic Single Crystals	47.049	DMR-0546985	2,974
Thermal Effects on the Dynamics of Singularity Formation in Viscous Threads	47.049	DMS-0709092	2,038
Processing of Ceramic Materials by Microwave and OHMIC Heating	47.049	DMS-0708065	21,353
Interaction Between Flow and Topography in Interfacial Electro Hydrodynamics	47.049	DMS-0707339	3,678
Nonlinear Dynamics of Flames with Applications at High Pressure	47.049	DMS-0807340	50,337
Materials World Network - Renewable Resource Thermotropic Polyester	47.049	DMR-0908583	135,849
Develop High-Order Adaptive Optics for the 1.6 Meter Solar Telescope in BBSO	47.049	AST-0905279	202,631
UBM-Group: Undergraduate Biology and Mathematics Training Program at NJIT	47.049	DMS-0926232	61,706
Winding Domain Walls in Thin Ferromagnetic Films	47.049	DMS-0908279	92,745
Modeling and Analysis of Nematic Liquid Crystals in Thin Geometries: Bistable Configurations and Free Surface Instabilities	47.049	DMS-0908158	213,978
Electrically Active Scaffold for Stem Cell Differentiation	47.049	DMR-1006510	70,865
Hybrid Algorithms for Wave Propagation	47.049	DMS-1016405	38,324
Restricted Diffusion in Cellular Media: Application to Cortical Spreading Depression	47.049	DMS-1022848	73,225
Numerical Methods and Analysis for Interfacial Fluid Flow with Soluble Surfactant	47.049	DMS-1009105	133,511

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Award Number</b>	<b>Current Year Expenditures</b>
Research and Development Cluster, continued:			
National Science Foundation, continued:			
Engineering Silicon/Silicon-Germanium Nanostructure Heterointerfaces: Toward Group IV Light Emitters and Lasers	47.049	DMR-1005682	\$ 18,415
Passed through Association of Universities for Research in Astronomy, Inc.:			
On Site Technical Support for the Global Oscillation Network Group	47.049	AST-0946422	69,047
Linear Conductance-Based Mechanisms Underlying Oscillations in Neuronal Networks	47.049	DMS-1122291	66,221
NSWP: Magnetic Reconnection and Distribution of Accelerated Electrons in Solar Flares	47.050	ATM-0819662	56,613
FDSS: Physics of the Ionosphere and Magnetosphere - Bridging the Gap between Solar and Terrestrial Research and Education	47.050	ATM-0457277	17,923
High Resolution Studies of Solar Activity with New Solar Telescope	47.050	ATM-0745744	275,495
SHINE: Digitization of 27 Years of Big Bear Solar Observatory Films and Application in Statistical Study of Filaments and Flares	47.050	ATM-0849453	74,065
Operation and Application of High Resolution Full-Disk Global H-Alpha Network	47.050	ATM-0839216	59,581
CAREER: Developing High Resolution Infrared Instrumentation to Explore Solar Activity	47.050	ATM-0847126	91,448
Advanced Theory and Methods for Radio Spectral Diagnostics of Solar Flares	47.050	AGS-0961867	159,720
Observations and Analysis of White-Light Flares with High Resolution	47.050	AGS-1153424	987
Collaborative Research: Data Communication Via Particle Velocity Channels - A Paradigm Shift in Underwater Acoustic Communication	47.070	CCF-0830190	21,533
Collaborative Research: ANET: Mobius: A Multi-Tier Socially-Aware Network Infrastructure	47.070	CNS-0831753	89,069
Collaborative Research: NeTS-NECO: Energy Replenishment in Wireless Sensor Networks	47.070	CNS-0831906	25,234
Collaborative Research: Distributed Spectrum Leasing via Cross-Layer Cooperation	47.070	CCF-0914899	95,505
Collaborative Research: Integral - Equation-Based Fast Algorithms and Graph-Theoretic Methods for Large-Scale Simulations	47.070	CCF-0905395	51,650
Sensors: Narrow Band, Broad Band and Low Pass Metal Mesh Filters for Sensors in the IR to THZ Region and Instant Multiple Wavelength Detection of Chemical Agents	47.070	IIS-0514361	47,539
EAGER: Transforming Everyday Social Activity Coordination through Mobile Outeraction-Support Systems	47.070	IIS-1041476	11,306
EAGER: REPWiNet: Renewable Energy Powered Wireless Networks - Architecture, Protocols, and Implementations	47.070	CNS-1147602	27,523
CAREER: Secure & Reliable Outsourced Storage Systems Using Remote Data Checking	47.070	CNS-1054754	92,284
ER 2011: Fostering Interdisciplinary Research and Education in Software Engineering	47.070	IIS-1137233	6,260
CAREER: New Tools for High-Throughput Screening of Protein Libraries: Engineering Metalloproteins Displayed on Bacillus Subtilis Spores	47.074	MCB-0746078	100,745
An Automated, Real-Time Identification and Monitoring Instrument for Reef Fish Communities	47.074	DBI-0649878	10,787
Passed through The University of Texas:			
Collaborative Research: Large-Scale Simultaneous Multiple Alignment and Phylogeny Estimation	47.074	DEB-0733029	11,188
Passed through Wake Forest University:			
CBIN: Research Network for Sustaining Barrier Island Ecosystems in a Changing Global Environment	47.074	DEB-0741928	12,654
Passed through University of Maryland:			
Understanding the Dynamic Connections Among Stewardship, Land Cover, and Ecosystem Services in New York City's Urban Forest	47.074	DEB-1128370	13,617
SoCS: OKES: An Open Knowledge Exchange System to Promote Meta-Disciplinary Collaboration Based on Socio-Technical Principles	47.075	SES-0968445	28,122
QIC: Query in Context for Educational Collections	47.076	DUE-0937629	43,919
QuEST: Revolutionizing Repository Cross-Referencing to Transform Discovery of Teaching Materials	47.076	DUE-1043647	45,842
More than the Sum of Its Parts: Advancing Women at NJIT through Collaborative Research Networks	47.076	HRD-1008549	190,174
Passed through Rutgers, The State University of New Jersey:			
IGERT: Nanopharmaceutical Engineering and Sciences	47.076	DGE-0504497	21,241
Passed through Research Foundation - CUNY:			
Networking in the Sciences, Technology, Engineering, and Mathematics (Magnet-Stem II)	47.076	HRD-0450360	3,965
Passed through Stevens Institute of Technology:			
Engaging Students in Engineering	47.076	HRD-0833076	890
Passed through Siena College:			
Studies of the Polar Ionosphere and Magnetosphere from Measurements in Antarctica	47.078	OPP-0638587	82,000
American Recovery and Reinvestment Act (ARRA) Grants:			
ARRA - Microwave Imaging Spectroscopy with the Owens Valley Solar Array	47.082	AST-0908344	295,842
ARRA - MRI: Development of Cryogenic Infrared Spectrograph for the 1.6 Meter Solar Telescope in Big Bear	47.082	ATM-0923199	227,708
ARRA - MRI: Acquisition Properties Measurement System for Education and Research	47.082	DMR-0923032	7,730
ARRA - MRI-R2: Development of Owens Valley Solar Array to a Community Facility	47.082	AGS-0959761	1,701,522
ARRA - Development of Multi-Conjugate Adaptive Optics for the 1.6 Meter Telescope in Big Bear	47.082	AST-0959187	178,674
ARRA - NSF-RET Site at Engineering Research Center on Structured Organic Particulate Systems (C-SOPS)	47.082	EEC-0908889	146,494
ARRA - Three Dimensional Magnetic Configuration and Evolution of Flare Productive Active Regions	47.082	ATM-0936665	104,361

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Award Number</b>	<b>Current Year Expenditures</b>
Research and Development Cluster, continued:			
National Science Foundation, continued:			
ARRA - PENGUIn: A High Latitude Window to Geospace Dynamics	47.082	ANT-0839995	\$ 13,988
ARRA - GOALI: Fundamental Material and Processing Studies on Hot-Melt Extrusion-A Novel Pharmaceutical Manufacturing Process	47.082	CMMI-0927142	121,832
ARRA - Direct Numerical Simulations of Elastic Filament Suspensions and Multi-Scale Modeling of Soft-Particle Suspensions	47.082	CBET-0853673	26,084
Passed through Siena College:			
ARRA - Collaborative Research: PENGUIn - A High Latitude Window to Geospace Dynamics	47.082	ANT-0840158	215,522
Total National Science Foundation			<u>8,369,790</u>
U.S. Department of Energy:			
Adopting Biophysical Methods in Pursuit of Biogeophysical Research	81.049	DE-SC0001506	12,647
Understanding the Spin/Lattice Coupling in Multiferroic Oxides	81.049	DE-FG02-07ER46402	126,825
Passed through Lenterra:			
A Cost-Effective Analytical Technology for Identification and Measurement of Greenhouse Gases	81.049	DE-FG02-07ER84894	1,001
Passed through Rutgers, The State University of New Jersey:			
Magnetolectric Hybrid Modes in Multiferroics: Neutron and Ellipsometry Studies	81.049	DE-FG02-07ER46382	110,462
Passed through National Renewable Energy Laboratory/Midwest Research Institute:			
Development of Optical Processes for Fabrication of Silicon-Based Thin-Film Solar Cells and for Metallization of SiC:H Coated Solar Cells	81.049	DE-AC36-08GO28308	40,812
Data-Base for Wafer/Cell Test Results Using Equipment for Solar Cell Fabrication Process	81.049	DE-AC36-08GO28308	209,534
Optical and Electronic Modeling of Solar Cells	81.049	DE-AC36-08GO28308	184,748
Passed through DuPont:			
Building America Retrofit Alliance	81.049	DE-AC36-08GO28308	208,885
Passed through Northeastern University:			
CMSM Project - Student Salary Support	81.049	DE-FG02-08ER46540	3,250
Passed through The Pennsylvania State University:			
Greater Philadelphia Innovation Cluster for Energy Efficient Buildings	81.086	DE-EE0004261	151,782
Pressure Swing Absorption Device and Process for Separating CO2 Shifted Syngas and Its Capture for Subsequent Storage	81.089	DE-FE0001323	259,157
Passed through The University of Minnesota:			
A Nationwide Consortium of Universities to Revitalize Electric Power Engineering Education by State-of-the-Art Laboratories	81.112	DE-OE0000427	1,486
Passed through United Technologies Research Center:			
Nano-Engineered Porous Hollow Fiber Membrane-Based Air Conditioning System	81.121	DE-AR0000147	3,964
Passed through Brookhaven Science Associates, LLC:			
XRD Studies of Materials for Energy Related Research	81.UNK	DE-AC02-98CH10886	498
Passed through Los Alamos National Laboratory:			
Studies of Uranium Oxides	81.UNK	DE-AC52-06NA25396	41,205
Symmetry Based Atomic-Scale Description of Functional Materials and its Application	81.UNK	DE-AC52-06NA25396	15,873
Passed through UT-Battelle, LLC:			
Assessing the Impact of CKMS on the Operation of an AMI Meter	81.UNK	DE-AC05-00OR22725	6,295
Total U.S. Department of Energy			<u>1,378,424</u>
U.S. Environmental Protection Agency:			
Sustainable Sanitation for a Haitian Hospital	66.516	SU-83477101-0	4,907
Track Our Impact: A Virtual Learning Community	66.516	SU-83473301-0	1,504
Smart Supermarkets: Energy and Hazardous Waste Reduction Program for the Supermarket Sector	66.708	97202111	3,752
Provide Technical Assistance to Brownfields Communities in EPA Regions 1, 2, and 3	66.814	TR-83399501-0	372,163
Total U.S. Environmental Protection Agency			<u>382,326</u>
U.S. Department of Health and Human Services:			
Passed through Indiana University:			
Characterization Methodologies & Proteomics to Assess Carbon Nanotube	93.113	3RC2ES01881-02S1	15,817
Regulation of Neuronal Oscillations by Synaptic Dynamics	93.242	2R01MH060605-10	129,111
Regulation of Neuronal Oscillations by Synaptic Dynamics	93.242	2R01MH060605-11	66,861
Role of Neuromodulators and Activity in the Regulation of Ionic Currents and Neuronal Network Activity	93.242	2R01MH06471107A2	231,582
Passed through Mount Sinai School of Medicine:			
Experimental and Modeling Investigation of Lower Back in Manual Material Handling Task	93.262	3T42 OH008422-05S3	1,466
NIOSH Region II Education and Research Center	93.262	5T42 OH008422-05	1,561
NIOSH Region II Education and Research Center	93.262	5T42 OH008422-05	30,216
NIOSH Region II Education and Research Center	93.262	2T42 OH008422-06	139,322

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Award Number</b>	<b>Current Year Expenditures</b>
Research and Development Cluster, continued:			
U.S. Department of Health and Human Services, continued:			
Floating Light Activated Micro-Electrical Stimulators for Neural Prosthetics Passed through The Wistar Institute:	93.286	1R01EB00910001A2	\$ 337,699
Cell-Cell Communication During Melanoma Development Passed through State of N.J. Developmental Disabilities Council:	93.395	2R001CA076674-13	9,812
DD-Connect: A Virtual Online Mentoring Environment	93.630	14GL1R	24,815
Spinal Cord-to-Computer Interface Passed through Rokhan, LLC:	93.853	1R01NS072385-01A1	209,449
A Digital Feedback Clamp Instrument for Neurophysiology Passed through Infoscitex Corporation:	93.853	2R44NS048682-02A1	75,876
Microfabricated Implantable Flowmeter for CSF Shunts	93.853	2R44NS056628-02A1	221,931
Spores as a Protein Display Platform for Directed Evolution of Membrane Proteins	93.859	1R15GM101610-01	15,541
Optimizing Hand Rehabilitation Post-Stroke Using Interactive Virtual Environments	93.865	1R01HD05830101A2	281,767
Combination of Transcranial Magnetic Stimulation with Virtual Reality Training in NJIT Passed through University of Medicine and Dentistry of New Jersey:	93.865	F31HD067014	36,648
Designer Retinal Circuits: Interfacing Optical Tweezers With an Electronic Device	93.867	1R21EY01817501A1	8,276
Taxonomies Supporting Orientation, Navigation, and Auditing of Terminologies	93.879	1R01LM00891201A1	140,150
ARRA - Taxonomies Supporting Orientation, Navigation, and Auditing of Terminologies			
ARRA - Taxonomies Supporting Orientation, Navigation, and Auditing of Terminologies Passed through Indiana University:	93.701	3R01LM008912-03S2	7,798
ARRA - Characterization Methodologies and Proteomics to Assess Carbon Nanotube Exposure	93.701	3RC2ES018810-01S1	37,697
ARRA - Characterization Methodologies and Proteomics to Assess Carbon Nanotube Exposure	93.701	RC2ES018810	196,869
ARRA - Nanoparticle Effects on Epithelial Cell Protein Expression and Function	93.701	3R01GM085218-02S1	4,420
Total U.S. Department of Health and Human Services			<u>2,224,684</u>
U.S. Department of the Air Force:			
Multi-Instrument Study to Investigate the Formation and Growth of Equatorial Irregularities	12.800	FA9550-08-1-0087	256,113
Distributed MIMO Radar for Imaging and High Resolution Target Localization	12.800	FA9550-09-1-0303	105,756
First Light Infrared Observations with the 1.6 Meter Solar Telescope in Big Bear; Origins of Space Weather Passed through NanoRidge Materials, Inc.:	12.800	FA9550-09-1-0655	104,229
Preparation of CNT Tailored Carbon Fibers Passed through Physical Optics Corporation:	12.UNK	FA9550-10-C-0025	58,539
Broadband Coherent Terahertz Spectrum Analyzer Passed through Reactive Metals International, Inc.:	12.UNK	FA8650-11-M-6206	909
Structural Reactive Composites	12.UNK	FA8651-12-M-0062	28,789
Total U.S. Department of the Air Force			<u>554,335</u>
U.S. Department of the Navy:			
Efficient Inversion in Underwater Acoustics with Iterative and Sequential Bayesian Approaches	12.300	N00014-10-1-0073	100,820
Reactive Nano-Composite Materials Development	12.300	N00174-09-M-0257	319
FY2010 Congressional Plus Up Energetic NANO-Materials Agent Defeat Initiative	12.300	N00014-10-1-0849	410,659
Passive Ranging Using Distributed Arrays in Underwater Acoustic Environments Subject to Coherence Losses Passed through The University of Michigan:	12.300	N00014-12-1-0215	4,741
Optimum Vessel Performance in Evolving Nonlinear Wave Fields	12.300	N00014-05-1-0537	40,593
Capstone: Design for Manufacture	12.UNK	N68335-11-P-0220	5,631
Capstone: Design for Manufacture Passed through Dymas Research, Inc.:	12.UNK	N68335-12-P-0167	82
Photonic True-Time Delay Line	12.UNK	N68335-10-C-0022	82,142
Passed through Reaction Engineering International: A Pressure-Dependent Detailed Chemical Kinetic Model for JP-10 Combustion	12.UNK	N68335-10-C-0470	130,699
Total U.S. Department of the Navy			<u>775,686</u>
U.S. Department of the Army:			
Passed through Princeton University:			
Materials Deposition through Electrokinetics	12.431	W911NF-09-1-0476	49,691
Signal Processing Algorithms for Very Accurate Geo-Location in the Presence of Multipath	12.910	W911NF-07-D-0001	24,003
Advanced Cluster Energetics	12.UNK	DAAE30-03-D-1015-37	40,545
Advanced Cluster Energetics	12.UNK	DAAE30-03-D-1015-38	1,211,519
"Rapid Information Sharing for Event Decision Support" RISES	12.UNK	W911SR-09-C-0056	5
Development and Characterization of Nano-materials for Energetics and Armament Applications	12.UNK	W15QKN-10-D-0503-0001	8,102
Research & Development of Technologies for Perimeter Security Systems	12.UNK	W15QKN-10-D-0503-0003	1,422,790
Development of Modular Training Facilities for Joint Base-MDL and Perimeter Security Analysis Passed through Reactive Metals International, Inc.:	12.UNK	W15QKN-10-D-0503-0004	851,890
Engineered Ignition of Novel Structural Reactive Materials	12.UNK	W15QKN-12-C-0026	33,558

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Award Number	Current Year Expenditures
Research and Development Cluster, continued:			
U.S. Department of the Army, continued:			
Passed through CACI Technologies, Inc.:			
Technical Engineering Support Services (TESS)	12.UNK	W15P7T-09-D-P013	\$ 8,309
Modulation Recognition Support (Subtask 9)	12.UNK	W15P7T-09-D-P013-0016	99,999
Modulation Parameter Estimation Method Support: Sensor Network Signal Fusion Methods (Subtask 6)	12.UNK	W15P7T-09-D-P013-0016	39,933
Modulation Parameter Estimation Method Support: Modulation Parameter Estimation (Subtask 7)	12.UNK	W15P7T-09-D-P013-0016	54,999
Modulation Parameter Estimation Method Support: Distributed Signal Sensing and Classification (Subtask 8)	12.UNK	W15P7T-09-D-P013-0016	42,366
Total U.S. Department of the Army			<u>3,887,709</u>
U.S. Department of Transportation:			
Development of a Transportation, Economic, and Land Use System (TELUS)	20.200	DTFH61-07-H-00020	451,373
Passed through Research Foundation - CUNY:			
Field Methods for Determining Lead Content in Bridge Paint Removal Waste	20.205	C030506	135,565
Customization of TELUS-Based Project Information Management System (PIMS)	20.205	100T-120	14,335
Customization of TELUS-Based Project Information Management System (PIMS)	20.205	100T-144	20,411
Customization of TELUS-Based Project Information Management System (PIMS)	20.701	DTRT07-G-0002	6,275
Value Pricing and Traffic Reduction Incentives	20.701	DTRT07-G-0002	2,771
Development of a Comprehensive Inventory Management System for Underground Fiber Optic Conduits	20.701	DTRT07-G-0002	19,776
Metrics, Models, and Data for Assessment of Resilience	20.701	DTRT07-G-0002	14,510
Vulnerability of Transportation System and Evacuation Plan for Coastal Flooding in Climate Change	20.701	DTRT07-G-0002	2,500
Passed through N.Y. Department of Transportation:			
Transition of PIMS Application from NJIT Server to the New NYMTC Server	20.205	AW00109	1,873
Passed through N.J. Department of Transportation:			
Environmental and Redevelopment Planning for the Liberty Corridor	20.205	HPPB00S(298)	5,399
Local Scoping - TASK ORDER 10	20.205	STP-A005(158)	12,950
Local Scoping - TASK ORDER 23A	20.205	STP-0386(102)	4,098
Local Scoping - TASK ORDER 38A	20.205	L230B00S216	2
North Jersey Transportation Planning Authority FY2010 Unified Planning Work Program	20.205	L4500011049 77F00011049 H4500011050 Q230B00S871 L230B00S871 H230B00S939	122,826
North Jersey Transportation Planning Authority FY2011 Unified Planning Work Program	20.205	L4500011051 L45E0011051 L4500011052 L45ED00S232 L23EB00S978	611,120
North Jersey Transportation Planning Authority FY2012 Unified Planning Work Program	20.205	L45E0011051 77F00011051 L4500011052 L23EB00S978 L230B00S980 L400B00S982	17,798,012
FHWA Climate Change Vulnerability and Risk Assessment Project	20.205	4L30ECP010	25,430
FHWA Climate Change Vulnerability and Risk Assessment Project - Phase 2	20.205	4L30ECP010	65,366
Streamlining the Project Management Process at NJDOT's Bureau of Research	20.205	TASK ORDER 84	43,869
Review of NCHRP Study Implementation at the NJ Department of Transportation	20.205	TASK ORDER 97	28,521
Impacts of EPA 2012 Commercial Pump-out Regulations	20.205	TASK ORDER 99	93,236
Go Bus Impact and Analysis	20.205	L56E0010042	99,881
Snow Model Analysis	20.205	TASK ORDER 102	168,408
Feasibility and Efficacy of Public Transportation Partnerships	20.205	L56E0010042	66,284
East Coast Port Complex Study	20.701	HPP-B005-(321)	145,284
Transportation Community and System Preservations (TCSP) Program	20.UNK	L68E11N1002	69,627
TELUS for Transit	20.514	NJ-26-1018-00	254,897
Passed through N.J. Department of Law and Public Safety:			
Safety Belt Usage Study for N.J. - 2011	20.600	OP11-11-02-01	45,634
Safety Belt Usage Study for N.J. - 2012	20.600	OP12-11-02-01	66,821
Intergovernmental Personnel Act Assignment	20.UNK	IPA	24,226
Total U.S. Department of Transportation			<u>20,421,280</u>

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Award Number</b>	<b>Current Year Expenditures</b>
Research and Development Cluster, continued:			
National Aeronautics and Space Administration:			
Study of Solar Chromosphere in Four Solar Cycles	43.001	NNX11AC05G	\$ 15,665
Ensuring Broad Access to Solar Microwave Data from the Expanded OVSA	43.001	NNX11AB49G	30,212
High-Spatial and High Spectral Resolution Study of Small Scale Jets	43.001	NNX11AO70G	8,335
Linking Photospheric Dynamic Magnetic Fields to Chromospheric Jetting Activity	43.001	NNX11AO73G	32,735
Forecasting of Solar Eruptive Events	43.001	NNX11AQ55G	16,635
Studies of the Solar Atmosphere Using Coordinated Observations with the 1.6m New Solar Telescope and NASA Solar Physics Missions	43.001	NNX12AB95G	96,790
Radiation Belt Storm Probes Science Investigations (RB Spice) - Phase B	43.002	NAS5-01072	1,630,204
Stereo Guest Investigators: Study of Coronal Mass Ejections and Filament Eruptions	43.002	NNX08AJ23G	14,759
Halo Coronal Mass Ejections and Their Connection to the Magnetic Clouds at 1AU	43.002	NNX08AJ20G	147,637
Predictions of the Magnitude and Orientation of Magnetic Fields in Magnetic Clouds from Solar Surface Data	43.002	NNX08AQ89G	149,320
Evolution of Magnetic Fields and Flows Associated with Flares and Coronal Mass Ejections	43.002	NNX08AQ90G	167,431
Studies of Solar Activity with Coordinated Observations of New Solar Telescope and NASA Solar Physics Missions	43.002	NNX08BA22G	405,353
Novel Electro-Hydrodynamic Technology for Gas-Liquid Phase Separation in Microgravity	43.002	NNX09AK06G	25,345
Passed through Leland Stanford Junior University:			
Helioseismic and Magnetic Imager	43.002	NAS5-02139	52,972
Probing the Solar Flare Energy Release with Hard X-Ray and Radio Observations and Modeling	43.UNK	NNX10AF27G	89,993
Passed through Vista Photonics, Inc.:			
Inexpensive Instrument for In Situ Characterization of Particulate Matter in Volcanic Ash Plumes	43.UNK	NNX11CH04P	24,188
Passed through Space Telescope Science Institute:			
Proper Motion Survey of Classical & SDSS Local Group Dwarf Galaxies	43.UNK	NAS5-26555	43,431
Passed through The Johns Hopkins University-Applied Physics Laboratory:			
Data Analysis from ACE Spacecraft by EPAM/ULEIS Instruments	43.UNK	NNX10AT75G	31,529
The Role of Currents and Conductance in Controlling Plasmasphere Dynamics	43.UNK	NNX10AQ56G	26,316
Ring Current Control of the Outer Radiation Belt: Local Wave Particle Interactions	43.UNK	NNX11AO74G	24,229
Passed through Rutgers, The State University of New Jersey:			
Summer Research and Fellowship Programs at NJIT	43.UNK	NNX10AR62H	9,800
FY10 National Space Grant College and Fellowship Program (SPACE Grant)	43.UNK	NNX10AR62H	4,441
Total National Aeronautics and Space Administration			<u>3,047,320</u>
U.S. Department of Defense:			
Irreversible Phase Transformations for Rapid High Temperature Measurements	12.351	HDTRA1-10-1-0006	112,140
Reactive Nanocomposite Materials for Advanced Weapons Systems	12.351	HDTRA1-11-1-0060	102,108
Passed through The University of Cincinnati:			
Inactivation of Aerosolized Biological Agents Using Filled Nanocomposite Materials	12.351	HDTRA1-08-1-0012	15,174
Neutralization of Aerosolized Bio-Agents by Filled Nanocomposite Materials through Thermal and Chemical Inactivation Mechanisms	12.351	HDTRA1-11-1-0017	81,992
Passed through The University of Illinois:			
Combustion Dynamics of Biocidal Metal-based Energetic Components in Turbulent Reactive Flows	12.351	HDTRA1-10-1-0003	150,548
Passed through Duke University:			
Microstructure, Fluidization, and Control of Penetrator Trajectories in Granular Media	12.351	HDTRA1-01-1-0021	113,004
DOD Information Assurance Scholarship Program	12.902	H98230-11-1-0423	83,796
Passed through New Jersey Technology Solutions Center:			
Miniature Visible to Near Infrared Hyperspectral Imaging Camera with Tunable Metamaterial Filters	12.UNK	HQ0034-10-1-0005	115,548
Total U.S. Department of Defense			<u>774,310</u>
U.S. Department of Justice:			
Child Safe Personalized Weapons Technology Project	16.753	2009-D1-BX-0210	51,040
Child Safe Personalized Weapons	16.753	2010-DD-BX-K541	409,975
Total U.S. Department of Justice			<u>461,015</u>
U.S. Department of Agriculture:			
Managing Critical Source Areas for Enhancing Ecosystem Services in Agricultural Landscapes	10.310	2012-67019-19348	16,387
Comparative Assessment of Alternative Planning Approaches for Conservation Buffer Placement	10.652	SRS 09-DG-11330152-057	726
Total U.S. Department of Agriculture			<u>17,113</u>
U.S. Department of Commerce:			
Performance Measurement Methods for Wireless Sensor Nodes and Wireless Mesh Networks in Buildings	11.609	70NANB9H9150	1,012
Interference Impact, Power Consumption, and Performance Evaluation Issues in Wireless Sensor Networks for Buildings	11.609	60NANB10D220	161,910
Total U.S. Department of Commerce			<u>162,922</u>



**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Award Number	Current Year Expenditures
Research and Development Cluster, continued:			
National Park Service:			
Training for Educators To Learn How To Teach the College Preparatory Preservation Arts and Technology (PAT) Curriculum	15.923	H22100600449	\$ 8,839
Total National Park Service			<u>8,839</u>
U.S. Department of Interior:			
Passed through Rutgers, The State University of New Jersey:			
nHFO-Microalgae and Immobilization for Water Quality Improvement	15.805	G11AP20094	4,637
Evaluating Effects of Restoring Bayside Processes	15.945	H4503090700	12,221
Total U.S. Department of Interior			<u>16,858</u>
U.S. Department of Education:			
EU/US International Bachelor Degree in Engineering Management	84.116J	P116J100055	55,454
RERC on Children with Orthopedic Disabilities	84.133E	H133E050011	125,339
Total U.S. Department of Education			<u>180,793</u>
Total Research and Development Cluster			<u>42,663,404</u>
Student Financial Assistance Cluster:			
U.S. Department of Education:			
Federal Supplemental Educational Opportunity Grants - FY2012 (including administrative cost allowance of \$5,782)	84.007	P007A112589	171,804
Federal Supplemental Educational Opportunity Grants - FY2011	84.007	P007A102589	50,400
Federal Work-Study Program - FY2012 (including administrative cost allowance of \$16,810)	84.033	P033A112589	314,277
Federal Work-Study Program - FY2010	84.033	P033A092589	2
Federal Work-Study Program - FY2009	84.033	P033A082589	641
Federal Perkins Loan (FPL) - Federal Capital Contributions	84.038	P038A042589	251,014
Federal Pell Grant Program - FY2012	84.063	P063P110269	10,235,066
Federal Pell Grant Program - FY2011	84.063	P063P100269	339,331
William D. Ford Federal Direct Student Loan Program	84.268	P268K110269	276,013
William D. Ford Federal Direct Student Loan Program	84.268	P268K120269	32,876,694
Academic Competitiveness Grants - FY2011	84.375	P375A100269	154,313
National Science & Mathematics Access to Retain Talent - Grant Year 2011	84.376	P376S100269	81,798
Total U.S. Department of Education			<u>44,751,353</u>
Total Student Financial Assistance Cluster			<u>44,751,353</u>
Other Federal Assistance:			
U.S. Department of Education:			
TRIO Cluster:			
Student Support Services Program	84.042A	P042A100720	329,788
Student Support Services - STEM	84.042A	P042A101323	319,728
Educational Talent Search Program	84.044A	P044A110683	201,700
Talent Search Program	84.044A	P044A060183	49,220
Upward Bound Program	84.047A	P047A070098	423,300
Upward Bound Program	84.047A	P047A080244	208,713
Upward Bound Program ESL	84.047A	P047A070189	250,606
McNair Post-Baccalaureate Achievement	84.217A	P217A070004	191,365
Total TRIO Cluster			<u>1,974,420</u>
Emma Byrd Scholarship Program	84.116P	P116P100025	15,000
Passed through N.J. Commission on Higher Education:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S050227	15,957
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334S	P334S110034	250,909
N.J. GEAR UP State Project	84.334S	P334S050027-10	245,995
College Access Challenge Grant FY2012	84.378A	GO0742400000732	1,139
College Access Challenge Grant FY2011	84.378A	GO0742400000732	200
College Access Challenge Grant "Dual Enrollment Initiative"	84.378A	GO074240000000	19,928
Total U.S. Department of Education			<u>2,523,548</u>
National Science Foundation:			
Teacher Education Collaboration for High-Need Schools - New Jersey (TECHS-NJ)	47.076	DUE-0630412	103,046
Computation and Communication: Promoting Research Integration in Science and Mathematics	47.076	DGE-0638423	529,096
Passed through Drexel University:			
Greater Philadelphia Region Stokes Alliance for Minority Participation - Phase IV Year 1	47.076	HRD-0903924	32,530
Total National Science Foundation			<u>664,672</u>
U.S. Defense Logistics Agency:			
Procurement Technical Assistance for Business Firms	12.002	SP4800-08-2-0823	61,754
Defense Procurement Agreement FY11-12	12.002	SP4800-11-2-1123	553,813
Total U.S. Defense Logistics Agency			<u>615,567</u>

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Award Number	Current Year Expenditures
Other Federal Assistance, continued:			
U.S. Department of Labor:			
Passed through N.J. Department of Labor:			
WIA Cluster			
WIA Adult Program	17.258	AA-20209-10-55-A-34	\$ 116,470
Continuing Professional Education Services	17.258	AA-21411-11-55-A-34	17,656
Advanced Manufacturing Talent Network	17.260	AA-20209-10-55-A-34	356,718
Total WIA Cluster			<u>490,844</u>
H-1B Technical Skills Training Grants	17.268	FG-22709-12-60-A-34	33,645
Total U.S. Department of Labor			<u>524,489</u>
U.S. Department of Health and Human Services:			
Passed through Health-e-CITI-NJ:			
New Jersey Health Information Exchange Program	93.719	90HT0049	19,109
Total U.S. Department of Health and Human Services			<u>19,109</u>
U.S. Department of Health and Human Services, Center for Disease Control:			
Passed through N.J. Department of Health and Senior Services:			
Health Alert Network/Training for Bioterrorism FY2011	93.069	MOA	94,490
Health Alert Network/Training for Bioterrorism FY2012	93.069	MOA	59,379
Health Alert Network/Training for Bioterrorism FY2011	93.889	MOA	514,223
American Recovery and Reinvestment Act (ARRA) Grants:			
ARRA - New Jersey Health Information Technology Extension Center	93.718	90RC0037-01	6,840,111
Total U.S. Department of Health and Human Services, Center for Disease Control			<u>7,508,203</u>
U.S. Department of Homeland Security:			
Passed through N.J. Office of Homeland Security and Preparedness:			
Campus Peer Review Project	97.UNK	SFY09 GRANT AGREEMENT	73,725
Total U.S. Department of Homeland Security			<u>73,725</u>
U.S. Department of Energy:			
American Recovery and Reinvestment Act (ARRA) Grants:			
Passed through N.J. Board of Public Utilities:			
ARRA - Oak Residence Hall Energy Efficiency & Renewable Energy Upgrade	81.041	DE-EE00000258	43,781
ARRA - Energy Commissioning Agent/Auditor Training in the NY Metro Region	81.086	DE-EE0003853	150,350
Total U.S. Department of Energy			<u>194,131</u>
U.S. Department of Transportation:			
Passed through Research Foundation - CUNY:			
September 11th Memorial Program for Regional Transportation Planning	20.205	C030561	2,000
Total U.S. Department of Transportation			<u>2,000</u>
U.S. Department of Defense:			
Environmental Security Technology Certification Program (ESTCP) Onsite Program Support	12.UNK	IPA	301,786
Total U.S. Department of Defense			<u>301,786</u>
National Endowment for the Arts:			
To Support People Planning Newark: Designing New Jersey's Metropolis, in Consortium with the City of Newark	45.024	11-4200-7039	15,908
Total National Endowment for the Arts			<u>15,908</u>
Total Other Federal Assistance			<u>12,443,138</u>
Total Expenditures of Federal Awards			\$ <u>99,857,895</u>

The above information should be read in conjunction with the notes accompanying this schedule.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**  
Schedule of Expenditures of State of New Jersey Awards  
For the year ended June 30, 2012

State of New Jersey Grantor/Pass-Through Grantor/Program or Cluster Title	Award Number	Grant Amount	Grant Period		Current Year Expenditures
			From	To	
Research and Development Cluster:					
N.J. Developmental Disabilities Council:					
Developmental Disabilities Planning Institute Year 18	09GL11R	\$ 566,092	01/01/11	12/31/11	\$ 372,222
Developmental Disabilities Planning Institute Year 19	09GL12R	692,487	01/01/12	12/31/12	165,936
School Facility Design Guidelines for Inclusion Year Three	11GLOR	97,451	10/01/09	09/15/11	15,363
DD-Connect: A Virtual Online Mentoring Environment	14GL1R	7,516	10/01/10	09/30/11	4,423
Total N.J. Developmental Disabilities Council		<u>1,363,546</u>			<u>557,944</u>
N.J. Department of Environmental Protection:					
Neshanic River Watershed	RP06-068	561,731	10/01/06	09/30/11	18,965
Total N.J. Department of Environmental Protection		<u>561,731</u>			<u>18,965</u>
N.J. Department of Transportation:					
Implementation of Maintenance Decision Support System in New Jersey	TASK ORDER 70	825,678	07/23/07	07/31/12	61,196
Customization of TELUS for NJDOT'S Interactive Website for the Display of Capital Programming Projects	TASK ORDER 78	1,208,008	10/01/07	12/31/12	492,153
Establishment of the NJDOT Intelligent Transportation Systems Resource Center at NJIT	TASK ORDER 82	923,739	06/10/08	12/31/12	133,036
Large Truck Monitoring Program Data Analysis and Reporting	TASK ORDER 83	450,000	04/01/08	12/31/12	83,469
Design for Deflection Control vs. Use of Specified Span to Depth Ratio Limitations	TASK ORDER 88	307,764	01/01/09	09/30/11	33,600
Design and Evaluation of Bridges for Scour Using HEC 18	TASK ORDER 89	437,750	01/01/09	06/30/11	9,781
Study of Public Perception of Traffic Congestion in NJ	TASK ORDER 90	155,734	06/01/09	09/30/12	45,745
Environmental Management System for Transportation Maintenance Operations	TASK ORDER 92	231,000	09/01/09	09/30/12	98,180
On Call Mapping and GIS Support for NJDOT	TASK ORDER 93	50,000	01/01/10	07/01/11	3,203
Work Zone Safety Analysis	TASK ORDER 94	360,207	01/01/10	06/30/12	199,020
Drainage Information, Analysis and Mapping Project	TASK ORDER 96	579,443	01/19/10	08/31/12	185,682
Sign Maintenance Management System and Retroreflectivity Compliance Program for NJDOT	TASK ORDER 98	400,000	12/01/10	06/30/13	73,797
Development of a System Local Bus Database	TASK ORDER 101	29,996	06/01/11	12/31/11	14,904
FHWA Climate Change Vulnerability and Risk Assessment Project - Phase 2	PL-NJ-12-02	72,237	07/01/11	06/30/12	72,237
East Coast Port Complex Study	TASK ORDER 77	19,960	10/23/07	09/30/12	18,875
Passed through Rutgers, The State University of New Jersey:					
Partial Interchanges in NJ Data Development and Evaluation	TASK ORDER 240	385,232	08/01/09	06/30/12	112,007
Traffic Control and Work Zone Safety for High Volume Roads	TASK ORDER 248	75,000	01/01/10	06/30/12	21,773
Commercial Vehicle Data Quality Support for NJDOT	TASK ORDER 256	20,000	10/01/10	09/30/11	12,406
Passed through The College of New Jersey:					
Development and Implementation of a Segment/Junction Box Level Database for the ITS Fiber Optic Conduit Network	S1240NJIT	28,599	06/22/11	09/01/11	28,090
Total N.J. Department of Transportation		<u>6,560,347</u>			<u>1,699,154</u>
N.J. Department of Health and Senior Services:					
Passed through University of Medicine and Dentistry of New Jersey:					
The Role of Microglia in Recovery from Brain Injury	08-3207-BIR-E-1	296,723	06/01/08	05/31/13	2,100
Graduate Student Fellowship	09-2943-SCR-E-0	60,000	06/15/09	06/30/11	1,705
Graduate Student Fellowship	11-2956-SCR-E-0	60,000	06/15/11	06/30/13	26,360
Mediators of Maternal Inflammation	10-399-SCH-N-0	392,161	06/28/10	12/31/12	179,379
Investigation of Physiological Dysfunction from Repetitive Mild Head Injury	CBIR11PJT003	1,639,524	06/01/11	05/31/14	261,630
Passed through Rutgers, The State University of New Jersey:					
The Effects of Diffuse Axon Injury on Myelin and Myelinated Axons	CBIR11PJT012	122,265	06/01/11	05/31/14	6,824
Total N.J. Department of Health and Senior Services		<u>2,570,673</u>			<u>477,998</u>
N.J. Meadowlands Commission:					
Statistical Data Analysis	MOU	80,000	11/01/06	12/31/13	8,903
Total N.J. Meadowlands Commission		<u>80,000</u>			<u>8,903</u>
N.J. Economic Development Authority:					
Program Evaluation Services	MOU	79,989	07/21/10	07/20/11	200
Total N.J. Economic Development Authority		<u>79,989</u>			<u>200</u>
Total Research and Development Cluster		<u>11,216,286</u>			<u>2,763,164</u>

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Expenditures of State of New Jersey Awards

For the year ended June 30, 2012

State of New Jersey Grantor/Pass-Through Grantor/Program or Cluster Title	Award Number	Grant Amount	Grant Period		Current Year Expenditures
			From	To	
Student Financial Assistance Cluster:					
N.J. Higher Education Student Assistance Authority:					
New Jersey College Loans to Assist State Students	—	\$ 3,541,870	07/01/11	06/30/12	\$ 3,541,870
Total N.J. Higher Education Student Assistance Authority		<u>3,541,870</u>			<u>3,541,870</u>
N.J. Commission on Higher Education:					
Tuition Aid Grant FY2012	2405-100-074-2405-007	12,169,868	07/01/11	06/30/12	12,169,868
Distinguished Garden State Scholars	2405-100-074-DS10-278	67,890	07/01/11	06/30/12	67,890
Urban Scholars	2405-100-074-US11-278	40,455	07/01/11	06/30/12	40,455
NJ Star II - FY2012	2405-100-074-2405-313	118,346	07/01/11	06/30/12	118,346
NJ Star II - FY2009	2405-100-074-2405-313	11,225	07/01/08	06/30/09	11,225
NJ Star II - FY2008	2405-100-074-2405-313	6,204	07/01/07	06/30/08	6,204
Educational Opportunity Fund – Undergraduate - FY12	2401-100-074-2401-001	464,050	07/01/11	06/30/12	464,050
Educational Opportunity Fund – Undergraduate - FY11	2401-100-074-2401-001	575	07/01/10	06/30/11	575
Educational Opportunity Fund – Graduate	2401-100-074-2401-001	19,950	07/01/11	06/30/12	19,950
Educational Opportunity Fund – Summer – Article III (FY2011)	2401-100-074-2401-001	576,608	06/01/11	09/30/11	563,197
Educational Opportunity Fund – Summer – Article III (FY2012)	2401-100-074-2401-001	576,608	06/01/12	09/30/12	29,774
Law Enforcement Officer Memorial (LEOM)	2405-100-074-2405-312	30,374	07/01/11	06/30/12	30,374
Total N.J. Commission on Higher Education		<u>14,082,153</u>			<u>13,521,908</u>
Total Student Financial Assistance Cluster		<u>17,624,023</u>			<u>17,063,778</u>
Other State of New Jersey Assistance:					
N.J. Commission on Higher Education:					
Educational Opportunity Fund – Academic Year – Article IV (FY2012)	2401-100-074-2401-002	518,288	07/01/11	06/30/12	518,288
Consortium for Pre-College Education in Greater Newark/GEAR UP	11YR4800930-0033	630,000	07/01/10	06/30/11	94,786
Consortium for Pre-College Education in Greater Newark/GEAR UP	12YR5800930-0033	630,000	07/01/11	06/30/12	611,552
Total N.J. Commission on Higher Education		<u>1,778,288</u>			<u>1,224,626</u>
N.J. Office of Management & Budget:					
State Appropriations	12-100-074-2430-001	37,696,000	07/01/11	06/30/12	37,696,000
Reimbursement for FICA and Fringe Benefits	Various	27,686,541	07/01/11	06/30/12	27,686,541
Total N.J. Office of Management & Budget		<u>65,382,541</u>			<u>65,382,541</u>
N.J. Department of Labor and Industry:					
Passed through Newark Alliance Inc.:					
Financial Services Talent Network People to Business	MOA DT 05/07/2012	32,392	02/15/12	06/30/12	18,539
Total N.J. Department of Labor and Industry		<u>32,392</u>			<u>18,539</u>
N.J. Department of Human Services:					
Medicaid Specialist Program	MOA DT 12/02/2011	1,550,000	12/02/11	12/01/12	154,979
Total N.J. Department of Human Services		<u>1,550,000</u>			<u>154,979</u>
N.J. Commission on Science & Technology:					
High Tech Business Incubation Program	10-2042-014-15	300,000	01/01/10	12/31/11	92,447
Incubator Enhancement Program	09-2042-020-99	90,000	01/01/09	12/31/11	6,483
Total N.J. Commission on Science & Technology		<u>390,000</u>			<u>98,930</u>
Total Other State of New Jersey Assistance		<u>69,133,221</u>			<u>66,879,615</u>
Total State of New Jersey Awards		<u>\$ 97,973,530</u>			<u>\$ 86,706,557</u>

The above information should be read in conjunction with the notes accompanying this schedule.

# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Notes to Schedules of Expenditures of Federal and State of New Jersey Awards

For the year ended June 30, 2012

(Dollars in thousands)

### 1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards has been prepared in the format required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying schedule of expenditures of State of New Jersey awards has been prepared in the format required by New Jersey Office of Management and Budget Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The purpose of these schedules is to present a summary of those activities of New Jersey Institute of Technology (the University) for the year ended June 30, 2012 which have been financed by either the Federal government or the State of New Jersey. For purposes of the schedules, Federal and State of New Jersey awards include any assistance provided by a Federal or State agency directly or indirectly in the form of grants, contracts, cooperative agreements, direct appropriations, loan and loan guarantees, and other noncash assistance. Because the schedules present only a selected portion of the activities of the University, they are not intended to, and do not, present either the financial position of the University at June 30, 2012 or its changes in financial position and cash flows for the year then ended.

The accounting principles followed by the University in preparing the accompanying schedules are as follows:

- Expenditures for direct costs are recognized as incurred using the accrual method of accounting in accordance with the provisions of OMB Circular A-21, *Cost Principles for Educational Institutions*, pursuant to which certain types of expenditures are not allowable or are limited as to reimbursement.
- Facilities and administrative costs are recovered at either the rates specified under the various grants and contracts or the University's predetermined facilities and administrative cost rate, whichever is lower.

### 2. Federal Perkins Loan Program

The University administers the Federal Perkins Loan Program. The balance of loans outstanding under the Federal Perkins Loan Program at June 30, 2012 was \$1,698.

### 3. Other Loan Programs

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program and the New Jersey College Loans to Assist State Students program and, accordingly, these loans are not included in its basic financial statements. It is not practical to determine the balance of loans outstanding to students of the University under these programs at June 30, 2012.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Notes to Schedules of Expenditures of Federal and  
State of New Jersey Awards

For the year ended June 30, 2012

(Dollars in thousands)

**4. Subrecipient Awards**

The University passed through the following Federal and State of New Jersey awards to subrecipients during the year ended June 30, 2012:

<u>Federal</u> <u>Program Name</u>	<u>CFDA Number</u>	<u>Award Number</u>	<u>Pass-Through</u> <u>Expenditures</u>
Research and Development Cluster	Various	Various	\$ 14,781
Other Federal Assistance:			
Advanced Manufacturing Talent Network	17.260	AA-20209-10-55-A-34	69
Computation and Communication:			
Promoting Research Integration in Science and Mathematics	47.076	DGE-0638423	30
US Department of Homeland Security:			
Pass-Through NJ Office of Homeland Security and Preparedness:			
Campus Peer Review Project	97.UNK	SFY09 Grant Agreement	74
American Recovery and Reinvestment Act (ARRA) Grants:			
ARRA - NJ Health Information Technology Extension Center	93.718	90RC0037-01	696
			<u>\$ 15,650</u>

<u>State of New Jersey</u> <u>Program Name</u>	<u>Award Number</u>	<u>Pass-Through</u> <u>Expenditures</u>
Research and Development Cluster	Various	\$ 780
Other State of New Jersey Assistance:		
Consortium for Pre-College Education in Greater Newark/GEAR UP	11YR4-800930-0033	41
Consortium for Pre-College Education in Greater Newark/GEAR UP	12YR5-800930-0033	101
Medicaid Specialist Program	MOA DT 12/02/11	17
		<u>\$ 939</u>



**KPMG LLP**  
**New Jersey Headquarters**  
51 John F. Kennedy Parkway  
Short Hills, NJ 07078-2702

**Report 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 Board of Trustees  
New Jersey Institute of Technology:

We have audited the basic financial statements of New Jersey Institute of Technology (the University), a component unit of the State of New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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



### **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 management, the board of trustees and others within the University, Federal and State of New Jersey awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

September 28, 2012





**KPMG LLP**  
**New Jersey Headquarters**  
51 John F. Kennedy Parkway  
Short Hills, NJ 07078-2702

**Independent Auditors' Report on Compliance With Requirements  
That Could Have a Direct and Material Effect on Each Major Program  
and on Internal Control Over Compliance in Accordance With  
Federal OMB Circular A-133 and New Jersey OMB Circular 04-04**

The Board of Trustees  
New Jersey Institute of Technology:

**Compliance**

We have audited New Jersey Institute of Technology's (the University) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (Federal OMB) *Circular A-133 Compliance Supplement* and the New Jersey Office of Management and Budget (New Jersey OMB) *State Grant Compliance Supplement* (the Compliance Supplements) that could have a direct and material effect on each of the University's major Federal and State of New Jersey programs for the year ended June 30, 2012, except the requirements discussed in the second paragraph of this report. The University's major Federal and State of New Jersey 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 and State of New Jersey 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 requirements governing maintaining contact with borrowers and billing and collection procedures in accordance with the requirements of the Student Financial Assistance Cluster: Federal Perkins Loan program as described in the Federal OMB Compliance Supplement. Those requirements govern functions performed by University Accounting Services, LLC (UAS). Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements. UAS' compliance with the requirements governing the functions that it performs for the University for the year ended June 30, 2012 was examined by other accountants in accordance with the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Our report does not include the results of the other accountants' examination of UAS' compliance with such requirements.

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; Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Federal OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements described in the Compliance Supplements that could have a direct and material effect on a major Federal or State of New Jersey 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 of the University's compliance with those requirements.



In our opinion, New Jersey Institute of Technology complied, in all material respects, with the compliance requirements referred to in the first paragraph above that could have a direct and material effect on each of its major Federal and State of New Jersey programs for the year ended June 30, 2012.

### **Internal Control over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal and State of New Jersey programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major Federal or State of New Jersey program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Federal OMB Circular A-133 and New Jersey OMB Circular 04-04, 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.

Requirements governing maintaining contact with borrowers and billing and collection procedures in the Student Financial Assistance Cluster: Federal Perkins Loan program as described in the Federal OMB Compliance Supplement are performed by UAS. Internal control over compliance related to such functions for the year ended June 30, 2012 was reported on by other accountants in accordance with the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Our report does not include the results of the other accountants' testing of UAS' internal control over compliance related to such functions.

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

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

### **Schedules of Expenditures of Federal and State of New Jersey Awards**

We have audited the financial statements of the University as of and for the year ended June 30, 2012, and have issued our report thereon dated September 28, 2012 which contained an unqualified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to September 28, 2012. The accompanying schedules of expenditures of federal and State of New Jersey awards (the Schedules) are presented for purposes of additional analysis as required by Federal OMB Circular A-133 and New Jersey OMB Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and



relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2012 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 financial statements or to the 2012 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the board of trustees and others within the University, Federal and State of New Jersey awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 19, 2012

# NEW JERSEY INSTITUTE OF TECHNOLOGY

## Schedule of Findings and Questioned Costs

For the year ended June 30, 2012

### 1. Summary of Auditor's Results

- (a) An unqualified opinion was issued on the financial statements of New Jersey Institute of Technology as of and for the year ended June 30, 2012.
- (b) No material weaknesses and no significant deficiencies were reported in connection with the audit of the financial statements of New Jersey Institute of Technology as of and for the year ended June 30, 2012.
- (c) The audit disclosed no instances of noncompliance which are material to the financial statements of New Jersey Institute of Technology as of and for the year ended June 30, 2012.
- (d) The audit disclosed no material weaknesses and no significant deficiencies were reported in connection with major Federal and State of New Jersey programs of the University for the year ended June 30, 2012.
- (e) An unqualified opinion was issued on New Jersey Institute of Technology's compliance with its major Federal and State of New Jersey programs for the year ended June 30, 2012.
- (f) There were no audit findings which were required to be reported under Section 510(a) of Federal OMB Circular A-133 or New Jersey OMB Circular 04-04 for the year ended June 30, 2012.
- (g) The major Federal and State of New Jersey programs of New Jersey Institute of Technology for the year ended June 30, 2012 were as follows:

#### Federal:

- Student Financial Assistance Cluster (84.007, 84.033, 84.038, 84.063, 84.268, 84.375, and 84.376)
- Research and Development Cluster (various CFDA numbers)
- ARRA – New Jersey Health Information Technology Extension Center (93.718)

#### State of New Jersey:

- Student Financial Assistance Cluster (various grant award numbers)
  - Research and Development Cluster (various grant award numbers)
  - Reimbursement for FICA and Fringe Benefits (various grant award numbers)
- (h) The dollar threshold used to distinguish between type A and type B programs was \$3,000,000 for Federal awards and \$1,470,317 for State of New Jersey awards for the year ended June 30, 2012.
  - (i) New Jersey Institute of Technology qualified as a low risk auditee for Federal and State of New Jersey awards for the year ended June 30, 2012.

**NEW JERSEY INSTITUTE OF TECHNOLOGY**

Schedule of Findings and Questioned Costs

For the year ended June 30, 2012

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

No findings are required to be reported.

**3. Findings and Questioned Costs Relating to Federal or State of New Jersey Awards**

No findings or questioned costs are required to be reported.