

University of Massachusetts
Report on Federal Financial Assistance Programs
In Accordance With OMB Circular A-133
June 30, 2009

University of Massachusetts
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June 30, 2009

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PART I
FINANCIAL STATEMENTS

Report of Independent Auditors

To the Board of Trustees of the
University of Massachusetts:

In our opinion, based on our audits and the report of other auditors the accompanying consolidated statements of net assets, and the related consolidated statements of revenues, expenses and changes in net assets, and of cash flows present fairly, in all material respects, the financial position of The University of Massachusetts (the "University") and its discretely presented component units, at June 30, 2009 and 2008, and its revenues, expenses and changes in net assets, and of cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the University of Massachusetts Building Authority, (a blended component unit included in the column titled University) or the University of Massachusetts Dartmouth Foundation, Inc. (a discretely presented component unit included in the column titled University Related Organizations), which statements reflect total assets of \$1,245 million of the University and \$36 million of the University Related Organizations, and \$1,232 million of the University and \$35 million of the University Related Organizations as of June 30, 2009 and 2008, respectively, total net assets of \$260 million of the University and \$34 million of the University Related Organizations, and \$217 million of the University and \$33 million of the University Related Organizations as of June 30, 2009 and 2008 respectively, and total revenues of \$111 million of the University and \$3 million of the University Related Organizations and \$66 million of the University and \$6 million of the University Related Organizations, for the years then ended, respectively. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these components of the University, is based solely on the reports of the other auditors. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the University of Massachusetts Building Authority and the University of Massachusetts Dartmouth Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2009. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit and the audit of other auditors were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Management's Discussion and Analysis on pages 3 through 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the presentation of the required supplementary information. However, we and the other auditors did not audit the information and express no opinion on it.

Our audits and audits of other auditors were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2009 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

December 11, 2009

**University of Massachusetts
Management's Discussion and Analysis
June 30, 2009**

Introduction

This unaudited section of the University of Massachusetts (the "University") Annual Financial Report presents our discussion and analysis of the financial position and performance of the University and its component units during the fiscal year ended June 30, 2009 with comparative information as of June 30, 2008. This discussion and analysis has been prepared by management along with the accompanying financial statements and related footnote disclosures and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. The accompanying financial statements, footnotes and this discussion are the responsibility of management.

The University of Massachusetts is a state coeducational institution for higher education with separate campuses at Amherst, Boston, Dartmouth, Lowell and Worcester all located in the Commonwealth of Massachusetts (the "Commonwealth"). The University was established in 1863 in Amherst, under the provisions of the 1862 Morrill Land Grant Acts, as the Massachusetts Agricultural College. It became known as the Massachusetts State College in 1932 and in 1947 became the University of Massachusetts. The Boston campus was opened in 1965 and the Worcester campus, Medical School, was opened in 1970. The Lowell and Dartmouth campuses (previously the University of Lowell and Southeastern Massachusetts University, respectively) were made a part of the University by a legislative act of the Commonwealth, effective September 1, 1991.

The University's mission is to provide an affordable and accessible education of high quality and to conduct programs of research and public service that advance knowledge and improve the lives of the people of the Commonwealth, the nation and the world. In the fall of 2008, the University enrolled approximately 53,140 full-time equivalent ("FTE") students. The University is committed to providing, without discrimination, diverse program offerings to meet the needs of the whole of the state's population. The University's five campuses are geographically dispersed throughout Massachusetts and possess unique and complementary missions.

Basis of Presentation

The annual financial report and statements include the University and certain other organizations that have a significant relationship with the University. The statements include the University's blended component units, which are the University of Massachusetts Building Authority (the "Building Authority"), a public instrumentality of the Commonwealth created by Chapter 773 of the Acts of 1960 of the Commonwealth, Worcester City Campus Corporation ("WCCC"), a not-for-profit 501(C)(3) organization and the University of Massachusetts Amherst Foundation, Inc. (the "UMass Amherst Foundation") which was established in fiscal year 2003. The purpose of the Building Authority is to provide dormitories, dining commons and other buildings and structures for use by the University and entities associated with the University and to issue bonds to finance such projects. On November 4, 1992, the University created WCCC as a Massachusetts not-for-profit corporation to purchase various assets of Worcester City Hospital, to operate as a real estate holding company and to foster and promote the growth, progress and general welfare of the University. WCCC includes the Worcester Foundation for Biomedical Research, Inc. (WFBR) and Public Sector Partners, Inc. (PSP) as subsidiaries. The University's discrete component units are the University of Massachusetts Foundation, Inc. (the "Foundation") and the University of Massachusetts Dartmouth Foundation, Inc. (the "Dartmouth Foundation"). These foundations are related tax exempt organizations founded to foster and promote the growth, progress and general welfare of the University, and to solicit, receive, and administer gifts and donations for such purposes. The University of Massachusetts Foundation manages the majority of the University's endowment.

Financial Highlights

The University's combined net assets increased \$70.3 million from \$1.67 billion in fiscal year 2008 to \$1.74 billion in fiscal year 2009. The major components of this increase relate to positive operating margins due primarily to increased student fee revenues associated with increased enrollment, strong growth in other operating revenue generated by the Medical School, and growth in auxiliary revenue. This growth in revenue was significant enough to offset a \$77.1 million decrease in state appropriations from FY08 to FY09.

Using the Annual Financial Report

One of the most important questions asked about University finances is whether the University as a whole is better off or worse off as a result of the year's activities. The key to understanding this question are the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. These statements present financial information in a form similar to that used by private sector companies. The University's net assets (the difference between assets and liabilities) are one indicator of the University's financial health. Over time, increases or decreases in net assets is one indicator of the improvement or erosion of an institution's financial health when considered with non-financial facts such as enrollment levels, operating expenses, and the condition of the facilities.

The statement of net assets includes all assets and liabilities of the University. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the services are provided and expenses and liabilities are recognized when services are received, regardless of when cash is exchanged. Net assets are further broken down into three categories: Investment in capital assets, net of related debt, restricted and unrestricted. Invested in capital assets, net of related debt represents the historical cost of property and equipment, reduced by the balance of related debt outstanding and depreciation expense charged over the years. Net assets are reported as restricted when constraints are imposed by third parties, such as donors, or enabling legislation. Restricted net assets are either non-expendable, as in the case of endowment gifts to be held in perpetuity, or expendable, as in the case of funds to be spent on scholarships and research. All other assets are unrestricted; however, they may be committed for use under contract or designation by the Board of Trustees.

The statement of revenues, expenses and changes in net assets presents the revenues earned or received and expenses incurred during the year. Activities are reported as either operating or non-operating. Operating revenues and expenses include tuition and fees, grant and contract activity, auxiliary enterprises and activity for the general operations of the institution not including appropriations from state and federal sources. Non-operating revenues and expenses include appropriations, capital grants and contracts, endowment, gifts and investment income. All things being equal, a public University's dependency on state aid and gifts will result in operating deficits. That is because the prescribed financial reporting model classifies state appropriations and gifts as non-operating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation expense, which amortizes the cost of a capital asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the University's ability to meet financial obligations as they mature. The statement of cash flows presents information related to cash inflows and outflows summarized by operating, capital and non-capital, financing and investing activities.

The footnotes provide additional information that is essential to understanding the information provided in the external financial statements.

Reporting Entity

The financial statements report information about the University as a whole using accounting methods similar to those used by private-sector companies. The financial statements of the University are separated between University (including its blended component units) and its discretely presented Component Unit activities. The University's discretely presented Component Units (or Related Organizations) are the University of Massachusetts Foundation, Inc., and the University of Massachusetts Dartmouth Foundation, Inc.

Condensed Financial Information

University of Massachusetts			
Condensed Statement of Net Assets			
As of June 30, 2009 and 2008			
(in thousands of dollars)			
	University	University	
	June 30, 2009	June 30, 2008	Change
ASSETS			
Current Assets	\$461,594	\$513,725	(\$52,131)
Noncurrent Assets			
Investment In Plant Net of Accumulated Depreciation	2,068,485	1,919,915	148,570
All other noncurrent assets	1,047,339	1,119,528	(72,189)
Total Assets	\$3,577,418	\$3,553,168	\$24,250
LIABILITIES			
Current Liabilities	\$514,719	\$515,354	(\$635)
Noncurrent Liabilities	1,321,394	1,366,768	(45,374)
Total Liabilities	\$1,836,113	\$1,882,122	(\$46,009)
NET ASSETS			
Invested in Capital Assets Net of Related Debt	\$1,094,306	\$1,027,045	\$67,261
Restricted			
Nonexpendable	16,699	16,605	94
Expendable	156,649	161,732	(5,083)
Unrestricted	473,651	465,664	7,987
Total Net Assets	\$1,741,305	\$1,671,046	\$70,259

University of Massachusetts
Condensed Statement of Net Assets for Related Organizations
As of June 30, 2009 and 2008
(in thousands of dollars)

	University Related Organizations June 30, 2009	University Related Organizations June 30, 2008	Change
ASSETS			
Current Assets	\$9,081	\$8,344	\$737
Noncurrent Assets			
Investment In Plant Net of Accumulated Depreciation	950	979	(29)
All other noncurrent assets	257,720	301,506	(43,786)
Total Assets	\$267,751	\$310,829	(\$43,078)
LIABILITIES			
Current Liabilities	\$7,955	\$9,263	(\$1,308)
Noncurrent Liabilities	3,025	3,636	(611)
Total Liabilities	\$10,980	\$12,899	(\$1,919)
NET ASSETS			
Invested in Capital Assets Net of Related Debt	\$950	\$979	(\$29)
Restricted			
Nonexpendable	225,549	212,017	13,532
Expendable	41,033	77,192	(36,159)
Unrestricted	(10,761)	7,742	(18,503)
Total Net Assets	\$256,771	\$297,930	(\$41,159)

At June 30, 2009, total University assets were \$3.58 billion, an increase of \$24.3 million over the \$3.55 billion in assets recorded for fiscal year 2008. The increase can be attributed to increases in investment in plant assets and investments. The University's largest asset continues to be its net investment in its physical plant of \$2.07 billion at June 30, 2009 (\$1.92 billion in fiscal year 2008).

University liabilities totaled \$1.84 billion at June 30, 2009, a decrease of \$46.0 million over fiscal year 2008. Long-term debt largely consists of bonds payable and capital lease obligations amounting to \$1.27 billion at June 30, 2009. This represents a decrease of approximately \$60.0 million over long-term debt obligations of \$1.33 billion in fiscal year 2008.

The University's current assets as of June 30, 2009 of \$461.6 million were below the current liabilities of \$514.7 million, as the current ratio was 0.90 dollars in assets to every one-dollar in liabilities. June 30, 2008 current assets of \$513.7 million were very close to current liabilities of \$515.4 million, resulting in a current ratio of 1.00.

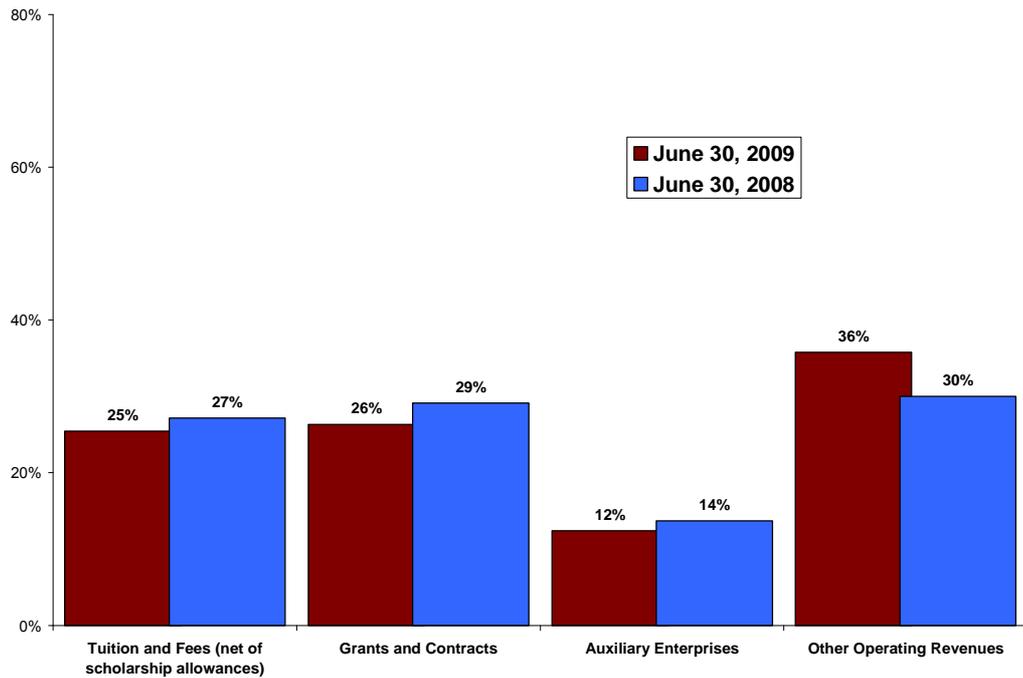
The unrestricted and restricted expendable net assets totaled \$630.3 million in fiscal year 2009, which represents 26.2% of total operating expenditures of \$2.41 billion. The unrestricted and restricted expendable net assets totaled \$627.4 million in fiscal year 2008, which represents 28.0% of total operating expenditures of \$2.24 billion.

University of Massachusetts			
Condensed Statement of Revenues, Expenses, and Changes in Net Assets			
For The Year Ended June 30, 2009 and 2008			
(in thousands of dollars)			
	University	University	
	June 30, 2009	June 30, 2008	Change
Operating Revenues			
Tuition and Fees (net of scholarship allowances of \$126,779 at June 30, 2009 and \$113,738 at June 30, 2008.)	\$490,374	\$458,439	\$31,935
Grants and Contracts	507,763	492,171	15,592
Auxiliary Enterprises	239,669	231,306	8,363
Other Operating Revenues	689,889	506,904	182,985
Total Operating Revenues	1,927,695	1,688,820	238,875
Operating Expenses			
	2,405,538	2,238,492	167,046
Operating Loss	(477,843)	(549,672)	71,829
Nonoperating Revenues / (Expenses)			
Federal Appropriations	5,574	7,099	(1,525)
State Appropriations	540,187	617,271	(77,084)
Interest on Indebtedness	(55,252)	(45,846)	(9,406)
Other Nonoperating Income	32,120	55,468	(23,348)
Net Nonoperating Revenues	522,629	633,992	(111,363)
Income Before Other Revenues, Expenses, Gains or Losses	44,786	84,320	(39,534)
Capital Appropriations	27,483	21,170	6,313
Capital Grants and Contracts	5,182	1,500	3,682
Disposal of Plant Facilities	(8,553)	(10,462)	1,909
Other Additions / (Deductions)	1,361	(10,458)	11,819
Total Other Revenues, Expenses, Gains, and Losses	25,473	1,750	23,723
Total Increase in Net Assets	70,259	86,070	(15,811)
Net Assets			
Net Assets at Beginning of Year	1,671,046	1,584,976	86,070
Net Assets at End of Year	\$1,741,305	\$1,671,046	\$70,259

University of Massachusetts			
Condensed Statement of Revenues, Expenses, and Changes in Net Assets for University Related Organizations			
For The Year Ended June 30, 2009 and 2008			
(in thousands of dollars)			
	University	University	
	Related	Related	
	Organizations	Organizations	Change
	June 30, 2009	June 30, 2008	
Operating Expenses			
	\$14,007	\$19,104	(\$5,097)
Operating Loss	(14,007)	(19,104)	(5,097)
Nonoperating Revenues			
Other Nonoperating Income	(31,621)	11,111	(42,732)
Net Nonoperating Revenues	(31,621)	11,111	(42,732)
Loss Before Other Revenues, Expenses, Gains or Losses	(45,628)	(7,993)	(37,635)
Additions to Permanent Endowments	12,892	19,935	(7,043)
Other	(8,423)	(928)	(7,495)
Total Other Revenues, Expenses, Gains, and Losses	4,469	19,007	(14,538)
Total Increase/(Decrease) in Net Assets	(41,159)	11,014	(52,173)
Net Assets			
Net Assets at Beginning of Year	297,930	286,916	11,014
Net Assets at End of Year	\$256,771	\$297,930	(\$41,159)

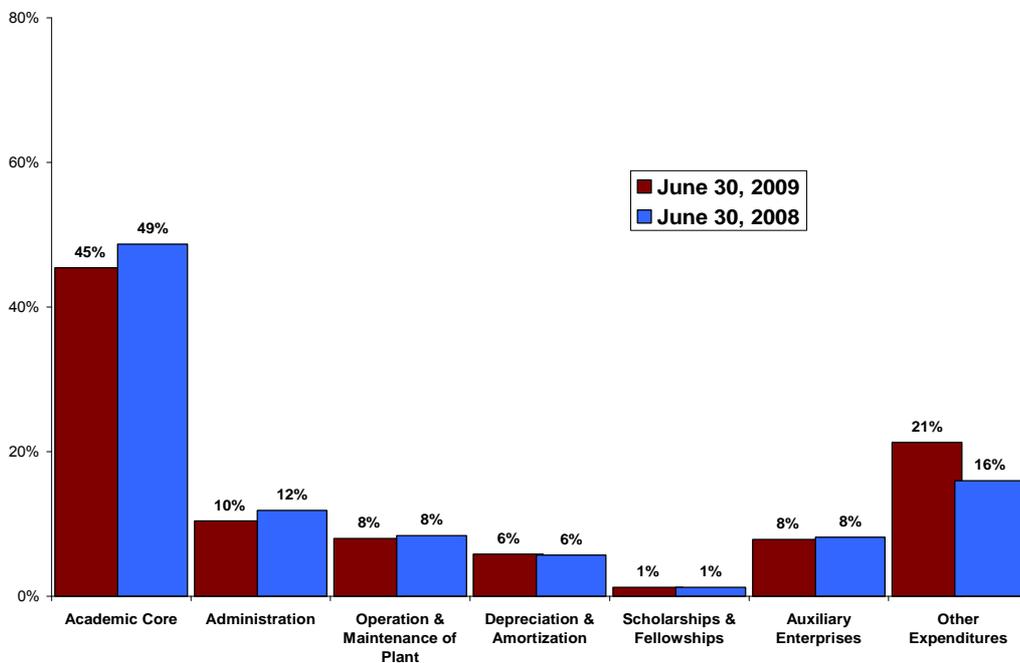
Total operating revenues for fiscal year 2009 were \$1.93 billion. This represents a \$238.9 million increase over the \$1.69 billion in operating revenues in fiscal year 2008. The most significant sources of revenue for the University are tuition and fees, grants and contracts, auxiliary services and public service activities at the Worcester Medical School campus categorized in the following chart as "Other Operating Revenues". The following chart displays operating revenues by source for the University in fiscal years 2009 and 2008.

Sources of Operating Revenues in Relation to Total Revenues, Fiscal Year 2008 to Fiscal Year 2009



In fiscal year 2009, operating expenditures, including depreciation and amortization of \$140.4 million, totaled \$2.41 billion. Of this total, \$1.09 billion or 45% was used to support the academic core activities of the University, including \$358.7 million in research. The chart below displays fiscal year 2009 and 2008 operating spending.

Operating Expenses in Relation to Total Expenses, Fiscal Year 2008 to Fiscal Year 2009



Public Service Activities

Public Service Activities consist largely of sales and services provided to third parties by the UMass Medical School campus under its Commonwealth Medicine (CWM) programs, which provide public consulting and services in health financing, administration and policy to federal, state and local agencies and not-for-profit health and policy organizations. Included in this category of activities are Commonwealth Medicine revenues of \$336.7 million and \$323.2 million for the years ended June 30, 2009 and 2008, respectively. Included in expenditures are Commonwealth Medicine expenditures of \$309.7 million and \$300.2 million for the years ended June 30, 2009 and 2008, respectively.

In addition to CWM activities, Public Service Activities also includes payments received by the Medical School for educational services it provides to its clinical affiliate UMass Memorial as required by the enabling legislation enacted by the Commonwealth in 1997. Educational services revenues included in public service revenues were \$128.5 million and \$75.0 million for the years ended June 30, 2009, and 2008, respectively. Finally, Public Service Activity expenditures also include payments made to the Commonwealth of Massachusetts of \$73.4 million and \$20.4 million for the years ended June 30, 2009 and 2008, respectively, pursuant to requirements of legislation enacted by the State Legislature of Massachusetts.

State Appropriations

State appropriations represent approximately 22% of all operating and non-operating revenues. The level of state support is a key factor influencing the University's overall financial condition. Although the state appropriation is unrestricted revenue, nearly 100% of the state appropriation supports payroll and benefits for University employees.

In fiscal year 2009, the net state appropriation decreased \$77.1 million from fiscal year 2008 amounts. This decrease is primarily due to mid-year reductions, and the associated reduction in state fringe benefit support, implemented through the Commonwealth's Executive Office in response to declining state revenue collections.

Unless otherwise permitted by the Massachusetts Legislature, the University is required to remit tuition revenue received to the Commonwealth. Therefore, the University collects student tuition on behalf of the Commonwealth and remits it to the Commonwealth's General Fund. There is no direct connection between the amount of tuition revenues collected by the University and the amount of state funds appropriated in any given year. In fiscal year 2004, a pilot program authorized by the Commonwealth enabled the Amherst campus to retain tuition for out-of-state students. This pilot program was extended indefinitely in 2005. The amount of tuition retained by the University during 2009 and 2008 was \$32.3 million and \$32.7 million, respectively.

The following details the Commonwealth operating appropriations received by the University for fiscal years ending June 30, 2009 and 2008 (in thousands):

	June 30, 2009	June 30, 2008
Gross Commonwealth Appropriations	\$467,030	\$485,199
Plus: Fringe Benefits*	<u>120,264</u>	<u>178,236</u>
	\$587,294	\$663,435
Less: Tuition Remitted	(\$47,107)	(\$46,164)
Net Commonwealth Support	\$540,187	\$617,271

*The Commonwealth pays the fringe benefit cost for University employees paid from Commonwealth operating appropriations. Therefore, such fringe benefit support is added to the "State Appropriations" financial statement line item as presented in the above table. The University pays the Commonwealth for the fringe benefit cost of the employees paid from funding sources other than Commonwealth operating appropriations.

Capital Appropriations from the Commonwealth

The University faces a financial challenge to maintain and upgrade its capital assets including its infrastructure, buildings and grounds. In order to have a successful capital program, the University must rely on a combination of revenue sources to fund its investment in capital improvements, including appropriations provided by the Commonwealth of Massachusetts. In fiscal year 2009, the \$27.5 million of capital appropriations provided to the University were \$6.3 million greater than the capital appropriations provided in fiscal year 2008. Although fiscal year 2009 capital appropriations represent approximately 1% of all revenues, this form of state support plays an important role in the University's efforts to address deferred maintenance projects at our campuses.

Grant and Contract Revenue

Collectively, the University's Amherst Campus and Medical School in Worcester account for approximately 73% of University grant and contract activity. These two campuses have been the primary catalyst in the University's research funding growth in recent years however each of the other campuses has also experienced growth in sponsored research activity in recent years.

The following table details the University's grant and contract revenues (in millions) for the fiscal years ended June 30, 2009 and 2008:

	June 30, 2009	June 30, 2008
Federal Grants and Contracts	\$324,100	\$318,288
State Grants and Contracts	77,115	72,034
Local Grants and Contracts	2,149	2,507
Private Grants and Contracts	104,399	99,342
Total Grants and Contracts	\$507,763	\$492,171

Discretely Presented Component Units

University of Massachusetts Foundation, Inc.

The combined University and Foundation endowment has decreased to approximately \$375.4 million at June 30, 2009 down from \$407.1 million at June 30, 2008.

The Foundation utilizes the pooled investment concept whereby all invested funds are in one investment pool, except for investments of certain funds that are otherwise restricted. Pooled investment funds will receive an annual distribution of approximately 5% of their beginning market value as of July 1 subject to review and approval by the Foundation's Board of Directors. The distribution amount will be made available at the beginning of the following fiscal year. The actual spending rate was 4% for fiscal years 2009 and 2008. The total investment returns of the Foundation for fiscal year 2009, including realized and unrealized investment activity, was a net loss of approximately \$59.3 million as compared to a net loss of \$1.2 million in 2008.

University of Massachusetts Dartmouth Foundation, Inc.

Total marketable securities for the Dartmouth Foundation were \$28.4 million at June 30, 2009, up from \$25.1 million in fiscal year 2008, which are held by the University of Massachusetts Foundation, Inc. The increase was primarily due to new gifts. The Dartmouth Foundation total investment returns for fiscal year 2009, including realized and unrealized investment activity, was a net loss of approximately \$3.7 million as compared to a net gain of approximately \$171,585 fiscal years 2008.

Tuition and Fees

The University strives to provide students with the opportunity to obtain a quality education. Future University enrollments may be affected by a number of factors, including any material increase in tuition and other mandatory charges and any material decrease in Commonwealth appropriations. In fiscal year 2004, the University established the practice of limiting the annual increases in total mandatory student charges (tuition and mandatory fees) for resident undergraduate students to rate increases of no greater than the rate of inflation. However, with state appropriations declining by \$77.1 million from fiscal year 2008 to 2009, the University's Board approved a \$1,500 increase for academic year 2009-2010 in total mandatory student charges for resident undergraduate students.

Enrollment

Except for the Medical School, which admits only Massachusetts residents (as required by Massachusetts Session Laws, 1987, Chapter 199, Section 99); admission to the University is open to residents and non-residents of the Commonwealth on a competitive basis. In the fall 2008 semester, Massachusetts residents accounted for approximately 86% and 58% of the University's total undergraduate and graduate enrollment, respectively. Total enrollment in the fall of 2008 was 53,140 FTE (63,127 headcount students).

Enrollments at the University have shown modest increases overall since 1997 (44,853 FTE). The enrollment changes are consistent with the University's efforts to manage housing and class enrollment. In the fall of 2008, freshman applications were up at the Amherst campus 6.6%, up at Boston 8.6%, up at Dartmouth 2.8% and up 12.9% at the Lowell campus. Transfer applications were steady at the Amherst campus, up at the Boston campus 5.2%, up at the Dartmouth campuses by 2.4%, and up approximately 13.1% at the Lowell campus.

The average Scholastic Aptitude Test ("SAT") scores for entering University freshmen ranged from 1045 to 1155 at the University's campuses in the fall of 2008. The 2009 national average SAT composite score was 1016.

Degrees Awarded

The University awards four levels of degrees, including associate, bachelors, masters and doctoral/professional degrees. A total of 12,221 degrees were awarded in the 2007-2008 academic year: 147 associate degrees, 8,438 bachelor degrees, 3,097 master degrees, 437 doctoral degrees and 102 MD degrees.

Bonds Payable

As of June 30, 2009, the University had outstanding bonds of approximately \$1.334 billion representing \$955.0 million of University of Massachusetts Building Authority bonds (the "Building Authority Bonds"), \$63.0 million of University of Massachusetts bonds financed through the Massachusetts Health and Educational Facilities Authority (the "UMass HEFA Bonds"), and \$315.9 million of bonds financed through the Worcester City Campus Corporation (the "WCCC Bonds"). Bonds payable is the University's largest liability at June 30, 2009 and 2008. Projects initially financed by the Building Authority Bonds consisted primarily of dormitories, apartments, dining commons, athletic and multi-purpose facilities and parking garages at the University campuses. The Building Authority's active projects include dormitory rehabilitations, renovation of general education buildings, and construction of academic and science facilities. The proceeds from the UMass HEFA Bonds were used to create a revolving loan program and to fund the construction of two new campus centers at the Boston and Lowell campuses (funded jointly with the

Commonwealth).

In fiscal year 2008, the Authority issued \$381.5 million of bonds and refunded \$242.5 million of previously issued bonds in a series of transactions. The proceeds were to be used for various construction and renovation projects for the Amherst, Dartmouth, Lowell, and Worcester campuses. Further, in fiscal year 2008,

- The Building Authority issued its Series 2008-1 bonds. The bonds were issued in the amount of \$232.5 million and the proceeds were to be used for various construction and renovation projects for the Amherst and Lowell campuses.
- The Building Authority issued Series 2008-A bonds. The bonds were issued in the amount of \$26.6 million and the proceeds were to be used for various construction and renovation projects for the Dartmouth and Lowell campuses.
- The Building Authority issued Series 2008-2 bonds. The bonds were issued in the amount of \$120.6 million and the proceeds were to be used for various construction and renovation projects for the University's Amherst and Worcester campuses.
- The Building Authority issued its Series 2008-3 bonds. The bonds were issued in the amount of \$138.6 million and the proceeds were used to currently refund a portion of the 2006-1 bonds.
- The Building Authority issued Series 2008-4 bonds. The bonds were issued in the amount of \$104.0 million and the proceeds were used to currently refund a portion of the 2006-1 bonds.
- In connection with the Series 2008-1 bonds, the Building Authority entered into an interest rate swap (the 2008-1 Swap). The intention of the swap is to effectively change the variable interest rate on the bonds to a synthetic fixed rate of 3.388%.

Capitalized Lease Obligations

At June 30, 2009, the University had capital lease obligations with remaining principal payments of approximately \$34.3 million which is a \$8.1 million decrease from the remaining principal payments of \$42.4 million at June 30, 2008. At June 30, 2008, the University had capital lease obligations with remaining principal payments of approximately \$42.4 million. The capital leases primarily consist of telecommunications, software and co-generation systems, and campus energy conversions. The decrease in obligations is due to scheduled debt service payments.

University Rating

As of June 30, 2009, the credit ratings for the University of Massachusetts bonds are "A+" as rated by Fitch IBCA and Standard & Poor's rating agencies. In October 2009, the University received a rating from Moody's Investors Services of Aa3, a step up from the ratings from Fitch and Standard & Poor's. The highest achievable rating is "Aaa" based upon the scale used in the University's rating. The University's Moody's rating is one tier below the "Aa2" rating of the Commonwealth of Massachusetts.

Limitations on Additional Indebtedness

The University may, without limit, issue additional indebtedness or request the Building Authority to issue additional indebtedness on behalf of the University so long as such indebtedness is payable from all available funds of the University. However, the University may request that the Building Authority issue additional indebtedness not payable from all available funds of the University provided that the additional indebtedness is secured by certain pledged revenues and the maximum annual debt service on all revenue indebtedness does not exceed 10% of the University's available revenues.

The Building Authority is authorized by its enabling act to issue bonds with the unconditional guarantee of the Commonwealth of Massachusetts for the punctual payment of the interest and principal payments on the guaranteed bonds. The full faith and credit of the Commonwealth are pledged for the performance of its guarantee. The enabling act, as amended, presently limits to \$200 million the total principal amount of notes and bonds of the Building Authority that may be Commonwealth guaranteed and outstanding at any one time.

Capital Plan

In September of 2009, the University Trustees approved a \$3.7 billion five-year (fiscal years 2010-2014) update to its capital plan to be financed from all available funding including projects already in process as well as new projects. The University generally has funded its capital plans through a combination of funding received from University operations, bonds issued by the Building Authority, Massachusetts Health and Educational Facilities Authority financing, Commonwealth appropriations, and private fund raising. The execution of the University's capital plan is contingent upon sufficient funding from the Commonwealth.

The University's five-year capital plan for fiscal years 2010-2014 includes both new projects and major projects that were previously approved by the University Trustees in prior-year capital plans. The major projects in the 2010-2014 capital plan and their estimated total project cost include:

Amherst campus

- completion of a new central heating plant for approximately \$133.3 million
- the construction of a laboratory science building for approximately \$144.0 million
- the construction of an academic classroom building for approximately \$85.0 million
- renovations to the Lederle Graduate Research Complex totaling approximately \$41.3 million
- the construction of a new student recreation center for \$53.3 million
- Morrill Science Center renovation and repair projects of \$51.3 million
- upgrades to residential housing sprinkler systems for \$32.0 million
- projects focusing on deferred maintenance for approximately \$30.0 million
- renovations to increase capacity at the Worcester Dining Commons for \$20.0 million
- construction of swing buildings in order to support renovation and construction activity for \$50.0 million
- renovations to the Goessmann Addition for \$15.0 million
- design and construction of a new police facility for \$12.5 million

- renovations to the interior space of the DuBois Library for \$13.0 million

Boston campus

- major interim stabilization work to ensure the safety of the campus substructure and to allow for continuity of operations for \$21.8 million
- the implementation of phase 1 of the Campus Master Plan for \$60.0 million will include improvements such as utility relocation, roadway relocation, and plaza and building demolition needed to reconstruct the existing center of the Campus
- renovations of existing campus buildings to address deferred maintenance for \$75.0 million
- purchase of expansion or swing space for approximately \$25.0 million
- the construction of an Integrated Sciences Complex for \$152.0 million
- the construction of a 1,200 vehicle parking garage to meet current demand for approximately \$35.0 million
- the construction of a new academic building for \$100.0 million

Dartmouth campus

- in order to accommodate a growing enrollment and to deal with deteriorating housing units the campus plans to expend \$75.0 million for the renovation and replacement of student housing
- the construction of an administrative services building in order to consolidate operations and create more academic space for approximately \$12.7 million
- the construction of an addition to the Campus Center to meet the needs of the expanding student population for approximately \$16.4 million
- the construction of a multi-purpose field house for approximately \$20.8 million
- extensive library renovations to address deferred maintenance and to improve services for approximately \$44.0 million
- an energy/water conservation project for \$40.0 million
- expansion of the Charlton College of Business for \$14.0 million

Lowell campus

- construction of the Emerging Technology Innovation Center for approximately \$70.0 million
- the construction of an academic building on the South Campus for \$40.0 million
- the modernization of the North Quad area to include security improvements, systems upgrades, and access enhancements for \$11.3 million
- acquisition of several properties neighboring the Campus for \$20.0 million
- construction of a parking garage on the north campus to increase capacity for approximately \$15.0 million
- construction of a parking garage on the south campus to increase capacity for approximately \$15.0 million
- modernization of existing academic buildings for approximately \$54.3 million
- renewal program for auxiliary services buildings for approximately \$50.0 million
- energy conservation projects through an ESCO arrangement for approximately \$40.0 million

Worcester campus

- construction of a new science facility to support new programs in stem cell research, RNAi therapies, and gene silencing for approximately \$320.0 million
- construction of a medical education and clinical practice building for \$120.0 million
- expansion of the existing power plant to improve efficiency and meet the energy requirements of the growing Campus for approximately \$42.0 million
- HVAC upgrades and replacements for approximately \$30.0 million
- the construction of a parking garage to meet increased demand for \$28.0 million
- the construction of a new building to support vaccine production and product warehousing for \$35.0 million
- the construction of a mixed-use building for office space and research and development work for \$69.0 million
- purchase of office/research buildings adjacent to the Worcester Campus for approximately \$24.0 million

In 1996, the University initiated a more active program to address deferred maintenance needs at its campuses. As a result, the University has made investments to repair and renovate facilities at the University's campuses from a combination of University sources and direct Commonwealth support. Addressing deferred maintenance remains a priority within the University's capital plan. The University's 2010-2014 capital plan includes approximately \$690.6 million of deferred maintenance projects. During fiscal year 2009, the University expended approximately \$191.8 million on plant operations and maintenance activities.

Factors Impacting Future Periods

There are a number of issues of University-wide importance that directly impact the financial operations of the University. Many of these issues such as improving academic quality and financial performance, investing in capital assets, expanding fundraising capacity, and measuring performance are ongoing activities of continuous importance to the Board of Trustees and University leadership that impact the financial and budget planning each year. The level of state support, the impact of collectively bargained wage increases, and the ability of student fee supported activities to meet inflationary pressures determine the limits of program expansion, new initiatives and strategic investments, as well as the ability of the University to meet its core mission and ongoing operational needs.

The ability to address priority capital needs and requirements for deferred maintenance, technology, repairs and adaptation, and selected new construction projects is one of the largest challenges facing the University in years to come. The commitment of operating funds for servicing debt and/or funding capital expenditures has an ongoing impact on the overall financial picture of the University. In order to support the University's capital plan, the University of Massachusetts Building Authority completed a bond issuance in October 2009 that provides funding for approximately \$512.5 million of renovations, new

construction, and deferred maintenance projects at the Amherst, Boston, Lowell, and Worcester campuses.

The University is also exploring or negotiating for the acquisition of several significant properties. The Boston Campus is exploring the acquisition of a property that would provide more than 200,000 square feet of swing space and parking accommodations needed for the implementation of its master plan. In a move that might lead to the establishment of a public law school in Massachusetts, the University is considering the merits of a real estate transaction that would transfer the campus and other assets of a Massachusetts law school to the University. The University's Lowell Campus is close to completing a transaction, pending the required governmental and legislative approvals, which would give ownership of a mid-sized arena venue with function rooms sited near the Merrimack River in Lowell, to the University.

In recent years the University's UMassOnline program has shown significant growth in enrollments, course offerings and revenue generation benefiting the campuses and raising the profile of the University throughout this important sector of the higher education market. Currently, the University offers close to 82 online degrees, certificates and continuing medical education programs, as well as over 1,500 courses annually.

Revenue from the University's Commercial Ventures and Intellectual Property (CVIP) grew by more than \$35.0 million to approximately \$73.0 million in fiscal year 2009. This increase is largely attributable to the Medical School sharing in an upfront payment of \$60.0 million for an exclusive licensing agreement for an antibody combination developed to treat *Clostridium Difficile* Infection (CDI). The agreement presents the Medical School with the opportunity to realize significant additional revenue depending upon the success of the drug. If the drug moves to commercialization, the Medical School will also be eligible to receive royalties on sales. The Medical School has developed into a strong research institution, consistently producing advances in clinical and basic research. The University's revenue from CVIP is expected to continue to grow as the Medical School and the University's other campuses place more emphasis on applied research.

The University has recently launched a coordinated effort in international activities to develop partnerships and programs to bring faculty, visiting scholars and students from other countries to the University; to integrate study abroad opportunities into the undergraduate and graduate curriculum; and to encourage faculty to engage in research, teaching and service activities around the world.

Within the last three years, the University had appointed new Chancellors for the Amherst, Boston, Lowell, and Worcester campuses. These appointments further strengthen a leadership team already focused on expanding the University's impact on the Commonwealth and the world as a leader in research, teaching and public service.

The University of Massachusetts Medical School's (UMMS) Craig C. Mello, PhD, and his colleague Andrew Fire, PhD, of Stanford University, were awarded the 2006 Nobel Prize in Physiology or Medicine for their discoveries related to ribonucleic acid (RNA). The findings of Drs. Mello and Fire demonstrated that a particular form of RNA, the cellular material responsible for the transmission of genetic information, can silence (RNAi process) targeted genes. Due to these findings, companies worldwide at the forefront of pharmaceutical innovation have purchased licenses to RNAi technology, co-owned by the UMMS, to aid in their development of treatments for disease. In addition, UMMS researchers are using RNAi technology to speed investigation into a variety of diseases. The work of Dr. Mello has not only produced revenue streams for the University and aided the work of his fellow researchers, but it has also enhanced the overall view of the University of Massachusetts. This recognition highlights the strength of UMMS research and can enhance the overall reputation of the entire University.

In July of 2007, Governor Patrick launched a significant new initiative to stimulate the Life Sciences industry in Massachusetts. As a result, the Commonwealth passed a \$1.0 billion Life Sciences Investment Bill and it is anticipated that some portion of this funding, possibly as much as \$240.0 million, will be used to support facility improvements at the University The Medical School and Amherst campuses are well positioned to take a lead in the development of new technologies in the life sciences and the University has been identified to play a significant role in the development of a stem cell bank for researchers throughout the world. As part of the Life Sciences Initiative, the Commonwealth, through the Life Sciences Center, has agreed to provide \$90.0 million to the University's Medical School for the construction of a \$330.0 million life sciences building on the Worcester Campus. This facility (The Sherman Center) will include a new Advanced Therapeutics Cluster (ATC), composed of a Gene Therapy Center, a RNAi Therapeutics Center and a Center for Stem Cell Biology and Regenerative Medicine. The Life Sciences Bill also designated funding for a major research facility at the Amherst Campus, and significant capital investments in collaborative facilities and programs involving the Boston, Dartmouth, and Lowell campuses. In addition to capital funding, the life sciences initiative provides a number of opportunities for the University to participate in the planning and program implementation of this important economic development effort.

Also, in the fall of 2007 Governor Patrick filed a higher education bond bill to fund capital improvements and new facilities at all University campuses. The Commonwealth passed the largest higher education bond bill, Chapter 258 of the Acts of 2008, on August 6, 2008, which included over \$1 billion for University projects to be funded over the next 10 years. The Commonwealth's Executive Office of Administration and Finance (EOAF) put forth a five-year capital plan in September 2009 that would significantly increase annual state capital spending on University projects. Over the next few years, state capital support for major University projects is expected to increase from 3% of the Commonwealth's total capital spending to 12% of total capital spending.

The University's Boston Campus is situated on a peninsula in Boston Harbor which is also home to the John F. Kennedy Presidential Library and the Massachusetts State Archives and Commonwealth Museum. Plans are now underway to develop adjacent to the campus the Edward M. Kennedy Institute for the United States Senate. The Institute will include a new building focusing on political study, training sessions for students and politicians, and historical records. Once established, the Institute is likely to add significant prominence to the Boston Campus and the University.

Beginning in 2004, the University followed a strategy of limiting the annual increases for mandatory student charges to levels below the estimated current inflation rate. The University believed that this "at or below inflation" approach for student charge increases would provide reasonable stability and predictability for students, their families, and institutional planners. The University was able to maintain these limits on its student charge increases through fiscal year 2009 because of stable support from the Commonwealth. On October 15, 2008, faced with a large state budget deficit, Governor Patrick implemented a fiscal action plan to close the gap that included more than \$1.0 billion in immediate cuts and spending controls across state government. As part of this action plan, the administration reduced the University's fiscal year 2009 state appropriation by 5%, or approximately \$24.6 million. As the state and national economy continued to deteriorate, the administration reduced the University's fiscal year state appropriation by an additional \$2.8 million in January 2009.

In response to these mid-year reductions and the anticipated further reduction of the state appropriation for fiscal year 2010, the University departed from its five-year practice of limiting student charge increases to at or below the rate of inflation. For fiscal year 2010, the University Trustees approved a mandatory student charge increase of up to \$1,500 for in-state undergraduate students. The approved increase included specific language that authorized rebates of the charge increases based upon the level of federal support provided by The American Recovery and Reinvestment Act of 2009 ("ARRA").

The Commonwealth's budget for fiscal year 2010 approved on June 29, 2009 reduced the University's state appropriation by \$53.5 million in comparison to the final fiscal year 2009 state appropriation after the reductions made in October 2008 and January 2009. The fiscal year 2010 state budget also eliminated \$10.2 million of line item funding specific to the University.

To protect the University from the full impact of the budget reductions made in fiscal year 2009 and fiscal year 2010, the Commonwealth's Executive Office of Education distributed to the University in September 2009 \$118.6 million of the federal education stabilization funds available to the Commonwealth from ARRA. In October 2009, in response to lower state revenue projections, the state rescinded an additional \$32.0 million from the University's state appropriation. The Commonwealth's Executive Office of Education intends to replace this lost appropriation with an equal amount of ARRA education stabilization funds. The receipt of this federal revenue allows the University to remain consistent with the Board of Trustee vote on student charges taken on February 27, 2009 and offer a partial rebate of the \$1,500 student charge increase.

The \$150.6 million distribution of ARRA funding to the University is a one-time event for fiscal year 2010. The Commonwealth has already distributed approximately 95% of its education stabilization funds, of which the University has received approximately 19%. There remains the possibility that the University will receive an additional allocation of education stabilization funds in either fiscal year 2010 or fiscal year 2011, but the Commonwealth has less than \$40.0 million remaining to be allocated among all education departments. The mandatory charge increase approved for fiscal year 2010 remains in place and will serve as the base amount when the University reviews its student charges for fiscal year 2011.

University of Massachusetts
Statement of Net Assets
As of June 30, 2009 and 2008
(in thousands of dollars)

	University	University Related Organizations	University	University Related Organizations
	June 30, 2009	June 30, 2009	June 30, 2008	June 30, 2008
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$33,091		\$38,453	
Cash Held By State Treasurer	14,086		10,965	
Accounts, Grants and Loans Receivable	199,532	\$22	199,583	\$22
Pledges Receivable	1,357	8,237	1,002	7,293
Short Term Investments	160,820		212,483	
Inventories	13,833		14,387	
Accounts Receivable UMass Memorial	15,546		4,138	
Due From Related Organizations	1,535	806	111	990
Other Assets	21,794	16	32,603	39
Total Current Assets	461,594	9,081	513,725	8,344
Noncurrent Assets				
Cash and Cash Equivalents		3,402		3,753
Cash Held By State Treasurer	8,613		7,272	
Cash and Securities Held By Trustees	475,153		642,210	
Accounts, Grants and Loans Receivable	35,329		34,749	
Pledges Receivable	2,028	3,498	1,854	5,179
Investments	513,392	250,769	420,234	292,526
Other Assets	12,824	51	13,209	48
Investment In Plant Net of Accumulated Depreciation	2,068,485	950	1,919,915	979
Total Noncurrent Assets	3,115,824	258,670	3,039,443	302,485
Total Assets	\$3,577,418	\$267,751	\$3,553,168	\$310,829
LIABILITIES				
Current Liabilities				
Accounts Payable	\$98,201	\$177	\$91,550	\$266
Accrued Salaries and Wages	70,752		64,835	
Accrued Liability for Compensated Absences	69,443		67,375	
Accrued Liability for Workers' Compensation	3,717		3,125	
Arbitrage Rebate Payable			956	
Accrued Interest Payable	12,146		9,912	
Bonds Payable	123,790		127,291	
Capital Lease Obligations	11,457		8,251	
Accounts Payable UMass Memorial	3,372		3,056	
Due To Related Organizations	806	1,535	990	111
Deferred Revenues and Credits	48,325	6,243	61,400	8,886
Advances and Deposits	6,854		8,552	
Other Liabilities	65,856		68,061	
Total Current Liabilities	514,719	7,955	515,354	9,263
Noncurrent Liabilities				
Accrued Liability for Compensated Absences	23,593		21,707	
Accrued Liability for Workers' Compensation	10,416		11,274	
Arbitrage Rebate Payable	544		519	
Bonds Payable	1,210,220		1,257,734	
Capital Lease Obligations	22,870		34,177	
Deferred Revenues and Credits	23,668		13,556	
Advances and Deposits	26,782		27,383	
Other Liabilities	3,301	3,025	418	3,636
Total Noncurrent Liabilities	1,321,394	3,025	1,366,768	3,636
Total Liabilities	\$1,836,113	\$10,980	\$1,882,122	\$12,899
Net Assets:				
Invested in Capital Assets Net of Related Debt Restricted	\$1,094,306	\$950	\$1,027,045	\$979
Nonexpendable	16,699	225,549	16,605	212,017
Expendable	156,649	41,033	161,732	77,192
Unrestricted	473,651	(10,761)	465,664	7,742
Total Net Assets	\$1,741,305	\$256,771	\$1,671,046	\$297,930

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

University of Massachusetts
Statements of Revenues, Expenses, and Changes in Net Assets
For The Years Ended June 30, 2009 and 2008
(in thousands of dollars)

	University	University Related	University	University Related
	June 30, 2009	June 30, 2009	June 30, 2008	June 30, 2008
REVENUES				
Operating Revenues				
Tuition and Fees (net of scholarship allowances of \$126,779 at June 30, 2009 and \$113,738 at June 30, 2008)	\$490,374		\$458,439	
Federal Grants and Contracts	324,100		318,288	
State Grants and Contracts	77,115		72,034	
Local Grants and Contracts	2,149		2,507	
Private Grants and Contracts	104,399		99,342	
Sales & Service, Educational	20,965		20,657	
Auxiliary Enterprises	239,669		231,306	
Other Operating Revenues:				
Sales & Service, Independent Operations	94,908		65,588	
Sales & Service, Public Service Activities	507,096		363,041	
Other	66,920		57,618	
Total Operating Revenues	1,927,695		1,688,820	
EXPENSES				
Operating Expenses				
<i>Educational and General</i>				
Instruction	540,479		548,850	
Research	358,659		342,109	
Public Service	67,989	\$13,443	68,807	\$13,349
Academic Support	125,604		130,293	
Student Services	87,207		91,157	
Institutional Support	163,659		174,358	
Operation and Maintenance of Plant	191,761		187,520	
Depreciation and Amortization	140,392	20	127,519	19
Scholarships and Fellowships	29,845	544	28,111	5,736
<i>Auxiliary Enterprises</i>	188,312		182,379	
<i>Other Expenditures</i>				
Independent Operations	56,057		49,562	
Public Service Activities	455,574		307,827	
Total Operating Expenses	2,405,538	14,007	2,238,492	19,104
Operating Loss	(477,843)	(14,007)	(549,672)	(19,104)
NONOPERATING REVENUES/(EXPENSES)				
Federal Appropriations	5,574		7,099	
State Appropriations	540,187		617,271	
Gifts	22,918	15,929	20,654	12,304
Investment Income	(9,284)	(50,324)	12,294	(11,189)
Endowment Income	10,319	2,774	11,036	9,996
Interest on Indebtedness	(55,252)		(45,846)	
Other Nonoperating Income	8,167		11,484	
Net Nonoperating Revenues	522,629	(31,621)	633,992	11,111
Income/(Loss) Before Other Revenues, Expenses, Gains, and Losses	44,786	(45,628)	84,320	(7,993)
Capital Appropriations	27,483		21,170	
Capital Grants and Contracts	5,182		1,500	
Additions to Permanent Endowments		12,892		19,935
Disposal of Plant Facilities	(8,553)	(16)	(10,462)	
Other Additions/Deductions	1,361	(8,407)	(10,458)	(928)
Total Other Revenues, Expenses, Gains, and Losses	25,473	4,469	1,750	19,007
Total Increase/(Decrease) in Net Assets	70,259	(41,159)	86,070	11,014
NET ASSETS				
Net Assets at Beginning of Year	1,671,046	297,930	1,584,976	286,916
Net Assets at End of Year	\$1,741,305	\$256,771	\$1,671,046	\$297,930

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

University of Massachusetts
Statements of Cash Flows
For The Years Ended June 30, 2009 and 2008
(in thousands of dollars)

	University June 30, 2009	University June 30, 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$516,757	\$494,210
Grants and Contracts	490,169	483,167
Payments to Suppliers	(996,152)	(886,801)
Payments to Employees	(1,105,868)	(1,069,262)
Payments for Benefits	(217,782)	(268,938)
Payments for Scholarships and Fellowships	(29,845)	(28,111)
Loans Issued to Students and Employees	(4,189)	(5,733)
Collections of Loans to Students and Employees	3,744	4,253
Auxiliary Enterprises Receipts	261,869	232,694
Sales and Service, Educational	25,428	25,230
Sales & Service, Independent Operations	103,842	87,052
Sales & Service, Public Service Activities	589,985	599,679
Net Cash Used for Operating Activities	(362,042)	(332,560)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	597,202	673,134
Tuition Remitted to the State	(47,107)	(46,164)
Federal Appropriations	5,574	7,099
Gifts and Grants for Other Than Capital Purposes	21,817	22,675
Private Gifts for Endowment Purposes	140	1,557
Student Organization Agency Transactions	49	151
Net Cash Provided by Noncapital Financing Activities	577,675	658,452
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from Capital Debt	19,290	393,037
Bond Issuance Costs Paid	(113)	(1,129)
Capital Appropriations	27,166	20,246
Capital Grants and Contracts	5,182	1,250
Purchases of Capital Assets and Construction	(120,653)	(144,013)
Principal Paid on Capital Debt and Leases	(76,429)	(65,588)
Interest Paid on Capital Debt and Leases	(58,375)	(42,871)
Use of Debt Proceeds on Deposit with Trustees	(178,115)	(188,045)
Net Cash Used for Capital Financing Activities	(382,047)	(27,113)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	1,297,493	1,532,642
Interest on Investments	42,010	23,810
Purchase of Investments	(1,341,046)	(1,674,343)
Net Cash Used for Investing Activities	(1,543)	(117,891)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(167,957)	180,888
Cash and Cash Equivalents - Beginning of the Year	698,900	518,012
Cash and Cash Equivalents - End of Year	\$530,943	\$698,900
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	(\$477,843)	(\$549,672)
<i>Adjustments to reconcile loss to net cash used by Operating Activities:</i>		
Depreciation and Amortization Expense	140,392	127,519
<i>Changes in Assets and Liabilities:</i>		
Receivables, net	(1,058)	6,864
Inventories	554	(1,104)
Due to/from Related Organizations	(1,608)	(210)
Accounts Receivable/Payable UMass Memorial	(11,092)	118,087
Other Assets	(4,330)	(2,165)
Accounts Payable (non-capital)	(4,116)	(14,743)
Accrued Liabilities	9,605	12,082
Deferred Revenue	(2,963)	5,478
Advances and Deposits	(2,299)	(2,728)
Other Liabilities	(7,284)	(31,968)
Net Cash Used for Operating Activities	(362,042)	(332,560)
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:		
Assets acquired and included in accounts payable	\$28,090	\$38,061
Gain/(loss) on disposal of capital assets	(13,424)	(7,560)
Securities lending activity	(3,492)	(10,649)
Unrealized gains/(losses) on investments	(32,715)	(45,745)

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

**University of Massachusetts
Notes to Financial Statements
June 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The financial statements herein present the financial position, results of operations, changes in net assets, and cash flows of the University of Massachusetts (University), a federal land grant institution. The financial statements of the University include the Amherst, Boston, Dartmouth, Lowell and Worcester Medical School campuses, and the Central Administration office of the University, Worcester City Campus Corporation (WCCC), the University of Massachusetts Amherst Foundation (UMass Amherst Foundation), as well as the University of Massachusetts Building Authority (Building Authority).

The Building Authority is a public instrumentality of the Commonwealth created by Chapter 773 of the Acts of 1960, whose purpose is to provide dormitories, dining commons, and other buildings and structures for use by the University. WCCC, of which the Worcester Foundation for Biomedical Research, Inc. (WFBR) and Public Sector Partners, Inc. ((PSP) See Note 6) are subsidiaries, is a tax exempt organization founded to support research and real property activities for the University. The UMass Amherst Foundation was established in 2003 as a tax exempt organization founded to foster and promote the growth, progress, and general welfare of the University. These component units are included in the financial statements of the University because of the significance and exclusivity of their financial relationships with the University.

The University Related Organizations' column in the financial statements includes the financial information of the University's discretely presented component units. The University of Massachusetts Foundation, Inc. (Foundation) and the University of Massachusetts Dartmouth Foundation, Inc. (the Dartmouth Foundation) are related tax exempt organizations founded to foster and promote the growth, progress and general welfare of the University, and are reported in a separate column to emphasize that they are Massachusetts not-for-profit organizations legally separate from the University. These component units are included as part of the University's financial statements because of the nature and the significance of their financial relationship with the University. The financial statement presentation of the discretely presented component units has been reclassified to conform to the University presentation. The financial reports of all above mentioned component units are available upon request from the University.

The University is a component unit of the Commonwealth of Massachusetts. The financial balances and activities included in these financial statements are, therefore, also included in the Commonwealth's comprehensive annual financial report.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) using the economic resources measurement focus and the accrual basis of accounting. These statements are reported on a combined basis, and all intra-University transactions are eliminated. In accordance with GASB Statement No. 20, the University follows all applicable GASB pronouncements. In addition, the University applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The University has elected not to apply FASB pronouncements issued after November 30, 1989.

Operating revenues consist of tuition and fees, grants and contracts, sales and services of educational activities (including royalties from licensing agreements) and auxiliary enterprise revenues. Operating expenses include salaries, wages, fringe benefits, utilities, subcontracts on grants and contracts, supplies and services, and depreciation and amortization. All other revenues and expenses of the University are reported as non-operating revenues and expenses including state general appropriations, federal appropriations, non-capital gifts, short term investment income, endowment income used in operations, interest expense, and capital additions and deductions. Capital items represent all other changes in long term plant and endowment net assets. Revenues are recognized when earned and expenses are recognized when incurred with the exception of revenue earned on certain public service activities (see Note 5). Restricted grant revenue is recognized only when all eligibility requirements have been met, that is to the extent grant revenues are expended or in the case of fixed price contracts, when the contract terms are met or completed. Contributions, including unconditional promises to give (pledges) for non-endowment or non-capital purposes, are recognized as revenues in the period received. Promises of additions to non-expendable endowments are not recognized until cash or other assets are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The University applies restricted net assets first when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, and disclosures of contingencies at the date of the financial statements and revenues and expenditures recognized during the reporting period. Significant estimates include the accrual for employee compensated absences, the accrual for workers' compensation liability, the allowance for doubtful accounts, valuation of certain investments and best estimates of selling price associated with certain multiple element arrangements. Actual results could differ from those estimates.

The University reports its financial statements as a “business-type activity” (“BTA”) under GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* (GASB 35). BTAs are defined as those that are financed in whole or in part by fees charged to external parties for goods or services.

In order to ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the University are maintained internally in accordance with the principles of “fund accounting”. This is the procedure by which resources for various purposes are maintained in separate funds in accordance with the activities or objectives specified. GASB 35 requires that external financial statements to be reported on a consolidated basis and establishes standards for external financial reporting by public colleges and universities that resources be classified into the following net asset categories:

- **Invested in capital assets, net of related debt:** Capital assets, at historical cost, or fair market value on date of gift, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted Nonexpendable:** Net assets subject to externally imposed stipulations that they be maintained permanently by the University.
- **Restricted Expendable:** Net assets whose use by the University is subject to externally imposed stipulations. Such assets include restricted grants and contracts, the accumulated net gains/losses on true endowment funds, as well as restricted funds loaned to students, restricted gifts and endowment income, and other similar restricted funds.
- **Unrestricted:** Net assets that are not subject to externally imposed stipulations. Substantially all unrestricted net assets are designated to support academic, research, auxiliary enterprises or unrestricted funds functioning as endowments, or are committed to capital construction projects.

Revenues are reported net of discounts and allowances. As a result, student financial aid expenditures are reported as an allowance against tuition and fees revenue while stipends and other payments made directly to students are recorded as scholarship and fellowship expenditures on the statement of revenues, expenses, and other changes to net assets, and included in supplies and services on the statement of cash flows. Discounts and allowances for tuition and fees and auxiliary enterprises are calculated using the Alternate Method.

NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* – This standard provides guidance on the accounting and reporting of obligations and costs related to existing pollution remediation, such as obligations to clean up spills of hazardous wastes or to remove contamination (e.g., asbestos). This standard also sets forth triggers that would signal when the University should determine if it has to estimate and report a remediation liability. The requirements of this Statement are effective for financial statements of periods beginning after December 15, 2007 (fiscal 2009 for the University). The University has expended \$560,000 in pollution remediation costs during fiscal year 2009 and a liability of \$1.5 million for pollution remediation obligations has been recorded as of June 30, 2009.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* - This standard was issued in June 2007 and is effective for financial statements for periods beginning after June 15, 2009 (fiscal 2010 for the University). This standard requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This standard also provides authoritative guidance that specifically addresses the nature of these intangible assets which should be applied in addition to the existing authoritative guidance for capital assets. The guidance specific to intangible assets also includes guidance on recognition and requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. Additionally, this standard establishes a specified-conditions approach to recognizing intangible assets that are internally generated. Effectively, outlays associated with the development of such assets should not begin to be capitalized until certain criteria are met. Outlays incurred prior to meeting these criteria should be expensed as incurred. If there are no factors that limit the useful life of an intangible asset, this standard provides that the intangible asset be considered to have an indefinite useful life. Intangible assets with indefinite useful lives should not be amortized unless their useful life is subsequently determined to no longer be indefinite due to a change in circumstances. The provisions of this standard generally are required to be applied retroactively. Retroactive reporting is not required but is permitted for intangible assets considered to have indefinite useful lives as of the effective date of this standard and those considered to be internally generated. The University is currently evaluating the effect that GASB Statement No. 51 will have on its financial statements.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* - This standard was issued in June 2008 and is effective for periods beginning after June 15, 2009 (fiscal 2010 for the University) and encourages earlier application. This standard requires that for potential hedging derivative instruments existing prior to the fiscal period during which this Statement is implemented, the evaluation of effectiveness should be performed as of the end of the current period. If determined to be effective, hedging derivative instruments are reported as if they were effective from their inception. If determined to be ineffective, the potential hedging derivative instrument is then evaluated as of the end of the prior reporting period. The implementation guide on the standard was issued by the GASB in April 2009. The University is currently evaluating the effect that Statement No. 53 will have on its financial statements.

EITF 08-1, *Revenue Arrangements with Multiple Deliverables* - In October 2009, the Emerging Issues Task Force ("the EITF") reached consensus on an amendment to the accounting and disclosure requirements for revenue arrangements with multiple deliverables. The amendment eliminates the use of the residual method of allocation and requires, instead, that arrangement consideration be allocated, at the inception of the arrangement, to all deliverables based on their relative selling price. When applying the relative selling price allocation method, the selling price for each of the deliverables shall be determined using vendor-specific objective evidence ("VSOE"), if it exists, otherwise third-party evidence ("TPE"). If neither VSOE nor TPE exists, the amendment allows a vendor to use their best estimate of selling price. The University adopted this amendment during fiscal year 2009 and has applied the amendment retrospectively to all periods presented.

CLASSIFICATION OF ASSETS AND LIABILITIES

The University presents current and non-current assets and liabilities in the statement of net assets. Assets and liabilities are considered current if they mature in one year or less, or are expected to be received, used, or paid within one year or less. Investments with a maturity of greater than one year and balances that have externally imposed restrictions as to use are considered non-current. Cash held by state treasurer includes balances with restrictions as to use and balances that may be rolled forward for use toward the restricted purposes in future years, and such balances are classified as non-current. Cash held by trustees is presented based upon its expected period of use and to the restrictions imposed on the balances by external parties.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value approximates carrying value for cash and cash equivalents, cash held by state treasurer, investments, accounts receivable, accounts payable, accrued expenses and interest, and deposits. The estimated fair values of bonds payable are disclosed in footnote 8.

CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents consist primarily of petty cash, demand deposit accounts, money market accounts, and savings accounts, with a maturity of three months or less when purchased.

Investments are carried at fair value. Short-term investments consist of deposits with original maturities of less than one year and are available for current use. Securities received as a gift are recorded at estimated fair value at the date of the gift. The University holds certain investment securities in publicly traded and privately held companies as the result of agreements entered into by the University's Commercial Ventures and Intellectual Property (CVIP) program. Securities received or purchased as the result of these agreements are recorded at fair value, where readily determinable by quoted market prices, or if fair value is not known or practicable to estimate, the investment is carried at cost which is deemed to be the estimated fair value.

Private equities and certain other non-marketable securities held by the Foundation are valued using current estimates in fair value by management based on information provided by the general partner or investment manager for the respective securities. The Foundation believes that the carrying amount of these investments are a reasonable estimate of fair value, however, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investment existed. Venture capital investments represent initial investments made to certain funds and are reported at cost until distributions are made from the funds or until market values are reported on the funds.

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, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined statement of net assets.

Investment income includes dividends and interest income and is recognized on the accrual basis. In computing realized gains and losses, cost is determined on a specific identification basis.

RESTRICTED GRANTS AND CONTRACTS

The University receives monies from federal and state government agencies under grants and contracts for research and other activities including medical service reimbursements. The University records the recovery of indirect costs applicable to research programs, and other activities which provide for the full or partial reimbursement of such costs, as revenue. Recovery of indirect costs for the years ended June 30, 2009 and 2008 was \$102.0 million and \$99.6 million, respectively, and is a component of grants and contracts revenue. The costs, both direct and indirect, charged to these grants and contracts are subject to audit by the granting agency. The University believes that any audit adjustments would not have a material effect on the University's financial statements.

PLEDGES AND ENDOWMENT SPENDING

Pledges for non-endowment purposes are presented net of amounts deemed uncollectible, and after discounting to the present value of the expected future cash flows. Because of uncertainties with regard to their whether realizable and valuation, bequests and intentions and other conditional promises are not recognized as assets until the specified conditions are met.

The Foundation utilizes the pooled investment concept whereby all invested funds are in one investment pool, except for investments of certain funds that are otherwise restricted. Pooled investment funds will receive an annual distribution of approximately 5% of their beginning market value as of July 1 subject to review and approval by the Foundation's Board of Directors. The distribution amount will be made available at the beginning of the following fiscal year. The actual spending rate was 4% for fiscal years 2009 and 2008. Future utilization of gains is dependent on market performance. Deficiencies for donor-

restricted endowment funds, resulting from declines in market value, may be offset by an allocation from unrestricted net assets to restricted expendable net assets within the Foundation. The Foundation believes that, if applicable, these adjustments would be temporary and will not require permanent funding. In fiscal year 2009 and 2008 there were no deficiencies.

INVENTORIES

The University's inventories consist of books, general merchandise, central stores, vaccines, and operating supplies which are carried at the lower of cost (first-in, first-out and average cost methods) or market.

INVESTMENT IN PLANT

Capital assets are stated at cost. Net interest costs incurred during the construction period for major capital projects are added to the cost of the asset. Repairs and maintenance costs are expensed as incurred, whereas major improvements that extend the estimated useful lives of the assets are capitalized as additions to property and equipment. Depreciation of capital assets is provided on a straight-line basis over the estimated useful lives of the respective assets. The University records a full year of depreciation in the year of acquisition. Land is not depreciated. The University does not capitalize works of art or historical treasures.

Following is the range of useful lives for the University's depreciable assets:

Buildings	20-50 years
Building Improvements	5-20 years
Equipment and Furniture	3-15 years
Software	5 years
Library Books	15 years
Land Improvements	20 years

COMPENSATED ABSENCES

Employees earn the right to be compensated during absences for annual vacation leave and sick leave. The accompanying statement of net assets reflects an accrual for the amounts earned and ultimately payable for such benefits as of the end of the fiscal year. The accrual equates to the entire amount of vacation time earned and an actuarially determined liability for the sick leave component of compensated absences. Employees are only entitled to 20% of their sick leave balance upon retirement. The actuarial calculation utilized the probability of retirement for this estimated accrual.

DEFERRED REVENUE

Deferred revenue consists of amounts billed or received in advance of the University providing goods or services. Deferred revenue is recognized as revenue as expenses are incurred and therefore earned.

ADVANCES AND DEPOSITS

Advances from the U.S. Government for Federal Perkins Loans to students are reported as part of advances and deposits. Future loans to students are made available from repayments of outstanding principal amounts plus accumulated interest received thereon.

TUITION AND STATE APPROPRIATIONS

The combined financial statements for the years ended June 30, 2009 and 2008 record as tuition revenue approximately \$47.1 million and \$46.2 million, respectively, of tuition received by the University and remitted to the State Treasurer's Office for the general fund of the Commonwealth of Massachusetts. During fiscal year 2004, the Amherst campus was granted authority to retain tuition for out of state students as part of a pilot program authorized by the Commonwealth. This pilot program was extended indefinitely in 2005. The amount of tuition retained by the University during 2009 and 2008 was \$32.3 million and \$32.7 million, respectively. The recorded amount of State Appropriations received by the University has been reduced by a corresponding amount of tuition remitted as shown below (in thousands):

	<u>2009</u>	<u>2008</u>
Gross Commonwealth Appropriations	\$467,030	\$485,199
Plus: Fringe Benefits	120,264	178,236
	587,294	663,435
Less: Tuition Remitted	(47,107)	(46,164)
State Appropriations, Net	<u>\$540,187</u>	<u>\$617,271</u>

AUXILIARY ENTERPRISES

Auxiliary Enterprise revenue of \$239.7 million and \$231.3 million for the years ended June 30, 2009 and 2008 respectively are stated net of room and board charge allowances of \$1.2 million, respectively.

OTHER OPERATING REVENUES AND EXPENDITURES, SALES AND SERVICES, PUBLIC SERVICE ACTIVITIES

Public Service Activities consist largely of sales and services provided to third parties by the UMass Medical School campus under its Commonwealth Medicine (CWM) programs, which provide public consulting and services in health financing, administration and policy to federal, state and local agencies and not-for-profit health and policy organizations. Included in this category of activities are Commonwealth Medicine revenues of \$336.7 million and \$323.2 million for the years ended June 30, 2009 and 2008, respectively. Included in expenditures are Commonwealth Medicine expenditures of \$309.7 million and \$300.2 million for the years ended June 30, 2009 and 2008, respectively.

In addition to CWM activities, Public Service Activities also includes payments received by the Medical School for educational services it provides to its clinical affiliate UMass Memorial as required by the enabling legislation enacted by the Commonwealth in 1997. Educational services revenues included in public service revenues were \$128.5 million and \$75.0 million for the years ended June 30, 2009, and 2008, respectively. Finally, Public Service Activity expenditures also include payments made to the Commonwealth of Massachusetts of \$73.4 million and \$20.4 million for the years ended June 30, 2009 and 2008, respectively, pursuant to requirements of legislation enacted by the State Legislature of Massachusetts.

FRINGE BENEFITS FOR CURRENT EMPLOYEES AND POST EMPLOYMENT OBLIGATIONS – PENSION AND NON-PENSION

The University participates in the Commonwealth's Fringe Benefit programs, including active employee and post – employment health insurance, unemployment, pension, and workers' compensation benefits. Health insurance and pension costs for active employees and retirees are paid through a fringe benefit rate charged to the University by the Commonwealth and currently the liability is borne by the Commonwealth. Consequently, no amounts have been reported by the University under GASB Statement No. 45. Workers' compensation costs are assessed separately based on actual University experience.

In addition to providing pension benefits, under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities, and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care benefit costs which is comparable to contributions required from employees. The Commonwealth is reimbursed for the cost of benefits to retirees of the eligible authorities and non-state agencies.

The Commonwealth's Group Insurance Commission (GIC) was established by the Legislature in 1955 to provide and administer health insurance and other benefits to the Commonwealth's employees and retirees, and their dependents and survivors. The GIC also covers housing and redevelopment authorities' personnel, certain authorities and other offline agencies, retired municipal teachers from certain cities and towns and a small amount of municipalities as an agent multiple employer program, accounted for as an agency fund activity of the Commonwealth, not the University.

The GIC administers a plan included within the State Retiree Benefits Trust Fund, an irrevocable trust. Any assets accumulated in excess of liabilities to pay premiums or benefits or administrative expenses are retained in that fund. The GIC's administrative costs are financed through Commonwealth appropriations and employee investment returns. The Legislature determines employees' and retirees' contribution ratios.

The GIC is a quasi-independent state agency governed by an eleven-member body (the Commission) appointed by the Governor. The GIC is located administratively within the Executive Office of Administration and Finance, and is responsible for providing health insurance and other benefits to the Commonwealth's employees and retirees and their survivors and dependents. During the fiscal years that ended on June 30, 2009 and June 30, 2008, respectively, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans. The GIC also administered carve-outs for the pharmacy benefit and mental health and substance abuse benefits for certain of its health plans. In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage for employees not covered by collective bargaining, a retiree discount vision plan and retiree dental plan, and finally, a pre-tax health care spending account and dependent care assistance program (for active employees only).

Pursuant to the provisions of Paragraph (e), Section 5 of Chapter 163 of the Acts of 1997 and consistent with the September 22, 1992 Memorandum of Understanding between the Commonwealth of Massachusetts Executive Office of Administration and Finance and the University of Massachusetts, the University's Worcester Medical School campus has assumed the obligation for the cost of fringe benefits provided by the Commonwealth to University employees (other than those employees paid from state appropriated funds) for all periods on or after July 1, 1989. The University determines the actual costs for the health insurance benefits and actuarially calculates the incurred service costs for pensions and retiree health insurance.

INCOME TAX STATUS

The University of Massachusetts is an agency of the Commonwealth of Massachusetts and is exempt from Federal income tax under Section 115(a) of the Internal Revenue Code. The University Related Organizations are 501(c)(3) organizations and are exempt from Federal Income tax under the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the accompanying combined financial statements.

COMPARATIVE INFORMATION AND RECLASSIFICATIONS

The University's financial statements include prior year comparative information. Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications, revised classification and adjustments have no effect on total net assets at June 30, 2009. For comparative purposes, financial statements and financial information for 2008 have been adjusted to reflect activity under APB 16: *Business Combinations* relative to Public Sector Partners, Inc. becoming a blended component unit of the University during 2009 (See Note 6).

During 2008, the University determined that it had incorrectly reported unrealized gains on investments in the 2007 financial statements in the amount of \$19.1 million. Management believes that this amount is immaterial to the 2007 financial

statements, and has corrected the impacted investment related accounts in the 2008 financial statements by the same amount. In addition, subsequent to the original issuance of the 2008 financial report, an error was detected and corrected in the Statements of Cash Flows. A correction in the amount of \$4.7 million was made to decrease the Operating Loss in the reconciliation section of the statement with offsetting corrections made to Net Cash Used for Operating Activities and Net Cash Used for Capital Financing Activities.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2005, the University implemented the disclosures which are required by the Governmental Accounting Standards Board, Statement No. 40, *Deposit and Investment Risk Disclosures* (GASB 40). For fiscal years ending June 30, 2009 and 2008, the University assessed and completed the following statements: Custodial Credit Risk, Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash, Cash Equivalents and Investments.

The University's investments are made in accordance with the Investment Policy and Guidelines Statement Operating Cash Portfolio adopted in May 2005 and later amended in June 2009 by the Board of Trustees (the Investment Policy) and the Statement of Investment and Spending Policies of the University of Massachusetts Foundation, Inc. The goals of these documents are to preserve capital, provide liquidity, and generate investment income. The University of Massachusetts has statutory authority under Massachusetts General Laws Chapter 75 to collect, manage and disburse trust funds of the University.

Investments are reported at their respective fair values. The values of publicly traded fixed income and equity securities are based upon quoted market prices at the close of business on the last day of the fiscal year. Private equities and certain other non-marketable securities are valued using current estimates in fair value by management based on information provided by the general partner or investment manager for the respective securities. Investments in units of non-publicly traded pooled funds are valued at the unit value determined by the fund's administrator based on quoted market prices of the underlying investments. Private equities and other non-marketable securities represent approximately 14.4% and 6.8% of the Universities investments at June 30, 2009 and 2008, respectively.

Custodial Credit Risk - Custodial Credit Risk is the risk that, in the event of a failure of the counterparty, the University would not be able to recover the value of its deposits, investments or collateral securities that were in the possession of an outside party. Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the University and are held by either the counterparty or the counterparty's trust department or agent but not in the University's name. As of June 30, 2009 and 2008, all cash and investment accounts were held on behalf of the University by the Trustees, in the Trustee's name.

The University maintains depository accounts with Bank of America N.A., TD BankNorth, Fifth Third, and U.S. Bank. The University maintains payroll, disbursement and receipt and imprest accounts with Bank of America N.A. None of these accounts are collateralized. Accounts carry FDIC insurance up to \$250,000 per account through December 31, 2009. On January 1, 2014 the amount reverts to \$100,000 per account. The following balances on deposit on June 30, 2009 were \$36.6 million in Bank of America, \$.7 million in TD BankNorth, \$.1 million in Fifth Third Bank, \$.2 million in US Bank, and \$.1 million in Citizens. The following comparable balances on deposit on June 30, 2008 were \$45.5 million in Bank of America, \$1.6 million in TD BankNorth, \$.9 million in BNY Mellon, \$1.2 million in Fifth Third Bank, \$.1 million in US Bank and \$.3 million in Citizens. At June 30, 2009 and 2008, the carrying amount of the University's bank account deposits were \$22.0 million and \$29.5 million, respectively, as compared to bank balances of \$37.7 million and \$49.6 million, respectively. In 2009 and 2008, the differences between the carrying amount and bank balances were primarily caused by outstanding checks, deposits in-transit, and securities lending of \$15.7 million and \$19.2 million, respectively. Of such said bank balances, \$4.5 million at June 30, 2009 and \$2.8 million at June 30, 2008 are covered by federal deposit insurance. The remaining \$33.2 million at June 30, 2009 and \$46.8 million at June 30, 2008 are uninsured and uncollateralized and therefore subject to custodial credit risk.

In addition to bank account deposits, at June 30, 2009, the University held money market instruments which are classified as investments. At June 30, 2009 and 2008, the carrying amounts of the University's money market accounts were \$148.9 million and \$173.1 million, respectively, as compared to bank balances of \$148.9 million and \$173.1 million, respectively. Of such said money market balances, \$1.6 million at June 30, 2009 and \$.7 million at June 30, 2008 are covered by federal deposit insurance. The remaining \$147.3 million at June 30, 2009 and \$172.4 million at June 30, 2008 are uninsured and uncollateralized, therefore subject to custodial credit risk. At June 30, 2009, the University maintained money market accounts of \$29.5 million in State Street Bank, \$14.0 million in Bank of America N.A., \$77.8 million in Fidelity Investors, \$27.5 million in BNY Mellon, \$.1 million in Commonfund, and \$.1 million in Berkshire. In addition to money market fair market value, the University held \$0.9 million of cash to be used to settle open trades at June 30, 2009 and \$5.3 million at June 30, 2008. In 2009 the University also invested in BNY Mellon's CDARS program. The balance at June 30, 2009 was \$10.0 million. These funds are invested in individual certificates of deposit in \$250,000 increments and are therefore fully insured by the FDIC.

At June 30, 2009 the University held a carrying and fair market value of \$504.5 million in non-money market investments compared to a carrying and fair market value of \$285.2 million at June 30, 2008. In the event of negligence due to the University's custodian and/or investment manager(s), it is expected that investment balances of \$504.5 million and \$285.2 million at June 30, 2009 and 2008, respectively, would be fully recovered. However, these amounts are subject to both interest rate risk and credit risk. Custody of assets is held with The Bank of New York Mellon or with the individual Investment Manager who is responsible for executing investment transactions.

Concentration of Credit Risk - Concentration of Credit Risk is assumed to arise when the amount of investments that the University has with one issuer exceeds 5 percent or more of the total value of the University's investments.

As of June 30, 2009 and June 30, 2008, respectively, there is no portion of the University portfolio, excluding U. S. Government guaranteed obligations, which exceed 5% of the portfolio.

Credit Risk - Credit risk is the risk that the University will lose money because of the default of the security issuer or investment counterparty. The University's Investment Policy and Guidelines Statement gives each Portfolio Manager full discretion within the parameters of the investment guidelines specific to that manager.

The table below shows the fair value (in thousands) and average credit quality of the fixed income component of the University's investment portfolio as of June 30, 2009 and 2008, respectively:

<u>Asset Class</u>	<u>June 30, 2009</u> <u>Fair Value</u>	<u>Average Credit</u> <u>Quality</u>	<u>June 30, 2008</u> <u>Fair Value</u>	<u>Average Credit</u> <u>Quality</u>
Short Duration	\$242,230	AAA	\$337,748	AAA
Intermediate Duration	237,093	A	151,406	A
High Yield Bonds	10,423	B	138	BB

The table below shows the fair value (in thousands) by credit quality of the rated debt investments component of the University's investment portfolio as of June 30, 2009 and 2008, respectively:

Rated Debt Investments - 2009
(in thousands)

	S&P Quality Ratings											Unrated
	Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	
U.S Agencies	\$ 31,286	\$ 313	\$ -	\$ 227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,018	\$ -	\$ 29,728
U.S Government	33,233	8,792	154	-	-	-	-	-	-	333	-	23,954
Corporate Debt	238,852	26,007	60,723	95,916	17,109	7,392	25,195	1,347	81	228	33	4,821
Money Market Funds	186,375	179,070	-	211	-	-	-	-	-	94	-	7,000
	<u>\$ 489,746</u>	<u>\$ 214,182</u>	<u>\$ 60,877</u>	<u>\$ 96,354</u>	<u>\$ 17,109</u>	<u>\$ 7,392</u>	<u>\$ 25,195</u>	<u>\$ 1,347</u>	<u>\$ 81</u>	<u>\$ 1,673</u>	<u>\$ 33</u>	<u>\$ 65,503</u>

Rated Debt Investments - 2008
(in thousands)

	S&P Quality Ratings										Unrated
	Fair Value	AAA	AA	A	BBB	BB	B	CCC	D	Unrated	
U.S Agencies	\$ 21,847	\$ 1,132	\$ 912	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ 19,783
U.S Government	18,571	18,571	-	-	-	-	-	-	-	-	-
Corporate Debt	106,816	46,025	9,382	20,529	15,110	2,321	1,033	725	287	-	11,404
Money Market Funds	342,058	203,615	-	15,014	-	-	-	-	-	-	123,429
	<u>\$ 489,292</u>	<u>\$ 269,343</u>	<u>\$ 10,294</u>	<u>\$ 35,543</u>	<u>\$ 15,110</u>	<u>\$ 2,321</u>	<u>\$ 1,053</u>	<u>\$ 725</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 154,616</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Investment Policy establishes targets for the preferred duration of the fixed income component of the investment portfolio by asset class by limiting investments through targeted allocations to different asset classes.

The table below shows the allocation for each asset class and the fair value (in thousands) for each as of June 30, 2009 and 2008, respectively:

<u>Asset Class</u>	<u>6/30/09</u> <u>Allocation</u>	<u>6/30/09</u> <u>Fair Value</u>	<u>6/30/08</u> <u>Allocation</u>	<u>6/30/08</u> <u>Fair Value</u>
Short Duration	36%	\$242,230	53%	\$337,748
Intermediate Duration	35%	237,093	24%	151,406
Alternative Assets	14%	96,972	14%	91,701
Equities	13%	84,861	7%	45,501
High Yield Bonds	2%	10,423	0%	138
Real Estate	0%	2,633	2%	6,223

Investments - 2009

(in thousands)

Investment Type:	Investment Maturity (in Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Debt Securities					
US Government	\$ 33,233	\$ 8,035	\$ 12,116	\$ 12,456	\$ 626
US Agencies	30,746	13,010	752	1,875	15,109
Corporate Debt	238,852	2,584	118,794	80,592	36,882
Municipal/Public Bonds	540	-	540	-	-
Money Market Mutual Funds	186,375	186,375	-	-	-
	<u>\$ 489,746</u>	<u>\$ 210,004</u>	<u>\$ 132,202</u>	<u>\$ 94,923</u>	<u>\$ 52,617</u>

Other Investments	Fair Value
Alternative Assets	\$ 96,972
Equity Securities- Domestic	51,226
Equity Securities- International	33,635
Real Estate	2,633
	<u>\$ 184,466</u>

Investments - 2008

(in thousands)

Investment Type:	Investment Maturity (in Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Debt Securities					
US Government	\$ 18,571	\$ -	\$ 16,494	\$ 2,055	\$ 22
US Agencies	19,531	420	1,621	1,818	15,672
Corporate Debt	106,816	3,102	36,599	11,844	55,271
Municipal/Public Bonds	2,316	-	1,881	-	435
Money Market Mutual Funds	342,058	342,058	-	-	-
	<u>\$ 489,292</u>	<u>\$ 345,580</u>	<u>\$ 56,595</u>	<u>\$ 15,717</u>	<u>\$ 71,400</u>

Other Investments	Fair Value
Alternative Assets	\$ 91,701
Equity Securities- Domestic	26,876
Equity Securities- International	18,625
Real Estate	6,223
	<u>\$ 143,425</u>

Securities Lending: The University participates in a securities lending program. The University's custodian, The Bank of New York Mellon, conducts business on behalf of the University with potential borrowers who are prescreened for creditworthiness prior to transactions. In exchange for the use of a particular security, cash collateral of 101-105% of the security's fair market value is collected from the potential borrower.

As of June 30, 2009 the University held a fair market value of \$91.6 million in lendable securities, compared to \$89.2 million in 2008, respectively. Out of these lendable securities, as of June 30, 2009, \$15.4 million was out on loan with 20 borrowers compared to \$18.8 million with 23 borrowers on June 30, 2008. The loans were outstanding for an average of 106 days in 2009, compared to 46 days in 2008.

In November 2008, the University decided to exit the Securities Lending program and is currently working through the necessary requirements to close the program. In April of 2009, in order to facilitate participants who wish to exit the program and continue to maintain liquidity in the overall investment pool The Bank New York Mellon bifurcated the program into two asset pools:

Securities Lending 2009 (in thousands)

Securities Lent	Underlying Security Value	Cash Collateral Rec'd Value	Collateral Percentage
Agencies/Other Govt	\$936	\$952	101.71%
Corporate Debt	3,165	3,240	102.36%
TIPS	8,729	8,865	101.56%
US Govt. - T-Notes	<u>2,571</u>	<u>2,632</u>	102.38%
	<u>\$15,400</u>	<u>\$15,688</u>	101.87%

Securities Lending 2008 (in thousands)

Securities Lent	Underlying Security Value	Cash Collateral Rec'd Value	Collateral Percentage
-----------------	---------------------------	-----------------------------	-----------------------

Corporate Debt	\$1,773	\$1,821	102.70%
Equity Securities	438	455	103.88%
US Govt. - T-Notes	<u>16,621</u>	<u>16,904</u>	101.70%
	\$18,832	\$19,180	101.85%

The cost and fair value of cash, cash equivalents and investments of the University Related Organizations at June 30, 2009 and 2008, respectively are as follows (in thousands):

University Related Organizations:	Total Fair Value 6/30/09	Total Cost 6/30/09	Total Fair Value 6/30/08	Total Cost 6/30/08
Cash and Cash Equivalents	\$3,402	\$3,402	\$3,753	\$3,753
Money Market Instruments	199,175	199,638	207,322	188,151
Corporate and Municipal Bonds	31,775	31,144	40,557	38,976
Common and Preferred Stock	18,250	21,209	39,127	35,173
Mutual Funds	1,061	1,061	29	29
Other	508	621	5,491	6,732
	<u>\$254,171</u>	<u>\$257,075</u>	<u>\$296,279</u>	<u>\$272,814</u>

Pursuant to Trust Agreements between the Building Authority and its bond trustees, all funds deposited with those trustees (approximately \$416.3 million at June 30, 2009 and \$514.9 million at June 30, 2008) shall be continuously maintained for the benefit of the Building Authority and Registered owners of the Bonds. All investments shall be (a) held with a bank or trust company approved by the Trustees and the Building Authority, as custodians, or (b) in such other manner as may be required or permitted by applicable state and Federal laws and regulations. Investments shall consist of (a) direct obligations of, or obligations which are unconditionally guaranteed by, the United States of America, or any other agency or corporation which has been created pursuant to an act of Congress of the United States as an agency or instrumentality thereof; or (b) other marketable securities eligible as collateral for the deposit of trust funds under regulations of the Comptroller of the Currency having a market value not less than the amount of such deposit. Direct obligations of, or obligations which are unconditionally guaranteed by, the United States of America or any other agency or corporation which has been created pursuant to an act of Congress of the United States as an agency or instrumentality thereof may be subject to repurchase upon demand by the owner pursuant to a repurchase agreement with a bank or trust company.

3. CASH HELD BY STATE TREASURER

Accounts payable, accrued salaries and outlays for future capital projects to be funded from state-appropriated funds totaled approximately \$22.7 million at June 30, 2009 and \$18.2 million at June 30, 2008. The University has recorded a comparable dollar amount of cash held by the State Treasurer for the benefit of the University, which will be subsequently utilized to pay for such liabilities.

4. CASH AND SECURITIES HELD BY TRUSTEES

Cash and securities held by trustees primarily consist of unspent bond proceeds, amounts held for the future payment of debt service on such borrowings and designated funds. At June 30, 2009 and June 30, 2008 there are investments of \$7.4 million and \$13.3 million, respectively, available from Master Lease agreements entered into by the University for capital asset purchases at the Amherst and Boston campuses. Additionally, there is \$4.4 million and \$27.5 million, respectively, available from the Revolving Loan Fund established with 2000 Series A bond proceeds issued to acquire and implement enterprise resource planning technology along with other projects (see Note 8) and \$416.3 million and \$514.9 million, respectively, held by trustees related to the Building Authority. This includes designated funds awarded by the Commonwealth of Massachusetts for capital projects which are held in trust by the Building Authority. At June 30, 2009 and 2008, the amount of designated funds were \$34.0 million and \$47.3 million respectively. In addition, at June 30, 2009 and 2008, \$47.0 million and \$86.5 million, respectively were available to be used by WCCC for capital construction purposes.

Funds deposited with trustees include \$5.3 million and \$232.9 million of investments in repurchase agreements at June 30, 2009 and 2008, respectively. These repurchase agreements are collateralized by cash or investments with a fair market value between 100% and 105% of the repurchase price, depending on the type of assets used as security. These repurchase agreements can be redeemed at any time for the repurchase price provided the redemption proceeds are used for the purpose permitted by the respective repurchase agreement.

5. ACCOUNTS, GRANTS AND LOANS RECEIVABLE

Accounts, grants and loans receivable at June 30 consist of the following (in thousands):

University:

	2009	2008
Students Accounts Receivable	\$35,317	\$29,569
Less allowance for uncollectible accounts	(12,325)	(11,532)
	<u>22,992</u>	<u>18,037</u>
Grants and Contracts Receivable	80,854	92,850
Less allowance for uncollectible accounts	(1,402)	(2,107)
	<u>79,452</u>	<u>90,743</u>
Students Loans Receivable	42,395	42,309
Less allowance for uncollectible accounts	(2,981)	(2,879)
	<u>39,414</u>	<u>39,430</u>
Commonwealth Medicine	56,695	50,974
Less allowance for uncollectible accounts	(1,104)	(604)
	<u>55,591</u>	<u>50,370</u>
Other	38,636	37,850
Less allowance for uncollectible accounts	(1,224)	(2,098)
	<u>37,412</u>	<u>35,752</u>
Total, net	\$234,861	\$234,332
Less current portion, net	(199,532)	(199,583)
Long-term, net	<u>\$35,329</u>	<u>\$34,749</u>

Related Organizations:

	2009	2008
Other Accounts Receivable	\$22	\$22
Less allowance for uncollectible accounts	-	-
	<u>22</u>	<u>22</u>
Less current portion	(22)	(22)
Long-term	<u>\$-</u>	<u>\$-</u>

Effective March 31, 1998, the former University of Massachusetts Clinical Services Division (which was comprised of the University of Massachusetts Medical School Teaching Hospital Trust Fund, University of Massachusetts Medical School - Group Practice Plan, and the University of Massachusetts Medical Center Self Insurance Trust), was merged into a separate Massachusetts not-for-profit corporation named UMass Memorial Health Care, Inc. (UMass Memorial). UMass Memorial is not a component of these financial statements. In connection with the merger of UMass Memorial and the former Clinical Services Division of the University in 1998, the University and UMass Memorial have the following ongoing agreements:

- UMass Memorial has been granted the right to occupy portions of the University's Worcester Medical School campus for a period of 99 years and UMass Memorial has agreed to share responsibility for various capital and operating expenses relating to the occupied premises. UMass Memorial has also agreed to contribute to capital improvements to shared facilities.
- UMass Memorial has agreed to make certain payments to the University and its related organizations, including: 1) an annual fee of \$12.0 million (plus an inflation adjustment), for 99 years as long as the University continues to operate a medical school; 2) a percentage of net operating income of UMass Memorial based upon an agreed upon formula which revenue is recognized by the University when the amounts are agreed; and 3) a \$31.5 million contribution plus interest by UMass Memorial to jointly fund and develop a new research facility with the University, the final payment of which was received during April 2001.
- The University leased certain employees to UMass Memorial or its affiliates during a transition period ending in 2008.

The University is reimbursed by, and reimburses UMass Memorial for shared services, leased employees, and other agreed upon activities provided and purchased. For the years ended June 30, 2009 and 2008, the reimbursement for services provided to UMass Memorial were \$120.1 million and \$120.4 million, respectively. Included in these amounts is payroll paid by the University on behalf of UMass Memorial in an agency capacity in the amount of \$70.7 million for fiscal year 2009 and \$72.5 million for fiscal year 2008. At June 30, 2009 and 2008, the University has recorded a net receivable in the amount of \$15.5 million and \$4.1 million, respectively from UMass Memorial consisting of \$0.4 million and \$0.2 million, respectively related to capital projects at the Medical School, and \$7.1 million and \$4.8 million, respectively in payroll and related fringe charges. The receivable amount also contains \$3.6 million at June 30, 2009 and \$(4.8) million at June 30, 2008 representing the negotiated amount under the agreed upon formula noted above. The University has recorded a payable at June 30, 2009 and 2008 of \$3.4 million and \$3.1 million, respectively for amounts due to UMass Memorial for capital projects and cross-funded payroll.

6. RELATED ORGANIZATIONS

Related party activity with the Foundation includes loan and lease agreements, and investments of the University's endowment assets and funded reserve with the Foundation. As of June 30, 2009, the net assets of the Foundation included as related organizations in the combined financial statements of the University are \$274.4 million, of which \$283.2 million are restricted funds and \$(8.8) million are unrestricted funds. During the fiscal year ended June 30, 2009, the University received approximately \$24.8 million from the Foundation, and disbursed approximately \$228.7 million to the Foundation of which \$44.7 was for the establishment of quasi-endowment and \$180.0 million for the funded reserve. At June 30, 2009, the University's investments include \$168.7 million of endowment funds held in a custodial relationship at the Foundation, and \$212.2 million in funded reserve.

As of June 30, 2008, the net assets of the Foundation included as related organizations in the combined financial statements of the University are \$317.8 million, of which \$309.6 million are restricted funds and \$8.2 million are unrestricted funds. During the fiscal year ended June 30, 2008, the University received approximately \$6.9 million from the Foundation, and disbursed approximately \$87.6 million to the Foundation of which \$84.0 was for the establishment of quasi-endowment. At June 30, 2008, the University's investments include approximately \$0.3 million current restricted funds, \$144.2 million of endowment funds held in a custodial relationship at the Foundation, and \$30.0 million in funded reserve.

The University leases office space from the Foundation for an annual rent of approximately \$0.5 million.

During 2001, the Worcester Medical School and UMass Memorial Health Ventures, Inc. formed Public Sector Partners (PSP). PSP is a Massachusetts not-for-profit corporation organized to provide administrative support to agencies of state and local governments that provide health care and health related services to recipients under the auspices of government sponsored and funded health care programs and initiatives. MedMetrics Health Partners, Inc., a wholly owned subsidiary of PSP, was created by and is an affiliate of PSP. Medmetrics is a Section 501(c)(4) not for profit pharmacy (PBM).

PSP was governed by a board of trustees that were comprised equally of representatives from the Worcester Medical School and UMass Memorial Health Ventures, Inc. (a subsidiary of UMass Memorial). Neither entity had an equity interest in PSP; therefore, for financial reporting purposes the University treated PSP as a joint venture for which there was no equity interest. Accordingly, PSP's results of operations, statement of position, and cash flows were not included in the University's financial report. A separate financial statement for PSP was published and was available upon request of the UMass Medical School.

On October 1, 2008, the board of trustees of Public Sector Partners, Inc. (PSP) a Massachusetts corporation formed under M.G.L.c. 180, which are comprised equally of representation from the UMass Medical School and UMass Memorial Health Ventures, Inc. (a subsidiary of UMass Memorial) voted to amend the bylaws of PSP naming Worcester City Campus Corporation (WCCC) to be the sole member of the Corporation. There was no monetary value given for the transaction and it was accounted for using the "pooling of interests" method as described by APB 16: *Business Combinations*. Accordingly, the results of operations and cash flow for 2009 have been combined as though the operations of WCCC and PSP commenced as of July 1, 2008. For comparative purposes, financial statements and financial information for 2008 have been adjusted on a combined basis beginning July 1, 2007.

The Building Authority and the Commonwealth of Massachusetts have entered into various lease agreements under which the Commonwealth leases to the Building Authority certain property for nominal amounts.

In August 2005, the Building Authority executed a contract with UMass Management, LLC, a wholly owned subsidiary of ClubCorp USA, Inc., to provide management services for The University of Massachusetts Club (the Club), a private social club for alumni and friends of the University. Under the contract, the Authority is responsible for approving the budgets and operating plans of the Club as presented by the Manager. The Building Authority is responsible for any shortfall in the operating budget and will benefit from any operating profits. The contract calls for a minimum management fee payable to the Manager of \$0.2 million or four percent of the operating revenues, as defined by the contract, whichever is greater. Additionally, the Manager receives a percentage of the Club initiation fees and 25 percent of operating profits, as defined by the contract. The contract term is 10 years and can be terminated by the Building Authority after 3 years if the Building Authority decides to close the Club for a minimum of 18 months. The Building Authority is the tenant on the sublease for the Club space and the lease does not terminate should the Building Authority close the Club. As of June 30, 2009 and 2008, the Authority had provided operating support for the Club of approximately \$0.5 million, respectively.

7. INVESTMENT IN PLANT

Investment in plant activity for the year ended June 30, 2009 is comprised of the following (in thousands):

University:	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Land	\$34,623		(\$225)	\$34,398
Buildings and Improvements	2,167,568	\$421,474	(2,704)	2,586,338
Equipment and Furniture	564,303	43,566	(22,820)	585,049
Software	109,695	9,901		119,596
Library Books	106,944	5,816	(8,436)	104,324
	2,983,133	480,757	(34,185)	3,429,705
Accumulated Depreciation	(1,484,130)	(139,020)	20,761	(1,602,389)
Sub-Total	1,499,003	341,737	(13,424)	1,827,316
Construction in Progress	420,912	273,014	(452,757)	241,169
Total	\$1,919,915	\$614,751	(\$466,181)	\$2,068,485

University Related Organizations:	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Land	\$576		(\$16)	\$560
Buildings and Improvements	594			594
Equipment and Furniture	128		(8)	120
	1,298		(24)	1,274
Accumulated Depreciation	(319)	(\$20)	15	(324)
Total	\$979	(\$20)	(\$9)	\$950

Investment in plant activity for the year ended June 30, 2008 is comprised of the following (in thousands):

University:	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Land	\$34,623			\$34,623
Buildings and Improvements	2,070,455	\$97,433	(\$320)	2,167,568
Equipment and Furniture	554,042	83,745	(73,484)	564,303
Software	105,502	4,193		109,695
Library Books	107,452	8,001	(8,509)	106,944
	2,872,074	193,372	(82,313)	2,983,133
Accumulated Depreciation	(1,432,500)	(126,383)	74,753	(1,484,130)
Sub-Total	1,439,574	66,989	(7,560)	1,499,003
Construction in Progress	281,093	218,803	(78,984)	420,912
Total	\$1,720,667	\$285,792	(\$86,544)	\$1,919,915

University Related Organizations:	Beginning Balance	Additions/ Adjustments	Retirements/ Adjustments	Ending Balance
Land	\$576			\$576
Buildings and Improvements	594			594
Equipment and Furniture	122	\$6		128
	1,292	6		1,298
Accumulated Depreciation	(300)	(19)		(319)
Total	\$992	(\$13)		\$979

At June 30, 2009 and 2008, investment in plant included capital lease assets of approximately \$86.1 million and \$82.6 million, respectively, net of accumulated depreciation on capital lease assets of approximately \$63.0 million and \$58.7 million, respectively (see Note 9). The University has not reported any impairment during 2009 or 2008, respectively.

The University has capitalized interest on borrowings, net of interest earned on related debt reserve funds, during the construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets being constructed, and is amortized over the useful lives of the assets. For the years ended June 30, 2009 and 2008, the University capitalized net interest costs of \$11.0 million and \$8.5 million respectively.

8. BONDS PAYABLE

Amounts outstanding at June 30, 2009 are as follows:

Issue Borrowing	Original Borrowing	Maturity Date	Interest Rate	Amount Outstanding
University of Massachusetts Building Authority:				
Series 2000-A	\$46,980	2011	4.6-4.75%	\$4,715
Series 2000-1	24,145	2010	4.6-5.25%	2,250
Series 2000-2	132,155	2010	4.5-5.5%	11,090
Series 2003-1	137,970	2014	3.0-5.25%	33,180
Series 2004-A	96,025	2015	3.5-4.5%	14,455
Series 2004-1	183,965	2016	3.5-5.375%	51,725
Series 2005-1	25,595	2016	5.0%	17,035
Series 2005-2	212,550	2025	3.0-5.25%	202,165
Series 2006-2	21,240	2014	5.32-5.49%	13,640
Series 2008-A	26,580	2038	variable	25,910
Series 2008-1	232,545	2038	variable	227,120
Series 2008-2	120,560	2038	4.0-5.0%	117,550
Series 2008-3	138,635	2034	variable	137,475
Series 2008-4	104,000	2034	variable	103,260
Revolving Line of Credit	35,000	2010	variable	16,823
				978,393
			Unamortized Bond Premium	19,414
			Less Deferred Loss on Refunding	(42,779)
			SUBTOTAL	955,028
University of Massachusetts HEFA:				
2000 Series A	\$20,000	2030	variable	20,000
2001 Series B	11,970	2031	4.2-5.125%	801
2002 Series C	35,000	2034	3.85-5.125%	32,005
2007 Series D	10,435	2031	3.75-4.25%	10,235
			SUBTOTAL	63,041
WCCC HEFA:				
Series 2001-B	\$52,020	2023	4.00-5.25%	14,810
Series 2005-D	99,325	2029	3.0-5.25%	93,230
Series 2007-E	118,750	2031	3.5-5.0%	115,640
Series 2007-F	101,745	2036	4.0-5.0%	96,805
				320,485
			Unamortized Bond Premium	9,419
			Less Deferred Loss on Refunding	(13,963)
			SUBTOTAL	315,941
			TOTAL	\$1,334,010

Bonds payable activity for the year ended June 30, 2009 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
University of Massachusetts Building Authority:				
Series 2000-A	\$6,140		(\$1,425)	\$4,715
Series 2000-1	3,290		(1,040)	2,250
Series 2000-2	16,245		(5,155)	11,090
Series 2003-1	38,020		(4,840)	33,180
Series 2004-A	16,225		(1,770)	14,455
Series 2004-1	57,265		(5,540)	51,725
Series 2005-1	19,030		(1,995)	17,035
Series 2005-2	204,210		(2,045)	202,165
Series 2006-2	16,315		(2,675)	13,640
Series 2008-A	26,580		(670)	25,910
Series 2008-1	232,545		(5,425)	227,120
Series 2008-2	120,560		(3,010)	117,550
Series 2008-3	138,635		(1,160)	137,475
Series 2008-4	104,000		(740)	103,260
Revolving Line of Credit	120	19,290	(2,587)	16,823
Plus: unamortized bond premium	22,343		(2,929)	19,414
Less: deferred loss on refunding	(43,478)		699	(42,779)
Subtotal	978,045	19,290	(42,307)	955,028
UMass HEFA:				
2000 Series A	40,000		(20,000)	20,000
2001 Series B	1,045		(244)	801
2002 Series C	32,640		(635)	32,005
2007 Series D	10,280		(45)	10,235
Subtotal	83,965		(20,924)	63,041
WCCC HEFA:				
WCCC 2001 Series B	15,875		(1,065)	14,810
WCCC 2005 Series D	95,785		(2,555)	93,230
WCCC 2007 Series E	117,215		(1,575)	115,640
WCCC 2007 Series F	98,990		(2,185)	96,805
Plus: unamortized bond premium	9,810		(391)	9,419
Less: deferred loss on refunding	(14,660)		697	(13,963)
Subtotal	323,015		(7,074)	315,941
Total	\$1,385,025	\$19,290	(\$70,305)	\$1,334,010

Maturities and interest, which is estimated using rates in effect at June 30, 2009, on bonds payable for the next five fiscal years and in subsequent five-year periods are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>
2010	\$63,549	\$56,733
2011	49,295	55,331
2012	50,970	53,096
2013	51,970	50,807
2014	53,000	48,422
2015-2019	270,275	205,295
2020-2024	290,845	141,661
2025-2029	272,350	84,798
2030-2034	206,680	31,514
2035-2039	52,985	4,591
Total	\$1,361,919	\$732,248

Bonds payable activity for the year ended June 30, 2008 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
University of Massachusetts Building Authority:				
Series 2000-A	\$7,525		(\$1,385)	\$6,140
Series 2000-1	4,300		(1,010)	3,290
Series 2000-2	21,150		(4,905)	16,245
Series 2003-1	42,740		(4,720)	38,020
Series 2004-A	17,940		(1,715)	16,225
Series 2004-1	62,645		(5,380)	57,265
Series 2005-1	20,935		(1,905)	19,030
Series 2005-2	206,190		(1,980)	204,210
Series 2006-1	242,470		(242,470)	
Series 2006-2	18,855		(2,540)	16,315
Series 2008-A		26,580		26,580
Series 2008-1		232,545		232,545
Series 2008-2		120,560		120,560
Series 2008-3		138,635		138,635
Series 2008-4		104,000		104,000
Revolving Line of Credit	4,070	13,481	(17,431)	120
Plus: unamortized bond premium	24,454	668	(2,779)	22,343
Less: deferred loss on refunding	(44,149)		671	(43,478)
Subtotal	629,125	636,469	(287,549)	978,045
UMass HEFA:				
2000 Series A	40,000			40,000
2001 Series B	1,280		(235)	1,045
2002 Series C	33,255		(615)	32,640
2007 Series D	10,435		(155)	10,280
Subtotal	84,970		(1,005)	83,965
WCCC HEFA:				
WCCC 2001 Series B	16,900		(1,025)	15,875
WCCC 2005 Series D	98,275		(2,490)	95,785
WCCC 2007 Series E	118,750		(1,535)	117,215
WCCC 2007 Series F	101,745		(2,755)	98,990
Plus: unamortized bond premium	10,201		(391)	9,810
Less: deferred loss on refunding	(15,357)		697	(14,660)
Subtotal	330,514		(7,499)	323,015
Total	\$1,044,609	\$636,469	(\$296,053)	\$1,385,025

University of Massachusetts Building Authority

The bond agreements related to the Building Authority bonds generally provide that the net revenues of the Building Authority are pledged as collateral on the bonds and also provide for the establishment of bond reserve funds, bond funds, and maintenance reserve funds.

The University is obligated under its contracts for financial assistance, management and services with the Building Authority to collect rates, rents, fees and other charges with respect to such facilities sufficient to pay principal and interest on the Building Authority's bonds and certain other costs such as insurance on such facilities.

Pursuant to the authority given by the Building Authority's enabling act, the Commonwealth, acting by and through the Trustees of the University, has guaranteed the payment of principal of and interest on the Building Authority's bonds. (The guarantee is a general obligation of the Commonwealth to which the full faith and credit of the Commonwealth are pledged. As is generally the case with other general obligations of the Commonwealth, funds with which to honor the guarantee, should it be called upon, will be provided by Commonwealth appropriation). The Building Authority's enabling act provides that the outstanding principal amount of notes and bonds of the Building Authority guaranteed by the Commonwealth cannot exceed \$200 million. The Building Authority issued bonds are all Commonwealth guaranteed with the exception of Series 2000-2, Series 2003-1, Series 2004-1, Series 2005-1, Series 2005-2, Series 2006-1, and Series 2006-2 (federally taxable), Series 2008-1, Series 2008-2, and Series 2008-3.

When the Building Authority no longer has any bonds outstanding, its properties revert to the Commonwealth, and all its funds (other than funds pledged to bondholders) are required to be paid into the Treasury of the Commonwealth.

In fiscal year 2006 the Building Authority issued Series 2006-1 taxable bonds. The bonds were issued in the amount of \$243.8 million and the proceeds were used for various construction and renovation projects for the University at its Lowell campus and to partially advance refund the 2003-1 Series bonds, the 2004-1 Series bonds and the 2004-A Series bonds. In June 2008 the Building Authority used the proceeds of its Series 2008-3 and 2008-4 bonds (described below) to currently refund the Series 2006-1 Bonds. Therefore as of June 30, 2008 there were no bonds outstanding.

The bonds carried a variable interest rate and were callable at any time at par. The principal and interest payments on the bonds were insured by AMBAC. The Building Authority also entered into a standby bond purchase agreement with Depfa Bank plc (DEPFA) which required the DEPFA to purchase bonds tendered and not remarketed in an amount not to exceed the principal on the bonds plus accrued interest up to 190 days at an annual interest rate not to exceed 12 percent. Under this agreement, the Building Authority was required to pay the Bank in quarterly installments a facility fee in the amount of 9.5 (or higher under certain circumstances) basis points of the commitment amount. Fees accrued by the Building Authority in connection with the standby bond purchase agreement totaled \$270,600 for the year ended June 30, 2008. At the time of the bond closing the Building Authority entered into an interest rate swap agreement with Citigroup, N.A., as swap counterparty for the term of the bond issue. The agreement calls for the Building Authority to pay a fixed rate of 3.482% and receive a floating rate based on a percentage of London Interbank Offered Rate (LIBOR), plus a spread (see below). The interest rate swap remains in place with an allocable portion going to the 2008-3 and 2008-4 bonds, respectively (see below).

In fiscal year 2008, the Building Authority issued its Series 2008-1 bonds. The bonds were issued in the amount of \$232.5 million and the proceeds were to be used for various construction and renovation projects for the Amherst and Lowell campuses. As of June 30, 2009 and 2008 the bonds payable amount was \$227.1 million and \$232.5 million, respectively. The bonds are payable annually on May 1 through 2038. The bonds are supported with an irrevocable direct ay letter of credit (the Lloyds LOC) issued by Lloyds TSB Bank plc (Lloyds). The Lloyds LOC, upon presentation of required documentation, will pay the Bond Trustee the amount necessary to pay the principal and accrued interest on the bonds. The Lloyds LOC expires in 2013 and may be extended at the option of Lloyds. Under the terms of the Lloyds LOC, the Building Authority is required to pay the Bank in quarterly installments a facility fee in the amount of 26.5 basis points (or higher, under certain circumstances) of the commitment amount. Fees accrued by the Building Authority in connection with the Lloyds LOC totaled \$613,300 and \$65,800 for the years ended June 30, 2009 and 2008, respectively. In December 2007 the Building Authority entered into an interest rate swap agreement with UBS AG, as swap counterparty, beginning May 1, 2008 and extending for the term of the bond issue. The agreement calls for the Building Authority to pay a fixed rate of 3.388% and receive a floating rate based on a percentage of LIBOR (see below).

In fiscal year 2008, the Building Authority issued Series 2008-A bonds. The bonds were issued in the amount of \$26.6 million and the proceeds were to be used for various construction and renovation projects for the Dartmouth and Lowell campuses. As of June 30, 2009 and 2008 the bonds payable amount was \$25.9 million and \$26.6 million, respectively. The bonds are payable annually on May 1 through 2038. The Building Authority also entered into a standby bond purchase agreement with Bank of America, N.A. (BoFA) which requires BoFA to purchase bonds tendered and not remarketed in an amount not to exceed the principal on the bonds plus accrued interest up to 184 days at an annual interest rate not to exceed 12 percent. Under this agreement, the Building Authority is required to pay BoFA in quarterly installments a facility fee in the amount of 12 basis points of the initial commitment. The initial commitment under the agreement was set at \$28.0 million but is subject to adjustment from time to time in accordance with the provisions of the agreement. The agreement expires in 2013 and may be extended at the option of the BoFA. Fees accrued by the Building Authority in connection with the standby bond purchase agreement totaled \$37,600 and \$1,900 for the years ended June 30, 2009 and 2008, respectively. In December 2007 the Building Authority entered into an interest rate swap agreement with Lehman Brothers Special Financing Inc. (LBSF), as swap counterparty, beginning May 1, 2008 and extending for the term of the bond issue. The agreement calls for the Building Authority to pay a fixed rate of 3.378% and receive a floating rate based on a percentage of LIBOR. In November 2008, the Building Authority replaced LBSF with Deutsche Bank AG (DBAG) as swap counterparty due to the bankruptcy of the LBSF holding company, Lehman Brothers Holdings, Inc. The swap agreement with DBAG is under the same terms as the original agreement with LBSF (see below).

In fiscal year 2008, the Building Authority issued Series 2008-2 bonds. The bonds were issued in the amount of \$120.6 million and the proceeds were to be used for various construction and renovation projects for the University's Amherst and Worcester campuses. As of June 30, 2009 and 2008 the bonds payable amount was \$117.6 million and \$120.6 million, respectively. The bonds are payable annually on May 1 through 2038. The bonds carry interest rates that range from 4% to 5% and are callable beginning May 1, 2018 at par. The Authority was paid a premium of \$668,100 for these bonds. Some of the principal and interest payments on the bonds have been insured by Financial Security Assurance Inc. (FSA).

In fiscal year 2008 UMBA issued its Series 2008-3 bonds. The bonds were issued in the amount of \$138.6 million and the proceeds were used to currently refund a portion of the 2006-1 bonds. As of June 30, 2009 and 2008 the bonds payable amount was \$137.5 million and \$138.6 million. The bonds are payable annually on November 1 through 2034. The bonds carry a variable interest rate and are callable at any time at par. The bonds are supported with an irrevocable direct ay letter of credit (the BoFA LOC) issued by Bank of America NA (BoFA). The BoFA LOC, upon presentation of required documentation, will pay the Bond Trustee the amount necessary to pay the principal and accrued interest on the bonds. The BoFA LOC expires in 2011 and may be extended at the option of BoFA. Under the terms of the BoFA LOC, the Building Authority is required to pay BoFA in quarterly installments a facility fee in the amount of 55 basis points (or higher, under certain circumstances) of the commitment amount. Fees accrued by the Building Authority in connection with the BoFA LOC totaled \$816,000 and \$47,500 for the years ended June 30, 2009 and 2008, respectively.

The original interest rate swap with Citigroup from the 2006-1 bonds remains in place, with an allocable portion assigned to the 2008-3 bonds.

In fiscal year 2008, the Building Authority issued Series 2008-4 bonds. The bonds were issued in the amount of \$104.0 million and the proceeds were used to currently refund a portion of the 2006-1 bonds. As of June 30, 2009 and 2008 the bonds payable amount was \$103.3 million and \$104.0 million, respectively. The bonds are payable annually on November 1 through 2034. The bonds carry a variable interest rate and are callable at any time at par. The Building Authority also entered into a standby bond purchase agreement with Bank of America, N.A. (BofA) which requires BofA to purchase bonds tendered and not remarketed in an amount not to exceed the principal on the bonds plus accrued interest up to 184 days at an annual interest rate not to exceed 12 percent. Under this agreement, the Building Authority is required to pay BofA in quarterly installments a facility fee in the amount of 35 basis points of the initial commitment. The initial commitment under the agreement was set at \$110.0 million but is subject to adjustment from time to time in accordance with the provisions of the agreement. The agreement expires in 2011 and may be extended at the option of the BofA. Fees accrued by the Building Authority in connection with the standby bond purchase agreement totaled \$389,500 and \$21,400 for the years ended June 30, 2009 and 2008, respectively. The original interest rate swap with Citigroup from the 2006-1 bonds remains in place, with an allocable portion assigned to the 2008-4 bonds.

In connection with the Series 2008-1 bonds, the Building Authority entered into an interest rate swap (the 2008-1 Swap). The intention of the swap is to effectively change the variable interest rate on the bonds to a synthetic fixed rate of 3.388%.

Terms. The bonds and the related swap agreement mature on May 1, 2038, and the swap's notional amount of \$232.5 million matches the amount of the variable rate bonds. The swap was entered in December 2007 with a start date of May 1, 2008. The notional value of the swap and the principal amount of the associated debt decline over time as the bond principal payments are made to the bondholders. Under the swap, the Building Authority pays the counterparty a fixed payment of 3.388% and receives a variable payment computed as 70% of the one-month LIBOR. Conversely, the variable interest rate on the bonds is based on actual weekly remarketing rates which are expected to roughly track the Securities Industry and Financial Markets Association Municipal Swap IndexTM (SIFMA) as successor to the Bond Market Association Municipal Swap IndexTM (BMA).

Fair value. As of June 30, 2009 and 2008 the 2008-1 Swap had a negative fair market value of approximately \$25.0 million and \$1.2 million, respectively, due to a decrease in interest rates since execution of the swap. Because the Building Authority's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit risk. As of June 30, 2009 and 2008 the Building Authority was exposed to credit risk in the amount of the 2008-1 Swap's fair value. The swap's counterparty, UBS AG, was rated Aa2, A+ and A+ by Moody's Investors Service, Standard and Poor's and Fitch Ratings, respectively, as of June 30, 2009. To mitigate the potential for credit risk, if the counterparty's credit quality falls below A3/A/A, the fair value of the swap will be fully collateralized by the counterparty with U.S. Government Securities or U. S. Government Agency Securities. Collateral posted by the counterparty will be held by a third-party custodian.

Basis risk. The 2008-1 Swap exposes the Building Authority to basis risk should the relationship between LIBOR and SIFMA converge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate (3.388%) and the synthetic rate as of June 30, 2009 (3.468%) and June 30, 2008 (3.098%). If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized. As of June 30, 2009, the SIFMA rate was 0.35%, whereas 70% of the one-month LIBOR was 0.22%. As of June 30, 2008, the SIFMA rate was 1.55%, whereas 70% of the one-month LIBOR was 1.74%.

Termination risk. The Building Authority or the counterparty may terminate the 2008-1 Swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the Building Authority if the counterparty's credit quality rating falls below BBB+ as issued by Standard & Poor's Rating Service or Fitch Inc. or if the counterparty fails to have such a rating. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of the termination the swap has a negative fair value, the Building Authority would be liable to the counterparty for a payment equal to the swap's fair value.

In connection with the Building Authority's Series 2008-A bonds, the Building Authority entered into an interest rate swap (the 2008-A Swap). The intention of the swap is to effectively change the Building Authority's variable interest rate on the bonds to a synthetic fixed rate of 3.378%.

Terms. The bonds and the related swap agreement mature on May 1, 2038, and the swap's notional amount of \$26.6 million matches the amount of the variable rate bonds. The swap was entered in December 2007 with a start date of May 1, 2008. The notional value of the swap and the principal amount of the associated debt decline over time as the bond principal payments are made to the bondholders. Under the swap, the Building Authority pays the counterparty a fixed payment of 3.378% and receives a variable payment computed as 70% of the one-month LIBOR. Conversely, the variable interest rate on the bonds is based on actual weekly remarketing rates which are expected to roughly track SIFMA.

Fair value. As of June 30, 2009 and 2008 the 2008-A Swap had a negative fair market value of approximately \$1.9 million and \$119,000, respectively, due to a decrease in interest rates since execution of the swap. Because the Building Authority's variable-rate

bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit risk. As of June 30, 2009 and 2008 the Building Authority was exposed to credit risk in the amount of the 2008-A Swap's fair value. The swap's counterparty, DBAG was rated Aa1, A+ and A-- by Moody's Investors Service, Standard and Poor's and Fitch Ratings, respectively, as of June 30, 2009. To mitigate the potential for credit risk, if the counterparty's credit quality falls below A3/A/A, the fair value of the swap will be fully collateralized by the counterparty with U.S. Government Securities or U. S. Government Agency Securities. Collateral posted by the counterparty will be held by a third-party custodian.

Basis risk. The 2008-A Swap exposes the Building Authority to basis risk should the relationship between LIBOR and SIFMA converge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate (3.378%) and the synthetic rate as of June 30, 2009 (3.458%) and June 30, 2008 (3.088%). If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized. As of June 30, 2009, the SIFMA rate was 0.35%, whereas 70% of the one-month LIBOR was 0.22%. As of June 30, 2008, the SIFMA rate was 1.55%, whereas 70% of the one-month LIBOR was 1.74%.

Termination risk. The Building Authority or the counterparty may terminate the 2008-1 Swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the Building Authority if the counterparty's credit quality rating falls below BBB+ as issued by Standard & Poor's Rating Service or Baa1 as issued by Moody's Investor's Service or if the counterparty fails to have such a rating. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of the termination the swap has a negative fair value, the Building Authority would be liable to the counterparty for a payment equal to the swap's fair value.

In connection with the Building Authority's Series 2006-1 bonds, the Building Authority entered into an interest rate swap (the 2006-1 Swap). The intention of the swap is to effectively change the Building Authority's variable interest rate on the bonds to a synthetic fixed rate of 3.482%. In fiscal 2008 the Building Authority refunded the Authority's Series 2006-1 bonds with the Building Authority's Series 2008-3 and 2008-4 bonds. The interest swap remains outstanding and is matched on a pro-rata basis with the Series 2008-3 and 2008-4 bonds.

Terms. The bonds and the related swap agreement mature on November 1, 2034, and the swap's notional amount of \$243.8 million matches most of the amount of the variable rate bonds. The swap was entered at approximately the same time the bonds were issued (April 2006). The notional value of the swap and the principal amount of the associated debt decline as principal payments are made to the bondholders over time. Under the swap, the Building Authority pays the counterparty a fixed payment of 3.482% and receives a variable payment computed as 60% of the three-month LIBOR plus .18%. Conversely, the variable interest rate on the bonds is based on actual weekly remarketing rates which are expected to roughly track SIFMA.

Fair value. As of June 30, 2009 and 2008, the 2006-1 Swap had a negative fair market value of approximately \$25.0 million and \$11.3 million, respectively. The change in fair value of the swap is due to interest rates changes since execution of the swap. If interest rates increase over time from the date of issuance the swap will have a positive fair value while if rates fall the fair value will be negative. Because the Building Authority's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit risk. As of June 30, 2009 and 2008 the Building Authority was exposed to credit risk in the amount of the 2006-1 Swap's fair value. The swap's counterparty, Citibank, N.A., was rated A1, A+ and A+ by Moody's Investors Service, Standard and Poor's and Fitch Ratings, respectively, as of June 30, 2009. To mitigate the potential for credit risk, if the counterparty's credit quality falls below A2/A, the fair value of the swap will be fully collateralized by the counterparty with U.S. Government Securities or U. S. Government Agency Securities. Collateral posted by the counterparty will be held by a third-party custodian.

Basis risk. The 2006-1 Swap exposes the Building Authority to basis risk should the relationship between LIBOR and SIFMA converge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate (3.482%) and the synthetic rate as of June 30, 2009 (3.192%) and June 30, 2008 (3.152%). If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized. As of June 30, 2009, the SIFMA rate was 0.35%, whereas 60% of the three-month LIBOR plus .18% was 0.54%. As of June 30, 2008, the SIFMA rate was 3.73%, whereas 60% of the three-month LIBOR plus .18% was 3.40%.

Termination risk. The Building Authority or the counterparty may terminate the 2006-1 Swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the Building Authority if the counterparty's credit quality rating falls below Baa1 as issued by Moody's Investor Service or BBB+ as issued by Standard & Poor's or if the counterparty fails to have such a rating. If the swap is terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of the termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of June 30, 2009, the debt service requirements of the variable-rate debt and net swap payments, *assuming current interest rates remain the same* for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Aggregate future principal payments of the total University of Massachusetts Building Authority debt for the years ended June 30 are: 2010 - \$38.1 million, 2011 - \$40.3 million, 2012 - \$41.6 million, 2013 - \$42.2 million, 2014 - \$42.8 million, and thereafter, \$756.6 million. As rates vary, variable-rate bond interest payments and net swap payments will vary. At June 30, 2009 and 2008, the estimated fair value of the University of Massachusetts Building Authority debt is approximately \$955.0 million and \$978.0 million, respectively.

In connection with the Building Authority's bond refunding undertaken in fiscal year 2006 noted above, the Building Authority recorded a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$42.6 million. This difference is being reported as a reduction from bonds payable and will be amortized as an increase in amortization expense over the original life of the refunded bonds. The refundings reduced the University's debt service payments in future years by approximately \$33.6 million and resulted in an economic gain (the present value of savings) of approximately \$21.6 million.

In prior years, the Building Authority refunded all bonds outstanding issued by the Building Authority prior to May 1, 1984. Accordingly, the Building Authority deposited into trust accounts sufficient funds to provide for all future debt service payments on the refunded bonds. Assets held in trust accounts had an aggregate market value of approximately \$3.2 million and \$4.6 million at June 30, 2009 and 2008, respectively. The outstanding amount of the refunded bonds at June 30, 2009 and 2008 total approximately \$3.4 million and \$4.9 million, respectively.

On January 5, 2007 the Authority closed on a \$35.0 million Revolving Line of Credit (the Line) with Bank of America, N.A (the Bank). The Line matures on the first anniversary of the date of the agreement and can be extended or renewed at the option of the Bank. At the time of each draw on the Line the Authority must elect to have the interest on the draw calculated based on (a) 75% of the one-month, two-month or three-month LIBOR rate (LIBOR Rate) or (b) 75% of the higher of the Federal Funds Rate plus .5% or 75% of the Bank's "prime rate" (Base Rate). Interest is due at the end of the one, two or three month period under a LIBOR Rate draw, the first business day of the calendar quarter for Base Rate draws or the Line's maturity date, whichever comes first. Except at the Line's maturity date, the Authority can elect to have the interest charges incorporated into a subsequent draw. In November 2007 the Authority renewed the Line for an additional 12 months. At the time of the renewal the total Line was reduced to \$30.0 million and the LIBOR Rate and Base Rate factor was increased from 75% to 77%. In November 2008 the Building Authority renewed the Line for an additional 12 months. At the time of the 2008 renewal, the Line was increased to \$35.0 million and a fee was added equal to .008% of any non-borrowed portion of the Line paid quarterly in arrears. In 2009, the Building Authority paid \$14,800 related to charges for the Line. At the time Line was closed the Authority entered into a contract with the University that obligates the University to make payments to the Authority sufficient to cover the costs of the Line.

The Authority expects to pay all principal and interest charges related to the Line by issuing long-term bonds at the appropriate time. As of June 30, 2009, the Building Authority had \$16.8 million outstanding under the Line. The interest terms on the draws were one-month LIBOR and the interest rates ranged from 3.306% to 0.24%. As of June 30, 2008, the Building Authority had \$0.1 million outstanding under the Line. The interest terms on the draws were one-month LIBOR and the interest rates ranged from 1.84% to 4.37%.

Included in the University's debt are \$493.8 million and \$501.8 million of variable rate demand bonds (VRDB) through the Building Authority as of June 30, 2009 and 2008, respectively. The University has entered into irrevocable letters of credit (LOCs) with a diverse group of financial institutions to secure bond repayment and interest obligations associated with its VRDBs. If the VRDBs are unable to be remarketed, the trustee for the VRDB will request purchase under the LOC scheduled repayment terms. Based on the existing repayment and maturity terms of the underlying LOCs, the scheduled payments under the VRDB related LOCs would be as follows: \$48.5 million in 2010 (of which \$8.3 million is current under the bond repayment schedule), \$98.8 million in 2011, \$98.8 million in 2012, \$98.8 million in 2013, \$98.7 million in 2014 and \$50.2 million in 2015.

Massachusetts Health and Educational Facilities Authority

University of Massachusetts Series C

In June 2002, the University issued \$35.0 million of MHEFA Revenue Bonds, University of Massachusetts Issue, Series C (the "Series C Bonds"). The proceeds from this issuance were used to fund a portion of the costs associated with the construction of a new student center at the Boston campus which opened in April 2004. The Commonwealth's DCAMM managed the project and the Commonwealth has provided additional funds for the project. The Series C Bonds mature October 1, 2034 and the remaining outstanding debt bears interest at fixed interest rates ranging from 3.85% to 5.125%. The Series C Bonds were issued at a net discount of approximately \$488,000. Debt covenants include the maintenance of a debt service fund as outlined in the related debt agreement. The University is required to make deposits in this debt service fund on or before the twenty-fifth day of each March and September. Principal payments are made annually and are due on October 1. The Series C Bonds are redeemable prior to maturity beginning on October 1, 2012, at the option of MHEFA and the University, at 100% of face value, plus accrued interest. The outstanding principal balance on the Series C Bonds is \$32.0 million and \$32.6 million at June 30, 2009 and 2008, respectively.

University of Massachusetts Series B

In June 2001, the University issued \$12.0 million of Massachusetts Health and Educational Facilities Authority (MHEFA) Revenue Bonds, University of Massachusetts Issue, Series B (the "Series B Bonds"). The proceeds from this issuance were used to fund a portion of the costs associated with the construction of a new student center at the Lowell campus which was opened in September 2002. The Commonwealth's Division of Capital Asset Management and Maintenance (DCAMM) managed the project and the Commonwealth provided additional funds for the project. The Series B Bonds mature on October 1, 2031 and the remaining outstanding debt bears interest at fixed interest rates ranging from 4.2% to 5.125%. The Series B Bonds were issued at a net discount of approximately \$127,000. Debt covenants include the maintenance of a debt service fund as outlined in the related debt agreement. The University is required to make deposits in this debt service fund on or before the twenty-fifth day of each March and September. Principal payments are made annually and are due on October 1. The Series B Bonds are redeemable prior to maturity beginning on October 1, 2011, at the option of MHEFA and the University, at 100% of face value, plus accrued interest. At June 30, 2009 and 2008, the outstanding principal balance on the Series B Bonds is \$0.8 million and \$1.0 million, respectively.

University of Massachusetts Series D

In January 2007, the University issued \$10.4 million of MHEFA Revenue Bonds, University of Massachusetts Issue Series D. The proceeds from this issuance were used to refund a portion of the Series B Bonds. The Series D Bonds mature on October 1, 2031, and the remaining outstanding series bear interest at fixed interest rates ranging from 3.75% to 4.25%. The Series D Bonds were issued at a discount of approximately \$203,000. Debt covenants include the maintenance of a debt service fund outlined in the related debt agreement. The University is required to make deposits in the debt service fund on or before the twenty-fifth day of each March and September. Principal payments are made annually and are due on October 1. The refunding of the bonds resulted in a difference between the reacquisition price and net carrying amount of the old debt of approximately \$0.8 million. This difference is reported in the accompanying financials statements as an increase to bonds payable. As a result of this partial refunding, the University will reduce its aggregate debt service payments by approximately \$0.8 million and achieve an economic gain, (the difference between the present value of the old and new debt service payments), of \$0.5 million. At June 30, 2009 and 2008, the outstanding principal balance on the Series D Bonds is \$10.2 million and \$10.3 million, respectively.

University of Massachusetts Series A

In March 2000, the University issued \$40.0 million of MHEFA Variable Rate Demand Revenue Bonds, University of Massachusetts Issue, Series A (the "Series A Bonds") to create a pool of funds from which the University finances and refinances the acquisition of telecommunications, electronic, computer, office, research, equipment and administrative systems and related renovation costs at the various University campuses on a revolving basis throughout the term of the Series A Bonds. On March 27, 2009 (the "Mandatory Purchase Date"), the Series A Bonds were subject to mandatory tender for purchase due to the expiration of the liquidity facility supporting the Series A Bonds and the conversion of the Series A Bonds from a weekly rate period to a long-term rate period. Only \$20.0 million of the Series A Bonds was remarketed on the Mandatory Purchase Date (the "Remarketed Series A Bonds" and together with the Series A Bonds the "Bonds"). The Remarketed Series A Bonds will mature on November 1, 2030 and are subject to mandatory purchase prior to maturity as described below. The Remarketed Series A Bonds bear interest at the initial long-term rate of 0.85%. Interest on the Remarketed Series A Bonds in the initial long-term rate period are payable on October 1, 2009 and April 1, 2010. The initial long-term rate of 0.85% will end on March 31, 2010 and the Remarketed Series A Bonds will be subject to mandatory tender for purchase on April 1, 2010. The Remarketed Series A Bonds are considered a reissuance for federal tax purposes. The Remarketed Series A Bonds are not supported by any insurance policy, liquidity facility or other credit enhancement. The Remarketed Series A Bonds are a general obligation of the University payable from all funds of the University permitted to be applied thereto. Average interest rates on the Bonds during fiscal year 2009 and 2008 were approximately 1.93% and 2.83%, respectively. The University is also obligated for certain ongoing administrative costs including remarketing and trustee fees. Debt covenants include the maintenance of a debt service fund as outlined in the related debt agreement. The Remarketed Series A Bonds were issued at par. At June 30, 2009 and 2008, the outstanding principal balance on the Bonds is \$20.0 million and \$40.0 million, respectively.

The \$20.0 million MHEFA Variable Rate Demand Revenue Bonds, University of Massachusetts Issue, Series A, which are not supported by any insurance policy, liquidity facility or other credit enhancement, will be subject to mandatory tender for purchase on April 1, 2010. The purchase price of the bonds will be paid from the remarketing of such bonds. However, if the remarketing proceeds are insufficient, the University will be obligated to purchase the bonds tendered, up to an aggregate principal amount of \$20.0 million.

Aggregate principal payments on the Series A Bonds, Series B Bonds, Series C Bonds and Series D Bonds for the years ended June 30 are; 2010 - \$1.0 million, 2011 - \$1.0 million, 2012 - \$1.0 million, 2013 - \$1.1 million, 2014 - \$1.1 million, thereafter - \$57.8 million. At June 30, 2009 and 2008, the estimated fair value of the Series A Bonds, Series B Bonds, Series C Bonds and Series D Bonds is approximately \$62.2 million and \$81.0 million, respectively.

Worcester City Campus Corporation Series E

In January 2007, WCCC issued \$118.8 million of Series E bonds. The Series E Bonds were issued at a premium of \$3.9 million. WCCC has deposited \$32.4 million of the proceeds to an irrevocable trust fund to provide for partial advanced refunding of the Series B Bonds. A portion of the Series B Bonds totaling \$30.8 million and the irrevocable trust has been derecognized by WCCC. WCCC incurred a loss on advanced refunding and defeasance of \$2.3 million which will be amortized over the life of the debt. This portion of the bonds bear interest at various fixed rates ranging from 3.50% to 4.5% and mature on October 1, 2031. As of June 30, 2009 and 2008, the aggregate principal payments outstanding on this portion of the Series E Bond was \$32.4 million and \$32.6 million, respectively. Further, \$85.7 million of the Series E Bonds proceeds are being used to finance the construction of the Advanced Center for Clinical Education and Science (ACCES) at the Worcester Campus. These funds had originally been

invested with the Royal Bank of Canada under a repurchase agreement and earned interest at 4.92% under the agreement. The agreement with Royal Bank of Canada expired on December 1, 2008 and the funds were reinvested in MHEFA's Short Term Asset Reserve Fund. Periodically, WCCC requests reimbursement from this fund for qualified costs of construction that consists of building supplies, materials and labor. At June 30, 2009 and 2008, the balance of this construction fund totaled \$31.3 million and \$49.5 million, respectively including accrued interest earned. These bonds bear interest at various fixed rates ranging from 3.5% to 5.0% and mature October 1, 2036. As of June 30, 2009 and 2008, the aggregate principal payments outstanding on this portion of the Series E Bond was \$83.2 million and \$84.7 million, respectively.

Worcester City Campus Corporation Series C refunded by Series F

In January 2007, WCCC issued \$101.7 million of Series F bonds. The Series F Bonds were issued at a premium of \$2.8 million. WCCC has deposited \$68.8 million of the proceeds to an irrevocable trust fund to provide for payment of the WCCC Series C Bonds. The Series C Bonds were issued by WCCC in April 2002 for \$70.0 million. The proceeds from this issuance were used to finance the construction of the Jamaica Plains Biolabs. The WCCC Series C Bonds totaling \$65.0 million and the irrevocable trust have been derecognized by WCCC. This portion of the bonds bear interest at various fixed rates ranging from 4.0% to 4.5% and mature on October 1, 2031. As of June 30, 2009 and 2008, the aggregate principal payments outstanding on this portion of Series F Bonds was \$64.6 million and \$66.2 million, respectively. WCCC incurred a loss on the advanced refunding and defeasance of \$5.0 million which will be amortized over the life of the debt. Further, \$34.6 million of the Series F Bonds proceeds are being used to finance the construction of the Biologics Laboratory Phase II Project at the Mattapan location of the Worcester Campus. These funds have been invested with the Royal Bank of Canada while construction progresses and earn interest at 4.92%. Periodically, WCCC requests reimbursement from this fund for qualified costs of construction that consists of building supplies, materials and labor. At June 30, 2009 and 2008, the balance of this construction fund totaled \$15.7 million and \$37.0 million, respectively including accrued interest earned. These bonds bear interest at various fixed rates ranging from 4.0% to 5.0% and mature October 1, 2036. As of June 30, 2009 and 2008, the aggregate principal payments outstanding on this portion of the Series F Bond was \$32.2 million and \$32.8 million, respectively.

Worcester City Campus Corporation Series B

In June 2001, the Foundation transferred ownership of its medical research development facility known as Two Biotech Park to WCCC. In exchange for the building, WCCC assumed from the Foundation the remaining debt of \$17.8 million, net (the "Foundation Bonds"), and received the proceeds of the related debt service funds. Concurrent with the transfer, WCCC issued \$52.0 million of MHEFA Revenue Bonds, WCCC Issue (University of Massachusetts Project), Series B (the "WCCC B Bonds"). WCCC deposited approximately \$19.1 million (\$17.0 million from the proceeds of the WCCC Series B Bonds and \$2.1 million from debt service reserves) in an irrevocable trust fund to provide for the payment of interest and principal on the Foundation Bonds. The Foundation Bonds and the funds held in the irrevocable trust fund were derecognized by WCCC. The remaining \$35.0 million of the WCCC B Bonds are being used to finance the construction of a parking garage and the acquisition and installation of equipment at the Worcester campus. The remaining portion of the Series B Bonds bear interest at various fixed rates ranging from 4.00% to 5.25% and mature on October 1, 2023. Debt covenants include the maintenance of a debt service fund as outlined in the debt agreement. The bonds were issued at a net discount of approximately \$0.4 million. The Series B Bonds are redeemable prior to maturity beginning on October 1, 2011, at the option of MHEFA and WCCC, at par plus accrued interest. The outstanding balance at June 30, 2009 and 2008 is \$14.8 million and \$15.9 million, respectively.

Worcester City Campus Corporation Series D

In April 2005, WCCC issued \$99.3 million of MHEFA Revenue Bonds (the "WCCC D Bonds"). WCCC has deposited the proceeds to an irrevocable trust fund to provide for payment of the MHEFA Revenue Bonds, WCCC Issue (University of Massachusetts Project) Series A (the "WCCC A Bonds" or the "refunded bonds"). The WCCC D bonds bear interest at various fixed rates ranging from 3.00% to 5.25% per year and mature October 1, 2029. The WCCC D Bonds were issued at a premium of \$4.1 million. The WCCC D Bonds represent a transfer obligation of the University whereby, subject to the terms of the financing agreement, the University will be notified upon WCCC's failure to make any payments required by the trust agreement and the University will promptly transfer any amounts unpaid and due by WCCC under such agreement. Assets held in the refunding trust fund had an aggregate market value of approximately \$94.7 million and \$97.0 million at June 30, 2009 and 2008, respectively. The outstanding amount of the refunded bonds totaled approximately \$87.0 million and \$89.1 million at June 30, 2009 and 2008, respectively. The refunding of the bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$8.9 million. This difference, reported in the accompanying financial statements as a reduction in bonds payable, is being charged to operations over the life of new bonds using the straight-line method. As a result of the defeasance, WCCC will reduce its aggregate debt service payments by approximately \$4.0 million and achieve an economic gain, (the difference between the present value of the old and new debt service payments), of \$3.9 million. The outstanding principal balance on the WCCC Series D Bonds at June 30, 2008 and 2007 is \$93.2 million and \$95.8 million, respectively.

The WCCC Series A Bonds were issued by WCCC in March 2000 for \$100.0 million. The proceeds from this issuance were used to fund the construction of the Lazare Research Building on the Worcester Medical School campus of the University. The WCCC Series A Bonds have been legally defeased. Accordingly, the WCCC Series A Bonds and the irrevocable trust have been derecognized by WCCC.

Aggregate principal payments on the WCCC Series B Bonds, WCCC Series D Bonds, WCCC Series E Bonds and WCCC Series F Bonds for the years ended June 30 are: 2010 - \$7.7 million, 2011 - \$8.0 million, 2012 - \$8.4 million, 2013 - \$8.7 million,

2014 - \$9.1 million, thereafter \$278.4 million. At June 30, 2009 and 2008, the fair value of the WCCC B Bonds, WCCC D Bonds, WCCC E Bonds and WCCC F Bonds was approximately \$306.0 million and \$320.5 million, respectively.

Pledged Revenues

WCCC is obligated under the terms of indebtedness to make debt service payments from revenues received from certain facility leases. Total applicable pledged revenues were \$6.6 million and \$6.7 million for fiscal years 2009 and 2008, respectively.

Pursuant to the projects administered by the University of Massachusetts Building Authority, the Authority sets fees, rents, rates and other charges for the use of the projects in an amount for each fiscal year that produces revenues in excess of the amounts needed in such fiscal year for debt service on the related bonds, required contributions to the related Section 10 Reserve Fund, expenses for the Bond trustee and any escrow agent. Such excess revenues are held by the University for the account of and on behalf of the Authority. Total applicable pledged revenues were \$58.7 million for 2009 and \$52.6 million for 2008.

9. LEASES

The University leases certain equipment and facilities under operating leases with terms exceeding one year, which are cancelable at the University's option with 30 days notice. The rent expense related to these operating leases amounted to approximately \$18.0 million and \$16.0 million for the years ended June 30, 2009 and 2008, respectively. The University also leases space to third party tenants. During 2009 and 2008, the amount reported as rental income was \$7.0 million and \$7.4 million, respectively. The master leases primarily consist of telecommunications, software, and co-generation systems.

The following are a schedule of future minimum payments under capital and non-cancelable operating leases and a schedule of principal and interest payments on capital lease obligations for the next five years and in subsequent five-year periods for the University as of June 30, 2009 (in thousands):

Year	University Capital Leases			Operating Leases	June 30, 2009 Year	University Capital Leases	
	Master Leases	Other Leases	TOTAL			Principal	Interest
2010	\$12,002	\$564	\$12,566	\$11,819	2010	\$11,457	\$1,109
2011	6,512	147	6,659	10,797	2011	5,910	749
2012	5,748	36	5,784	9,329	2012	5,235	549
2013	5,748	11	5,759	8,579	2013	5,394	365
2014	4,372		4,372	8,143	2014	4,184	188
2015-2019	2,185		2,185	25,912	2015-2019	2,147	38
Total Payments	36,567	758	37,325	\$74,579	Total Payments	\$34,327	\$2,998
Less: Amount representing interest	(2,947)	(51)	(2,998)				
Present Value of Minimum Lease Payments	\$33,620	\$707	\$34,327				

10. CAPITAL LEASES AND OTHER LONG-TERM LIABILITIES

During the year ended June 30, 2009 the following changes occurred in long-term liabilities as recorded in the statement of net assets (in thousands):

	Beginning Balance	Additions/ Adjustments*	Reductions/ Adjustments*	Ending Balance
University:				
Capital lease obligations	\$34,177	\$77	(\$11,384)	\$22,870
Compensated absences	21,707	1,886	-	23,593
Workers' compensation	11,274	-	(858)	10,416
Deferred revenues and credits	13,556	19,311	(9,199)	23,668
Advances and deposits	27,383	6	(607)	26,782
Other Liabilities	418	3,016	(133)	3,301
University Related Organization:				
Other Liabilities	\$3,636	-	(\$611)	\$3,025

* Adjustments include changes in estimates

During the year ended June 30, 2008 the following changes occurred in long-term liabilities as recorded in the statement of net assets (in thousands):

	Beginning Balance	Additions/ Adjustments*	Reductions/ Adjustments*	Ending Balance
University:				
Capital lease obligations	\$42,300	\$82	(\$8,205)	\$34,177
Compensated absences	21,936	-	(229)	21,707
Workers' compensation	11,140	134	-	11,274
Deferred revenues and credits	12,885	7,278	(6,607)	13,556
Advances and deposits	28,087	117	(821)	27,383
Other Liabilities	959	-	(541)	418
University Related Organization:				
Other Liabilities	\$2,983	\$653	-	\$3,636

* Adjustments include changes in estimates

11. FRINGE BENEFITS

Expenditures for the years ended June 30, 2009 and 2008 include \$202.7 million and \$269.4 million, respectively, for the employer portion of fringe benefit costs (pension expense, health insurance for active employees and retirees, and unemployment) that was paid directly by the Commonwealth of Massachusetts. Of this amount, \$82.4 million for 2009 and \$91.2 million for 2008 was reimbursed to the Commonwealth and \$120.2 million and \$178.2 million respectively is included in revenue as state appropriations.

The University has recorded a liability for future expected costs of its workers' compensation claims of approximately \$14.1 million as of June 30, 2009 and \$14.4 million as of June 30, 2008. Estimated future payments related to such costs have been discounted at a rate of 6%.

12. MEDICAL SCHOOL LEARNING CONTRACTS

The University's Medical School enters into learning contracts with certain medical students. These contracts give students the option of deferring a portion of their tuition until after residency training, and canceling all or a portion of their tuition if they practice medicine in the Commonwealth for one year, or for students matriculating after 1990, two or four (depending on conditions) full years in primary care. The University does not record as revenue the portion of tuition deferred under these learning contracts until actual cash repayments are received. The cumulative amount granted under such learning contracts plus accrued interest totaled \$56.8 million and \$54.6 million at June 30, 2009 and 2008, respectively. Cumulative repayments totaled approximately \$38.4 million and \$35.8 million as of June 30, 2009 and 2008, respectively.

13. RETIREMENT PLANS

The Commonwealth of Massachusetts is statutorily responsible for the pension benefit of University employees who participate in the State Employees' Retirement System (SERS). SERS, a single employer defined benefit public employee retirement system, is administered by the Commonwealth and covers substantially all non-student employees. The University makes contributions on behalf of the employees through a fringe benefit charge assessed by the Commonwealth. Such pension expense amounted to approximately \$46.2 million and \$52.5 million for the years ended June 30, 2009 and 2008, respectively. The annuity portion of the SERS is funded by employees, who contribute a percentage of their regular compensation. Annual covered payroll approximated 76.6% and 76.9% for the years ended June 30, 2008 and 2007, respectively of annual total payroll for the University. Non-vested faculty and certain other employees of the University can opt out of SERS and participate in a defined contribution plan, the Massachusetts Optional Retirement Plan (ORP). At June 30, 2009 and 2008, there were approximately 1,907 and 1,699 University employees, respectively participating in ORP. The Commonwealth matches 5% of ORP contributions. SERS issues stand-alone financial statements that can be obtained from the Commonwealth.

The University of Massachusetts Foundation, Inc. has a defined contribution plan (the "Plan") for eligible employees through the Teachers Insurance and Annuity Association (TIAA) and College Retirement Equity Fund (CREF) retirement programs. The Plan is designed, and contributions are made, in accordance with the provisions of 403(b) of the Internal Revenue Code. Eligibility begins immediately and the Foundation contribution, based upon a percentage of salaries, was approximately \$38,000 and \$32,000 for the years ended June 30, 2009 and 2008, respectively. The Foundation has no liability for benefits paid under the Plan.

14. CONCENTRATION OF CREDIT RISK

The financial instrument that potentially subjects the University to concentrations of credit risk is the receivable from UMass Memorial which is uncollateralized. The receivable from UMass Memorial represents 6.2% and 1.7% of total accounts receivable for the University at June 30, 2009 and 2008, respectively. The University also has receivables from two organizations comprising approximately 8.3% and 5.8% of the total outstanding receivables at June 30, 2009. The University also had receivables from two organizations comprising approximately 8.5% and 5.5% of the total outstanding receivables at June 30, 2008.

15. COMMITMENTS AND CONTINGENCIES

The Building Authority, University, and WCCC have outstanding purchase commitments under construction contracts and real estate agreements in amounts aggregating approximately \$388.3 million and \$371.8 million at June 30, 2009 and 2008, respectively. In connection with the investments in certain limited partnership agreements, the Foundation has an additional \$3.4 million in committed calls as of June 30, 2009, which are scheduled to be funded over a number of years.

The University is a defendant in various lawsuits and is subject to various contractual matters; however, University management is of the opinion that the ultimate outcome of all litigation or potential contractual obligations will not have a material effect on the financial position, financial results or cash flows of the University.

From time to time the University and/or its affiliated organizations are subject to audits of programs that are funded through either federal and/or state agencies. The Medical School has become aware that the Office of the Inspector General for the U.S. Department of Health and Human Services is performing an audit of Medicaid Supplemental Revenues (MSR) received by UMMMC.

The eventual outcome of this audit is currently unknown. However, depending on the eventual outcome, UMMMC may be required to repay any MSR received deemed to be disallowed as a result of the audit. Dependent on the outcome, UMMS, consistent with the Agreement for Medical Educational Services, made part of the Definitive Agreement between the Medical School and UMass Memorial Medical Center, and its subsequent amendments and the indemnification provisions in these Agreements, may be required to indemnify UMMMC. Although the eventual outcome of this audit is currently unknown, and management believes that as of the date of the financial statements it is not probable that a liability exists, management concludes it is reasonably possible that amounts could be repaid and that those amounts may be material to the Statement of Revenues, Expense and Changes in Net Assets and the Statement of Cash Flow in a future period.

16. SEGMENT INFORMATION

A segment is an identifiable activity reported as a stand-alone entity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds and has related expenses, gains and losses, assets, and liabilities that are required by an external party to be accounted for separately. The University has two segments that meet the reporting requirements under GASB 35.

The Worcester City Campus Corporation is organized to receive, take title to, hold, manage, develop, improve, demolish, renovate, lease for terms up to 99 years, or otherwise transfer, convey, or deal with any real or personal property conveyed to it including, without limitation, real and personal property utilized at or in connection with the operations of the University. The consolidated financial statements of Worcester City Campus Corporation include the accounts of its subsidiaries, Worcester Foundation for Biomedical Research, Inc. ("WFBR") and Public Sector Partners, Inc ("PSP"). WFBR is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code to solicit, receive, administer and make gifts and donations to the University of Massachusetts Medical School to support research activities, and to carry on any other activity that may be lawfully carried on by a corporation formed under Chapter 180 of Massachusetts General Laws and which is not inconsistent with the Corporation's qualification as an organization described in Section 501(c)(3) of the Internal Revenue Code. PSP is a Section 501(c)(3) not-for-profit health care consulting organization corporation located in Worcester, Massachusetts providing support and management services to various entities in the health care and insurance industries. PSP has a wholly owned subsidiary, MedMetrics Health Partners, Inc. MedMetrics Health Partners was created by and is an affiliate of PSP. Medmetrics is a Section 501(c)(4) not for profit pharmacy (PBM). WCCC outstanding revenue bonds were issued pursuant to specific bond indentures which provide that the revenue bonds are to be paid by certain revenues that are pledged to pay debt service.

The following summary financial information for WCCC is presented before elimination of certain intra-University transactions:

Statement of Net Assets at June 30:

	<u>2009</u>	<u>2008</u>
Assets		
Current Assets	\$50,982	\$47,575
Noncurrent Assets	425,608	430,872
Total Assets	<u>\$476,590</u>	<u>\$478,447</u>
Liabilities		
Current Liabilities	\$52,757	\$48,861
Noncurrent Liabilities	308,261	315,635
Total Liabilities	<u>\$361,018</u>	<u>\$364,496</u>
Net Assets	<u>\$115,572</u>	<u>\$113,951</u>

Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30:

	<u>2009</u>	<u>2008</u>
Operating Revenues	\$261,470	\$183,197
Operating Expenses	<u>249,979</u>	<u>175,148</u>
Operating Income	\$11,491	\$8,049
Increase in Net Assets	\$1,621	(\$1,417)
Beginning Net Assets	113,951	115,368
Ending Net Assets	<u>\$115,572</u>	<u>\$113,951</u>

Statement of Cash Flows for the year ended June 30:

	2009	2008
Net Cash Provided by Operating Activities	\$27,004	\$27,116
Net Cash Provided by Noncapital Financing Activities	140	1,484
Net Cash Provided by/ (Used in) Financing Activities	<u>(65,303)</u>	<u>(67,857)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(38,159)	(39,257)
Beginning Cash and Cash Equivalents	95,480	134,737
Ending Cash and Cash Equivalents	<u>\$57,321</u>	<u>\$95,480</u>

The University of Massachusetts Building Authority is empowered to acquire, construct, remove, demolish, add to, alter, enlarge, reconstruct and do other work upon any building or structure and to provide and install furnishings, furniture, machinery, equipment, approaches, driveways, walkways, parking areas, planting, landscaping and other facilities therein. The Building Authority's Enabling Act authorizes it to acquire property from the Commonwealth or others (but the Building Authority has no eminent domain power), to rent or lease as lessor or lessee any portion of a project, to operate projects, to employ experts and other persons and to enter into contracts. In addition, the Enabling Act authorizes the Building Authority to borrow money to finance and refinance projects it undertakes, and to issue and sell its revenue bonds and notes therefore which are payable solely from its revenues.

The following summary financial information for the Building Authority is presented before elimination of certain intra-University transactions:

Statement of Net Assets at June 30:

	2009	2008
Assets		
Current Assets	\$20,619	\$12,628
Noncurrent Assets	1,223,947	1,219,529
Total Assets	<u>\$1,244,566</u>	<u>\$1,232,157</u>
Liabilities		
Current Liabilities	\$83,682	\$74,008
Noncurrent Liabilities	900,663	940,953
Total Liabilities	<u>\$984,345</u>	<u>\$1,014,961</u>
Net Assets	<u>\$260,221</u>	<u>\$217,196</u>

Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30:

	2009	2008
Operating Revenues	\$89,100	\$55,520
Operating Expenses	33,711	25,742
Operating Income	<u>\$55,389</u>	<u>\$29,778</u>
Increase in Net Assets	\$43,025	\$17,223
Beginning Net Assets	217,196	199,973
Ending Net Assets	<u>\$260,221</u>	<u>\$217,196</u>

Statement of Cash Flows for the year ended June 30:

	2009	2008
Net Cash Provided by Operating Activities	\$81,884	\$48,556
Net Cash Provided by Noncapital Financing Activities	7,517	
Net Cash Provided by/(Used in) Investing Activities	163,306	(151,992)
Net Cash Provided by/(Used in) Capital and Related Financing Activities	<u>(202,575)</u>	<u>174,145</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	50,132	70,709
Beginning Cash and Cash Equivalents	274,313	203,604
Ending Cash and Cash Equivalents	<u>\$324,445</u>	<u>\$274,313</u>

17. SUBSEQUENT EVENT

As part of the fiscal year 2010 budget process, the University received a budget from the Commonwealth that was \$95.7 million less than the previous year. In order to address this significant decrease in funding, Governor Deval Patrick awarded \$150.6 million in Education Stabilization Funds to the University. These funds originated from the passage of the American Recovery and Reinvestment Act (ARRA) of 2009. These funds are to be utilized for educational and general expenditures in order to mitigate the need to raise tuition and fees for in-state residents and to modernize, renovate, or repair facilities. Fringe benefits for payroll at the

rate of 26.42% will be funded by the University when charged to these funds. In addition, the University is the recipient of several ARRA funded grants and contracts that were competitively awarded by various federal departments.

In October 2009 the Building Authority issued \$512.5 million in bonds to fund a number of new construction and renovation projects across all five of the University's campuses. The bond issue consists of tax-exempt, taxable Build America Bonds and taxable bonds with interest rates on the tax-exempt bonds between 2% and 5%, 4.32% for the Build America Bonds and between 6.09% and 6.29% for the taxable bonds. The tax-exempt bonds are expected to mature in 2029 while the Build America Bonds and the taxable bonds are expected to mature in 2039.

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Research and Development - Cluster			
Department of Agriculture			
Direct Programs			
Agricultural Research Basic and Applied Research	10.001		\$ 4,228
Plant and Animal Disease, Pest Control, and Animal Care	10.025		227,735
Grants for Agricultural Research, Special Research Grants	10.200		879,115
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		2,256,516
Grants for Agricultural Research Competitive Research Grants	10.206		2,280,193
Higher Education Multicultural Scholars Program	10.220		27,688
Agricultural and Rural Economic Research	10.250		39,154
Integrated Programs	10.303		210,308
Community Outreach and Assistance Partnership Program	10.455		55,076
Food Safety Cooperative Agreements	10.479		734,331
Forestry Research	10.652		322,991
Cooperative Forestry Assistance	10.664		456,097
Forest Stewardship Program	10.678		91,542
Forest Health Protection	10.680		69,314
Environmental Quality Incentives Program	10.912		37,228
Scientific Cooperation and Research	10.961		5,912
USDA 07-8100-0371-CA	10.	USDA 07-8100-0371-CA	116,801
USDA Forest Service	10.	FS AG-3187-C-09-0009	27,238
USDA Forest Service	10.	USDA FS AG-3187-C-07-0025	76,159
USDA Forest Service	10.	USDA FS 09-JV-11242303-005	114
USDA RESEARCH SERVICE	10.	USDA 58-1230-8-443	6,074
<i>Subtotal Direct Programs</i>			7,923,814
Pass-Through Programs From			
CORNELL UNIVERSITY			
Grants for Agricultural Research, Special Research Grants	10.200	56340-8760 PRIME CSREES	1,404
Grants for Agricultural Research, Special Research Grants	10.200	46709-8568 PRIME RUTGERS/USDA	3,351
Grants for Agricultural Research, Special Research Grants	10.200	56340-8753	4,724
Grants for Agricultural Research, Special Research Grants	10.200	53937-8531 PRIME USDA	3,406
Grants for Agricultural Research, Special Research Grants	10.200	53937-8530 PRIME USDA CREES	5,146
Sustainable Agriculture Research and Education	10.215	52676-8471 PRIME UVM FROM USDA	12,286
CORNELL 54039-8577 PRIME USDA	10.	CORNELL 54039-8577 PRIME USDA	27,206
CT AGRICULTURAL EXPERIMENT STATION			
Grants for Agricultural Research, Special Research Grants	10.200	CAES 2008-22176 Fed# 2007-34106-18124	15,999
Integrated Programs	10.303	CT AES & 2008-02965	2,477
HARRIS ACOUSTIC PRODUCTS CORP, INDUSTRY			
Grants for Agricultural Research, Special Research Grants	10.200	4972-002 PRIME CSREES	9,862
MASS DEPARTMENT OF EDUCATION			
State Administrative Expenses for Child Nutrition	10.560	CT-DOE-97500UMASSAMHERST054	18,962
State Administrative Expenses for Child Nutrition	10.560	DOE 975000UMASSAMHERST121	6,489
NORTH CAROLINA STATE UNIVERSITY			
Food Donation	10.550	2008-1004-14 PRIME CSREES	4,014
OCU-UNIVERSITY OF GEORGIA			
Grants for Agricultural Research Competitive Research Grants	10.206	RC293-502/3843558 PRIME CSREES	32,377

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Research and Development - Cluster			
Department of Agriculture			
Pass-Through Programs From			
OHIO STATE UNIVERSITY			
Grants for Agricultural Research Competitive Research Grants	10.206	OHIO STATE PRIME USDA CSREES	9,107
OREGON STATE UNIVERSITY			
Integrated Programs	10.303	OREGON	2,213
Cooperative Forestry Assistance	10.664	DA493A-A PRIME USDA FS	2,216
RUTGERS UNIVERSITY			
Grants for Agricultural Research, Special Research Grants	10.200	3194 PO#S948809	7,387
UNIVERSITY OF CALIFORNIA DAVIS			
Grants for Agricultural Research, Special Research Grants	10.200	UNIV OF CA DAVIS 700088 PRIME USDA	8,486
UNIVERSITY OF CONNECTICUT			
Grants for Agricultural Research, Special Research Grants	10.200	UCONN PSA 5269	19,311
Grants for Agricultural Research, Special Research Grants	10.200	UNIV OF CONN 6508 PRIME USDA	4,066
Grants for Agricultural Research, Special Research Grants	10.200	106-1474	54,435
UNIVERSITY OF MAINE			
Integrated Programs	10.303	UM-S568	391
Integrated Programs	10.303	UNIV OF MAINE UM-S704	27,903
UNIVERSITY OF RHODE ISLAND			
Grants for Agricultural Research Competitive Research Grants	10.206	URI 030705/0000618	438
Integrated Programs	10.303	#1000105/0000516	49,508
Integrated Programs	10.303	101708/001946 PRIME USDA	18,781
Integrated Programs	10.303	#081605/0000826	7,354
Integrated Programs	10.303	082707/0001536 PRINE USDA	48,852
UNIVERSITY OF VERMONT			
Grants for Agricultural Research, Special Research Grants	10.200	Vermont LNE05-229	20,460
Grants for Agricultural Research, Special Research Grants	10.200	Vermont LNE 05-217	19,824
Sustainable Agriculture Research and Education	10.215	VERMONT LNE07-257 PRIME USDA	63,644
<i>Subtotal Pass-Through Programs</i>			512,079
Total Department of Agriculture			8,435,893
Department of Commerce			
Direct Programs			
Economic Development Support for Planning Organizations	11.302		100,890
Economic Development Technical Assistance	11.303		135,007
Coastal Zone Management Estuarine Research Reserves	11.420		3,920
Climate and Atmospheric Research	11.431		225,852
Unallied Management Projects	11.454		106,680
Cooperative Science and Education Program	11.455		3,974
Unallied Science Program	11.472		3,129,334
National Ocean Service Intern Program	11.480		1,391
Calibration Program	11.601		21,493
National Standard Reference Data System	11.603		11,816
Measurement and Engineering Research and Standards	11.609		319,345

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
<i>Research and Development - Cluster</i>			
Department of Commerce			
Direct Programs			
Collaborative Research on Reducing Post-release Mortality for Common Thresher Sharks Captured in the Southern California Recreational Fishery	11.	NFFR7000-8-46996	3,949
<i>Subtotal Direct Programs</i>			4,063,651
Pass-Through Programs From			
CLEMSON UNIVERSITY			
ITA Special Projects	11.113	02-07400	356,561
CONSOLIDATED SAFETY SERVICES INC			
CONSD SAFETY 3007-UM-001 PRIME NOAA	11.	3007-UM-001 PRIME NOAA	155,718
IM SYSTEMS GROUP INC, INDUSTRY			
IM SYSTEMS IMSG-M006 PRIME NOAA	11.	IMSG-M006 PRIME NOAA	529
IM SYSTEMS PO IMSG-M-011-UMASS PRIME NOAA	11.	PO IMSG-M-011-UMASS PRIME NOAA	16,389
MASSACHUSETTS INSTITUTE OF TECHNOLOGY			
Sea Grant Support	11.417	5710002172	50,651
Sea Grant Support	11.417	R/P-061	33,002
Sea Grant Support	11.417	MIT 5710002346 PRIME NOAA	23,680
MIT SEA GRANT			
Sea Grant Support	11.417	5710002344	30
OAK MANAGEMENT INC			
OAK MANAGEMENT 4500-308-1 PRIME NOAA	11.	4500-308-1 PRIME NOAA	24,116
REMOTE SENSING SOLUTIONS INC			
Coastal Zone Management Estuarine Research Reserves	11.420	107-0885 GAID 4353	43,942
RUTGERS UNIVERSITY			
Cooperative Science and Education Program	11.455	Rutgers 2179, sub award 4-28204	4,169
Cooperative Science and Education Program	11.455	Sub award No. 3056	20,976
Coastal Services Center	11.473	S953211	201,564
UNIVERSITY OF ILLINOIS			
Coastal Zone Management Administration Awards	11.419	Sub award No 2007-02938-01	59,314
UNIVERSITY OF NEW HAMPSHIRE			
Coastal Zone Management Administration Awards	11.419	UNH # 07-026	40,261
Coastal Zone Management Administration Awards	11.419	NA06NOS4190167	62,514
Coastal Zone Management Administration Awards	11.419	Contract #08-026	126,635
Unallied Science Program	11.472	PZ 06083	44
Coastal Services Center	11.473	06-010	7,315
UNIVERSITY OF OKLAHOMA			
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	11.432	OKLAHOMA 2009-02 PRIME NOAA	31,381
UNIVERSITY OF RHODE ISLAND			
Unallied Science Program	11.472	011507/0001224	50,090
Modeling and Observations of Circulation and Biochemical Processes in Narragansett Bay	11.	092806/ 0001020	35,101
VIRGINIA INSTITUTE OF MARINE SCIENCE			
Coastal Zone Management Administration Awards	11.419	713141-01	38,798

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Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
<i>Research and Development - Cluster</i>			
Department of Commerce			
Pass-Through Programs From			
WOODS HOLE OCEANOGRAPHIC INSTITUTION			
Sea Grant Support	11.417	A100622	21,669
Sea Grant Support	11.417	Woods Hole Ocean. Inst. A100461	30,437
Coastal Services Center	11.473	A100558	163,549
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	NA04NOS4780274 - WHOI - 24027400	11,419
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	NA06NOS4780245/ A100487	101,154
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	A100488	54,037
<i>Subtotal Pass-Through Programs</i>			1,765,045
Total Department of Commerce			5,828,696
Department of Defense			
Direct Programs			
Procurement Technical Assistance For Business Firms	12.002		298,123
Basic and Applied Scientific Research	12.300		2,814,990
Military Medical Research and Development	12.420		1,486,207
Basic Scientific Research	12.431		6,511,596
Basic, Applied, and Advanced Research in Science and Engineering	12.630		68,850
Air Force Defense Research Sciences Program	12.800		1,829,035
Mathematical Sciences Grants Program	12.901		134,138
Research and Technology Development	12.910		47,981
Ashumet Pond '09	12.	CAS-09-0001	35,589
Bioavailability Study of Nanoemulsion Formulations Containing Quercetin, Tyrosine	12.	W911QY-08-P-0556	50,996
Botulinum Analysis	12.	W81XWH-08-P-0705	36,122
Custom Synthesis of Botulinum Toxin Research Agents	12.	W81XWH-07-P-0570	13,938
Electronic Component Irradiation	12.	M08115001	1,000
Equator and High-Latitude Ionosphere-to-Magnetosphere Research	12.	#12FA8718-06-C-0072	148,443
Investigating Radiation Belt Remediation with Space-borne Whistler Mode Transmit	12.	FA8718-05-C-0070	187,206
MEMS Spatial Light Modulators with Integrated Control Photo-Sensors for Wave-Front Metrology and Correction	12.	FA8718-05-C-0081	123,991
Millenium Cohort Study	12.	W911QY-06-P-0080	2,084
Molecular Beam Epitaxial Growth and Characterization of Sb Alloy Based Heterostructures for the Development of Infrared Photodetectors	12.	FA8718-08-C-0040	57,599
Nanostructured Materials for Photovoltaic Applications	12.	W911QY-06-C-0060	73,409
Naval Research Laboratory	12.	NAVAL RESEARCH N00173-08 - P - 0710	4,900
Naval Research Laboratory	12.	NAVAL RESEARCH N00173-08 - PO - 0755	66,694
Submillimeter-Wave Radar Signature Support	12.	W911W4-06-C-0020	5,049,376
Synthesis of Two-photon Absorption Chromophore as Bis (C60-DFAF-Cn) Nanostructure	12.	FA8601-08-P-0116	13,022

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Research and Development - Cluster			
Department of Defense			
Direct Programs			
Transport Properties of Breathable Butyl Rubber	12.	W911QY-04-C-0072	34,693
U.S. Army Natick Research	12.	Army R & D W911QY-07-C-0001	80,048
<i>Subtotal Direct Programs</i>			19,170,030
Pass-Through Programs From			
ADVANCED CONCEPTS AND TECHNOLOGIES			
Chemical Warfare Agent Detectors Using Carbon Nanotubes	12.	Subcontract (Prime # W911SR-07-C-0059)	46,602
ARINC, INCORPORATED			
NEXION	12.	Subcontract No. 2336627	985,557
ARIZONA STATE UNIVERSITY			
Air Force Defense Research Sciences Program	12.800	FA9550-06-01-0442	29,534
ASPEN SYSTEMS CORP			
Collaborative Research and Development	12.114	A08-009	19,781
BAE SYSTEMS			
BAE SYSTEMS 069153 PRIME DARPA	12.	BAE SYSTEMS 069153 PRIME DARPA	373,224
BATTELLE MEMORIAL INSTITUTE			
Basic Scientific Research	12.431	Subcontract Agreement- TCN 08047	38,802
Delivery Vehicle for Botulism Poisoned Neuronal Cell	12.	W911NF-07D-0001	52,424
Selection of peptides that bind botulinum toxin using phage display	12.	5039	370
Spectroscopic Studies of Peptide Conformations at Surfaces	12.	TCN08019	31,073
BAYSTATE MEDICAL CENTER, INC			
Military Medical Research and Development	12.420	E41-Sub1	69,698
BOSTON UNIVERSITY			
Basic and Applied Scientific Research	12.300	GC202539NGD	19,980
CHARLES STARK DRAPER LABORATORY, INC			
Basic and Applied Scientific Research	12.300	P.O. 001-0001011081	29,625
CLARKSON AEROSPACE CORPORATION			
CLARKSON AERO MASS 06-S567-06-C2 PRIME AIR FORCE	12.	MASS 06-S567-06-C2 PRIME AIR FORCE	29,928
COLORADO STATE UNIVERSITY			
Air Force Defense Research Sciences Program	12.800	P323991	7,308
GALAXY COMPOUND SEMICONDUCTORS, INC			
Air Force Defense Research Sciences Program	12.800	SBIR-FA8718-07-C-0035	33,949
Research and Technology Development	12.910	SBIR - HQ0006-07-7613	21,143
GEORGIA INSTITUTE OF TECHNOLOGY			
Department of Defense	12.	Georgia Inst. of Tech. RZ623S1	157,979
HARVARD UNIVERSITY			
Research and Technology Development	12.910	HARVARD PRIME DARPA	30,681
IBM CORPORATION			
Basic Scientific Research	12.431	IBM-ITA 5002520377 Year 3 108-1739	316,437
INFOSCITEX CORPORATION			
Small Scale Treatment of Rocket Propellant Laboratory Derived Waste	12.	Subcontract No.: 1336-S001	119

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Research and Development - Cluster			
Department of Defense			
Pass-Through Programs From			
INNOVATIVE SCIENTIFIC SOLUTIONS			
Air Force Defense Research Sciences Program	12.800	INNOV SCI SOL SB011407 PRIME AIRFORCE	46,911
JOHNS HOPKINS UNIVERSITY			
JOHN HOPKINS 928051	12.	JOHN HOPKINS 928051	60,929
KONARKA TECHNOLOGIES, INC			
Photovoltaic Fabrics Analysis	12.	0492	3,709
LOCKHEED MARTIN			
LOCKHEED PRIME AIR FORCE	12.	LOCKHEED PO TT0704635 PRIME	287,151
Lockheed Martin TT0688072	12.	Lockheed Martin TT0688072	221,029
LOGOS TECHNOLOGIES, INC			
PREAWARD LOGOS PRIME DARPA	12.	PREAWARD LOGOS PRIME DARPA	1,806
MASS CULTURAL COUNCIL			
Community Economic Adjustment	12.600	MA ART 120070..01828-1: Amherst FAC FY 08	2,100
MASSACHUSETTS INSTITUTE OF TECHNOLOGY			
Basic and Applied Scientific Research	12.300	MIT 5710002229 PRIME ONR	142,080
Basic Scientific Research	12.431	MIT 5710002241 PRIME ARMY	84,838
MIT PO 7000032881 PRIME DOD	12.	MIT PO 7000032881 PRIME DOD	159,679
MIT-Simulation of Electronic Transport	12.	106-1727	83,551
METABOLIX, INC			
PHA Bioplastic Packaging Films and Foams	12.	Project 3: (Charge Code: 71-01)	11,158
MITRE CORPORATION			
Radiation Hardness Testing	12.	PO# 68681 & 72524	1,438
NEWLANS INC			
NEWLANS INC PRIME ARMY	12.	NEWLANS INC PRIME ARMY	130,627
NORTHROP GRUMMAN SPACE & MISSION SYS			
Combat Control (CC) Submarine Multi-Mission Team Trainer (SMMTT)	12.	7500032363	115,688
DISS Maintenance FY 2008 and 2009	12.	Subcontract No. 7500031307	432,239
Isocyanate analysis of air and skin samples for the Air Force Base Exposure Assessment Study	12.	P.O. #7500032813	30,686
OPTIMETRICS, INC			
Air Force Defense Research Sciences Program	12.800	P.O. #23689	39,664
PC KRAUSE AND ASSOCIATES INC			
PC KRAUSE G2008-C0108-UM01 PRIME ONR	12.	PC KRAUSE G2008-C0108-UM01 PRIME ONR	19,771
PHYSICAL SCIENCES INCORPORATED			
Commercial Methods for Production of Orientation Patterned GaAs - UMass Lowell Co	12.	SC44323-1570	128,791
PRAXIS, INC			
TNT Instrument Development in AFRL's DSX Mission	12.	Subcontract # 25007-PXI-019	110
PROGENY SYSTEMS CORPORATION			
Phase II - Miniaturized Wireless Data Application	12.	PSC-0141	63,372
PURDUE UNIVERSITY			
Basic Scientific Research	12.431	PURDUE 4104-24596 TASK 2.3 PRIME ARMY	132,727

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Research and Development - Cluster			
Department of Defense			
Pass-Through Programs From			
R HYERS AND ASSOCIATES			
RHA 080201S2 PRIME AIR FORCE	12.	RHA 080201S2 PRIME AIR FORCE	28,963
SCIENCE APPLICATIONS INTERNATIONAL CORP			
Department of Defense	12.	SAIC 4400136807	3,708
SCRIBNER ASSOCIATES INC			
Basic and Applied Scientific Research	12.300	SCRIBNER ASSOCIATES PRIME ONR	21,101
SOLID STATE SCIENTIFIC CORPORATION			
Poled GaP Templates for Developing GaP Overgrowth Techniques	12.	SSSC-0807-11	25,929
SRI INTERNATIONAL			
Research and Technology Development	12.910	P16902 03-000220 #8, #9	378,366
Research and Technology Development	12.910	SRI Int'l Sub#27-001023 thru Mod #9	274,658
SRI 27-001251 PRIME DARPA	12.	SRI 27-001251 PRIME DARPA	143,317
STANFORD UNIVERSITY			
Air Force Defense Research Sciences Program	12.800	Sub award 15034320-31497-B	1,447,725
TRITON SYSTEMS, INC			
Military Medical Research and Development	12.420	TSI-4029-08-78762	50,520
Basic Scientific Research	12.431	TSI-4034-08-79002	35,891
Sample Measurement	12.	PO# 76216;75590;74849;73957;73539	8
Spray-Coatable Metamaterials for Use as Narrow Bandpass Filters	12.	TSI-2339-09-79663	7,354
Triton Biosystems and University of Massachusetts Lowell Collaborative Project	12.	Subcontract # TSI-4014-04-003	88,901
UES INC			
Air Force Defense Research Sciences Program	12.800	P.O. Agreement No. S-770-014-001	11,608
UNIVERSAL STABILIZATION TECHNOLOGIES, INC			
Military Medical Research and Development	12.420	UST/STTR Phase II	28,076
UNIVERSAL TECHNOLOGY CORPORATION			
Research and Technology Development	12.910	07-S568-0011-C1	19,594
UNIVERSITY OF CALIFORNIA			
Basic Scientific Research	12.431	UC BERKELEY 00006097 PRIME ARMY	168,125
UCLA-Routes to Addressable Media on the Nanometer Level	12.	106-1741	212,878
UCLA-Towards Fault-Tolerant Microprocessors on 2-D FET-Based Semiconductor	12.	106-1695	126,039
UNIVERSITY OF CALIFORNIA SANTA BARBARA			
Monolithic Photonic Phase Locked Loop Utilizing ACP Phase Modulator	12.	KK8145	247,577
UNIVERSITY OF MARYLAND			
MARYLAND Z922302 PRIME DOD	12.	MARYLAND Z922302 PRIME DOD	73,321
UNIVERSITY OF OKLAHOMA			
OKLAHOMA 2009-15 PRIME DARPA	12.	OKLAHOMA 2009-15 PRIME DARPA	44,231
UNIVERSITY OF PENNSYLVANIA			
Basic Scientific Research	12.431	PENN 548106 PRIME ARMY	207,925
Basic Scientific Research	12.431	Subcontract # 548106	60,042
UNIVERSITY OF PITTSBURGH			
Basic Scientific Research	12.431	sub award 403086-1 - W91NF-06-1- 0067	162,460

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Research and Development - Cluster			
Department of Defense			
Pass-Through Programs From			
WOODS HOLE OCEANOGRAPHIC INSTITUTION			
Basic and Applied Scientific Research	12.300	A100601	53,158
Basic and Applied Scientific Research	12.300	A100629	19
WYLE LABORATORIES			
Air Force Defense Research Sciences Program	12.800	P.O. #DE41188S	15,126
WPAFB Wafers	12.	P.O.#19041.0D.31-290 S	13,512
<i>Subtotal Pass-Through Programs</i>			8,444,400
Total Department of Defense			27,614,430
Department of Housing and Urban Development			
Direct Programs			
Supportive Housing Program	14.235		68,003
Healthy Homes Demonstration Grants - ARRA	14.908		6,663
<i>Subtotal Direct Programs</i>			74,666
Pass-Through Programs From			
BOSTON HOUSING AUTHORITY			
Affordable Housing Development in Main Street Rejuvenation Projects	14.878	BHA #07D-WB-004	86,283
MASS DEPT OF HOUSING & COMMUNITY DEVELOPMENT			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MASS LEAD ABATEMENT PROGRAM V	199,478
PIONEER VALLEY REGIONAL PLANNING COMMISSION			
Community Development Block Grants/State's Program	14.228	108-1184 PEA 09P037	26,758
RUSSELL TOWN OF			
Community Development Block Grants/State's Program	14.228	107-1547 GAID 4741	10,642
<i>Subtotal Pass-Through Programs</i>			323,161
Total Department of Housing and Urban Development			397,827
Department of the Interior			
Direct Programs			
Fish and Wildlife Management Assistance	15.608		52,806
Assistance to State Water Resources Research Institutes	15.805		118,404
Earthquake Hazards Reduction Program	15.807		44,744
U.S. Geological Survey - Research and Data Collection	15.808		85,791
National Cooperative Geologic Mapping Program	15.810		54,193
Cooperative Research Units Program	15.812		58,940
National Geological & Geophysical Preservation Program	15.814		1,363
Historic Preservation Fund Grants-In-Aid	15.904		15,370
National Register of Historic Places	15.914		34,123

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<i>Research and Development - Cluster</i>			
Department of the Interior			
Direct Programs			
Outdoor Recreation Acquisition, Development and Planning	15.916		3,495
Guidance on Developing Education Centers/Facilities in NER	15.	Coop agreement 1443CA1780-B-0002	6,095
National Park Service	15.	NPS CA4520-99-007 J1730070207	17,301
National Park Service	15.	NPS CA4520-99-007 Task J2380087000	8,995
Plan and Implement Pilot Training Program for Developing Education Leaders	15.	Modification #13 to Cooperative Agreement # 1443CA	12,400
<i>Subtotal Direct Programs</i>			514,020
Pass-Through Programs From			
AMERICAN BIRD CONSERVANCY			
Multi-State Conservation Grant Program	15.628	AMERICAN BIRD PRIME USFWS	62
LOWELL NATIONAL HISTORICAL PARK			
Cooperative Educational Programming for Lowell National Historical Park	15.	Cooperative Agreement #CA1780-0- 0002	676
Technical Assistance for Education Planning and Programming for NRE Parks	15.	Agreement #14 - 1443CA1780-B-0002	1,166
MASS DIVISION OF FISHERIES AND WILDLIFE			
State Wildlife Grants	15.634	4000-UM09COOP0000000000	98,218
MASS DIVISION OF FISHERIES & WILDLIFE FWE08 UM08COOP0000000000	15.	107-1719 GAID 4466	8,633
MASS DIVISION OF MARINE FISHERIES			
MA MARINE FISH 6199301:Herring	15.	SC FWE 3000 6199301	1,082
QUINEBAUG-SHETUCKET HERITAGE CORRIDOR			
QUINEBAUG GVI UMASS 09 PRIME DEPT OF INTERIOR	15.	QUINEBAUG GVI UMASS 09 PRIME DEPT OF INTERIOR	24,016
SRI INTERNATIONAL			
Department of the Interior	15.	SRI Int'l. 03-000220 #3	4,790
US DEPARTMENT OF INTERIOR			
National Register of Historic Places	15.914	Co-op Agreement H1780070004	208,435
<i>Subtotal Pass-Through Programs</i>			347,078
Total Department of the Interior			861,098
Department of Justice			
Direct Programs			
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541		192,821
DOJ 2008-CE-CX-K005	16.	DOJ 2008-CE-CX-K005	52,956
<i>Subtotal Direct Programs</i>			245,777
Pass-Through Programs From			
MASS DEPARTMENT OF PUBLIC HEALTH			
Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program	16.589	MA DPH INTF3222M04505407017	14,767

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Research and Development - Cluster			
Department of Justice			
Pass-Through Programs From			
MASS EXEC OFFICE OF PUBLIC SAFETY & SECURITY			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CTJAGCIVILIANUMS08A	50,218
<i>Subtotal Pass-Through Programs</i>			64,985
Total Department of Justice			310,762
Department of Labor			
Direct Programs			
Disability Employment Policy Development	17.720		7,372
<i>Subtotal Direct Programs</i>			7,372
Pass-Through Programs From			
MASS DIVISION OF CAREER SERVICES			
Disability Employment Policy Development	17.720	ISA CT EOL3250 06 UMASS ICI YTH DISB	145,104
VIRGINIA COMMONWEALTH UNIVERSITY			
Disability Employment Policy Development	17.720	VCU - 521283/PO P123305 (US DOL # E-9-4-2-0117)	1,508
<i>Subtotal Pass-Through Programs</i>			146,612
Total Department of Labor			153,984
Department of State			
Pass-Through Programs From			
NATIONAL COUNCIL FOR EURASIAN AND EAST EUROPEAN RESEARCH			
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300	National Council for Eurasian and East European Research	1,167
<i>Subtotal Pass-Through Programs</i>			1,167
Total Department of State			1,167
Department of Transportation			
Direct Programs			
Aviation Research Grants	20.108		312,473
University Transportation Centers Program	20.701		291,140
Federal Highway Administration	20.	FHA DTFH61-07-P-00201	10,015
<i>Subtotal Direct Programs</i>			613,628
Pass-Through Programs From			
ADVANCED ASPHALT TECHNOLOGIES			
Mix Designs for Warm Mix Asphalt Technologies	20.	07003	1,432

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Research and Development - Cluster			
Department of Transportation			
Pass-Through Programs From			
CORNELL UNIVERSITY			
Biobased Transportation Research	20.761	CORNELL 52110-8513 PRIME US DOT	8,580
Biobased Transportation Research	20.761	CORNELL 52110-8683 PRIME US DOT	29,227
DUNLAP AND ASSOCIATES, INC			
Dunlap & Assoc-PC-Based Attention Maintenance Training	20.	OGCA-109-0083	34,244
GEOSCIENCES TESTING & RESEARCH, INC			
LRFD Design Specifications for Shallow Foundations	20.	Subcontract under HR 24-31	32,869
MASS REGISTRY OF MOTOR VEHICLES			
Commercial Driver License State Program	20.232	ISQARMV84000093UMASS1 / 107-0676	41,864
MASS EXECUTIVE OFFICE OF TRANSPORTATION			
Highway Training and Education	20.215	54441-6033-0716 X079065P32 STI	33,703
MASS HIGHWAY DEPARTMENT			
State Planning and Research	20.515	OGCA 108-0172 GAID 2515	82,394
State Planning and Research	20.515	CT DPW 0801 INTF00X02009A0056460	45,191
Evaluation of Modified Performance Grade Binders in Thin Lift Maintenance Mixes and Reflective Crack Relief Layer Mix.	20.	INTF00002007A0038727	56,732
Evaluation of Specialized Hot Mix Asphalt Mixes for Massachusetts	20.	0053492	183,595
MA HWY #0036443: Develop MHD Geotechnical Engineering 124091	20.	MA HWY #0036443: MHD Geotech	62,007
MA HWY #0701109127 RTIC-2 Establishment of a Regional Traveler Information Center	20.	CCDPW070110091270000	142,736
MA HWY 3351-Various Projects	20.	MHD 3351 GAID 3061	21,470
MHD 0041591: Master -No Expenses S381 000037 00000	20.	MHD CT DPW INTF 0000 2005 A 0041591	5,317
MHD 49333: Crash Data Quality	20.	CT DPW 0813 INTF00002007A0049333	16,862
MASSACHUSETTS INSTITUTE OF TECHNOLOGY			
University Transportation Centers Program	20.701	MIT 5710002473 PRIME US DOT	25,241
University Transportation Centers Program	20.701	MIT 5710001981	103
University Transportation Centers Program	20.701	MIT 5710002477 PRIME USDOT	51,131
University Transportation Centers	20.760	Sub Award #5710002128	18,982
University Transportation Centers	20.760	MIT-UTC Fellowships Year 19	10,627
University Transportation Centers	20.760	5710002143	18,141
University Transportation Centers	20.760	5710002140	16,966
NH DEPT OF TRANSPORTATION			
NH DOT HP-STP-FX0351(008)White	20.	HP-STP-F-0351 (008), P2953	1,534
NH DOT X-A000(208)/14121: PhIA	20.	14541MX-A000(472)	1,132
UNIVERSITY OF MICHIGAN			
National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants	20.614	#3000891072	6,854
UNIVERSITY OF SOUTH HAMPTON			
Aviation Research Grants	20.108	University of Southampton 2006-G-006	897

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Research and Development - Cluster			
Department of Transportation			
Pass-Through Programs From			
VERMONT AGENCY OF TRANSPORTATION			
Evaluating the Effectiveness of Wildlife Passage Structures on the Bennington Bypass	20.	107-0792	882
Performance Monitoring of Jointless Bridges-Phase III	20.	107-0648 GAID 4680	200,748
<i>Subtotal Pass-Through Programs</i>			1,151,461
Total Department of Transportation			1,765,089
National Aeronautics and Space Administration			
Direct Programs			
Aerospace Education Services Program	43.001		1,578,150
Technology Transfer	43.002		356,660
Investigation of Near-Earth Magnetosphere Response to Solar Wind/IMF Variations	43.	Grant # NNX07AG38G	78,511
NASA NAG513102	43.	NASA NAG513102	24,572
NASA NNX08AJ44G	43.	107-1856	82,094
NASA: NNX07AU28G	43.	107-1316	35,074
NASA: NNX08AB38A	43.	108-0159	58,883
NASA: NNX08AG53G	43.	107-1565	139,070
Research Opportunities in Space & Earth Science 2007	43.	NNX08AV48G	26,382
<i>Subtotal Direct Programs</i>			2,379,396
Pass-Through Programs From			
BOSTON UNIVERSITY			
The Cluster RAPID Investigation	43.	Sub Award No. GC 203863 NGA	55,794
CALIFORNIA INSTITUTE OF TECHNOLOGY			
Aerospace Education Services Program	43.001	JPL 1283728 TASK NM0710440	139,742
Aerospace Education Services Program	43.001	109-0559	4,937
Aerospace Education Services Program	43.001	JPL 1280741	11,065
Aerospace Education Services Program	43.001	108-0573	7,882
Aerospace Education Services Program	43.001	108-0467	56,808
CIT [JPL]: RSA No. 1366741	43.	OGCA 109-1437	13,790
CIT/JPL: 1288062	43.	OGCA# 107-0323	1,983
CIT/JPL: 1316183	43.	108-0446	17,038
National Aeronautics and Space Administration	43.	JPL 1294794 PRIME NASA	756
DIGITROBOTICS, INC			
Aerospace Education Services Program	43.001	108-0307	41,251
ELECTROCHEM INC			
Aerospace Education Services Program	43.001	NNXC9CA92C	34,578
JACOBS ESTS GROUP			
Aerospace Education Services Program	43.001	OGCA 108-1559	13,362
NATIONAL SPACE BIOMEDICAL RESEARCH INSTITUTE			
Technology Transfer	43.002	NBRI SMS 01301 PO# 4600586723	358,029

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<i>Research and Development - Cluster</i>			
National Aeronautics and Space Administration			
Pass-Through Programs From			
OHIO STATE UNIVERSITY			
Aerospace Education Services Program	43.001	PO#RF01046279	2,151
OMEGA OPTICS INC			
Aerospace Education Services Program	43.001	NNX08CB39P	7,742
A High-speed Printable Silicon Nano-field Effect Transistor for Large-area Deployable Active Phased-array Antennas	43.	NNG08CA57C	303
RAYTHEON CORPORATION			
TOPLA: An Empirical Representation of the F-region Topside and Plasmasphere for the International Reference Ionosphere	43.	Subcontract Agreement Dated 11/10/06	45,602
REMOTE SENSING SOLUTIONS INC			
Aerospace Education Services Program	43.001	RSS PRIME NASA	27,005
ROFFER'S OCEAN FISHING FORCASTING			
Blue Fin Tuna	43.	NNX08A06G-SMAST-ROFFS	44,406
SMITHSONIAN ASTROPHYSICAL OBSERVATORY			
Aerospace Education Services Program	43.001	SAO AR67023X	14,551
Aerospace Education Services Program	43.001	SAO SV6-76013 PRIME NASA	23,713
Aerospace Education Services Program	43.001	AR7-8016A	17,302
Aerospace Education Services Program	43.001	108-0308	18,232
Aerospace Education Services Program	43.001	TM7-8005X	25,783
Decomposing the X-Ray Emission from the M31 Bulge	43.	SAO AR7-8006X	19,087
SPACE TELESCOPE SCIENCE INSTITUTE			
Technology Transfer	43.002	HST-GO-09425.36-A	27,806
Technology Transfer	43.002	HST AR-10959-05	1,327
Technology Transfer	43.002	STSI/HST-GO-10522.09A	4,971
TUFTS UNIVERSITY			
Aerospace Education Services Program	43.001	108-1053	58,393
UNITED TECHNOLOGIES			
UNITED TECH 1138978 NASA PRIME	43.	UNITED TECH 1138978 NASA PRIME	49,669
UNIVERSITY OF ALABAMA			
Study of Bow Shock Energetic Particles	43.	Sub Award No. 2007-298	63,099
UNIVERSITY OF CALIFORNIA			
Aerospace Education Services Program	43.001	UCLA No. 2090 G JC399	47,302
UNIVERSITY OF ILLINOIS			
Aerospace Education Services Program	43.001	SAO GO7-8091B	40,322
UNIVERSITY OF MAINE			
Predicting Right Whale Distributions from Space	43.	UM-S665	82,861
<i>Subtotal Pass-Through Programs</i>			1,378,642
Total National Aeronautics and Space Administration			3,758,038
National Foundation on the Arts and the Humanities			
Direct Programs			
Promotion of the Arts Grants to Organizations and Individuals	45.024		7,501
Promotion of the Humanities Professional Development	45.163		252,859
Promotion of the Humanities Public Programs	45.164		504

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Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Research and Development - Cluster			
National Foundation on the Arts and the Humanities			
Direct Programs			
Promotion of the Humanities Office of Digital Humanities	45.169		23,450
<i>Subtotal Direct Programs</i>			<u>284,314</u>
Pass-Through Programs From			
NEW ENGLAND FOUNDATION FOR THE ARTS			
Promotion of the Arts Partnership Agreements	45.025	2008-12374	3,900
Promotion of the Arts Partnership Agreements	45.025	2008-12483	2,000
Promotion of the Arts Partnership Agreements	45.025	2008-12648	7,000
Promotion of the Arts Partnership Agreements	45.025	NEFA 2008-12639	6,800
Promotion of the Arts Partnership Agreements	45.025	2008-12652	9,000
Promotion of the Arts Partnership Agreements	45.025	2008-12645	7,200
Promotion of the Arts Partnership Agreements	45.025	2008-121643	6,500
THOMAS JEFFERSON POPLAR FOREST			
Museums for America	45.301	MA-01-07-0060-07	5,652
<i>Subtotal Pass-Through Programs</i>			<u>48,052</u>
Total National Foundation on the Arts and the Humanities			<u><u>332,366</u></u>
National Science Foundation			
Direct Programs			
Engineering Grants	47.041		12,076,170
Mathematical and Physical Sciences	47.049		7,560,190
Geosciences	47.050		2,613,474
Computer and Information Science and Engineering	47.070		9,712,479
Biological Sciences	47.074		3,411,279
Social, Behavioral, and Economic Sciences	47.075		1,466,622
Education and Human Resources	47.076		10,392,299
Polar Programs	47.078		339,834
International Science and Engineering (OISE)	47.079		3,709
Trans-NSF Recovery Act Research Support - ARRA	47.082		434
Intergovernmental Personnel Appointment (IPA) Earth Sciences	47.	OGCA# 108-1637	197,928
NATIONAL MEDIATION BOARD: NMB Online Dispute Resolution Support	47.	108-0598 GAID 3134	16,080
NSF CTS 0638863	47.	NSF CTS 0638863	259,555
Rotating Program Director for Political Science - IPA	47.	OGCA# 109-0163	114,715
<i>Subtotal Direct Programs</i>			<u>48,164,768</u>
Pass-Through Programs From			
ADVANCED THERMAL TECHNOLOGY LLC			
Engineering Grants	47.041	OGCA# 108-0751	16,352
AMERICAN MUSEUM OF NATURAL HISTORY			
Computer and Information Science and Engineering	47.070	AM MUSEUM NAT HIST - AMNH-IIS-0241229	1,624

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Research and Development - Cluster			
National Science Foundation			
Pass-Through Programs From			
BBN TECHNOLOGIES CORP			
Computer and Information Science and Engineering	47.070	OGCA# 108-1105	106,179
Design and Performance Evaluation of a Programmable Edge Node with x86 Multi-core	47.	GENI-GPO-SL-01.1 PO# 9500009447	37,142
BIGELOW LABORATORY FOR OCEAN SCIENCES			
Geosciences	47.050	OCE 0325937	26,386
BOSTON UNIVERSITY			
Engineering Grants	47.041	OGCA# 107-1541	50,684
Engineering Grants	47.041	Boston University	126,330
Education and Human Resources	47.076	GC204733NGA	35,114
BRISTOL COMMUNITY COLLEGE			
Computer and Information Science and Engineering	47.070	NSF-01	46,735
BUNKER HILL COMMUNITY COLLEGE			
Computer and Information Science and Engineering	47.070	NSF AWARD # 0603347	14,677
CARNEGIE MELLON UNIVERSITY			
Computer and Information Science and Engineering	47.070	Carnegie Mellon U: 1120982-170	17,543
CHILDREN'S HOSPITAL OF PHILADELPHIA			
Engineering Grants	47.041	OGCA# 107-1891	20,445
COMPUTING RESEARCH ASSOCIATION			
Computer and Information Science and Engineering	47.070	OGCA# 108-0403	13,507
EDUCATION DEVELOPMENT CENTER, INC			
Education and Human Resources	47.076	ESI 0623259	7,035
Education and Human Resources	47.076	DRL0732495	7,021
Education and Human Resources	47.076	Grant No DRL-0822241	41,708
GENOMATICA INC			
GENOMATICA Inc.: NSF-2-2006100	47.	GENOMATICA Inc.: NSF-2-2006100	94,968
GEORGIA INSTITUTE OF TECHNOLOGY			
Geosciences	47.050	G-35-B74-G1	48,069
HAMPSHIRE COLLEGE			
Polar Programs	47.078	OGCA# 107-0120	33,722
HARVARD UNIVERSITY			
Biological Sciences	47.074	Agreement # 5011919	106,576
INDIANA UNIVERSITY			
Biological Sciences	47.074	P.O. 10131	9,358
Biological Sciences	47.074	PO #582298	18,647
IOWA STATE UNIVERSITY			
Mathematical and Physical Sciences	47.049	OGCA# 108-0892	2,850
JAMES MADISON UNIVERSITY			
Education and Human Resources	47.076	OGCA# 107-1520	16,960
JOHNS HOPKINS UNIVERSITY			
Computer and Information Science and Engineering	47.070	John Hopkins University: 2000056693	1,391
LANDMARK COLLEGE			
Education and Human Resources	47.076	Landmark 08-09-07	1,968
LOUISIANA STATE UNIVERSITY			
Engineering Grants	47.041	OGCA# 105-0676	1,191

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Research and Development - Cluster			
National Science Foundation			
Pass-Through Programs From			
MAGNETIC DEVELOPMENT INC, INDUSTRY Engineering Grants	47.041	OGCA# 108-0985	83,820
MASSACHUSETTS INSTITUTE OF TECHNOLOGY Education and Human Resources	47.076	5710002057/ DUE 0618483	10,825
MIDDLEBURY COLLEGE Mathematical and Physical Sciences	47.049	Building Proteins	335
NEW ENGLAND AQUARIUM Geosciences	47.050	NE AQUARIUM-OCE-0215456	20,093
NORTHEASTERN UNIVERSITY Engineering Grants	47.041	contract #532570P622603	9,678
Engineering Grants	47.041	533510P823102	27,165
Computer and Information Science and Engineering	47.070	CSR-533170P722205	164,419
NSEC: New England Nanomanufacturing Center for Enabling Tools	47.	Subcontract agreement dated October 2004	723,799
PENNSYLVANIA STATE UNIVERSITY Education and Human Resources	47.076	3534-UM-UW-4G06	34,472
PRINCETON UNIVERSITY Mathematical and Physical Sciences	47.049	OGCA# 108-0476	36,186
RENSSELAER POLYTECHNIC INSTITUTE RPI International Science and Engineering (OISE)	47.079	OGCA# 107-1243	104,179
SOUTHERN UNIVERSITY & A&M COLLEGE Mathematical and Physical Sciences	47.049	OGCA# 108-0175	29,557
SPRINGFIELD TECHNICAL COMMUNITY COLLEGE Biological Sciences	47.074	0618182	6,797
Education and Human Resources	47.076	NSF07-511	11,074
SRI INTERNATIONAL Education and Human Resources	47.076	GRANT REC-0437861 SUB AGREEMENT 11-000113	41,556
SYRACUSE UNIVERSITY Geosciences	47.050	Sub award # 353-5917-S01	63,213
TEMPLE UNIVERSITY Education and Human Resources	47.076	Temple University	39,502
TERC Education and Human Resources	47.076	OGCA# 106-1500	14,212
UNIVERSITY OF ALASKA Polar Programs	47.078	OGCA# 105-1150	9,623
UNIVERSITY OF CALIFORNIA Polar Programs	47.078	U/CAL S0180219 PRIME # (NSF-ANT-0523332)	90,706
UNIVERSITY OF CALIFORNIA IRVINE Biological Sciences	47.074	U CA /Reppert	56,386
UNIVERSITY OF CALIFORNIA RIVERSIDE Biological Sciences	47.074	S-00082	28,154
UNIVERSITY OF DELAWARE Computer and Information Science and Engineering	47.070	OGCA# 107-0950	85,960

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Research and Development - Cluster			
National Science Foundation			
Pass-Through Programs From			
UNIVERSITY OF KANSAS			
Education and Human Resources	47.076	Sub award # FY200-015	9,955
UNIVERSITY OF LOUISVILLE			
Engineering Grants	47.041	University of Louisville: 05-0	101,143
UNIVERSITY OF NEBRASKA			
Polar Programs	47.078	University of Nebraska: # 0550	81,466
UNIVERSITY OF PITTSBURGH			
Engineering Grants	47.041	OGCA# 107-0580	37,524
Mathematical and Physical Sciences	47.049	0000713/010441-2	552
UNIVERSITY OF ROCHESTER			
Engineering Grants	47.041	PO# 413932-G	21,236
UNIVERSITY OF SOUTHERN CALIFORNIA			
Intrametropolitan Division of Labor and the Public Cost of Working Poverty	47.	UNIV SO CAL - NSF-090928	25
VANDERBILT UNIVERSITY			
Education and Human Resources	47.076	Vanderbilt University: 18988-S1	33,287
WASHINGTON UNIVERSITY			
Biological Sciences	47.074	Washington University: WU-HT-07-08	111,882
<i>Subtotal Pass-Through Programs</i>			2,992,963
Total National Science Foundation			51,157,731
Small Business Administration			
Direct Programs			
Small Business Development Center	59.037		1,763,627
<i>Subtotal Direct Programs</i>			1,763,627
Total Small Business Administration			1,763,627
Department of Veterans Affairs			
Direct Programs			
Veterans Medical Care Benefits	64.009		2,444
Biobased Products Pilot Study at the Edith Nourse Rogers Memorial Veterans Hospital	64.	VA101(049A3)-P-0163	421
VA Upper Room UVC Demonstration Project	64.	Contract# 518-C65380	1,958
<i>Subtotal Direct Programs</i>			4,823
Total Department of Veterans Affairs			4,823

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Research and Development - Cluster			
Environmental Protection Agency			
Direct Programs			
Capacity Building Grants and Cooperative Agreements for Compliance Assurance and Enforcement Activities in Indian Country and Other Tribal Areas	66.310		1,736
National Estuary Program	66.456		11,828
Science To Achieve Results (STAR) Research Program	66.509		272,551
Greater Research Opportunities (GRO) Fellowships For Undergraduate/Graduate Environmental Study	66.513		9,620
Science To Achieve Results (STAR) Fellowship Program	66.514		12,265
P3 Award: National Student Design Competition for Sustainability	66.516		22,075
Environmental Protection Consolidated Grants for the Insular Areas-Program Support	66.600		874
Surveys, Studies, Investigations and Special Purpose Grants	66.606		484,505
Pollution Prevention Grants Program	66.708		2,299
Pesticide Environmental Stewardship Regional Grants	66.714		6,151
Source Reduction Assistance	66.717		27,576
Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants	66.813		113,451
Principles of Radiation	66.	PO# 5ZT-013-NAEX	349
<i>Subtotal Direct Programs</i>			965,280
Pass-Through Programs From			
ENVIRONMENTAL ENGINEERING & TECHNOLOGY			
Environmental Protection-Consolidated Research	66.500	ENV'L ENG TECH: AwwaRF3114	979
LOWELL NATIONAL HISTORICAL PARK			
Ethnographic Overview and Assessment: Lowell National Historical Park	66.	C1780060011	22,796
M LELAND NATIONAL URBAN AIR TOXICS RESEACH CENTER			
Proximity to Traffic, Air Toxic Exposures and the Development of Asthma in Children	66.	X-83234601-0	161,374
MASS DEPT OF AGRICULTURAL RESOURCES			
Pesticide Environmental Stewardship Regional Grants	66.714	CT-AGR-9 PESTANALYTICFEDERAL	96,624
MASS AGR 8PESTANALYTICAL: Federal PAL FY 2008	66.	107-1509 GAID 4568	36,650
MASS DEPT OF ENVIRONMENTAL PROTECTION			
Regional Wetland Program Development Grants	66.461	107-1601 GAID 4401	3,664
Regional Wetland Program Development Grants	66.461	EQE 5000 FRESHWATWETLDUMS2009	59,314
Capitalization Grants for Drinking Water State Revolving Funds	66.468	106-0941 GAID 4339	18,951
Performance Partnership Grants	66.605	106-1625 GAID 4195	58,235
Performance Partnership Grants	66.605	EQE 5014UMASSAMHERST00808319	13,202
CAPS - Wetlands Phase 2b	66.	EQE-SLAMPHASE2ISAUMA2008	64,658
PIONEER VALLEY REGIONAL PLANNING COMMISSION			
Targeted Watersheds Grants	66.439	PIONEER VALLEY PLANNING COMM PRIME EPA	13,981
RED TOMATO INC			
RED TOMATO X8-97197701-0 PRIME EPA	66.	X8-97197701-0 PRIME EPA	11,459

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<i>Research and Development - Cluster</i>			
Environmental Protection Agency			
Pass-Through Programs From			
SOUTHEASTERN REGIONAL PLANNING & ECONOMIC DEVELOPMENT DISTRICT			
Water Quality Cooperative Agreements	66.463	60240	225
TOWN OF PROVINCETOWN			
Water Quality Management Planning	66.454	2008-1/604	41,489
UNIVERSITY OF CONNECTICUT			
Wastewater Operator Training Grant Program(Technical Assistance)	66.467	4587	42,638
UNIVERSITY OF TENNESSEE			
Greater Research Opportunities (GRO) Research Program	66.515	UNIV TENN EPA GR-83237201-0	175
WATER ENVIRONMENT RESEARCH FOUNDATION			
Office of Research and Development Consolidated Research/Training/Fellowship	66.511	Water Environment Research	9,527
<i>Subtotal Pass-Through Programs</i>			655,941
Total Environmental Protection Agency			1,621,221
U.S. Nuclear Regulatory Commission			
Direct Programs			
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006		32,682
<i>Subtotal Direct Programs</i>			32,682
Total U.S. Nuclear Regulatory Commission			32,682
Department of Energy			
Direct Programs			
Office of Science Financial Assistance Program	81.049		7,867,187
Conservation Research and Development	81.086		94,603
Renewable Energy Research and Development	81.087		171,493
Fossil Energy Research and Development	81.089		13,859
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		210,949
Nuclear Energy Research, Development and Demonstration	81.121		83,594
Characterization of Mid-Infrared Metamaterials	81.	Purchase Order 897134	18,916
DOE DE-FG02-06CH11441	81.	DOE DE-FG02-06CH11441	1,913,000
Gas Technology Institute: S-076	81.	OGCA 109-1276	19,055
Infrastructure Enhancements for the University of Massachusetts, Boston Multidisciplinary Research Facility and Library (Best Park)	81.	US DEPT OF ENERGY - DE-FG02- 03CH11172	83,303
Mid-Infrared Quantum Dot Light Emitters	81.	Document #763391	49,597
Neutron Radiation Damage Studies	81.	Several PO's	2,247
Power Plant Maintenance	81.	setup per LGG 08/12/04	1,619
<i>Subtotal Direct Programs</i>			10,529,422

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<i>Research and Development - Cluster</i>			
Department of Energy			
Pass-Through Programs From			
BROOKHAVEN NATIONAL LABORATORY			
Nuclear Energy Research, Development and Demonstration	81.121	133881	99,131
RHIC Physics Fellow Program - Professor David Kaw	81.	RHIC Physics Fellow Program - Professor David Kaw	70,320
CONSORTIUM FOR PLANT BIOTECH RES,INC			
Renewable Energy Research and Development	81.087	106-1826	25,243
GEORGIA INSTITUTE OF TECHNOLOGY			
Office of Science Financial Assistance Program	81.049	107-0537	52,999
KSE, INC			
Fossil Energy Research and Development	81.089	OGCA 109-0852	24,615
MASS DIVISION OF ENERGY RESOURCES			
State Energy Program Special Projects	81.119	CT ENE 2009 ENEPO1UMAS9302	20,638
MA CT-ENE-2008-ENE-P01 UMAMHH 7060	81.	MA CT-ENE-2008-ENE-P01 UMAMHH 7060	86,864
MASSACHUSETTS INSTITUTE OF TECHNOLOGY			
University Reactor Infrastructure and Education Support	81.114	Sub award Agreement No. 5710001611	10,365
METABOLIX, INC			
Novel Blends and Processing Techniques	81.	Project 2: Fee for Service (Charge Code: 21-08)	83
OAK RIDGE NATIONAL LABORATORY			
Oak Ridge 4000020753-#2-Polye	81.	Oak Ridge 4000020753-#2-Polye	370
PENNSYLVANIA STATE UNIVERSITY			
Office of Science Financial Assistance Program	81.049	3366-UM-DOE-4157	7,738
PHYSICAL SCIENCES INCORPORATED			
Renewable Energy Research and Development	81.087	P.O. #46395	24,919
RADIATION MONITORING DEVICES, INC			
Bright, Fast Scintillator for Nuclear Studies	81.	C08-19 Sub 1/3/08	32,299
High Resolution Gamma Ray Spectrometer for Nuclear Physics	81.	Contract# C07-22	81,187
RMD INC.: C09-10	81.	OGCA 109-0233	1,720
UNITED STATES AUTOMOTIVE MATERIALS PARTN			
National Energy Information Center	81.039	PO# 08-2027/08-2070	51,010
UNIVERSITY OF CALIFORNIA LANL			
UCAL: 53636-001-07	81.	OGCA# 107-1537	61,524
UNIVERSITY OF DELAWARE			
Office of Science Financial Assistance Program	81.049	UNIV OF DE 8847 CCST 372128	8,188
US ATLAS RESEARCH PROGRAM OFFICE			
BROOKHAVEN NAT LAB 101336 DOE	81.	BROOKHAVEN NAT LAB 101336 DOE	88,763
UT-BATTELLE LLC			
UT-BATTELLE: 4000070211	81.	108-1585	128,197
<i>Subtotal Pass-Through Programs</i>			876,173
Total Department of Energy			11,405,595

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Research and Development - Cluster			
Department of Education			
Direct Programs			
Fund for the Improvement of Postsecondary Education	84.116		237,777
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126		9,132
National Institute on Disability and Rehabilitation Research	84.133		1,026,363
Special Education-Grants for Infants and Families	84.181		2,945,329
Safe and Drug-Free Schools and Communities National Programs	84.184		16,385
Bilingual Education-Professional Development	84.195		31,488
Graduate Assistance in Areas of National Need	84.200		429,161
Rehabilitation Training Continuing Education	84.264		318,412
Education Research, Development and Dissemination	84.305		205,160
Research in Special Education	84.324		618,914
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		337,917
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		816,348
Transition to Teaching	84.350		324,713
<i>Subtotal Direct Programs</i>			7,317,099
Pass-Through Programs From			
ANDOVER PUBLIC SCHOOLS			
Fund for the Improvement of Education	84.215	Contract U215X070224	104,457
BOSTON UNIVERSITY			
Mathematics and Science Partnerships	84.366	GC 205423NGC	10,371
Improving Teacher Quality State Grants	84.367	GC 201971 NGC	54,538
EDUCATION DEVELOPMENT CENTER, INC			
EDC FY05	84.	ED-04-C0-0137	54,095
FEDERATION F/CHILDREN WITH SPECIAL NEEDS			
Research in Special Education	84.324	Subcontract with A.P.P.L.E.	82,564
MASS DEPARTMENT OF EDUCATION			
Adult Education- Basic Grants to States	84.002	DOE 82300 MAPT Year 3 of 5-FY 2010	354,943
Adult Education- Basic Grants to States	84.002	9669UMDABEFED2006	487
Special Education Studies and Evaluations	84.329	CT DOE 98300UMASS BOSTON	110,051
Mathematics and Science Partnerships	84.366	MA DOE150-014-9-1260 -J Year 3	85,766
Mathematics and Science Partnerships	84.366	MASS D-ED 150-002-8-1260-I Appr 7043-2003	124,224
DOE MMSP Grantees	84.	FUND CODE #150	64,667
MASS CHARTER PUBLIC SCHOOL ASSOCIATION			
Massachusetts Charter School Dissemination Project Evaluation	84.	OGCA# 107-0824	76,046
MASS DEPARTMENT OF HIGHER EDUCATION			
Teacher Quality Enhancement Grants	84.336	MOU/BHE/UMDI/06-01-2006	38,488
Improving Teacher Quality State Grants	84.367	ISA dated 3-5-08	106,557
Engineering for Classroom Teachers: Civil & Environmental in Our Everyday World FY 2007 2008 2009	84.	MASS RGT 107-0433 AID 4258	20,772
NATIONAL WRITING PROJECT			
National Writing Project	84.928	03-MA04	53,302

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Research and Development - Cluster			
Department of Education			
Pass-Through Programs From			
READING PUBLIC SCHOOLS			
Advisory Council for Encounters & Exchanges	84.	Contract Dtd 10/9/06 (DOeD U215X060073)	11,763
RHODE ISLAND COLLEGE			
Special Education - State Personnel Development	84.323	281807U	15,397
TOWN OF WEYMOUTH			
Fund for the Improvement of Education	84.215	TAH - II	10,855
UNIVERSITY OF CALIFORNIA			
National Writing Project	84.928	University of Cal 94MA02	67,502
UNIVERSITY OF MINNESOTA			
National Institute on Disability and Rehabilitation Research	84.133	Advance	18,007
<i>Subtotal Pass-Through Programs</i>			<u>1,464,852</u>
Total Department of Education			<u>8,781,951</u>
National Archives and Records Administration			
Pass-Through Programs From			
EUROPEAN MOLECULAR BIOLOGY LABORATORY			
EDAC: ENCODE Data Analysis Center	89.	EBI/1 U01 HG004695-01	176,689
<i>Subtotal Pass-Through Programs</i>			<u>176,689</u>
Total National Archives and Records Administration			<u>176,689</u>
Department of Health and Human Services			
Direct Programs			
Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	93.065		31,282
Food and Drug Administration Research	93.103		58,306
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104		6,336,353
Model State-Supported Area Health Education Centers	93.107		556,170
Maternal and Child Health Federal Consolidated Programs	93.110		1,019,757
Environmental Health	93.113		1,017,201
Applied Toxicological Research and Testing	93.114		119,962
Oral Diseases and Disorders Research	93.121		1,030,843
NIEHS Hazardous Waste Worker Health and Safety Training	93.142		972,583
AIDS Education and Training Centers	93.145		1,930,049
Human Genome Research	93.172		1,794,264
Research Related to Deafness and Communication Disorders	93.173		1,295,081
Nursing Workforce Diversity	93.178		390,965
Disabilities Prevention	93.184		106,335
Research and Training in Complementary and Alternative Medicine	93.213		928,313
Research on Healthcare Costs, Quality and Outcomes	93.226		1,305,170
National Center on Sleep Disorders Research	93.233		129,841
Mental Health Research Grants	93.242		5,575,063

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Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Research and Development - Cluster			
Department of Health and Human Services			
Direct Programs			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		170,458
Advanced Education Nursing Grant Program	93.247		638,797
Occupational Safety and Health Program	93.262		2,188,982
Comprehensive Geriatric Education Program(CGEP)	93.265		175,252
Alcohol National Research Service Awards for Research Training	93.272		37,115
Alcohol Research Programs	93.273		2,143,842
Drug Abuse and Addiction Research Programs	93.279		2,281,807
Mental Health Research Career/Scientist Development Awards	93.281		71,314
Mental Health National Research Service Awards for Research Training	93.282		273,018
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		976,199
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		2,670,283
Minority Health and Health Disparities Research	93.307		1,408,114
Trans-NIH Research Support	93.310		979,902
Nursing Research	93.361		124,295
Minority Biomedical Research Support	93.375		156,300
National Center for Research Resources	93.389		484,664
Academic Research Enhancement Award	93.390		156,570
Cancer Construction	93.392		477,330
Cancer Cause and Prevention Research	93.393		4,552,366
Cancer Detection and Diagnosis Research	93.394		596,379
Cancer Treatment Research	93.395		3,602,451
Cancer Biology Research	93.396		8,496,633
Cancer Research Manpower	93.398		201,037
Cancer Control	93.399		376,033
Developmental Disabilities Projects of National Significance	93.631		275,416
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		828,530
Trans - NIH Recovery Act Research Support - ARRA	93.701		46,239
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768		4,062,502
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		1,019,537
Cardiovascular Diseases Research	93.837		5,330,531
Lung Diseases Research	93.838		2,249,601
Blood Diseases and Resources Research	93.839		1,074,489
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		3,708,143
Diabetes, Digestive and Kidney Diseases Extramural Research	93.847		8,899,411
Digestive Diseases and Nutrition Research	93.848		2,527,989
Kidney Diseases, Urology and Hematology Research	93.849		462,151
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		6,940,681
Allergy, Immunology and Transplantation Research	93.855		30,419,614
Microbiology and Infectious Diseases Research	93.856		454,731

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Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Research and Development - Cluster			
Department of Health and Human Services			
Direct Programs			
Biomedical Research and Research Training	93.859		22,595,482
Genetics and Developmental Biology Research and Research Training	93.862		11,261
Population Research	93.864		1,192,078
Child Health and Human Development Extramural Research	93.865		6,793,270
Aging Research	93.866		4,873,957
Vision Research	93.867		1,228,069
Medical Library Assistance	93.879		996,991
Grants for Training in Primary Care Medicine and Dentistry	93.884		684,476
Physician Assistant Training in Primary Care	93.886		296,086
HIV Care Formula Grants	93.917		19,521
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		339,220
National Institutes of Health Acquired Immunodeficiency Syndrome Research Loan Repayment Program	93.936		22,965
HIV Demonstration, Research, Public and Professional Education Projects	93.941		53
International Research and Research Training	93.989		36,764
Maternal and Child Health Services Block Grant to the States	93.994		13,222
Cellular Immunity to Category A-C Viruses in Humans	93.	NIH U19 AI057319-06	595,523
HRSA Statewide Grantee Meeting	93.	MASS AHEC\HRSA	2,500
MA DOE/2008 PD Institute Planning and Preparation	93.	MA DOE/2008 IPP	731
MASS Department of Education	93.	MA DOE/CMCC-SWPBS-09	33,769
MASS Department of Education	93.	MA DOE-94300UmassMed191300A	64,995
MASS Department of Social Services	93.	MA DSS- FaCES Clinic	1,716
MASS Department of Youth Services	93.	MA BOHE/PFR2008 STEM001 Stem Control	202,315
Molecular Mechanism of Synaptic Plasticity	93.	NIH 1 R01 MH085958-01A	52,028
National Institutes of Health	93.	NIH: HHSN261200700343P	17,896
National Institutes of Health	93.	NIH: 4 R00 AG029710-03	49,547
National Institutes of Health	93.	263-MK-602206	7,391
Polyadenylation and Translational Control	93.	NIH 3R01GM046779-19S1	31,161
<i>Subtotal Direct Programs</i>			166,299,231
Pass-Through Programs From			
ADVOCATES FOR HUMAN POTENTIAL, INC			
AHP/SAMHSA	93.	AHP/SAMHSA Prime # 270050112	111,224
AERODYNE RESEARCH, INC.			
Lung Diseases Research	93.838	Subcontract under 2R44HL081951-02	45,709
AFSCME TRAINING & EDUCATION INSTITUTE			
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	Sub award 5U45ES007823-14	56,639
AMERICAN COLLEGE OF RADIOLOGY			
Cancer Cause and Prevention Research	93.393	ACRIN/CA80098	72,939
AMERICAN INSTITUTE FOR RESEARCH			
Establishing Pioneering Transition Support Programs	93.	SC-03-02054-009	13,652

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Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
ARBOVIRUS LAB NYS DOH/GRIFFIN LAB Allergy, Immunology and Transplantation Research	93.855	1701-01 HR1 Acct# 14-0131-01 NO1- AI-25490	479,324
ARIZONA STATE UNIVERSITY Cancer Biology Research	93.396	ASU/5 R01 CA073857-05	3,129
ASSOCIATION OF AMERICAN MEDICAL COLLEGES Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	AAMC/ 5 U36 CD319276	18,255
BENAROYA RESEARCH INSTITUTE AT VM Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	BRI/1 R21 DK077525-02/PO# 38295/Proj # 0184402	62,361
Type 1 Diabetes Genetics Consortium	93.	BRI/T1DG C	1,349
BETH ISRAEL DEACONESS MEDICAL CENTER Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	BIDMC/P01 Dk080665-01	316,383
Kidney Diseases, Urology and Hematology Research	93.849	1R01DK073302-01A2	21,080
BLOOD CENTER OF SE WISCONSIN Allergy, Immunology and Transplantation Research	93.855	BCSW/1 U19 AI06267-04	157,840
Allergy, Immunology and Transplantation Research	93.855	N01-A1-50032	162,635
BOOZ ALLEN HAMILTON, INC BAH Imaging Workspace	93.	Booz Allen\Sub#94858NBS23\Task#1 IMG WG TF	35
BOSTON MEDICAL CENTER Cancer Cause and Prevention Research	93.393	Boston Med Ctr-Activity 0268301/ CA093772-05A2	46,086
Digestive Diseases and Nutrition Research	93.848	Boston Med/ 5 P30 DK46200/Activity #0187006	948
Microbiology and Infectious Diseases Research	93.856	BMC/U19 AI056543-05/#0199005	223,797
BOSTON OBESITY NUTRITION RESEARCH CENTER Digestive Diseases and Nutrition Research	93.848	2 P30 DK46200-16 (NIH)	6,183
BOSTON UNIVERSITY Public Health Training Centers Grant Program	93.249	BU PRIME HRSA 2 D20 HP00003	4,391
Drug Abuse and Addiction Research Programs	93.279	BU/DA019362-04/ PO: RA239701BAJ	261,412
Cardiovascular Diseases Research	93.837	BUMC/HL0830801/PO:RA253939 BAJ	107,955
Cardiovascular Diseases Research	93.837	Boston Univ/HL081587-04 /# 3321-5	489,526
Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	BU/DK080739/PO:RA 254234 BAJ	195,872
Child Health and Human Development Extramural Research	93.865	BU/HD051861 PO# GC195031NGC	2,010
BRANDEIS UNIVERSITY Drug Abuse and Addiction Research Programs	93.279	P50DA0101233	28,306
BRIGHAM AND WOMEN'S HOSPITAL Research on Healthcare Costs, Quality and Outcomes	93.226	BWH/U18 HS016970 Award: 103077-1	19,658
National Center for Research Resources	93.389	Consortium Agmt dated 3/30/07	31,933
Cancer Detection and Diagnosis Research	93.394	Sub award #102749	44,467
Cancer Detection and Diagnosis Research	93.394	Prime#5P01CA067165-10 / Sub# 102749	38,918
Lung Diseases Research	93.838	BRIGHAM & WOMANS PRIME NIH	15,941

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
BRIGHAM AND WOMEN'S HOSPITAL			
Allergy, Immunology and Transplantation Research	93.855	107-0981	37,052
Allergy, Immunology and Transplantation Research	93.855	107-1880	20,790
Allergy, Immunology and Transplantation Research	93.855	BRIGHAM & WOMANS PRIME NIH	22,348
Allergy, Immunology and Transplantation Research	93.855	BWH/U19 AI076217-02	255,481
Gene by Environment Interaction and Asthma and Allergy	93.	Sub award Under R01 AI056230-01	75,987
CASE WESTERN RESERVE UNIVERSITY			
Oral Diseases and Disorders Research	93.121	Case Western Reserve Univ/R01 ED018279-01	149,447
Nursing Research	93.361	CWRU/NIH 1 R01 NR00894-01	1,608
CENTER TO PROTECT WORKERS' RIGHTS			
Evaluation of the Efficacy and Effectiveness of Silica and Noise Controls on Concrete-Cutting Tools	93.	Sub-Recipient Agreement #1030-09-A3	11,236
Evaluation of the Efficacy and Effectiveness of Silica and Noise Controls on Concrete-Cutting Tools	93.	Sub-Agreement #1030-09-A3 Amend. #7	149,000
CHILDREN'S HOSPITAL			
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	HHSGPS (90DD0646/01)	258,283
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Children's Hosp/ P01 NS040828-08	28,958
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	CHB:U01 NS040069-05 PO:000133654	336
Boston Children's Hospital	93.	108-0918	53,474
CIENCIA, INC			
Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	CIENCIA/1 R43 DK77291-02	18,929
COLUMBIA UNIVERSITY MEDICAL CENTER			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	CUMC/R01 NS048125-04	202
CONNECTICUT PRIMARY CARE			
Investigating the Correlates and Outcomes of Depression in Adult Diabetics	93.	CPCA/ AHRQ 1 R03 HS0/PO 1378	22,910
DANA FARBER CANCER INSTITUTE			
Cancer Cause and Prevention Research	93.393	DANA FARBER R01CA122894-01	70,138
Cancer Cause and Prevention Research	93.393	107-1514	17,226
Cancer Detection and Diagnosis Research	93.394	106-1497	13,481
Cancer Detection and Diagnosis Research	93.394	106-1705	49,540
Cancer Centers Support Grants	93.397	5 P30 CA06516-44	3,088
Cancer Control	93.399	Colon Cancer Prevention in Low Income Housing Site	34,015
Allergy, Immunology and Transplantation Research	93.855	Dana Farber/NIH AI057330-05	195,894
DANA PRIME NIH 1 R01 CA106914	93.	DANA PRIME NIH 1 R01 CA106914	128,495
DARTMOUTH COLLEGE			
Aging Research	93.866	P01AG019783-06	148,683
DORCHESTER HOUSE MULTI SERVICE CENTER			
Environmental Health	93.113	MOA dated 11-7-08	59
Dorchester Occupation Health Initiative	93.	SRA date 7/12/04	20,670

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
EDENSPACE SYSTEMS CORPORATION			
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	108-0752	22,264
EMORY UNIVERSITY			
Nursing Research	93.361	Emory Univ/NR00925 Acct# 5-41440-G2	29,428
EPIVAX, INC			
Allergy, Immunology and Transplantation Research	93.855	EPIVAX/ 1 R43 AI075830-02	29,253
FEINSTEIN INSTITUTE FOR MEDICAL RESEARCH			
Allergy, Immunology and Transplantation Research	93.855	FIMS/7 U19 AI056362-06-500355	11,092
FRED HUTCHINSON CANCER RESEARCH CENTER			
Cancer Treatment Research	93.395	FHCRC/CA11917-03/Subward:000655572	19,049
GEOVISION, INC			
Substance Abuse and Mental Health Services-Access to Recovery	93.275	CSR - 1 SP 13943-01	18,390
GLSYNTHESIS, INC			
Cancer Cause and Prevention Research	93.393	GL Synthesis/Frelinger # 2	6,475
Cardiovascular Diseases Research	93.837	GLSynthesis/Frelinger/HL081992-01A1	7,641
GREATER LAWRENCE FAMILY HEALTH CENTER			
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	Greater Lawrence Health Ctr/CEED Research	27,449
GROUP HEALTH COOPERATIVE			
Cancer Cause and Prevention Research	93.393	GHC/U 19 CA79689/PO # 2009114497	185,298
Cancer Control	93.399	GHC/PO2009114487/5 U19-CA0796	151,694
Cancer Control	93.399	GHC/5 U19 CA079689-10/PO#2008125200	30,555
HARTFORD HOSPITAL			
Cardiovascular Diseases Research	93.837	106-1777	237,306
HARVARD MEDICAL SCHOOL			
National Center for Research Resources	93.389	Harvard Med 115113-0006 NIH Pr	23,506
Allergy, Immunology and Transplantation Research	93.855	Harvard/151128-0102/AI071306-03	26,260
Allergy, Immunology and Transplantation Research	93.855	Harvard/NIH R21 AI068548-02	22,628
Microbiology and Infectious Diseases Research	93.856	NIH U54 AI05 7159-04	8,350
Microbiology and Infectious Diseases Research	93.856	Harvard Med Schl/5 U54 AI057159-06	328,675
Microbiology and Infectious Diseases Research	93.856	U54 AI057159-05	134,070
NERP012: Innate immunity hemorrhagic fever viruses	93.	NERCE NERP012/ U54 AI057159-06	68,597
HARVARD PILGRIM HEALTH CARE			
Research on Healthcare Costs, Quality and Outcomes	93.226	HPHC/AHRQ/HHSA180200500331-T04-WA1	7,245
Research on Healthcare Costs, Quality and Outcomes	93.226	HPHC/1 U18 HS016955	55,922
Mental Health Research Grants	93.242	HPHC/MH067822-05	282,590
HARVARD SCHOOL OF PUBLIC HEALTH			
Environmental Health	93.113	Harvard/R01ES014370/Subaward: 23515-112027	16,149
Research on Healthcare Costs, Quality and Outcomes	93.226	Prime #1 R18 HS017048-01	15,085

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
HARVARD SCHOOL OF PUBLIC HEALTH			
Occupational Safety and Health Program	93.262	Ltr dtd 8-12-08 (Prime NIOSH #OH008416)	8,016
Cancer Control	93.399	HARV 116169.0411/CA114644-0411	7,573
Cancer Control	93.399	Sub agreement dated 12-4-07	4,167
Biomechanical Evaluation of Air Stretcher as Alternative for Carpet Knee-Kicker	93.	Ltr dtd 8-8-07 (u/Prime NIOSH #OH008416)	2,904
Early Life Processes Endocrine Mediators and Number of Susceptible Cells in Relation to Breast Cancer Risk	93.	HSPH/DAMD-W81XWH-05-1-0314	180,628
HEALTH RESEARCH, INC			
Environmental Health	93.113	106-1177	35,066
HEALTH RESOURCES SERVICE ADMINISTRATION			
Public Health Traineeships	93.964	HHS 2 A03HP01166-11-00	7,097
HEBREW SENIOR LIFE			
Aging Research	93.866	HRCA/1 R01 AG026316-04	21,371
ILLINOIS INSTITUTE OF TECHNOLOGY			
National Center for Research Resources	93.389	IIT/P41 RR008630/ SA361-1014-5981	12,890
Cardiovascular Diseases Research	93.837	IIT/ SA266-0903	83,324
Cardiovascular Diseases Research	93.837	IIT/1 R01 HL091017/PO: P0007398	218,958
JBS INTERNATIONAL, INC			
NIDA Center of Excellence - Massachusetts Consortium of Medical Schools	93.	JBS/NIDA 263-01-D-0158	33,304
JOHNS HOPKINS UNIVERSITY			
Cardiovascular Diseases Research	93.837	JHU/P01 HL051811/Sub#: 2000411751	396,610
KAISER FOUNDATION RESEARCH INSTITUTE			
Cancer Cause and Prevention Research	93.393	Kaiser Fdn/1 P20 CA137219-01	78,104
Cardiovascular Diseases Research	93.837	KFRI/115-9337-02/U10 HL091179-03	83,103
LABORER-ACG EDUCATION & TRAINING FUND			
Brownfields Minority Worker Training Program	93.	Prime # 5 U45 ES06174-09 - Laborer's AGC #2411	2,440
MASS DEPARTMENT OF MENTAL HEALTH			
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	MA DMH/WCC/SM52914-0	326,210
MASS DEPARTMENT OF PUBLIC HEALTH			
Injury Prevention and Control Research and State and Community Based Programs	93.136	DPH 3401M03700115043	213,905
Injury Prevention and Control Research and State and Community Based Programs	93.136	MA DPH 3401M-115043: Rape Crisis	1,000
MASS DEPT OF HOUSING & COMMUNITY DEVELOPMENT			
Low-Income Home Energy Assistance	93.568	CT ENV 0330060000000003317	10,376
MASS DEVELOPMENTAL DISABILITIES COUNCIL			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	06.CS.D	911
Developmental Disabilities Basic Support and Advocacy Grants	93.630	Gopen Fellowship	18,214
MASS EYE & EAR INFIRMARY			
Research Related to Deafness and Communication Disorders	93.173	MEEI/U01 DC006296-01	29,775

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
MASSACHUSETTS GENERAL HOSPITAL			
Human Genome Research	93.172	1 R01 HG003475-03	266,262
Research and Training in Complementary and Alternative Medicine	93.213	GHC/1R21 AT003425-02	37,653
Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	MGH/U01DK061230-07/Subaward: 211086	17,909
Digestive Diseases and Nutrition Research	93.848	MGH/DK33506	35,986
Biomedical Research and Research Training	93.859	Gen. Hospital of Mass/1 R24 GM078369-03	195,651
Biomedical Research and Research Training	93.859	1 R01 GM084455-01A2	68,210
Statistical Center for Pediatric Type 2 Diabetes Therapy--TODAY Study	93.	MGH/U01 DK061230 Sub award: 211086	6,867
MASSACHUSETTS INSTITUTE OF TECHNOLOGY			
Human Genome Research	93.172	MIT/HG003067/Subaward: 571002403	17,455
Research Related to Deafness and Communication Disorders	93.173	5710002042	24,290
Dengue Genome Project	93.	HHSN26620040001C Sub award 5710001999	51,654
MEDICAL COLLEGE OF WISCONSIN			
Allergy, Immunology and Transplantation Research	93.855	PO# 986382 - Sub award Agmt dtd 10/07	6,650
MICHIGAN STATE UNIVERSITY			
Mental Health Research Grants	93.242	MSU/NIH 2 R014 MH053433-11A1	40,431
MONTACHUSETT OPPORTUNITY COUNCIL, INC			
Family Planning Service Delivery Improvement Research Grants	93.974	MOA Dated 2/9/2009	7,244
MOUNT SINAI MEDICAL CENTER			
Allergy, Immunology and Transplantation Research	93.855	MSSM/NIH 5 U19 AI062623-05	115,800
MOUNT SINAI SCHOOL OF MEDICINE			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	MT SINAICombiRx-Phase III	21,308
NATIONAL CHILDHOOD CANCER FOUNDATION			
Cancer Cause and Prevention Research	93.393	NCC Fdn/U10-CA98543-06	12,659
Cancer Treatment Research	93.395	NCCF/U10CA98543-07/Sub #18535	214
Cancer Treatment Research	93.395	NCCF/U10 CA098543-06	15,753
Cancer Treatment Research	93.395	NCCF/U10CA30969 Yr 05	334
NATIONAL INSTITUTES OF HEALTH			
Mental Health Research Grants	93.242	1 R01 MH074589-01A2	375,823
NATIONAL SURGICAL ADJUVANT BREAST & BOWEL PROJECT			
Cancer Control	93.399	NSABP/PFED19-BOS-02/	27
NEURONAUTICS, INC			
Aging Research	93.866	R44 AG018661	41,925
NEW ENGLAND RESEARCH INSTITUTE, INC			
NERI/ZTOPCAT/HC45207	93.	NERI/ZTOPCAT/HC45207	9,881
NEW YORK UNIVERSITY			
Allergy, Immunology and Transplantation Research	93.855	NYU/R01 AI054455-06	157,421
NIH-INST OF ALLERGY & INFECT DISEASES			
Allergy, Immunology and Transplantation Research	93.855	NIH 5 R37 AI038996-12	321,301

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
NORTHEASTERN UNIVERSITY			
Drug Abuse and Addiction Research Programs	93.279	108-0359	105,101
NORTHWESTERN UNIVERSITY			
Cardiovascular Diseases Research	93.837	NWU/ HL073912 #0600 370 FK13 1157	378,344
Cardiovascular Diseases Research	93.837	1 RO1 HL073912-01A2	6,095
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	NWU #0600 370 S515937 #1 & 2	13,001
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	/5 R01 NS050461-04/Sub 60013712	2,128
NYU SCHOOL OF MEDICINE			
Allergy, Immunology and Transplantation Research	93.855	NYUSM/NAID-2 R01 AI3 PO 158059A14 Sub# 98-0291	125,366
PRAXIS, INC			
Environmental Health	93.113	STTR/1 R42 MH077378-02	142,591
Environmental Health	93.113	Praxis/R42 HD0504077-02	153,780
Environmental Health	93.113	Praxis/HD055021-02A2	125,631
Environmental Health	93.113	Praxis/DEO16442-02A1	19,590
Child Health and Human Development Extramural Research	93.865	Praxis/NIH 2 R42 HD0	9
Child Health and Human Development Extramural Research	93.865	Praxis/HD5160-01	3,071
Child Health and Human Development Extramural Research	93.865	Praxis/HD043640-03	59,120
Child Health and Human Development Extramural Research	93.865	Praxis/HD046321-02	43,078
Child Health and Human Development Extramural Research	93.865	STTR/1 R43 DD000053-01	5,515
PRIMARY IMMUNODEFICIENCY RESEARCH CONSOR			
Novel Approach to Oral Gene Therapy for Chronic Granulomatous Disease	93.	PIRC/N01-A1-30070	72,541
PRINCETON UNIVERSITY			
Child Health and Human Development Extramural Research	93.865	00001539	38,133
PURDUE UNIVERSITY			
Aging Research	93.866	R01A6018869	210,672
RESEARCH TRIANGLE INTERNATIONAL			
Human Health Studies Applied Research and Development	93.206	RTI 1-312-0209686 (PRIME-NIH1 R01 HD04716301A2)	340,809
RHODE ISLAND HOSPITAL			
Diabetes, Digestive and Kidney Diseases - Extramural Research	93.847	RHI/1 R21 DK069462/ PO:Z101063147	11,812
RUTGERS UNIVERSITY			
Mental Health Research Grants	93.242	Sub # 0000 3608/P30MH079920-01A1	22,288
Aging Research	93.866	108-0001	5,615
SEATTLE INST OF CARDIAC RESEARCH			
Cardiovascular Diseases Research	93.837	SICR/1 U01 HL67972-0	2,205
SOCIAL & SCIENTIFIC SYSTEMS, INC			
Mental Health Research Grants	93.242	S&SS/1 U01 AI068632-T001	189,604
Mental Health Research Grants	93.242	S&SS/1U01AI068632 Q-06-00120- T004	30,762
Mental Health Research Grants	93.242	S&SS/1U01AI068632-01 Q-6-00120- T003	5

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
SOCIAL & SCIENTIFIC SYSTEMS, INC			
Mental Health Research Grants	93.242	Immunology Lab-T006/BRS-IMPCT-06-00120-T006	46,129
SOURCE PRODUCTION AND EQUIPMENT CO, INC			
Cancer Treatment Research	93.395	SBIR Dated 1/12/2009	22,956
SPECIAL OLYMPICS, INC			
Disabilities Prevention	93.184	Special Olympics Research Conference	501
Disabilities Prevention	93.184	SCIS	1,759
ST LOUIS UNIVERSITY			
Allergy, Immunology and Transplantation Research	93.855	SLU/R01 AI072195-02	74,649
Allergy, Immunology and Transplantation Research	93.855	St Louis Univ/ R01 AI050184-06A1	12,499
THE FORSYTH INSTITUTE			
Tuberculosis Vaccine Candidates Identified in Patients' Bodily Fluids	93.	NIH 1 R01 AI076425-01A1	54,675
THOMAS JEFFERSON MED COLLEGE			
Biomedical Research and Research Training	93.859	TJU/ R01 GM076495/ PO#: 10225613	37,460
TUFTS UNIVERSITY			
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	HS1813	34,462
Allergy, Immunology and Transplantation Research	93.855	Tufts University/R01 AI071300	128,113
National Institutes of Health Acquired Immunodeficiency Syndrome Research Loan Repayment Program	93.936	N01-AL-30050	25,413
TULANE UNIVERSITY			
Child Health and Human Development Extramural Research	93.865	TUL-530-06/07	80,596
UNIVERSITY OF CALIFORNIA			
Research on Healthcare Costs, Quality and Outcomes	93.226	107-0454	44,829
Biomedical Research and Research Training	93.859	KK6141 PRIME NIH	28,212
Child Health and Human Development Extramural Research	93.865	/Yoga Kyphosis Sub#1558 G FC369	56,103
Aging Research	93.866	AG030448/Subaward:1558G JC952	61,566
Vest Prevention of Early Sudden Death Trial and Prediction of ICD Therapies Study	93.	UC-SF/VEST/PREDICTS	18,526
UNIVERSITY OF CHICAGO			
Allergy, Immunology and Transplantation Research	93.855	University of Chicago/1 U01 AI07787-01	86,417
UNIVERSITY OF CONNECTICUT			
Mental Health Research Grants	93.242	659706 (PRIME # NIH 5R01MH066645)	5,829
UNIVERSITY OF FLORIDA			
Cardiovascular Diseases Research	93.837	UF/P01 HL059412	210,431
Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	University FL/P01 DK069237/UF07105	53,317
UNIVERSITY OF ILLINOIS			
Research Related to Deafness and Communication Disorders	93.173	University of IL/1 R01 DC0 Sub#2005-02832-03	412
Mental Health Research Grants	93.242	27268UM / RMHO68455B	6,845
UNIVERSITY OF MARYLAND			
Mental Health Research Grants	93.242	University of MD/ 1 R34 MH081303-01-SR00000299	32,189

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
UNIVERSITY OF MARYLAND			
Mental Health Research Grants	93.242	107-0495	62,670
Biomedical Research and Research Training	93.859	NIH R01 GM073723/Sub # 2189102	79,622
UNIVERSITY OF MEDICINE & DENTISTRY OF NJ			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UMD of NJ/5 H79 TI016576-04	54,983
UNIVERSITY OF MICHIGAN			
Policy Research and Evaluation Grants	93.239	1 U01 AE	593
Cardiovascular Diseases Research	93.837	HL073310-04/ Ref: 300841566	12,127
Aging Research	93.866	3000694106	57,548
Aging Research	93.866	Sub award: F015580	25,179
Aging Research	93.866	Sub #: 3000828647	41,967
UNIVERSITY OF MINNESOTA			
Allergy, Immunology and Transplantation Research	93.855	HAART/1 P01 AI074340/#N000002801	285,569
UNIVERSITY OF NEW HAMPSHIRE			
Maternal and Child Health Federal Consolidated Programs	93.110	UNH/MC03959/Sub#08-067A	103,204
Maternal and Child Health Federal Consolidated Programs	93.110	UNH/MC10980/Sub#08-029A	220,675
Injury Prevention and Control Research and State and Community Based Programs	93.136	PZ09029	50,711
UNIVERSITY OF NORTH CAROLINA			
Mental Health Research Grants	93.242	UNC/NIH 5 R01 MH059312	83,076
Child Health and Human Development Extramural Research	93.865	UNC #5-52407 #1,2,3,4	9,954
UNIVERSITY OF PENNSYLVANIA			
Kidney Diseases, Urology and Hematology Research	93.849	PENN PRIME NIH DK071224	101,351
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Pa/NIH R01NS053825/PO # 2171657	30,452
Allergy, Immunology and Transplantation Research	93.855	107-1868	159,067
Biomedical Research and Research Training	93.859	University of PA/ R01 GM086352-28	59,011
UNIVERSITY OF PITTSBURGH			
Cancer Cause and Prevention Research	93.393	AG012553-13/Subaward#0003345	151,478
UNIVERSITY OF PUERTO RICO			
Alcohol Research Programs	93.273	NIH R37 AA0152054-10	22,980
Alcohol Research Programs	93.273	AA018038-01	42,338
Alcohol Research Programs	93.273	AA008003-21	9,967
UNIVERSITY OF ROCHESTER			
Cardiovascular Diseases Research	93.837	/R01 HL077478 PO:413287-003-G	10,080
UNIVERSITY OF SOUTHERN CALIFORNIA			
Mental Health Research Grants	93.242	USC/MH081810-03/Sub #137514	86,881
UNIVERSITY OF SOUTHERN MAINE			
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	/DHHS CA-AD-06-213	25,716
UNIVERSITY OF TULSA			
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Tulsa/1R01NS PO# B0023406	195
UNIVERSITY OF WASHINGTON			
Human Genome Research	93.172	University WA/ 5 U54 HG004592-02-SUB # 575156	162,337

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Research and Development - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
UNIVERSITY OF WISCONSIN			
Inner City Asthma Consortium (ICAC): Immunologic Approaches to Reduce Asthma (URECA)	93.	Agreement #377H576	117,711
UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER			
Maternal and Child Health Federal Consolidated Programs	93.110	University of Texas HSC/127399/126675	17,730
VANDERBILT UNIVERSITY			
Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	VU/U01 Dk074273/VUM32433	286,161
VIRGINIA TECH UNIVERSITY			
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	Sub award CR-19816-431440	2,408
VISTA SCIENTIFIC LLC			
Vision Research	93.867	SBIR dated 10-14-08: PA-06-009	11,147
WAKE FOREST UNIVERSITY			
Aging Research	93.866	WHIMS-MRI2	4,083
Aging Research	93.866	WHIMS-ECHO	2,364
WASHINGTON UNIVERSITY			
Cancer Treatment Research	93.395	/CA81647-10	120,495
Biomedical Research and Research Training	93.859	WA Univ./ R01 GM085788/ PO: 2904912N	138,824
Biomedical Research and Research Training	93.859	WU-09-192	580
WEST VIRGINIA UNIVERSITY			
Injury Prevention and Control Research and State and Community Based Programs	93.136	04-441	49,770
WORCESTER POLYTECHNICAL INSTITUTE			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	AWARD# 1H79SM057873-01 2007- 210420-1	11,421
YALE UNIVERSITY			
Research on Healthcare Costs, Quality and Outcomes	93.226	A07347 (M08A00437)	76,503
Allergy, Immunology and Transplantation Research	93.855	U18 HS009205-11	14,421
<i>Subtotal Pass-Through Programs</i>			16,251,015
Total Department of Health and Human Services			182,550,246
Corporation for National and Community Service			
Direct Programs			
Planning and Program Development Grants	94.007		1,368,103
<i>Subtotal Direct Programs</i>			1,368,103
Pass-Through Programs From			
ACADEMY OF APPLIED SCIENCE			
Training and Technical Assistance	94.009	Check #1030 Subgrants 08-29 & 08-93	5,044
Training and Technical Assistance	94.009	Check #4671 Subgrants 07-79 & 07-80	240

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Research and Development - Cluster			
Corporation for National and Community Service			
Pass-Through Programs From			
COMMUNITY COLLEGE NATIONAL CENTER FOR COMMUNITY ENGAGEMENT			
Learn and Serve America Higher Education	94.005	Grant # 06LHHAZ001	3,543
<i>Subtotal Pass-Through Programs</i>			8,827
Total Corporation for National and Community Service			1,376,930
Social Security Administration			
Direct Programs			
Social Security - Work Incentives Planning and Assistance Program	96.008		137,302
<i>Subtotal Direct Programs</i>			137,302
Pass-Through Programs From			
CHERRY ENGINEERING SUPPORT SERVICES, INC			
Social Security Research and Demonstration	96.007	PMRO-ICI001	10,859
<i>Subtotal Pass-Through Programs</i>			10,859
Total Social Security Administration			148,161
Department of Homeland Security			
Pass-Through Programs From			
DARTMOUTH COLLEGE			
Pilot Demonstration or Earmarked Projects	97.001	466 PRIME HOMELAND	74,635
Centers for Homeland Security	97.061	Sub award agrmt 2006-CS-001-000001	68,563
INFOSCITEX CORPORATION			
Centers for Homeland Security	97.061	PO GIO-0341	62
RADIX BIOSOLUTIONS			
Rapid, Multiplexed Enzymatic Analysis of Botulinum Neurotoxin Serotype Activity	97.	AB070214TET-01	16,245
<i>Subtotal Pass-Through Programs</i>			159,505
Total Department of Homeland Security			159,505
United States Agency for International Development			
Direct Programs			
Open World Leadership Center OWLC -0903 Grant Application	98.	OWLC-0903	12,702
Peace Corp PC-08-8-134 New England Regional Recruitment Office	98.	PC-08-8-134	16,650
<i>Subtotal Direct Programs</i>			29,352

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Research and Development - Cluster			
United States Agency for International Development			
Pass-Through Programs From			
ACADEMY FOR EDUCATIONAL DEVELOPMENT			
AED - USAID Afghanistan HEP RF thru mod #8	98.	AED - USAID Afghanistan HEP RF 3613	1,588,001
EDUCATION DEVELOPMENT CENTER, INC			
Indonesia Decentralized Basic Education	98.	14-5132	220,378
<i>Subtotal Pass-Through Programs</i>			1,808,379
Total United States Agency for International Development			1,837,731
Total Research and Development - Cluster			310,476,242
Student Financial Assistance - Cluster			
Department of Education			
Direct Programs			
Federal Supplemental Educational Opportunity Grants	84.007		2,182,515
Federal Work-Study Program	84.033		6,838,310
Federal Pell Grant Program	84.063		37,298,745
Academic Competitiveness Grants	84.375		1,505,704
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376		1,344,157
Teacher Education Assistance for College and Higher Education	84.379		23,000
<i>Subtotal Direct Programs</i>			49,192,431
Total Department of Education			49,192,431
Department of Health and Human Services			
Direct Programs			
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925		248,159
<i>Subtotal Direct Programs</i>			248,159
Total Department of Health and Human Services			248,159
Total Student Financial Assistance - Cluster			49,440,590
Trio - Cluster			
Department of Education			
Direct Programs			
TRIO Student Support Services	84.042		907,611
TRIO Talent Search	84.044		317,952
TRIO Upward Bound	84.047		1,581,474

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Trio - Cluster			
Department of Education			
Direct Programs			
TRIO McNair Post-Baccalaureate Achievement	84.217		248,923
<i>Subtotal Direct Programs</i>			<u>3,055,960</u>
Total Department of Education			<u>3,055,960</u>
Total Trio - Cluster			<u>3,055,960</u>
 SNAP - Cluster			
Department of Agriculture			
Pass-Through Programs From			
BROCKTON AREA PRIVATE INDUSTRY COUNCIL I			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	BAPIC-LOI-6/27/07-SKILLS	2,091
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	LOI	18,851
MASS DEPT OF TRANSITIONAL ASSISTANCE			
Supplemental Nutrition Assistance Program	10.551	108-1228	560,434
Supplemental Nutrition Assistance Program	10.551	WEL FSNE1391 UMS09A108-1742	1,696,916
<i>Subtotal Pass-Through Programs</i>			<u>2,278,292</u>
Total Department of Agriculture			<u>2,278,292</u>
Total SNAP - Cluster			<u>2,278,292</u>
 Child Nutrition - Cluster			
Department of Agriculture			
Pass-Through Programs From			
MASS DEPARTMENT OF EDUCATION			
Summer Food Service Program for Children	10.559	03-072-SF-136	4,447
<i>Subtotal Pass-Through Programs</i>			<u>4,447</u>
Total Department of Agriculture			<u>4,447</u>
Total Child Nutrition - Cluster			<u>4,447</u>

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Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Public Works and Economic Development - Cluster			
Department of Commerce			
Direct Programs			
Grants for Public Works and Economic Development Facilities	11.300		1,500,000
<i>Subtotal Direct Programs</i>			1,500,000
Total Department of Commerce			1,500,000
Total Public Works and Economic Development - Cluster			1,500,000
 Fish & Wildlife - Cluster			
Department of the Interior			
Pass-Through Programs From			
FLORIDA FISH AND WILDLIFE CONSERVATION			
Sport Fish Restoration	15.605	(FL FISH AND WILDLIFE) # 04199	23,663
<i>Subtotal Pass-Through Programs</i>			23,663
Total Department of the Interior			23,663
Total Fish & Wildlife - Cluster			23,663
 Employment Service - Cluster			
Department of Labor			
Pass-Through Programs From			
BROCKTON AREA PRIVATE INDUSTRY COUNCIL I			
Employment Service/Wagner-Peyser Funded Activities	17.207	BAPIC LOI 06-13-08	356,243
Employment Service/Wagner-Peyser Funded Activities	17.207	BAPIC July 2007 June 2008	1,949
Employment Service/Wagner-Peyser Funded Activities - ARRA	17.207	RES Issuance 9-22	2,024
Local Veterans' Employment Representative Program	17.804	BAPIC-L01-06/27/07-LVER	14,380
Local Veterans' Employment Representative Program	17.804	BAPIC 12-4-08 LVER	5,380
<i>Subtotal Pass-Through Programs</i>			379,976
Total Department of Labor			379,976
Total Employment Service - Cluster			379,976
 Workforce Investment Act - Cluster			
Department of Labor			
Pass-Through Programs From			
BROCKTON AREA PRIVATE INDUSTRY COUNCIL I			
Workforce Investment Act Adult Program	17.258	BAPIC July12007 - June302008 Adult	43,133
Workforce Investment Act Adult Program	17.258	BAPIC 07-01-05	47,850
Workforce Investment Act Adult Program	17.258	BAPIC CW WIA Title I Adult	23,639
Workforce Investment Act Adult Program	17.258	BAPIC LOI 6-13-08	491,816

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Workforce Investment Act - Cluster			
Department of Labor			
Pass-Through Programs From			
BROCKTON AREA PRIVATE INDUSTRY COUNCIL I			
Workforce Investment Act Adult Program - ARRA	17.258	LOI BAPIC 04-02-09	6,800
Workforce Investment Act Youth Activities	17.259	BAPIC LOI 06-13-08	142,874
Workforce Investment Act Youth Activities	17.259	BAPIC-LOI-6/27/07Youth	220
Workforce Investment Act Dislocated Workers	17.260	BAPIC 07-01-05	44,510
Workforce Investment Act Dislocated Workers	17.260	BAPIC 12-4-08 RR DCS	9,067
Workforce Investment Act Dislocated Workers	17.260	BAPIC LOI 06-13-08	699,219
Workforce Investment Act Dislocated Workers	17.260	BAPIC-L01-06/27/07-RRDGS	8,500
Workforce Investment Act Dislocated Workers	17.260	BAPIC July12007-June302008 DISLOC	39,712
Workforce Investment Act Dislocated Workers - ARRA	17.260	LOI BAPIC 4/2/09	6,800
CITY OF BOSTON			
Workforce Investment Act Youth Activities	17.259	City of Boston E.D.I.C.	99,121
COMMONWEALTH CORPORATION			
Workforce Investment Act Dislocated Workers	17.260	CC EAC2 10-09-01	34,215
Workforce Investment Act Dislocated Workers	17.260	CC SHAWS 12-18-01	73,729
FLORIDA ATLANTIC UNIVERSITY			
Workforce Investment Act Adult Program	17.258	CSR - URG48	3,349
GREATER NB WORKFORCE INVESTMENT AREA			
Workforce Investment Act Adult Program	17.258	006-372-09-8-001	28,849
Workforce Investment Act Youth Activities	17.259	3051	29,729
NEW DIRECTIONS			
Workforce Investment Act Youth Activities	17.259	03-026-07-8-002	154
PEABODY ESSEX MUSEUM			
Workforce Investment Act Dislocated Workers	17.260	Peabody Essex Museum 08-15-03	6,945
<i>Subtotal Pass-Through Programs</i>			1,840,231
Total Department of Labor			1,840,231
Total Workforce Investment Act - Cluster			1,840,231
Highway Planning and Construction - Cluster			
Department of Transportation			
Pass-Through Programs From			
CONNECTICUT DEPT OF TRANSPORTATION			
Highway Planning and Construction	20.205	1.24-05 (06) NETC PROJ NO 03-6	1,862
MASS EXECUTIVE OFFICE OF TRANSPORTATION			
Highway Planning and Construction	20.205	0214 INTF00X02009H0055012	358,146
Highway Planning and Construction	20.205	0214 INTF00X02009H0057094	86,390
Highway Planning and Construction	20.205	MHD 0214 INTF00X02009H0055021	297,427
MASS HIGHWAY DEPARTMENT			
Highway Planning and Construction	20.205	57802	769
Highway Planning and Construction	20.205	MA HWY 41906 GAID 3351	5,993
Highway Planning and Construction	20.205	MA HWY 3351PhI-Wayland/Rte 20	221
Highway Planning and Construction	20.205	ISA 2005A00041902 GAID 3350	1,419

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Highway Planning and Construction - Cluster			
Department of Transportation			
Pass-Through Programs From			
NEW ENGLAND TRANSPORTATION CONSORTIUM			
Highway Planning and Construction	20.205	10.25-02	71,362
Highway Planning and Construction	20.205	10.25-02(5) 8.21-04(08)	62,750
<i>Subtotal Pass-Through Programs</i>			<u>886,339</u>
Total Department of Transportation			<u>886,339</u>
Total Highway Planning and Construction - Cluster			<u>886,339</u>
 Federal Transit - Cluster			
Department of Transportation			
Pass-Through Programs From			
PIONEER VALLEY REGIONAL PLANNING COMMISSION			
Federal Transit Capital Investment Grants	20.500	FTA G-13/E2005-BUSP-196	2,891,318
<i>Subtotal Pass-Through Programs</i>			<u>2,891,318</u>
Total Department of Transportation			<u>2,891,318</u>
Total Federal Transit - Cluster			<u>2,891,318</u>
 Highway Safety - Cluster			
Department of Transportation			
Direct Programs			
State and Community Highway Safety	20.600		45,707
<i>Subtotal Direct Programs</i>			<u>45,707</u>
Pass-Through Programs From			
MASS EXEC OFFICE OF PUBLIC SAFETY & SECURITY			
State and Community Highway Safety	20.600	EPSFY08CIOTPOL08A	48,355
Safety Belt Performance Grants	20.609	109-1144	52,718
<i>Subtotal Pass-Through Programs</i>			<u>101,073</u>
Total Department of Transportation			<u>146,780</u>
Total Highway Safety - Cluster			<u>146,780</u>

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Medicaid - Cluster			
Department of Health and Human Services			
Pass-Through Programs From			
STATE OF UTAH			
Medical Assistance Program	93.778	UTAH 066188 (DHHS 11-P-9240618)	1,058
<i>Subtotal Pass-Through Programs</i>			<u>1,058</u>
Total Department of Health and Human Services			<u>1,058</u>
Total Medicaid - Cluster			<u>1,058</u>
Homeland Security - Cluster			
Department of Homeland Security			
Pass-Through Programs From			
FRANKLIN REGIONAL COUNCIL OF GOVERNMENTS			
Homeland Security Grant Program	97.067	OGCA 109-1186	9,988
<i>Subtotal Pass-Through Programs</i>			<u>9,988</u>
Total Department of Homeland Security			<u>9,988</u>
Total Homeland Security - Cluster			<u>9,988</u>
Other Federal Assistance			
Department of Agriculture			
Direct Programs			
State Mediation Grants	10.435		139,877
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443		136,538
Cooperative Extension Service	10.500		3,342,193
<i>Subtotal Direct Programs</i>			<u>3,618,608</u>
Pass-Through Programs From			
CORNELL UNIVERSITY			
Cooperative Extension Service	10.500	54187-8606 PRIME USDA CSREES	5,164
KANSAS STATE UNIVERSITY			
Cooperative Extension Service	10.500	S08036 PRIME CSREES	100,892
Cooperative Extension Service	10.500	S09164 PRIME CSREES	8,172
Cooperative Extension Service	10.500	S08059 PRIME CSREES	28,810
MASS DEPARTMENT OF EDUCATION			
State Administrative Expenses for Child Nutrition	10.560	108-0182 GAID 4670	3,649
NEW ENGLAND SMALL FARM INSTITUTE			
Sustainable Agriculture Research and Education	10.215	NESFI08	5,177
UNIVERSITY OF DELAWARE			
Cooperative Extension Service	10.500	FREC352124	256

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<i>Other Federal Assistance</i>			
Department of Agriculture			
Pass-Through Programs From			
UNIVERSITY OF RHODE ISLAND			
Cooperative Extension Service	10.500	092408/0001778 PRIME CSREES	24,795
UNIVERSITY OF VERMONT			
Sustainable Agriculture Research and Education	10.215	LNE07-259	34,280
Cooperative Extension Service	10.500	SNE08-20 PRIME NE SARE	2,237
Cooperative Extension Service	10.500	PDP07-004 PRIME USDA	9,893
<i>Subtotal Pass-Through Programs</i>			223,325
Total Department of Agriculture			3,841,933
Department of Commerce			
Direct Programs			
Cooperative Science and Education Program	11.455		26,842
<i>Subtotal Direct Programs</i>			26,842
Pass-Through Programs From			
CLEMSON UNIVERSITY			
ITA Special Projects	11.113	ITA-08-07400	136,800
SMALL BUSINESS ADMINISTRATION SBA			
Minority Business Enterprise Centers	11.800	UMA - SBA flow through	191,668
<i>Subtotal Pass-Through Programs</i>			328,468
Total Department of Commerce			355,310
Department of Defense			
Direct Programs			
Basic and Applied Scientific Research	12.300		89,013
Mathematical Sciences Grants Program	12.901		138,280
Ashumet Pond '08	12.	CAS-07-0001	10,033
Westover Air Force Base Leadership Training 2009	12.	Westover AFB 1/8/09	761
<i>Subtotal Direct Programs</i>			238,087
Pass-Through Programs From			
PROGENY SYSTEMS CORPORATION			
Miniaturized Wireless Data Application	12.	PSC-01000	3,999
SCIENCE APPLICATIONS INTERNATIONAL CORP			
SAIC Financial Management Education & Training III	12.	4600009505	397,139
US ARMY NATICK SOLDIER CENTER			
US Army Natick Parachute	12.	AMSRD-NSC-AD-AD	17,425
<i>Subtotal Pass-Through Programs</i>			418,563
Total Department of Defense			656,650

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title <i>Other Federal Assistance</i>	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Department of Housing and Urban Development			
Direct Programs			
Supportive Housing Program	14.235		129
<i>Subtotal Direct Programs</i>			<u>129</u>
Pass-Through Programs From			
CITY OF LOWELL, DIV OF PLANNING & DEV			
Community Development Block Grants/Small Cities Program	14.219	PO# 18280043-00S	4,444
Community Development Block Grants/Small Cities Program	14.219	PO# 18280044-00S	9,525
CITY OF NEW BEDFORD			
Community Development Block Grants/Small Cities Program	14.219	DPS-08-28	5,000
<i>Subtotal Pass-Through Programs</i>			<u>18,969</u>
Total Department of Housing and Urban Development			<u>19,098</u>
Department of the Interior			
Direct Programs			
Head Start NH/VT Training and technical assistance services	15.	0409CT21183	33,940
<i>Subtotal Direct Programs</i>			<u>33,940</u>
Total Department of the Interior			<u>33,940</u>
Department of Justice			
Pass-Through Programs From			
MASS DEPARTMENT OF PUBLIC HEALTH			
Rural Domestic Violence, Dating Violence, Sexual Assault and Stalking Assistance Program	16.589	107-1618 GAID 4350	11,138
MASS OFFICE FOR VICTIM ASSISTANCE			
Crime Victim Assistance	16.575	107-1040 GAID 4469	383
<i>Subtotal Pass-Through Programs</i>			<u>11,521</u>
Total Department of Justice			<u>11,521</u>
Department of Labor			
Direct Programs			
Disability Employment Policy Development	17.720		107,198
<i>Subtotal Direct Programs</i>			<u>107,198</u>
Pass-Through Programs From			
BROCKTON AREA PRIVATE INDUSTRY COUNCIL I			
Unemployment Insurance	17.225	BAPIC July 2007 June 2008	5,780
Unemployment Insurance	17.225	BAPIC LOI 9/5/08 UI	5,918
Workforce Investment Act Pilots, Demonstrations, and Research Projects	17.261	BAPIC Blueprint 010108	15,114

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
<i>Other Federal Assistance</i>			
Department of Labor			
Pass-Through Programs From			
BROCKTON AREA PRIVATE INDUSTRY COUNCIL I			
Work Incentive Grants	17.266	10SCC10	189
Work Incentive Grants	17.266	BAPIC-L01-06/27/07-NAV	1,610
Work Incentive Grants	17.266	BAPIC 12-4-08 Navigator	55,930
Incentive Grants - WIA Section 503	17.267	BAPIC P-21 08	14,288
BROCKTON AREA WORKFORCE INVESTMT BD			
Workforce Investment Act Pilots, Demonstrations, and Research Projects	17.261	FY0904	45,071
<i>Subtotal Pass-Through Programs</i>			143,900
Total Department of Labor			251,098
Department of State			
Direct Programs			
Professional Exchanges Annual Open Grant	19.415		515,656
Educational Exchange, American Studies Institute	19.418		264,011
Educational Exchange Scholar-in-Residence (U.S. Institutions of Higher Education Host Lecturing Faculty From Abroad)	19.431		98,074
International Sports Programming Initiative	19.	S-ECAPE-08-GR-185(JY)	46,665
<i>Subtotal Direct Programs</i>			924,406
Pass-Through Programs From			
ACADEMY FOR EDUCATIONAL DEVELOPMENT			
International Education Training and Research	19.430	S-IZ-100-08-GR-074	47,230
FULBRIGHT COMMISION ARGENTINA			
2009 Fulbright Commission Argentina Institute on American Studies and Leadership	19.	Fulbright Argentina 2009	29,605
Fulbright Commission Argentina-Institute on American Studies & Leadership 2008	19.	Fulbright Argentina 2008	102,969
US DEPARTMENT OF STATE			
Educational Exchange, American Studies Institute	19.418	S-ECA-AE-09-CA-069 (SS)	77,367
<i>Subtotal Pass-Through Programs</i>			257,171
Total Department of State			1,181,577
Department of Transportation			
Pass-Through Programs From			
EASTER SEALS, INC			
Public Transportation Research	20.514	462-6115-211	2,460
MASS HIGHWAY DEPARTMENT			
Highway Training and Education	20.215	CT#51797	41,798
<i>Subtotal Pass-Through Programs</i>			44,258
Total Department of Transportation			44,258

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Other Federal Assistance			
Office of Personnel Management			
Direct Programs			
Greater Boston Federal Executive Board-Planning and Conducting Effective Meetings	27.	GBFEB 3-11-09	3,727
<i>Subtotal Direct Programs</i>			3,727
Total Office of Personnel Management			3,727
General Services Administration			
Direct Programs			
GSA FedSim Contracting Center GPSS Bridge	39.	GS00T09AJP0004	454,014
Head Start Improvement Service	39.	GS-10F-0211M	182,500
<i>Subtotal Direct Programs</i>			636,514
Total General Services Administration			636,514
National Aeronautics and Space Administration			
Direct Programs			
Technology Transfer	43.002		8,190
<i>Subtotal Direct Programs</i>			8,190
Total National Aeronautics and Space Administration			8,190
National Foundation on the Arts and the Humanities			
Direct Programs			
Promotion of the Humanities Professional Development	45.163		195,989
<i>Subtotal Direct Programs</i>			195,989
Pass-Through Programs From			
ARTS MIDWEST			
Promotion of the Arts Grants to Organizations and Individuals	45.024	07-702410	145
Promotion of the Arts Grants to Organizations and Individuals	45.024	FY08 - Big Read - #35875	13,676
NEW ENGLAND FOUNDATION FOR THE ARTS			
Promotion of the Arts Partnership Agreements	45.025	2009-12951	300
<i>Subtotal Pass-Through Programs</i>			14,121
Total National Foundation on the Arts and the Humanities			210,110
Department of Veterans Affairs			
Direct Programs			
VA Center for Information Dissemination & Education Resources consulting services	64.	VA 241-P-0798	19,748
VA Cider Evaluation 2008 (Research & Evaluation Unit)	64.	VA 241-P-0664	3,124

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title <i>Other Federal Assistance</i>	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Department of Veterans Affairs			
Direct Programs			
Veteran's Administration CIDER Support III	64.	523-D87000	5,825
<i>Subtotal Direct Programs</i>			<u>28,697</u>
Total Department of Veterans Affairs			<u>28,697</u>
Environmental Protection Agency			
Pass-Through Programs From			
MASS DEPT OF ENVIRONMENTAL PROTECTION			
Performance Partnership Grants	66.605	106-1620 GAID 4489	32,098
<i>Subtotal Pass-Through Programs</i>			<u>32,098</u>
Total Environmental Protection Agency			<u>32,098</u>
Department of Energy			
Pass-Through Programs From			
NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY			
State Energy Program Special Projects	81.119	107-0372	128,227
<i>Subtotal Pass-Through Programs</i>			<u>128,227</u>
Total Department of Energy			<u>128,227</u>
Department of Education			
Direct Programs			
Higher Education Institutional Aid	84.031		384,783
Fund for the Improvement of Postsecondary Education	84.116		4,151
Rehabilitation Long-Term Training	84.129		295,592
Javits Fellowships	84.170		34,764
Bilingual Education-Professional Development	84.195		804,260
Graduate Assistance in Areas of National Need	84.200		150,915
Education Research, Development and Dissemination	84.305		646,405
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		746,156
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	84.333		210,133
Teacher Quality Enhancement Grants	84.336		563,902
Early Childhood Educator Professional Development	84.349		1,139,685
Transition to Teaching	84.350		302,506
<i>Subtotal Direct Programs</i>			<u>5,283,252</u>
Pass-Through Programs From			
BROCKTON AREA PRIVATE INDUSTRY COUNCIL I			
Adult Education- Basic Grants to States	84.002	08-342	8,848

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title Other Federal Assistance	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Department of Education			
Pass-Through Programs From			
BROCKTON AREA WORKFORCE INVESTMT BD			
Adult Education- Basic Grants to States	84.002	DESE342	11,015
CAMBRIDGE PUBLIC SCHOOLS			
Foreign Language Assistance	84.293	SC 08831	14,542
Foreign Language Assistance	84.293	SC 09831	12,931
CHILDREN'S HOSPITAL			
National Institute on Disability and Rehabilitation Research	84.133	PO # 0000148098	212,370
CITY OF BOSTON			
Early Reading First	84.359	24427	14,162
CITY OF CHELSEA			
Early Reading First	84.359	PO 00003717-00	109,205
CITY OF SPRINGFIELD			
Arts in Education	84.351	PO 15416-7	70,799
GREAT SCHOOLS PARTNERSHIP			
Fund for the Improvement of Education	84.215	GSP10-01-07	58,551
HAMPSHIRE EDUCATIONAL COLLABORATIVE			
Transition to Teaching	84.350	HECTTLT 2007	8,223
MASS DEPARTMENT OF EDUCATION			
Adult Education- Basic Grants to States	84.002	343-005-9-1261-J	4,495
Adult Education- Basic Grants to States	84.002	343-010-8-1261-I	16,899
Adult Education- Basic Grants to States	84.002	34000581255I	42,575
Reading First State Grants	84.357	CT-DOE-84600UMASSDONAHUE184-1	18,725
Reading First State Grants	84.357	07ITDCL3	3,081
Striving Readers	84.371	ISADOEXXXXXXXXXXUMSDonahue08A	3,617
MASS DEPT OF ELEMENTARY & SECONDARY EDUCATION			
Adult Education- Basic Grants to States	84.002	340-009-9-1255-J	430,797
Even Start State Educational Agencies	84.213	S213C080022	17,863
Education Technology State Grants	84.318	S318X080021	37,213
Advanced Placement Program (Advanced Placement Test Fee;Advanced Placement Incentive Program Grants)	84.330	CT DOE UM ASS DONAHUE 149-1	16,076
Transition to Teaching	84.350	CT-DOE-82400UMASSHADLEYISA1	16,197
Reading First State Grants	84.357	CT-DOE 94600UMASSDONAHUE002468Q	129,358
Mathematics and Science Partnerships	84.366	CT-DOE- 94700UMASSDONAHUE003478P	52,532
NATIONAL WRITING PROJECT			
National Writing Project	84.928	NATL WRITING PROJ 92-MA01 (UNIV OF CA)	63,194
RHODE ISLAND COLLEGE			
Special Education - State Personnel Development	84.323	PO #M54320-09	1,100
SOUTHBRIDGE PUBLIC SCHOOLS			
Fund for the Improvement of Education	84.215	U215X080224	137,519
SPECIAL OLYMPICS, INC			
Rehabilitation Services Service Projects	84.128	Project Unify	48,498

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title Other Federal Assistance	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
Department of Education			
Pass-Through Programs From			
SPRINGFIELD TECHNICAL COMMUNITY COLLEGE			
Mathematics and Science Partnerships	84.366	STCC100108	12,985
THE EDUCATION COOPERATIVE			
Fund for the Improvement of Education	84.215	U215X080036	19,261
Fund for the Improvement of Education	84.215	U215X050094	34,514
TITLE I DISSEMINATION PROJECT, INC			
Reading First State Grants	84.357	TAG Eval	6,986
TOWN OF WEYMOUTH			
Fund for the Improvement of Education	84.215	TAH II Fiscal Year 2009	39,882
UNIVERSITY OF NEW HAMPSHIRE			
Education Research, Development and Dissemination	84.305	UNH # 06-079 (PRIME DHHS-CMMS 11-P-92519/1)	55,804
WORCESTER PUBLIC SCHOOLS			
Fund for the Improvement of Education	84.215	PO 412239	4,821
Fund for the Improvement of Education	84.215	U215X070256	24,277
Fund for the Improvement of Education	84.215	WPS 50512408	33,028
<i>Subtotal Pass-Through Programs</i>			1,791,943
Total Department of Education			7,075,195
Department of Health and Human Services			
Direct Programs			
Compassion Capital Fund	93.009		635,419
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048		245,694
Nursing Workforce Diversity	93.178		480,496
Advanced Education Nursing Traineeships	93.358		184,254
Nurse Education, Practice and Retention Grants	93.359		190,206
Health Careers Opportunity Program	93.822		235,622
PVLSI: NIH HHSN273200800153P	93.	108-1643	2,233
<i>Subtotal Direct Programs</i>			1,973,924
Pass-Through Programs From			
BROCKTON NEIGHBORHOOD HEALTH CENTER			
Community Services Block Grant Discretionary Awards	93.570	BNHC 06-15-04	3,221
CHILDREN'S HOSPITAL			
Maternal and Child Health Federal Consolidated Programs	93.110	2 T73 MC00020-15-00	356,335
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	90D0575/01	2,870
GANDARA MENTAL HEALTH			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI019769-01	481
HHS/PSC/AOS/MID AMERICA CASU			
HEAD START TA Services	93.	R7-CASU-05-0095	1,016,588
HEAD START TA SRV(Non-Personn)	93.	R7-CASU-05-0095	202,559

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
<i>Other Federal Assistance</i>			
Department of Health and Human Services			
Pass-Through Programs From			
IDOX SOLUTIONS INC			
Technical Assistance to National Cancer Institute's Cancer Information Service	93.	HHSP233200800442G	7,444
MASS DEPARTMENT OF PUBLIC HEALTH			
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	5U58DP000821-02	69,871
Maternal and Child Health Services Block Grant to the States	93.994	INTF7900MM3701516150	210,041
MASS DEPARTMENT OF REVENUE			
Grants to States for Access and Visitation Programs	93.597	DOR 12010109 UMS 08A	50,216
MASS DEVELOPMENTAL DISABILITIES COUNCIL			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	08.CS.O - Gopen Fellowship 2009	12,765
Developmental Disabilities Basic Support and Advocacy Grants	93.630	07.CR.G	31,659
Developmental Disabilities Basic Support and Advocacy Grants	93.630	CT ADD 0100 8G06CRC*CRNO*0	3,294
RIVER VALLEY COUNSELING CENTER INC			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	River Valley 100107	66,307
SANDIA NATIONAL LABS			
Portable Microfluidic Platform for Bioterrorism Diagnostics	93.	788430	213,695
SEVEN HILLS FOUNDATION			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	CSAP 15401	1,386
<i>Subtotal Pass-Through Programs</i>			2,248,732
Total Department of Health and Human Services			4,222,656
Corporation for National and Community Service			
Direct Programs			
Volunteers in Service to America	94.013		594,553
<i>Subtotal Direct Programs</i>			594,553
Pass-Through Programs From			
RHODE ISLAND CAMPUS COMPACT			
Learn and Serve America Higher Education	94.005	HPYOP	8,979
TUFTS UNIVERSITY			
Learn and Serve America Higher Education	94.005	CNCS24	2,781
<i>Subtotal Pass-Through Programs</i>			11,760
Total Corporation for National and Community Service			606,313

**University of Massachusetts
Schedule of Federal Expenditures
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA #	Federal Agency or Pass-Through Entity Award Number	Expenditures
<i>Other Federal Assistance</i>			
United States Agency for International Development			
Direct Programs			
USAID Development Partnerships for University Cooperation and Development	98.012		615,992
<i>Subtotal Direct Programs</i>			<u>615,992</u>
Pass-Through Programs From			
HIGHER EDUCATION FOR DEVELOPMENT			
USAID Development Partnerships for University Cooperation and Development	98.012	521-A-00-07-00006-00	50,388
<i>Subtotal Pass-Through Programs</i>			<u>50,388</u>
Total United States Agency for International Development			<u>666,380</u>
Total Other Federal Assistance			<u>20,013,492</u>
Total Federal Expenditures			<u>\$ 392,948,376</u>

University of Massachusetts
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity or award transactions of the University of Massachusetts' Amherst, Boston, Dartmouth, Lowell and Worcester Medical School campuses and the Office of Central Administration ("University") (exclusive of University of Massachusetts Building Authority and University of Massachusetts Dartmouth Foundation, Inc., which were audited by other auditors) for the year ended June 30, 2009 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Administrative Cost Allowance

Included in amounts reported as expenditures on the schedule of expenditures of federal awards, the University received \$662,782 in administrative cost allowances from the Department of Education for its use in administering student financial assistance programs as follows:

Federal Perkins Program	\$ 114,604
FSEOG	86,844
Federal Work Study	461,334
	<u>\$ 662,782</u>

2. Nature of Program

By definition, the programs included herein are federally funded. As such, funding is at the discretion of the Federal government. However, management has received no indication of discontinuance other than normal completion.

3. Pass-Through Funds

Pass-through funds are funds received by the University indirectly from the federal government through a primary recipient. Included in the total federal assistance of \$392,948,376 on the schedule of expenditures of federal awards for the year ended June 30, 2009 is \$52,727,714 of pass-through funds.

University of Massachusetts
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

4. Subrecipients

Included in the total federal assistance of \$392,948,376 on the schedule of expenditures of federal awards for the year ended June 30, 2009 is \$33,424,984 of federal awards provided to subrecipients. The following is a summary of the subrecipient amounts passed through the University for the fiscal year ended June 30, 2009:

	CFDA Number	Amounts Provided to Subrecipients
Research and Development - Cluster		
Grants for Agricultural Research, Special Research Grants	10.200	\$ 581,165
Grants for Agricultural Research, Competitive Research Grants	10.206	494,096
Sustainable Agriculture Research and Education	10.215	3,818
Agricultural and Rural Economic Research	10.250	17,464
Integrated Programs	10.303	130,730
Supplemental Nutrition Assistance Program	10.551	2,808
Forestry Research	10.652	23,293
Cooperative Forestry Assistance	10.664	37,897
ITA Special Projects	11.113	19,247
Coastal Zone Management Administration Awards	11.419	21,988
Climate and Atmospheric Research	11.431	25,000
Unallied Science Program	11.472	267,121
Basic and Applied Scientific Research	12.300	101,305
Military Medical Research and Development	12.420	30,000
Basic Scientific Research	12.431	1,230,551
Air Force Defense Research Sciences Program	12.800	757,734
Department of Defense Contracts	12.	344,536
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	67,171
Sport Fish Restoration	15.605	30,890
Assistance to State Water Resources Research Institutes	15.805	37,048
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	18,319
University Transportation Centers Program	20.701	2,310
University Transportation Centers	20.760	4,636
Department of Transportation	20.	21,710
Aerospace Education Services Program	43.001	132,903
Engineering Grants	47.041	2,407,096
Mathematical and Physical Sciences	47.049	482,600
Geosciences	47.050	135,501
Computer and Information Science and Engineering	47.070	633,446
Biological Sciences	47.074	194,154
Social, Behavioral, and Economic Sciences	47.075	136,151
Education and Human Resources	47.076	2,876,196
Small Business Development Center	59.037	1,030,089
National Estuary Program	66.456	12,956
Water Quality Cooperative Agreements	66.463	7,130

University of Massachusetts
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

	CFDA Number	Amounts Provided to Subrecipients
Research and Development - Cluster		
Capitalization Grants for Drinking Water State Revolving Funds	66.468	1,000
Science To Achieve Results (STAR) Research Program	66.509	108,344
Office of Research and Development Consolidated Research/Training/Fellowship	66.511	9,527
Surveys, Studies, Investigations and Special Purpose Grants	66.606	389,331
Environmental Protection Agency	66.	42,412
Office of Science Financial Assistance Program	81.049	1,837,117
Fund for the Improvement of Postsecondary Education	84.116	1,075
National Institute on Disability and Rehabilitation Research	84.133	121,159
Fund for the Improvement of Education	84.215	6,028
Rehabilitation Training, Continuing Education	84.264	46,744
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	118,961
Transition to Teaching	84.350	12,480
Mathematics and Science Partnerships	84.366	105,955
Improving Teacher Quality State Grants	84.367	9,975
National Writing Project	84.928	3,000
Model State-Supported Area Health Education Centers	93.107	513,068
Maternal and Child Health Federal Consolidated Programs	93.110	512,853
Environmental Health	93.113	113,876
Applied Toxicological Research and Testing	93.114	68,051
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	299,345
AIDS Education and Training Centers	93.145	1,353,778
Human Genome Research	93.172	327,043
Research Related to Deafness and Communication Disorders	93.173	118,640
Research and Training in Complementary and Alternative Medicine	93.213	9,191
Research on Healthcare Costs, Quality and Outcomes	93.226	174,973
Mental Health Research Grants	93.242	898,275
Substance Abuse and Mental Health Services, Projects of Regional and National Significance	93.243	9,191
Advanced Education Nursing Grant Program	93.247	87,572
Occupational Safety and Health Program	93.262	733,934
Drug Abuse and Addiction Research Programs	93.279	105,255
Centers for Disease Control and Prevention, Investigations and Technical Assistance	93.283	248,222
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	204,590
Minority Health and Health Disparities Research	93.307	674,240
Minority Biomedical Research Support	93.375	26,215
Cancer Cause and Prevention Research	93.393	441,916
Cancer Detection and Diagnosis Research	93.394	5,599
Cancer Treatment Research	93.395	181,850
Cancer Biology Research	93.396	140,677

University of Massachusetts
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

	CFDA Number	Amounts Provided to Subrecipients
Research and Development - Cluster		
Developmental Disabilities Projects of National Significance	93.631	10,000
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	90,716
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768	1,732,587
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	4,247
Cardiovascular Diseases Research	93.837	247,491
Lung Diseases Research	93.838	140,666
Blood Diseases and Resources Research	93.839	26,847
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	1,130
Diabetes, Digestive and Kidney Diseases Extramural Research	93.847	384,383
Digestive Diseases and Nutrition Research	93.848	192,593
Kidney Diseases, Urology and Hematology Research	93.849	233,233
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	53,207
Allergy, Immunology and Transplantation Research	93.855	2,394,462
Microbiology and Infectious Diseases Research	93.856	68,628
Biomedical Research and Research Training	93.859	1,161,221
Population Research	93.864	114,246
Child Health and Human Development Extramural Research	93.865	486,478
Aging Research	93.866	1,072,336
Medical Library Assistance	93.879	195,990
Grants for Training in Primary Care Medicine and Dentistry	93.884	14,170
International Research and Research Training	93.989	31,430
Miscellaneous Department of Health and Human Services	93.	27,460
Planning and Program Development Grants	94.007	145,047
Social Security - Work Incentives Planning and Assistance	96.008	27,113
United State Agency for International Development Contracts	98.	61,950
Total Research and Development - Cluster		<u>31,298,152</u>
SNAP - Cluster		
Supplemental Nutrition Assistance Program	10.551	<u>3,804</u>
Total SNAP - Cluster		<u>3,804</u>
TRIO - Cluster		
TRIO Upward Bound	84.047	<u>147,442</u>
Total TRIO - Cluster		<u>147,442</u>

University of Massachusetts
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

	CFDA Number	Amounts Provided to Subrecipients
Other Federal Assistance		
Outreach and Assistance for Socially Disadvantaged Farmers and Professional Exchanges, Annual Open Grant	10.443	47,688
Promotion of the Humanities, Professional Development Engineering Grants	19.415	7,500
Computer and Information Science and Engineering	45.163	3,070
Education and Human Resources	47.041	11,250
Education Research, Development and Dissemination	47.070	63,730
Demonstration Projects to Ensure Students with Disabilities	47.076	615,216
Receive a Higher Education	84.305	45,448
Early Childhood Educator Professional Development	84.333	136,921
Transition to Teaching	84.349	476,750
Compassion Capital Fund	84.350	88,838
Health Careers Opportunity Program	93.009	364,407
USAID Development Partnerships for University Cooperation and Development	93.822	16,029
	98.012	<u>98,739</u>
Total Other Federal Assistance		<u>1,975,586</u>
Total Awards to Subrecipients		<u>\$ 33,424,984</u>

University of Massachusetts
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

5. Student Financial Aid Loan Programs

The following schedule presents new loans processed by the University for eligible students under federal student loan programs and federally guaranteed loan programs for the year ended June 30, 2009:

	Federal CFDA #	Amount Disbursed	Amount Outstanding
Direct Loan Program:			
Perkins Loans	84.038	\$ 4,170,298	\$ 40,372,953
Primary Care Loans	93.342	283,026	838,732
Loans for Disadvantaged Students	93.342	39,000	311,284
Nurse Faculty Loan Program	93.264	78,106	392,586
Nursing Student Loans	93.364	2,000	40,369
		<u>4,572,430</u>	<u>\$ 41,955,924</u>
William D. Ford Federal Direct Loan Programs:			
Stafford/Ford Loans	84.268	217,480,364	
Parent Loans for Undergraduate Students	84.268	<u>31,805,964</u>	
		<u>249,286,328</u>	
Federal Family Education Loan Programs:			
Stafford Loans	84.032	10,396,173	
Parent Loans for Undergraduate Students	84.032	<u>683,411</u>	
		<u>11,079,584</u>	
		<u>\$ 264,938,342</u>	

The Perkins Loans, Primary Care Loans, Loans for Disadvantaged Students, Nurse Faculty Loan Program and the Nursing Student Loans are administered directly by the University and balances and transactions are included in the University's financial statements.

PART II

REPORTS ON INTERNAL CONTROLS AND COMPLIANCE

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

To the Board of Trustees of
University of Massachusetts

We have audited the financial statements of University of Massachusetts (the "University") (exclusive of University of Massachusetts Building Authority and University of Massachusetts Dartmouth Foundation, Inc.), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 11, 2009. In that report we indicated the extent of our reliance on the reports of other auditors in the conduct of the audit. 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. The financial statements of the University of Massachusetts Building Authority and University of Massachusetts Dartmouth Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the University of Massachusetts in a separate letter dated December 2, 2009.

This report is intended solely for the information and use of University's Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

December 11, 2009

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

To the Board of Trustees of
University of Massachusetts

Compliance

We have audited the compliance of University of Massachusetts ("the University") (exclusive of University of Massachusetts Building Authority and University of Massachusetts Dartmouth Foundation, Inc.) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009, except for described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We did not audit the University's compliance with the following compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*:

- Contact with the borrower during the grace period
- Billing and collection procedures
- Reporting accounts in default to the credit bureau
- Processing payments
- Maintaining repayment records

Compliance with these requirements was audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the University's compliance with those requirements, is based solely on the reports of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-01 through 09-10.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the University's internal control over compliance.

We did not consider internal control over compliance with the following compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance*

- Contact with the borrower during the grace period
- Billing and collection procedures
- Reporting accounts in default to the credit bureau
- Processing payments
- Maintaining repayment records

Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the reports of the other auditors.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

This report is intended solely for the information and use of the University's Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

December 18, 2009

PART III

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**University of Massachusetts
 Schedule of Findings and Questioned Costs
 June 30, 2009**

Part I – Summary of Independent Auditors’ Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) considered to be material weaknesses? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no

Significant deficiency(ies) considered to be material weaknesses? yes x none reported

Type of auditors' report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
<u>Various</u>	Research and Development Cluster
<u>Various</u>	Student Financial Assistance Cluster
<u>20.500</u>	Federal Transit Cluster
<u>93.</u>	Head Start
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	<u> x </u> yes <u> </u> no

University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009

Part II – Financial Statement Finding

There are no findings related to the audit of the University's financial statements that are required to be reported under auditing standards generally accepted in the United States of America and Government Auditing Standards.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Part III – Federal Award Findings and Questioned Costs

The following section identifies instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by Circular A-133, Section 510.

Research and Development Cluster of Programs

Finding No. 09-01

Compliance Requirements: Allowable Costs (B)

Lowell Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Department of Education Office of Postsecondary Education	84.334	P334A050166-08	9/1/05 – 8/31/11
Department of Health and Human Services Center of Disease Control and Prevention	93.262	1R010H068750-01A1	8/1/07 – 7/30/12

Criteria

Per OMB Circular A-21 (C)(4) "If the institution authorizes the principal investigator or other individual to have primary responsibility for the management of sponsored agreement funds, then the institution's documentation requirements for the actions of those individuals (e.g., signature or initials of the principal investigator or designee or use of a password) will normally be considered sufficient." Without signature or initials to approve direct cost to the grant, allowability can not be determined.

Condition

We selected a total of 55 expenditures at the Lowell Campus and 167 expenditures across the University.

We noted that for three out of 55 expenditures at the Lowell Campus there was no evidence of approval, such as signature, initials or password, by the principle investigator or any other person with approval authority.

Cause

Proper review of the grant expenditures for allowability and approval was not documented by the campus to ensure evidence of approval existed at the time of the expenditure.

Effect

The allowability of direct and indirect costs associated with expenditures without evidence of approval by the principle investigator or other person with approval authority can not be determined.

Amount of Questioned Costs

The direct costs associated with the invoices lacking evidence of approval total to \$4,774. The associated indirect costs charged to the grants totals \$294.

University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009

Recommendation

We recommend that the campus review their procedures for monitoring, proper authorization and approval of grant expenditures to ensure the expenses are allowable in accordance with Federal Regulations and properly approved, as evidenced by a signature, initials or a password. We also recommend that the three invoices are reviewed and signed by the principle investigator or other person with approval authority to ensure the charges are allowable.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-02

Compliance Requirements: Allowable Costs / Cost Principles: Cost Transfers

Amherst Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
National Science Foundation	47.041	DMI – 0531171	3/15/06 – 3/31/11

Criteria

Per A-21 section C.b.1 "Any costs allocable to a particular sponsored agreement under the standards provided in this Circular may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience."

Per University policy, "To be considered allowable, all cost transfers must be timely, documented and explained in detail, adhere to the sponsor's standards, and have all appropriate authorizing signatures. Cost transfers should be prepared and submitted as soon as the need for the transfer is identified, but under most circumstances, not later than 90 days from the original transaction date."

Condition

We selected a total of 20 cost transfers for testing at the Amherst Campus and 55 cost transfers across the University.

We noted that for 2 out of 20 cost transfers at the Amherst Campus, the transfers were not recorded until more than 90 days after the original transaction date. These cost transfers amounted to \$1,625.

Cause

Delay in processing was a result of grant personnel trying to create efficiencies by creating one transfer at the end of a project instead of processing individual cost transfer requests.

Effect

Delay in recording the cost transfers could result in incorrect financial results being reported to the sponsoring agencies.

Amount of Questioned Costs

There are no questioned costs. The documentation and circumstances related to the transaction demonstrate that the expenditures were allowable to the grant.

Recommendation

We recommend that the University enforce procedures to ensure that all cost transfers are recorded within 90 days of the original transaction date.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-03

Compliance Requirements: Allowable Costs / Cost Principles: Cost Transfers

Lowell Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
U.S. Army Material Command	12.431	W911 NF-07-2-0081	5/31/07 – 8/31/10

Criteria

Per A-21 section C.b.1 "Any costs allocable to a particular sponsored agreement under the standards provided in this Circular may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience."

Per University policy, "To be considered allowable, all cost transfers must be timely, documented and explained in detail, adhere to the sponsor's standards, and have all appropriate authorizing signatures. Cost transfers should be prepared and submitted as soon as the need for the transfer is identified, but under most circumstances, not later than 90 days from the original transaction date."

Condition

We selected a total of 15 cost transfers for testing at the Lowell Campus and 55 cost transfers across the University.

We noted that for 1 out of 15 cost transfers at the Lowell Campus, that a cost transfer was not processed accurately and the entire cost amount was not transferred from the sponsored grant. This cost transfer amounted to \$1,323.

Cause

The cost that was not processed accurately was due to a system limitation that did not allow for processing a percentage of a person's hours, and a review of the transaction that was processed was not performed.

Effect

Inaccurate processing of cost transfers could result in federal awards being overcharged.

Amount of Questioned Costs

Total questioned costs of \$7 related to the incorrect processing of a cost transfer.

Recommendation

We recommend that the University implement procedures to ensure all cost transfers are reviewed for accuracy once processed.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-04

Compliance Requirements: Allowable Costs / Cost Principles: Cost Transfers

Worcester Medical School Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Health Resources Service Administration			
AIDS Education and Training Centers	93.145	000000000001434	7/1/07 – 6/30/08
Advanced Education Nursing Grant Program	93.247	WCV000000008640	7/1/06 – 6/30/09
Comprehensive Geriatric Education Program(CGEP)	93.265	WCV000000009112	7/1/06 – 6/30/09
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	WCV000000007817	4/1/05 – 3/31/10
National Institutes of Health			
Cancer Biology Research	93.396	WCV000000008295	4/1/06 – 2/28/11
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	WCV000000004180	8/20/00 – 5/31/08
Allergy, Immunology and Transplantation Research	93.855	00000000001221	4/1/08 – 3/31/13

Criteria

Per A-21 section C.b.1 "Any costs allocable to a particular sponsored agreement under the standards provided in this Circular may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience."

Per University policy, "To be considered allowable, all cost transfers must be timely, documented and explained in detail, adhere to the sponsor's standards, and have all appropriate authorizing signatures. Cost transfers should be prepared and submitted as soon as the need for the transfer is identified, but under most circumstances, not later than 90 days from the original transaction date."

Condition

We selected a total of 20 cost transfers for testing at the Worcester Campus and 55 cost transfers across the University.

We noted that for 4 out of 20 cost transfers at the Worcester Campus, the transfers were only made upon internal audits and/ or close-out of the grants; which occurred more than 90 days after the original transaction date. These cost transfers amounted to \$468 relating to CFDA #s 93.265 and 93.247, \$679 relating to CFDA #93.918 and \$13,151 relating to CFDA #s 93.847 and 93.855.

We noted that for 3 out of 20 cost transfers at the Worcester Campus, incorrect grant accounts were initially charged and the transfers were made more than 90 days after the original transaction date. The cost transfers amounted to \$7,167 relating to CFDA # 93.855 and \$387 relating to CFDA #s 93.145 and 93.396.

University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009

Cause

Review of the grant expenditure detail is not being performed timely causing a delay in identification of the required cost transfers.

Effect

Delay in recording the cost transfers could result in incorrect financial results being reported to the sponsoring agencies.

Amount of Questioned Costs

There were no questioned costs. The documentation and circumstances related to the transaction demonstrate that the expenditures were allowable to the grant.

Recommendation

We recommend that the University implement procedures to ensure that a timely review of grant expenditures is performed to ensure cost transfers are recorded within 90 days of the original transaction date.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Student Financial Assistance Cluster of Programs

Finding No. 09-05

Compliance Requirements: Special tests and provisions - Eligibility

Lowell Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Federal Pell Grant Program (PELL)	84.063	N/A	7/1/08 – 6/30/09

Criteria

Per Federal Regulation 668.55(b), "If the number of family members in the applicant's household or the number of those household members attending postsecondary educational institutions changes for a reason other than a change in the applicant's marital status, an applicant who is selected for verification shall update the information contained in his or her application regarding those factors so that the information is correct as of the day the applicant verifies the information."

Condition

We selected a total of 30 students for testing at the Lowell Campus and 115 students across the University.

We noted that 1 out of 30 students at the Lowell Campus did not have an updated award calculation after the verification process revealed a discrepancy in the number of household members attending postsecondary educational institutions.

Cause

The error was caused by an oversight by the reviewer performing the verification.

Effect

This error could result in a miscalculation of a student's Estimated Family Contribution, leading to a potential over/under award of federal funds.

Amount of Questioned Costs

Upon recalculation of the student's financial need, it was determined that the student's Estimated Family Contribution increased from \$60 to \$398, resulting in an over-award of Pell funds in the amount of \$300.

Recommendation

We recommend that the campus implement procedures to ensure verification data is incorporated into award calculations. Additionally, we recommend that the over-award be refunded to the federal program.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-06

Compliance Requirements: Special tests and provisions - Return of Title IV Funds

Amherst Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Federal Supplemental Educational Opportunity Grants	84.007	N/A	7/1/08 – 6/30/09
Federal Pell Grant Program	84.063	N/A	7/1/08 – 6/30/09
Federal Direct Loan Program	84.268	N/A	7/1/08 – 6/30/09

Criteria

Per Federal Regulation 668.22(j)(1), "An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew."

Per Federal Regulation 668.21(b), "The institution must return those funds for which it is responsible under paragraph (a) of this section to the respective title IV, HEA program as soon as possible, but no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance."

Condition

We selected a total of 33 students for testing at the Amherst Campus and 60 students across the University who withdrew after beginning classes.

We selected a total of 10 students for testing at the Amherst Campus and 12 students across the University who withdrew prior to attending any classes.

We noted that 2 out of 33 students at the Amherst Campus who had begun classes had Title IV refunds that were not returned to the Federal Government within the required 45 days. The refunds were returned from 26 to 38 days late.

We noted that 1 out of 10 students at the Amherst Campus who had not begun classes had Title IV refunds that were not returned to the Federal Government within the required 30 days. The refund was returned 27 days late.

Cause

For the 2 students who withdrew after beginning attendance, an incorrect date was used in the spreadsheet that computes the percent of funds earned in the refund worksheet, and there was no review of that spreadsheet to correct the error.

For the 1 student who withdrew prior to beginning attendance, concentration of effort was placed on completing spring 2009 refunds as refunds of this nature were typically completed in the fall.

Effect

These errors have resulted in the campus not meeting the deadline required for the return of unearned Title IV funds.

University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009

Amount of Questioned Costs

Total costs of \$3,775 from the programs were ultimately refunded by the campus.

Recommendation

We recommend that the campus implement procedures to ensure that all unearned Title IV funds are returned within the required timeframe.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-07

Compliance Requirements: Special tests and provisions - Return of Title IV Funds

Lowell Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Federal Pell Grant Program	84.063	N/A	7/1/08 – 6/30/09

Criteria

Per Federal Regulation 668.22(j)(1), "An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew".

Condition

We selected a total of 20 students for testing at the Lowell Campus and 60 students across the University who withdrew after beginning classes.

We noted that 1 out of 20 students at the Lowell Campus who had begun classes had Title IV refunds that were not returned to the Federal Government within the required 45 days. The refund was returned 46 days late.

Cause

A student was overlooked as they were below half-time attendance and only had the Pell Grant.

Effect

This error has resulted in the campus not meeting the deadline required for the return of unearned Title IV funds.

Amount of Questioned Costs

A total cost of \$263 from the program was ultimately refunded by the campus.

Recommendation

We recommend that the campus implement procedures to ensure that all unearned Title IV funds are returned within the required timeframe.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-08

Compliance Requirements: Special tests and provisions - Student Status Changes

Lowell Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Federal Direct Student Loans (Direct Loans)	84.268	N/A	7/1/08 – 6/30/09

Criteria

Per Federal Regulation 668.22(c)(1)(i-ii), "(1) For purposes of this section, for a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is— (i) The date, as determined by the institution, that the student began the withdrawal process prescribed by the institution; (ii) The date, as determined by the institution, that the student otherwise provided official notification to the institution, in writing orally, of his or her intent to withdraw."

Condition

We selected 30 students for testing at the Lowell Campus and 85 students across the University for Student Status Confirmation Report testing.

We noted that for 3 out of 30 students at the Lowell Campus, the students' change in status of withdrawal was reported inaccurately to the National Student Loan Clearinghouse. The students' change in status date was reported as a couple weeks subsequent to the date that should have been reported.

Cause

A system was not in place to report the date of withdrawal for a student who self-withdraws online.

Effect

The students' status at the National Student Loan Clearinghouse may not be accurate.

Amount of Questioned Costs

No costs are questioned as the finding pertains to the transfer of information.

Recommendation

We recommend that the campus develop and implement procedures to ensure all changes in status are submitted to the National Student Loan Clearinghouse accurately, or if necessary, that manual corrections are made.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-09

Compliance Requirements: Special tests and provisions - Student Status Changes

Worcester Medical School Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Federal Family Education Loans (FFEL)	84.032	N/A	7/1/08 – 6/30/09

Criteria

Per Federal Regulation 682.610(c)(2), “Unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, [a school shall] notify the guaranty agency or lender within 30 days- (i) If it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who enrolled at that school, but who has ceased to be enrolled on at least a half-time basis;”

Condition

We selected 20 students for testing at the Worcester Campus and 85 students across the University for Student Status Confirmation testing.

We noted that for 2 out of 20 students at the Worcester Campus, the campus failed to notify the National Student Loan Data System that the student withdrew or graduated within the required time frame in accordance with Federal Regulations. The students' status changes ranged from 15 to 50 days late.

Cause

The campus has not established a transmission schedule with the National Student Loan Data System that ensures transmission every 60 days.

Effect

The students' status at the National Student Loan Data System may not be accurate.

Amount of Questioned Costs

No costs are questioned as the finding pertains to the transfer of information.

Recommendation

We recommend that the campus develop and implement procedures to ensure all changes in status are submitted to the National Student Loan Data System accurately. In addition, status changes should be submitted on a timely manner in accordance with Federal regulations.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

**University of Massachusetts
Schedule of Findings and Questioned Costs
June 30, 2009**

Finding No. 09-10

Compliance Requirements: Special tests and provisions - Student Loan Repayments

Lowell Campus

Federal Programs Involved	Federal CFDA Number	Award Number	Award Year
Federal Perkins Loans (FPL)	84.038	N/A	7/1/08 – 6/30/09

Criteria

Per Federal Regulation 674.42(b)(1), "...If a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required."

Condition

We selected 30 students for testing at the Lowell Campus and 73 students across the University.

We noted that 7 out of 30 students at the Lowell Campus did not have exit interview materials sent to them within the required 30 days. The materials were sent between 4 and 30 days late, and in one instance, the materials were not sent at all.

Cause

Insufficient training related to a new report the department began using for exit interviews where personnel were not aware of certain screens that contained students that needed exit interviews.

Effect

This error has resulted in the campus not meeting the deadline required for the delivery of exit interview materials.

Amount of Questioned Costs

No costs are questioned as the finding pertains to the transfer of information.

Recommendation

We recommend that the campus implement procedures to ensure that exit interview materials are delivered within the required timeframe.

Management's Views and Corrective Action Plan

See the University's views and corrective action plan.

PART IV
MANAGEMENT VIEWS AND CORRECTIVE ACTION PLAN



University of Massachusetts
AMHERST • BOSTON • DARTMOUTH • LOWELL • WORCESTER

Internal Audit Office
www.massachusetts.edu/audit

November 13, 2009

PricewaterhouseCoopers LLP
125 High Street
Boston, MA 02110

The University of Massachusetts is pleased to submit our Management Views and Corrective Action Plan responses to the Fiscal Year ended June 30, 2009 Report on Federal Financial Assistance Programs In Accordance With OMB Circular A-133.

Sincerely,

A handwritten signature in cursive script that reads 'Robert M. Harrison'.

Robert M. Harrison
Associate Vice President for University Audit

774-455-7560

Encl.

University of Massachusetts
2009 Management's Views and Corrective Action Plans

OMB Circular A-133 Audit
Schedule of Findings and Questioned Costs
For the year ended June 30, 2009

(Reference FY 2009 A-133 for Complete Findings Narratives)

RESEARCH AND DEVELOPMENT CLUSTER OF PROGRAMS

Compliance Requirements – Allowable Costs (B)

Lowell Campus

Finding No. 09-01

Campus procedures for monitoring, proper authorization and approval of grant expenditures were reemphasized to the Office of Research Administration (ORA) staff in November 2009. Authority to approve rests with the Principal Investigator or a person formally designated in writing by the Principal Investigator to sign for the PI. A copy of the formal designation will be maintained in the ORA.

ORA Financial Administrators will continue to provide final approval.

The three invoices noted in the Audit have been reviewed and approved by the appropriate Principal Investigator.

Contact Person(s):

Michael Accardi, Assistant Controller, Grants

(978) 934-4717

Stephen O’Riordan, Associate Vice Chancellor

(978) 934-3450

Compliance Requirements: Allowable Costs / Cost Principles: Cost Transfers

Amherst Campus

Finding No. 09-02

The two cost transfers not processed within 90 days of the original transaction were on a single cost transfer request form which included justification for exceeding the 90 day limit. The campus Policy on cost transfers allows for exceptions to the 90 day rule to correct errors in the original charge and this policy was followed and approved by the grant accountant.

Management will provide increased training and awareness of the information needed to support cost transfers to the grant accounting staff and department end users. This information will be incorporated into the semi-annual grants post-award training series and the annual A-133 compliance memo sent to all principal investigators and business managers.

Contact Person(s):

Sam Killings, Assistant Controller

(413) 545-0806

Andrew Mangels, Controller

(413) 545-1675

Compliance Requirements: Allowable Costs / Cost Principles: Cost Transfers***Lowell Campus*****Finding No. 09-03**

Campus procedures for creating, reviewing and approving cost transfers are being reviewed and will be revised in November 2009 to ensure standards are clear. The revised cost transfer procedures will be enforced by the Office of Research Administration (ORA) staff. The software that contributed to the incorrect amount being transferred has been corrected. Cost transfers will continue to be reviewed for accuracy before and after being entered into the system.

Contact Person(s):

Michael Accardi, Assistant Controller, Grants

(978) 934-4717

Stephen O'Riordan, Associate Vice Chancellor

(978) 934-3450

Compliance Requirements: Allowable Costs / Cost Principles: Cost Transfers***Worcester Medical School Campus*****Finding No. 09-04**

The Worcester Campus continuously evaluates its policies and procedures related to grants management compliance and internal controls through focus groups, management reviews and updating of training offerings. In July of 2008 the Campus created a Compliance Specialist role. The Director of Post-Award Administration and Compliance and the Compliance Specialist continue the process of documenting, defining and implementing a compliance plan which incorporates procedures for cost transfers. The compliance plan requires all cost transfer requests be approved by the Compliance Specialist prior to being processed. The Compliance Specialist is responsible for ensuring all cost transfer requests contain sufficient support and documentation. Any transfers that exceed 90 days from the original transaction date include a detailed explanation on the circumstances causing the delay in discovering a transaction was not charged to the appropriate account. The Compliance Specialist is responsible for educating department research administration staff on the importance of the ongoing review of transactions during the life of a grant.

The Campus provides ongoing training to all employees involved in grants administration. To ensure all applicable staff receive proper guidance on the University's cost transfer policy and procedures, the policy and cost transfer form are posted and accessible on an internal website. All research compliance policies are distributed annually via email to all Principal Investigators, Department Administrators and staff. In addition, formal training sessions are offered to the research community throughout the year relating to research administration and compliance topics, including a session specifically targeted towards cost transfer procedures.

Contact Person(s):

Amy Miarecki, Director Post Award Administration (508) 856-5401
Michael Stanton, Controller (508) 856-1507

STUDENT FINANCIAL ASSISTANCE CLUSTER OF PROGRAMS**Compliance Requirements: Special Tests and Provisions – Eligibility*****Lowell Campus*****Finding No. 09-05**

During the verification process, the household information was reviewed and it was incorrectly determined that the sibling did not count towards the number in college because sibling withdrew from the same course in both fall and spring terms but attended one class for replacement grade. The sibling achieved a total of 3 credits for the fall and spring semesters.

The criteria for a qualifying sibling in college have been reviewed with the verification staff to ensure that the number in college is appropriately recorded.

The resulting over-award of \$300 in Pell funds was refunded to the Pell program in November 2009.

Contact Person(s):

Joyce McLaughlin, Director of Financial Aid
Steven O’Riordan, Associate Vice Chancellor

(978) 934-4237
(978) 934-3450

Compliance Requirements – Special Tests and Provisions – Return of Title IV Funds***Amherst Campus*****Finding No. 09-06**

A miscalculation of one day occurred in determining ‘earned aid’ percentage in the spring Return to Title IV schedule. The earned percentage worksheet went through a second round of review, but was not noticed until late in the spring term. More than 99% of the calculated refund was returned to Federal Aid programs within the required timeframe. The remaining .9% was returned when the error was found after the 45 day time limit for aid adjustment.

Reports are run weekly to find students whose effective date of withdrawal occurred prior to the start of the term. The student in question was retroactively withdrawn for the fall term at the end of the fall term. This was not picked up on until after the start of the spring semester. This report will be run and reviewed more frequently for all terms.

Contact Person(s):

Suzanne Peters, Financial Aid Director
Andrew Mangels, Controller

(413) 545-2737
(413) 545-1675

Compliance Requirements – Special Tests and Provisions – Return of Title IV Funds*Lowell Campus***Finding No. 09-07**

The campus has refined its process for reviewing student withdrawals for return of Title IV funds. A secondary review of student withdrawals was put into place to ensure refunds are processed within the required 45 days. These actions were implemented in June 2009.

Contact Person(s):

Joyce McLaughlin, Financial Aid Director	(978) 934-4237
Stephen O’Riordan, Associate Vice Chancellor	(978) 934-3450

Compliance Requirements: Special Tests and Provisions – Student Status Changes*Lowell Campus***Finding No. 09-08**

Registrar’s Office staff has been alerted to the need to ensure that when a student is withdrawn from classes through Term History that students also need to be withdrawn through the Program Plan process to keep the withdrawal dates in sync. These procedures will ensure all changes are submitted to the Clearinghouse accurately. These procedures were implemented with staff in November 2009.

Contact Person(s):

Patricia Duff, Registrar	(978) 934-2369
Steven O’Riordan, Associate Vice Chancellor	(978) 934-3450

Compliance Requirements: Special Tests and Provisions – Student Status Changes*Worcester Medical School Campus***Finding No. 09-09**

The financial aid office procedural manual has been revised to require reporting of student status changes to the NSLDS within thirty days. Financial aid office management has communicated the change to staff and is currently working with IT personnel to ensure the reporting function

is created in the PeopleSoft Student Administration module. Financial aid office personnel will run status change reports monthly and update the NSLDS accordingly.

Contact Person(s):

Betsy Groves, Financial Aid Director
Michael Stanton, Controller

(508) 856-2265
(508) 856-1507

Compliance Requirements – Special Tests and Provisions – Student Loan Repayments Funds*Lowell Campus***Finding No. 09-10**

A new report was developed by the UMass Financial Aid core team in Shrewsbury in the Fall of 2007 to identify students that had either withdrawn or left the University on a weekly basis. Initially, staff did not receive adequate training to run and use the report. All staff assigned to running and interpreting this new report have now received individualized training. Improvement is evident with the selection of students pulled by the audit team for the Spring 2009 time period.

The campus will continue to follow up with training as staff members take on additional responsibilities in the Student Financial Services Office. Regular staff training will take place on an annual basis.

Contact Person(s):

Diane McLaughlin, Director, Accounts Receivable
Stephen O’Riordan, Associate Vice Chancellor

(978) 934-3578
(978) 934-3450

PART V
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS



University of Massachusetts
Summary Schedule of Prior Year Audit Findings
OMB Circular A-133 for fiscal year ended June 30, 2009
(For the prior year ended June 30, 2008 findings)

RESEARCH AND DEVELOPMENT CLUSTER OF PROGRAMS

Finding No. 08-01: Compliance Requirements – Allowable Costs (B) - Boston Campus

Original Response - A purchase order for the expenditure in question was created and approved for 100 units of an office supply at a unit price of \$7.33. Although the invoice was for 100 units at a unit price of \$15.62, the Controller’s Office paid the invoice. We were unable to find documentation for this approval, and the employee involved no longer works at the University.

As a result of this finding, the Controller’s Office has reviewed and clarified the campus’ policies and procedures for proper authorization and approval for payments against grant purchase orders with discrepancies. For any voucher that does not match the related PO for a grant expenditure, the Controller’s Office will continue its policy of zero tolerance for variances. In such situations, the Controller’s Office will send the item to the Office of Research and Sponsored Programs for its review and for ORSP to seek written approval from the PI or other authorized signatory for payment. We have provided appropriate additional training to staff about this policy.

The University of Massachusetts Boston will repay the granting agency for the expenditure in question (both direct and indirect cost).

Status

The campus repaid the granting agency by processing an expenditure credit to remove the direct cost overcharge of \$829 from Grant Account S00004022500000. The removal/reversal of the associated indirect cost of \$165.80 was processed as part of the scheduled indirect cost batch process. Because this project is reimbursed by a letter-of-credit, the refund to the granting agency was accomplished by a net reduction in the letter-of-credit draws amount.

The Controller’s Office further modified the invoice processing procedure to include a review of invoices with a “match exception” that are associated with a grant or project. If

- Summary Schedule of Prior Year Audit Findings -

an invoice associated with a grant or project has a discrepancy, the Controller's Office notifies the initiator of the purchase requisition. The purchase initiator is required to either a) revise the purchase order that then must be approved by the principal investigator or an authorized signatory, or b) contact the vendor to resolve the price and/or quantity discrepancy.

Contact Person(s):

Michelle Auerbach, Assistant Vice Chancellor, Research (617) 287-5372
Leanne Marden, Controller (617) 287-5196

Finding No. 08-02: Compliance Requirements – Allowable Costs (B) – Worcester Campus

Original Response - The unallowable expense has been transferred out of this Federal project and a refund in the amount of \$202.74, for both direct and the applicable indirect cost was processed to CMS. Additionally, the Compliance Specialist performed a comprehensive internal review of all business meal transactions charged to the faculty's sponsored accounts from the inception of the award period. The review revealed that there were no additional unallowable costs incurred.

We have also clarified and reinforced, with our Grant Accounting and Accounts Payable personnel, our procedure requiring the signature of Grant Accounting management be included on all employee travel and business expense reimbursements involving sponsored accounts, prior to payment, to ensure adequate internal controls over future transactions. Additionally, a reminder of the University's research compliance policies will continue to be sent to all Department Heads, Administrators and Faculty on an annual basis.

Grant Accounting management has concluded that this was an isolated allocation error. Our conclusion is based on the fact that there was no discovery of additional unallowable costs being charged to the faculty's sponsored accounts and review of existing procedures.

Status

We continue to require prior approval by Grant Accounting for all employee travel and business reimbursements involving sponsored accounts. This pre-review is one mechanism to ensure compliance with sponsoring agency guidelines. The Compliance Specialist also runs monthly reports and reviews all transactions related to accounts that

- Summary Schedule of Prior Year Audit Findings -

could contain potentially unallowable activities and reviews support for the expense to ensure compliance with sponsoring agency and University policies.

Reminders of the University's research compliance policies are sent to all Department Heads, Administrators and Faculty annually.

Contact Person(s):

Michael Stanton, Controller (508) 856-1507
Amy Miarecki, Director Post-Award Adm. & Compliance (508) 856-5401

Finding No. 08-03: Compliance Requirements – Period of Availability (H) - Boston Campus

Original Response - As of July 1, 2008, the Boston Campus created and implemented use of a Late Cost Transfer Form (Over 90 Days) to ensure that appropriate documentation is collected and filed for all expenses charged to a grant 90 days after the original expense. This form is required for all cost transfers (salary and non-salary) requested beyond the 90-day time period from the date of the original transaction. The form requires that the PI explain why the cost is being moved off of the fund where it was originally charged, a justification for moving the cost to the fund where it will now be charged, and why the cost transfer was not requested within 90 days after the posting of the original transaction. The PI must identify what actions she/he has taken within her/his department to eliminate the need for cost transfers of a similar type in the future. The PI must provide backup documentation showing where the expense was originally charged. We also require that the PI sign and date the form, which includes the following statement:

“By requesting this transfer, I certify to the correctness of the cost on the fund to which it will be charged. I understand that, once transferred, the cost cannot be moved to another sponsored project fund. I further certify that the cost is allowable under the terms and conditions of the award to which it will be transferred. “

Before approving the form, the post-award team will confirm that the expense being transferred occurred during the grant's period of performance and that funding is available to support the expense. Once the form is approved it is filed in the grant folder.

Status

The Boston Campus/ORSP continues to maintain procedures associated with the established August 20, 2008 implementation of the Late Cost Transfer Form (Over 90 Days) to ensure that appropriate documentation is collected and filed for all expenses charged to a grant 90 days after the original expense. In completing this form the Principal Investigator (PI) must explain why the cost is being transferred from the fund

- Summary Schedule of Prior Year Audit Findings -

where it was originally charged, provide a justification for moving the cost to the fund where it will now be charged, and describe why the cost transfer was not requested within 90 days of the posting of the original transaction. The PI must also provide backup documentation showing where the expense was originally charged. The PI is required to sign and date the form, which includes an assurance statement.

Contact Person(s):

Michelle Auerbach, Assistant Vice Chancellor, Research (617) 287-5372
Leanne Marden, Controller (617) 287-5196

Finding No. 08-04: Compliance Requirements – Special Tests and Provisions – Reporting (L) - Amherst Campus

Original Response - The Amherst campus has established a schedule of the due dates of SF294/295 reports to ensure timely submission of the reports.

Status

The schedule of the SF294/295 report due dates has been established and the campus has met the reporting requirements.

Contact Person(s):

John Martin, Director of Procurement (413) 545-0361
Andrew P. Mangels, Controller (413) 545-1675

Finding No. 08-05: Compliance Requirements – Special Tests and Provisions – Reporting (L) - Worcester Campus

Original Response - Grant Accounting management monitors financial reporting requirements through monthly performance indicators in an ongoing effort to be fully compliant with reporting timelines. Grant Accounting works with departmental personnel to prepare required financial reports and will continue to monitor reporting due dates to ensure timely filing in accordance with federal and sponsoring agency guidelines.

- Summary Schedule of Prior Year Audit Findings -

Grant Progress Reports are filed directly by the principal investigators. Central grant administration will begin entering progress report due dates into the Grants Management system. This will enable faculty to be alerted and reminded that they have a progress report due in 60 days or less to help ensure timely filing of reports in accordance with federal and sponsoring agency guidelines.

Status

Grant Accounting continues to monitor all financial reporting requirements to ensure timely submission.

Grant progress report due dates are being loaded into the Grants Management system to enable faculty and departmental staff to be reminded of reporting due dates. We are beginning the implementation process of a new Grants Management product that will further facilitate alerts and reminders for faculty of their requirement to submit these reports timely.

Contact Person(s):

Michael Stanton, Controller (508) 856-1507
Amy Miarecki, Director Post-Award Adm. & Compliance (508) 856-5401

Finding No. 08-06: Compliance Requirements – Sub-recipient Monitoring (M) - Boston Campus

Original Response - The Boston Campus is in the process of creating written procedures for monitoring sub-recipient monitoring. Pre-award staff members are responsible for issuing all subcontracts and amendments. All subcontracts are issued with the A-133 Certification form as an attachment, and all amendments that extend the period of performance are also issued with the A-133 Certification form. Pre-award staff members are responsible for looking up all sub-recipients in the Excluded Parties List System (<https://www.epls.gov/>) to ensure that they have not been disbarred or suspended. A Sub-recipient database exists for the Pre-award staff to log the date that this check was performed. The database contains fields to indicate the date that the subcontract was sent to the sub-recipient and the date it was returned to UMass Boston fully-executed. This database will be expanded to include a field to indicate the date that the completed A-133 Certification form was returned by the sub-recipient. The Pre-award staff members have been retrained so that they fully understand their responsibility to review all returned subcontracts and amendments to ensure that the A-133 Certification form was also completed and returned. The newly hired Research Compliance Manager will review the database on a monthly basis to verify that the Certification forms are being returned and that all data is being entered on a timely basis.

- Summary Schedule of Prior Year Audit Findings -

Status

The campus Office of Research and Sponsored Programs (ORSP) has put procedures in place for monitoring sub-recipient monitoring. A Sub-recipient tracking system has been created for the pre-award staff to log the date that this check was performed. The workbook contains fields to indicate the date that the subcontract was sent to the sub-recipient and the date it was returned to UMass Boston fully-executed. The workbook has been enhanced to include a field to indicate the date that the completed A-133 Certification form was returned by the sub-recipient. The ORSP Pre-award staff members continue to attend professional development training sessions so that they fully understand the federal regulations concerning sub-recipient monitoring to ensure that the A-133 Certification forms are completed and returned.

Contact Person(s):

Michelle Auerbach, Assistant Vice Chancellor, Research (617) 287-5372
Leanne Marden, Controller (617) 287-5196

STUDENT FINANCIAL ASSISTANCE CLUSTER OF PROGRAMS

Finding 08-07: Compliance Requirements – Special Tests and Provisions (N) – Student Status Changes – Amherst Campus

Original Response - The delay in reporting to the National Student Clearinghouse (NSC) did not affect post withdrawal processing of Federal Direct loans.

Staff turnover and inadequate documentation during a peak reporting time were the contributing factors to the error. A newly assigned staff member was unaware of the need to manually input a date parameter into the data extract which resulted in the delay, although the majority of the dates in the NSC Anticipated Graduation Date field for that population did not change.

For students who withdraw retroactively to a prior term, a manual correction must be submitted to the NSC to correct. In all cases the students' status at the NSC has been corrected and is accurate.

The staff has mitigated the errors, clarified the documentation and new staff has been trained in the reporting process and submitted necessary corrections to the NSC.

Status

Staff continue to use the new clarified documentation on date parameters and have been trained in the manual NSC update reporting process.

Contact Person(s):

John Lenzi, Registrar

(413) 545-4640

Andrew Mangels, Controller

(413) 545-1675

Finding 08-08: Compliance Requirements – Special Tests and Provisions (N) - Student Status Changes – Boston Campus

Original Response - We concur with this finding. The Registrar's Office did not report to the clearinghouse that the student in question had graduated within the 60 day notification period. We have corrected the problem by scheduling a 5th transmission to the spring semester schedule of reports that are sent to the National Student Clearing House. This fifth report will pick up any student whose graduation status is updated after our normal graduation review process.

- Summary Schedule of Prior Year Audit Findings -

Status

The Registrar's Office continues to schedule a 5th transmission to the National Student Clearinghouse in the Spring to ensure timely reporting for any student whose graduation status is updated after the normal graduation review process.

Contact Person(s):

David Cesario, Registrar (617) 287-6204
Leanne Marden, Controller (617) 287-5196

Finding 08-09: Compliance Requirements – Special Tests and Provisions (N) – Return of Title IV Funds - Boston Campus

Original Response - In each of the cases cited, the Financial Aid Office calculated the Return of Title IV funds within 45 days and determined no refund was required. However a secondary review by senior staff revealed errors in the original calculation which required a return of funds. This secondary review was not performed within 45 days. The Financial Aid Office has provided additional training to staff responsible for Return of Title IV and has revised procedures to ensure that secondary reviews are done in a timely fashion to ensure compliance with the 45 day requirement.

Status

On September 26, 2008, Financial Aid staff responsible for Return of Title IV received detailed training on federal and state requirements. All 2008-2009 Return of Title IV calculations and return of funds were completed and received secondary review within the 45 day requirement. Training for 2009-2010 has been completed and procedures are in place to insure continued compliance for academic year 2009-2010.

Contact Person(s):

Judy Keyes, Financial Aid Director (617) 287-6283
Leanne Marden, Controller (617) 287-5196

Submitted 10/16/2009

Robert M. Harrison

Director of Audit 774-455-7560