



THE VANDERBILT UNIVERSITY

OMB Circular A-133 Reports

Year ended June 30, 2008

EIN: 62-0476822

THE VANDERBILT UNIVERSITY

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KPMG LLP
401 Commerce Street, Suite 1000
Nashville, TN 37219-2422

Independent Auditors' Report

Board of Trust
The Vanderbilt University:

We have audited the accompanying consolidated statements of financial position of The Vanderbilt University and subsidiaries (Vanderbilt) as of June 30, 2008 and 2007, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of Vanderbilt's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vanderbilt's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Vanderbilt University and subsidiaries as of June 30, 2008 and 2007, and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with the *Government Auditing Standards*, we have also issued a report dated October 13, 2008 on our consideration of The Vanderbilt University's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2008 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 on the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects, in relation to the consolidated financial statements taken as a whole.

KPMG LLP

October 13, 2008

Consolidated Statements of Financial Position

<i>As of June 30, 2008 and 2007 (in thousands)</i>	2008	2007
ASSETS		
Cash and cash equivalents	\$ 273,924	\$ 293,192
Collateral under security lending agreements	—	279,139
Accounts receivable, net	327,502	311,136
Prepaid expenses and other assets	96,987	163,942
Contributions receivable, net	71,816	65,142
Student loans and other notes receivable	42,342	39,914
Investments	4,225,719	4,247,902
Property, plant, and equipment, net	1,706,070	1,594,507
Interest in trusts held by others	46,581	49,065
Total assets	\$ 6,790,941	\$ 7,043,939
LIABILITIES		
Accounts payable and accrued liabilities	\$ 239,602	\$ 215,372
Accrued compensation and withholdings	201,732	207,127
Payable under security lending agreements	—	279,139
Deferred revenue	117,612	84,702
Commercial paper	127,415	362,920
Actuarial liability for self-insurance	90,493	76,383
Actuarial liability for annuities payable	35,895	41,350
Government advances for student loans	16,686	16,315
Long-term debt and capital leases	978,749	742,966
Total liabilities	1,808,184	2,026,274
NET ASSETS		
Unrestricted	3,995,880	4,073,213
Temporarily restricted	124,890	133,494
Permanently restricted	861,987	810,958
Total net assets	4,982,757	5,017,665
Total liabilities and net assets	\$ 6,790,941	\$ 7,043,939

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

Consolidated Statements of Activities

<i>Years Ended June 30, 2008 and 2007 (in thousands)</i>	2008	2007
CHANGES IN UNRESTRICTED NET ASSETS		
OPERATING REVENUES		
Tuition and educational fees, net	\$ 217,619	\$ 199,035
Government grants and contracts	305,646	283,908
Facilities and administrative costs recovery	115,352	106,319
Private gifts, grants, and contracts	87,403	80,917
Endowment distributions	134,507	121,118
Net gains on investments	18,649	59,458
Health care services	1,874,913	1,748,713
Room, board, and other auxiliary services, net	86,309	78,252
Other sources	34,120	34,413
Net assets released from restrictions	13,057	20,719
Total operating revenues	2,887,575	2,732,852
OPERATING EXPENSES		
Instruction	390,499	354,014
Research	370,965	343,991
Health care services	1,730,949	1,616,501
Academic support	126,044	121,489
Institutional support	48,116	61,689
Student services	30,581	27,620
Public service	27,685	24,404
Room, board, and other auxiliary services	111,858	101,666
Total operating expenses	2,836,697	2,651,374
Change in unrestricted net assets from operating activity	50,878	81,478
NON-OPERATING ACTIVITY		
Gifts and contributions for plant	4,298	5,993
Net assets released from restrictions for plant	15,116	13,173
Donor designation changes	(4,474)	(4,144)
Change in endowment appreciation, net of distributions	(56,428)	510,795
Other, including change in value of interest rate swap agreements	(86,723)	20,756
Change in unrestricted net assets from other non-operating activity	(128,211)	546,573
(Decrease) increase in unrestricted net assets	(77,333)	628,051
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions and other	24,630	4,433
Donor designation changes	(3,130)	(13,168)
Net gain on contributions receivable	—	2,393
Endowment distributions	4,126	3,511
Net (losses) gains on investments	(6,057)	14,462
Net assets released from restrictions	(28,173)	(33,892)
Decrease in temporarily restricted net assets	(8,604)	(22,261)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Contributions and other	41,302	45,011
Donor designation changes	7,604	17,312
Endowment distributions	1,617	1,482
Net investment gains	506	22,325
Increase in permanently restricted net assets	51,029	86,130
(Decrease) increase in total net assets	\$ (34,908)	\$ 691,920
Net assets at beginning of year	\$ 5,017,665	\$ 4,325,745
Net assets at end of year	\$ 4,982,757	\$ 5,017,665

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

Consolidated Statements of Cash Flows

<i>Years Ended June 30, 2008 and 2007 (in thousands)</i>	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in total net assets	\$ (34,908)	\$ 691,920
ADJUSTMENTS TO RECONCILE CHANGE IN TOTAL NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net realized gains on investments	(528,919)	(199,281)
Net decrease (increase) in unrealized appreciation on investments	510,251	(453,618)
Gifts for plant and endowment	(53,583)	(66,767)
Gifts of securities for operating activities	(21,848)	(36,845)
Depreciation and amortization	141,261	130,375
Amortization of bond premiums	(4,624)	(4,712)
Net decrease (increase) in fair value of interest rate swap agreements	87,076	(37,334)
(Increase) decrease in:		
Accounts receivable, net of accrued investment income	(24,360)	(44,770)
Prepaid expenses and other assets, net of non-operating items	6,030	(20,618)
Contributions receivable	(6,674)	15,466
Interest in trusts held by others	2,484	(6,129)
Increase (decrease) in:		
Accounts payable and accrued liabilities, net of non-operating items	826	42,115
Accrued compensation and withholdings	(5,395)	27,485
Deferred revenue	32,910	32,635
Actuarial liability for self-insurance	14,110	(1,013)
Actuarial liability for annuities payable	(5,455)	1,604
Net cash provided by operating activities	109,182	70,513
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,439,081)	(3,630,663)
Proceeds from the sale of investments	4,501,780	3,656,975
Decrease (increase) in accrued investment income	7,994	(8,799)
Acquisition of property, plant, and equipment	(257,480)	(272,498)
Proceeds from the disposal of property, plant, and equipment	1,909	3,949
Student loans disbursed	(6,751)	(6,991)
Principal collected on student loans	4,323	5,494
Net cash used in investing activities	(187,306)	(252,533)
CASH FLOWS FROM FINANCING ACTIVITIES		
Gifts for plant and endowment	53,583	66,767
Increase in government advances for student loans	371	308
Proceeds from the issuance of debt	313,645	220,324
Payments to retire or decrease debt	(308,743)	(16,343)
Net cash provided by financing activities	58,856	271,056
Net (decrease) increase in cash and cash equivalents	\$ (19,268)	\$ 89,036
Cash and cash equivalents at beginning of year	\$ 293,192	\$ 204,156
Cash and cash equivalents at end of year	\$ 273,924	\$ 293,192

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

notes to the CONSOLIDATED FINANCIAL STATEMENTS

1. Organization

The Vanderbilt University (Vanderbilt) is a privately endowed, coeducational, not-for-profit, nonsectarian institution located in Nashville, Tennessee. Founded in 1873, Vanderbilt owns and operates educational and research facilities as well as a health care system. Vanderbilt provides educational services to approximately 6,500 undergraduate and 5,300 graduate and professional students enrolled in its 10 schools and colleges. The Chancellor and the Board of Trust, the governing board of Vanderbilt, have oversight responsibility for all of Vanderbilt's financial affairs.

These consolidated financial statements include the accounts of all entities in which Vanderbilt has a significant financial interest and over which Vanderbilt has control, including its hospitals and clinics. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

BASIS OF PRESENTATION

The consolidated financial statements of Vanderbilt have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles.

Based on the existence or absence of donor-imposed restrictions, Vanderbilt classifies resources into three categories: unrestricted, temporarily restricted, and permanently restricted net assets.

UNRESTRICTED NET ASSETS are free of donor-imposed restrictions. All revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

TEMPORARILY RESTRICTED NET ASSETS are limited as to use by donor-imposed stipulations that expire with the passage of time or that can be satisfied by action of Vanderbilt. These net assets may include unconditional pledges, split-interest agreements, and interest in trusts held by others.

PERMANENTLY RESTRICTED NET ASSETS are amounts required by donors to be held in perpetuity. These net assets may include unconditional pledges, donor-restricted

endowments (at historical cost), split-interest agreements, and interest in trusts held by others. Generally, the donors of these assets permit Vanderbilt to use a portion of the income earned on related investments for general or specific purposes.

Expirations of temporary restrictions on net assets, i.e., the passage of time and/or fulfilling donor-imposed stipulations, are reported as net assets released from restrictions between the applicable classes of net assets in the consolidated statements of activities.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments with nominal interest rate risk and original maturities of three months or less when purchased. Such investments primarily consist of money market funds, certificates of deposit, and commercial paper. The carrying amounts of these items are a reasonable estimate of their fair value.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets primarily represent inventories, prepaid expenses, and other segregated investment-related assets managed by third parties that are earmarked to ultimately settle certain liabilities. This latter group of assets, reported at fair value, is excluded from the investments category since Vanderbilt will not directly benefit from the investment return. The carrying amounts for inventories and prepaid expenses are a reasonable estimate of their fair value.

INVESTMENTS

Investments are reported at fair value, based primarily on market quotes. Fair values for certain alternative investments, mainly investments in limited partnerships where a ready market for the investments does not exist, are based primarily on estimates reported by fund managers. The estimated values are reviewed and evaluated by Vanderbilt.

Vanderbilt has significant exposure to a number of risks including interest rate, market, and credit risks for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in Vanderbilt's financial statements.

Vanderbilt management approves strategic use of derivatives by external investment managers to manage market risks. The most common strategies engaged by such managers are futures contracts, short sales, and hedges against currency translation risk for investments denominated in other than U.S. dollars. These derivative instruments are recorded at their respective fair values.

Through agreements with its primary investment custodian, Vanderbilt has participated in security lending to brokers. For pledged cash and cash equivalents collateral under the control of Vanderbilt, an asset and corresponding liability are recorded representing the market value of such collateral.

Purchases and sales of securities are recorded on the trade dates, and realized gains and losses are determined on the basis of the average historical cost of the securities sold. Net receivables and payables arising from unsettled trades by investment managers are reported as a component of investments.

All donor-restricted endowment investments and unrestricted board-designated endowments are managed in an investment pool, unless donor-restricted endowment gift agreements require that they be held separately.

SPLIT-INTEREST AGREEMENTS AND INTEREST IN TRUSTS HELD BY OTHERS

Vanderbilt's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts, charitable gift annuities, and life income funds for which Vanderbilt serves as trustee. Assets held in these trusts are included in investments. Contribution revenue is recognized at the dates the trusts are established, net of the liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. Annually, Vanderbilt records the change in value of split-interest agreements according to the fair value of the assets that are associated with each trust and recalculates the liability for the present value of the estimated future payments to be made to the donors and/or other beneficiaries.

Vanderbilt is also the beneficiary of certain trusts held and administered by others. Vanderbilt's share of these trust assets is recorded at fair value as interest in trusts held by others with carrying values adjusted annually for changes in fair value.

PROPERTY, PLANT, AND EQUIPMENT

Purchased property, plant, and equipment are recorded at cost, including, where appropriate, capitalized interest. Donated assets are recorded at fair value at the date of donation. Additions to the library collection are expensed at the time of purchase. Repairs and maintenance costs are expensed as incurred.

Depreciation is calculated by the straight-line method at rates estimated to allocate the cost of various classes of assets

over their estimated useful lives. Property, plant, and equipment are removed from the accounting records at the time of disposal.

Conditional asset retirement obligations related to legal requirements to perform certain future activities related to the retirement, disposal, or abandonment of assets are accrued utilizing site-specific surveys to estimate the net present value for applicable future costs, e.g., asbestos abatement or removal.

Vanderbilt reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment charge is recognized when the fair value of the asset or group of assets is less than the carrying value.

DEBT PORTFOLIO FINANCIAL INSTRUMENTS

Using market quotations for similar issues or borrowings, Vanderbilt evaluates the estimated fair value of its fixed-rate long-term indebtedness relative to carrying value. Principal balances for fixed-rate debt are reported at carrying value, which is substantially equivalent to estimated fair value.

Vanderbilt employs derivatives, primarily interest rate swap agreements, to manage market risks associated with variable-rate debt. Derivative financial instruments are reported at fair value with any resulting gain or loss recognized as a non-operating item in the consolidated statements of activities. Periodic net cash settlement amounts with counterparties are accounted for as adjustments to interest expense on the related debt.

Parties to interest rate swap agreements are subject to market risk for changes in interest rates as well as risk of credit loss in the event of nonperformance by the counterparty. Vanderbilt deals only with high-quality counterparties that meet rating criteria for financial stability and credit worthiness. Additionally, Vanderbilt requires the posting of collateral when amounts subject to credit risk under swap arrangements exceed specified levels.

FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

The carrying values for accounts receivable, student loans and other notes receivable, accounts payable, and other accrued liabilities approximate fair value. The carrying amount of student loans receivable under the Vanderbilt loan programs approximates fair value, due to the rates and the relative short-term nature of the loans.

REVENUE RECOGNITION

Vanderbilt's revenue recognition policies are as follows:

TUITION AND EDUCATIONAL FEES, NET—Student tuition and educational fees are recorded as revenues during the year the related academic services are rendered. Student tuition and educational fees received in advance of services to be rendered are recorded as deferred revenue. Financial aid provided by Vanderbilt for tuition and educational fees is reflected as a reduction of tuition and

educational fees. Financial aid does not include payments made to students for services provided to Vanderbilt.

GOVERNMENT GRANTS AND CONTRACTS—Revenues from government grants and contracts are recognized when allowable expenditures are incurred under such agreements.

FACILITIES AND ADMINISTRATIVE (F&A) COSTS RECOVERY—F&A costs recovery, historically referred to as indirect cost recovery, is recognized as revenue and represents reimbursement, primarily from the federal government, of F&A costs on sponsored activities. The federal F&A costs recovery rate for on-campus research was 53.5% and 53.0% in fiscal 2008 and 2007, respectively.

HEALTH CARE SERVICES—Health care services revenue is reported at established rates, net of contractual adjustments and charity services. Third party contractual revenue adjustments under governmental reimbursement programs are accrued on an estimated basis in the period the related services are rendered. The estimated amounts are adjusted as final settlements are determined by the fiscal intermediary for each program. Health care services revenue includes that of Vanderbilt University Hospitals and Clinics, Vanderbilt Medical Group, Vanderbilt Health Services, Inc., and other activities directed toward the purpose of providing health care services to the community.

CONTRIBUTIONS

Unconditional promises to give (pledges) are recognized as contribution revenue when the donor's commitment is received. Conditional promises (primarily bequest intentions) are not recorded until donor stipulations are substantially met.

Unconditional promises to give, with payments due to Vanderbilt in future periods, are recorded as increases in temporarily restricted or permanently restricted net assets at the estimated present value of future cash flows, net of an allowance for estimated uncollectible promises. Amortization of the discount is recorded as additional contributions in the appropriate net asset class. Allowance is made for uncollectible contributions receivable based upon management's analysis of past collection experience and other judgmental factors.

Contributions with donor-imposed restrictions are recorded as unrestricted revenue if those restrictions are met in the same reporting period. Otherwise, contributions with donor-imposed restrictions are recorded as increases in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction.

Contributions recorded as temporarily restricted net assets are released from restrictions and recognized as unrestricted net assets upon receipt of the gift or expiration of the time restriction, and after any donor stipulations are met. Gifts for plant facilities are released from restrictions and recognized as a non-operating item only after resources are expended for the applicable plant facilities.

Contributions receivable of pledged securities are stated at the fair value of the underlying securities. Net changes on shares pledged in prior years due to fair value changes for the underlying securities are reported separately as a non-operating gain or loss on contributions receivable in the consolidated statements of activities.

OPERATING RESULTS

Operating results (change in unrestricted net assets from operating activity) in the consolidated statements of activities reflect all transactions that change unrestricted net assets, except gifts for plant facilities, certain activity associated with endowment investments, changes in the fair value of interest rate swap agreements, and certain other non-recurring items.

Endowment distributions reported as operating revenue consist of endowment returns (regardless of when such income or returns arose) distributed to support current operational needs. Vanderbilt's endowment distribution policy, which is approved by the Board of Trust, establishes the amount of endowment returns to be distributed from the endowment pool on an annual basis. Objectives of the policy include reducing the impact of capital market fluctuations on operational programs.

Operating investment income consists of dividends, interest, and gains and losses on unrestricted non-endowed investments.

In fiscal 2008 and 2007, approximately 58% and 54%, respectively, of private gifts, grants, and contracts revenue represent transactions where Vanderbilt services are provided to other parties.

Overall management and administrative support costs attributable to divisions that primarily provide health care or auxiliary services are allocated based upon institutional budgets. Thus, institutional support expense reported in the consolidated statements of activities relates to Vanderbilt's other primary programs such as instruction, research, and public service.

Furthermore, costs related to the operation and maintenance of physical plant, including depreciation of plant assets, are allocated to operating programs and supporting activities based upon facility usage. Additionally, interest expense on

external debt is allocated to the activities that have benefited most directly from the debt proceeds.

INCOME TAXES

Vanderbilt is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and is generally exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Vanderbilt is, however, subject to federal and state income tax on unrelated business income, and provision for such taxes is included in the accompanying consolidated financial statements.

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes: an interpretation of FASB Statement 109* (FIN 48). FIN 48 addresses the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a threshold of more-likely-than-not for recognition and derecognition of tax provisions taken or expected to be taken in a tax return. FIN 48 also provides guidance on measurement, classification, interest and penalties, and disclosure. FIN 48 was effective July 1, 2007, and had no material impact on Vanderbilt's consolidated financial statements.

USE OF ESTIMATES

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses during the reporting period as well as the disclosure of contingent assets and liabilities. Actual results ultimately could differ from management's estimates.

REDESIGNATIONS

When donors amend or clarify intent for applicable gifts and contributions reported in a previous fiscal year, revisions are separately reflected as donor designation changes within the consolidated statements of activities.

RECLASSIFICATIONS

Certain reclassifications have been made to prior year amounts to conform to the current year presentation. These reclassifications had no effect on operating results as previously reported.

3. Accounts Receivable

Accounts receivable as of June 30 were as follows (in thousands):

	2008	2007
Patient care	\$ 341,181	\$ 349,348
Students, grants, and other	107,685	94,900
Accrued investment income	7,453	15,447
Accounts receivable	456,319	459,695
Less: Allowance for bad debts	128,817	148,559
Accounts receivable, net	\$ 327,502	\$ 311,136

4. Contributions Receivable

Contributions receivable as of June 30 were as follows (in thousands):

	2008	2007
Unconditional promises expected to be collected:		
in one year or less	\$ 25,879	\$ 21,887
between one year and five years	57,982	58,706
in more than five years	5,750	3,192
Contributions receivable	89,611	83,785
Less: Unamortized discount	6,810	9,835
Allowance for uncollectible promises	10,985	8,808
Contributions receivable, net	\$ 71,816	\$ 65,142

During fiscal 2008, Vanderbilt received a gift distribution from the Ingram Charitable Fund (ICF), which reduced to zero the contributions receivable from the ICF as of June 30, 2008. Subsequent to fiscal 2008, the following two Ingram-related events occurred and are not reflected in the 2008 financial statements: (1) the Ingram family donated 2.8 million shares of Ingram Micro Inc. common stock directly to Vanderbilt, which resulted in gift income valued at \$53.2 million; and (2) the Ingram family donated shares of Ingram Micro Inc. common stock to the ICF, which led to a new contribution receivable from the ICF valued at \$19.3 million as of September 30, 2008.

Contributions receivable scheduled to be collected after one year are discounted at a rate commensurate with the anticipated timing of receipt. Such amounts outstanding as of June 30, 2008, generally are discounted at rates ranging from 2.5% to 3.5%, and amounts outstanding as of June 30, 2007, generally are discounted at 5.0%.

The methodology for calculating an allowance for uncollectible promises is based upon management's analysis of the aging of payment schedules for all outstanding pledges. This review resulted in allowances for uncollectible promises totaling 12.3% and 10.9% of contributions receivable (excluding the ICF) as of June 30, 2008 and 2007, respectively.

In addition to pledges reported as contributions receivable, Vanderbilt had received bequest intentions of approximately \$206.8 million and \$183.5 million as of June 30, 2008 and 2007, respectively. These intentions to give are not recognized as assets due to their conditional nature. If these bequests are received, generally they will be restricted for specific purposes stipulated by the donors, primarily endowments for faculty support, scholarships, or general operating support of a particular department or division of Vanderbilt.

5. Investments

Investments by security type as of June 30 were as follows (in thousands):

	2008	2007
Short-term securities	\$ 491,876	\$ 452,049
Bonds	386,067	407,026
Stocks	638,358	1,042,006
Partnerships	2,381,149	2,081,772
Mortgages	3,224	2,929
Real estate	279,188	220,680
Other	37,280	40,963
Net receivables for unsettled trades by investment managers	8,577	477
Total fair value	\$ 4,225,719	\$ 4,247,902
Total cost	\$ 3,737,869	\$ 3,249,801

Through an agreement with its primary investment custodian, Vanderbilt historically has participated in lending securities to brokers. In the latter portion of fiscal 2008, Vanderbilt transitioned to a new investment custodian. While there were no securities lent as of June 30, 2008, Vanderbilt expects to re-commence security lending through its new primary investment custodian in fiscal 2009.

On September 29, 2008, Vanderbilt was notified that Wachovia Bank, N.A., as trustee of the Commonfund's Short Term Fund investments (the Fund), is resigning as trustee, has initiated the process of terminating the Fund, and has established procedures for an orderly liquidation and distribution of the assets of the Fund over a period of time. At June 30, 2008, and September 29, 2008, Vanderbilt had \$272.5 million and \$336.3 million, respectively, invested in the Fund. Such assets are reflected in the above table as short-term securities.

As permitted under the liquidation procedures, Vanderbilt withdrew \$130.4 million from the Fund between September 29 and October 13, 2008. Additional permitted withdrawals are expected to total about \$78 million through December 31, 2008, with the remaining balances to be made available within the next three years. Management believes that it has sufficient available liquidity in its current assets to meet its obligations as they become due.

In conjunction with the events related to the Fund, management has reclassified \$399.2 million as of June 30, 2007, from cash and cash equivalents to investments in the accompanying consolidated balance sheet. Likewise, the related purchases and sales activity has been reflected in the accompanying consolidated statement of cash flows.

6. Endowment

The endowment represents only those related net assets that are under the control of Vanderbilt. Endowment-related assets include donor-restricted endowments and Board-designated endowments. Gift annuities, interest in trusts held by others, and certain contributions pending transfer are not considered components of the endowment.

Effective July 1, 2007, the state of Tennessee adopted legislation that incorporates the provisions outlined in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The statutory guidelines therein relate to prudent management, investment, and expenditure of donor-restricted endowment funds held by charitable organizations. Particularly noteworthy is that the legislation specifies factors for fiduciaries to consider prior to making a decision to appropriate from or accumulate into an organization's endowment funds.

Within the context of this model legislation, in August 2008 the Financial Accounting Standards Board issued FASB Staff Position (FSP) 117-1 entitled *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*. Vanderbilt will adopt this FSP effective with fiscal 2009 reporting. As a result, cumulative returns associated with donor-endowed funds aggregating approximately \$1.4 billion as of July 1, 2007, which previously have been reported as unrestricted net assets will be reclassified as temporarily restricted net assets.

The Board of Trust's interpretation of its fiduciary responsibilities for donor-restricted endowments under UPMIFA requirements, barring the existence of any donor-specific provisions, is to preserve intergenerational equity to the extent possible. Under this broad guideline, in perpetuity future endowment beneficiaries essentially should receive at least the same level of economic support that the current generation enjoys. Toward this end, investment goals are formulated to earn returns over the long term that equal or exceed (a) Board-approved endowment distribution rates plus (b) the impacts from inflation. Funds are invested in a highly diversified portfolio to mitigate downturns in a single sector.

UPMIFA specifies that unless stated otherwise in the gift agreement instrument, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure by the institution. Barring the existence of specific instructions in gift agreements for donor-restricted endowments, Vanderbilt's policy is to report (a) the historical value for such endowments as permanently restricted net assets and (b) the net accumulated appreciation as unrestricted net assets. In this context, historical value represents (a) the original value of initial gifts restricted as permanent endowments plus (b) the original value of subsequent gifts along with (c) if applicable, the value of accumulations made in accordance with the direction of specific donor gift agreements.

Vanderbilt's Board has approved an endowment distribution policy whereby distributions are based on 4.5% of the average of the previous three calendar year-end market values. Actual endowment return earned in excess of distributions under this policy is reinvested as part of Vanderbilt's endowment. For years where actual endowment return is less than distributions under the policy, the shortfall is covered by realized returns from prior years.

Specific appropriation for expenditure of funds under Vanderbilt's endowment distribution policy occurs each spring when the Board approves the university's operations budget for the ensuing fiscal year.

In addition to the foregoing general distribution policy, the Board has authorized the use of previously reinvested income, realized capital gains, and principal related to Board-designated endowments for special transinstitutional academic development initiatives. Endowment distributions reported in the consolidated statements of activities include both (a) distributions to support current operational needs under the policy as previously described and (b) supplemental endowment distributions for special academic initiatives to the extent operating expenditures have been incurred.

A summary of Vanderbilt's endowment as of June 30 follows (*in thousands*):

	2008	2007
UNRESTRICTED		
Board-designated endowments, at historical value	\$ 237,952	\$ 230,517
Accumulated net appreciation of pooled designated endowment funds	2,514,627	2,568,156
TEMPORARILY RESTRICTED		
Donor-restricted endowments, at historical value	14,323	11,777
PERMANENTLY RESTRICTED		
Donor-restricted endowments, at historical value	728,537	677,808
Fair value of endowment	\$ 3,495,439	\$ 3,488,258

The components of accumulated net appreciation of pooled designated endowment funds as of June 30 were as follows (*in thousands*):

	2008	2007
Net realized gains less endowment distributions	\$ 2,046,719	\$ 1,618,984
Net unrealized gains	467,908	949,172
Total	\$ 2,514,627	\$ 2,568,156

7. Investment Return

As previously noted, Vanderbilt employs a total return policy that establishes annual endowment distributions. Additionally, the Board of Trust authorized the use of funds functioning as endowment to support operating and capital needs of certain transinstitutional initiatives. Endowment distributions in fiscal 2008 and 2007 were based on 4.5% of the average of the previous three calendar year-end market values plus the use of \$6.6 million and \$9.6 million of funds functioning as endowment for operating expenses of transinstitutional initiatives in fiscal 2008 and 2007, respectively.

Further, \$0.6 million and \$1.1 million of unrestricted funds functioning as endowment were utilized for capital needs of transinstitutional initiatives in fiscal 2008 and 2007, respectively. Liquidations for these special capital investments are excluded from the following summary of endowment distributions and other investment income for the fiscal years ended June 30 (in thousands):

	2008	2007
OPERATING		
Endowment distributions	\$ 134,507	\$ 121,118
Net gains on investments	18,649	59,458
Total operating return	153,156	180,576
NON-OPERATING UNRESTRICTED		
Endowment appreciation	83,822	636,906
Endowment appreciation distributed	(140,250)	(126,111)
TEMPORARILY RESTRICTED		
Net (losses) gains on investments	(6,057)	14,462
Endowment distributions	4,126	3,511
PERMANENTLY RESTRICTED		
Net gains on investments	506	22,325
Endowment distributions	1,617	1,482
Total non-operating return	(56,236)	552,575
Total investment return	\$ 96,920	\$ 733,151

The components of total investment return for the fiscal years ended June 30 were as follows (in thousands):

	2008	2007
Net interest, dividend, and partnership income	\$ 80,571	\$ 76,411
Net realized gains from original cost	528,919	199,281
Net (decrease) increase in unrealized appreciation	(512,570)	457,459
Total investment return	\$ 96,920	\$ 733,151

In addition to a core group of investment professionals dedicated to the management of Vanderbilt's endowment, Vanderbilt also employs external investment managers to a large degree. Particularly for alternative investments such as hedge funds, investment manager fee structures frequently have a base component along with a performance component relative to the entire life of the investments. Under these sorts of arrangements, management fees frequently are subject to substantial adjustments based on cumulative future returns for a number of years hence.

Fees paid directly to external investment managers (i.e., segregated investment account fees) totaled \$2.5 million and \$2.7 million in fiscal years 2008 and 2007, respectively.

8. Property, Plant, and Equipment

Property, plant, and equipment as of June 30 were as follows (in thousands):

	2008	2007
Land	\$ 54,316	\$ 50,363
Buildings and improvements	2,195,368	1,918,400
Moveable equipment	673,936	608,362
Construction in progress	109,158	212,808
Property, plant, and equipment	3,032,778	2,789,933
Less: Accumulated depreciation	1,326,708	1,195,426
Property, plant, and equipment, net	\$ 1,706,070	\$ 1,594,507

Purchases for the library collection are not included in the foregoing since they are expensed at the time of purchase. As of June 30, 2008, the estimated replacement cost for library collections, including processing costs to properly identify, catalog, and shelf materials, totaled \$235.9 million. Capitalized interest of \$1.7 million and \$0.4 million in fiscal 2008 and 2007, respectively, was added to construction in progress and/or buildings and improvements. Internally developed software costs of \$2.4 million and \$2.9 million were capitalized in fiscal 2008 and 2007, respectively.

Vanderbilt has identified conditional asset retirement obligations, primarily for the costs of asbestos removal and disposal, resulting in liabilities of \$19.2 million and \$18.5 million as of June 30, 2008 and 2007, respectively. These liabilities, which are estimated using an inflation rate of 4.0% and a discount rate of 5.0%, are reported as accounts payable and accrued liabilities on the consolidated statements of financial position.

9. Long-Term Debt, Capital Leases, and Commercial Paper

Long-term debt consists of bonds and notes payable with scheduled final maturity dates at least one year after the original issuance date. Outstanding long-term debt, capital leases, and commercial paper obligations as of June 30 were as follows (in thousands):

	Years to Maturity	Fiscal 2008 Effective Interest Rate	Outstanding Principal	
			2008	2007
FIXED-RATE LONG-TERM DEBT				
1996 Series A	1	5.8%	\$ 1,145	\$ 2,230
1997 Series A	11	5.3%	20,960	22,335
1998 Series A	—	6.5%	—	18,185
1998 Series B	21	5.0%	32,580	33,450
1998 Series C'	7	4.9%	14,455	16,165
2001 Series A	8	5.0%	11,415	12,560
2001 Series B'	15	5.0%	49,750	51,930
2005 Series B-1'	—	2.7%	—	61,235
2005 Series B-2 & 3 ^{1,2}	36	3.1%	216,515	216,515
2008 Series A	10	4.0%	136,100	—
2008 Series B'	10	3.9%	119,950	—
HUD	1	3.0%	130	260
Note payable	1	7.3%	7,528	7,984
Other	12	3.0%	78	154
Total fixed-rate long-term debt			610,606	443,003
VARIABLE-RATE LONG-TERM DEBT				
2000 Series A	23	2.8%	59,400	60,700
2000 Series B	23	3.0%	59,400	60,700
2002 Series A	25	3.0%	20,590	20,990
2003 Series A'	11	3.0%	30,525	33,410
2005 Series A	36	2.8%	113,300	113,300
2005 Series B-1'	36	1.6%	61,235	—
Total variable-rate long-term debt			344,450	289,100
Par amount of long-term debt			955,056	732,103
Net unamortized premium			20,742	7,723
Total long-term debt			975,798	739,826
Capital leases	1 to 4	3.5%	2,951	3,140
Total long-term debt and capital leases			978,749	742,966
Tax-exempt and taxable commercial paper	<1	3.0%	127,415	362,920
Total long-term debt, capital leases, and commercial paper			\$ 1,106,164	\$ 1,105,886

¹ Issued under Master Trust Indenture structure.

² The 2005 B-2 and B-3 bonds are fixed only through put dates of 2009 and 2010, respectively. On the respective put dates the mode of the maturing series can be changed at Vanderbilt's discretion.

The preceding table reflects fixed/variable allocations before the effects of interest rate swap agreements used by Vanderbilt to manage its debt portfolio. Such agreements are covered in more detail in a successive footnote.

Tax-exempt commercial paper and all of the aforementioned bonds (with the exception of the HUD bonds) have been issued by the Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (HEFB). As a conduit issuer, the HEFB loans the debt proceeds to Vanderbilt. Pursuant to loan agreements, Vanderbilt's debt service requirements under these loan agreements coincide with required debt service of the actual HEFB bonds.

Included in the foregoing are hospital and clinic (patient care) bonds, with a principal balance outstanding of \$492.4 million as of June 30, 2008, that were issued under a Master Trust Indenture (MTI) structure. The MTI provides the flexibility for multiple parties to participate in debt issuances as part of an obligated group; presently, Vanderbilt's hospitals and clinics have no other members participating in its obligated group. Bonds issued under the MTI are payable solely from hospital revenues (as defined in the MTI). All MTI bonds presently outstanding are also supplemented by a Vanderbilt guarantee of debt service.

Selected information for long-term debt, commercial paper, and interest rate swap agreements follows (*in thousands*):

	2008	2007
Interest cost paid	\$ 41,763	\$ 37,194
Interest cost expensed	\$ 37,299	\$ 32,028
Assets held by trustees for subsequent debt service as of June 30	\$ 25,502	\$ 2,944

Principal payments and scheduled sinking fund requirements on the par amount of long-term debt due in subsequent fiscal years ending June 30 are as follows (*in thousands*):

2009	\$ 42,271
2010	19,610
2011	24,365
2012	25,075
2013	30,215
Thereafter	813,520
Total	\$ 955,056

Under certain circumstances, variable-rate bond obligations may be converted to a fixed-rate structure. While these bonds are in a variable-rate mode, they are subject to optional and mandatory tender. Vanderbilt has agreements with remarketing agents to re-market any bonds so tendered. Liquidity for the variable debt portfolio (both commercial paper and variable-rate demand bonds) is covered primarily by portfolio self-liquidity. Additionally, two bank revolving credit facilities, with an available commitment amount totaling \$225 million, as of June 30, are in place and dedicated solely to debt portfolio liquidity. At Vanderbilt's option, the available commitment may be increased to an amount up to \$375 million. There were no borrowings outstanding on the revolving credit agreements as of June 30, 2008 or 2007.

Trust indentures for certain bond issues contain covenants and restrictions involving the issuance of additional debt, maintenance of a specified debt service coverage ratio, and the maintenance of liquidity facilities.

During April 2008, Vanderbilt issued the Series 2008A and B bonds in the aggregate amount of \$256.1 million in order to retire tax-exempt commercial paper that was previously issued to finance the construction, expansion, and renovation of various facilities and related equipment. The 2008A and B series are revenue refunding fixed-rate premium bonds issued in the amounts of \$136.1 million and \$120.0 million, respectively, with final maturities for both of October 2018.

In fiscal 2008, Vanderbilt issued \$36.1 million of commercial paper under its \$600 million tax-exempt commercial paper program to refund two fixed-rate bond issues. In May 2008, Vanderbilt utilized the proceeds of tax-exempt commercial paper in the amount of \$16.6 million to refund the Series 1998A bonds. The 1998A refunding transaction resulted in an accounting loss of \$0.3 million, which is included as a non-operating item for fiscal 2008 in the consolidated statement of activities. On June 30, 2008, tax-exempt commercial paper was issued in the amount of \$19.5 million to refund the Series 1997A bonds on July 1, 2008. The proceeds obtained on June 30, 2008, were held with the 1997A bond trustee pending completion of the refunding on July 1, 2008. The refunding commercial paper notes and the Series 1997A debt are both included on the consolidated statements of financial position.

Under Vanderbilt's \$75 million taxable commercial paper program, \$2.7 million of taxable notes were issued during fiscal 2008. As of June 30, 2008, the taxable commercial paper balance outstanding was \$1.2 million.

10. Interest Rate Swap Agreements

To manage the fixed/variable mix for its debt portfolio, including hedging exposure to increasing interest expense from variable-rate debt, Vanderbilt utilizes interest rate swap agreements.

The fair value of interest rate swap agreements is the estimated amount that Vanderbilt would pay or receive to terminate these contracts as of the report date. The estimated cumulative (loss) gain on the fair value of these swap agreements was (\$26.2) million and \$60.9 million as of June 30, 2008 and 2007, respectively, and is included in accounts payable and accrued liabilities in 2008 and prepaid expenses in 2007. Changes in the fair value for these contracts, which for fiscal 2008 and 2007 amounted to an unrealized loss of (\$87.1) million and an unrealized gain of \$37.3 million, respectively, are recorded as other non-operating items in the consolidated statements of activities.

Periodic net cash settlement (payments) receipts for all agreements aggregated (\$0.7) million and \$1.9 million for fiscal 2008 and 2007, respectively, and were reflected as adjustments to operating expense in the consolidated statements of activities.

On May 1, 2008, Vanderbilt negotiated higher fixed rates on \$195 million of existing fixed-payer swap agreements in exchange for a deferment of swap payments until December 2008. Additionally, the start date on \$300.0 million of existing forward starting fixed-payer swaps was extended from May 1, 2008, to November 1, 2008, in exchange for higher future fixed rates.

As of June 30, 2008, Vanderbilt's adjusted debt portfolio, after taking into account the aforementioned derivatives and except for forward starting swaps, was approximately 67% fixed and 33% variable. The notional amounts of interest rate swap agreements as of June 30 were as follows (*in thousands*):

Description	Rate Paid	Rate Received	Maturity	Forward Start Dates	2008	2007
% of LIBOR fixed-payer swaps	Avg Fixed Rate of 3.55%	68 to 70% of one-month LIBOR	22 to 35 years with gradual amortization*, corresponding to principal retirements for the Series 2000A and B bonds and the Series 2005A bonds	2008 notional balance includes \$895 million of swaps where payment start dates range from October to December 2008	\$ 1,213,800	\$ 816,400
SIFMA fixed-payer swaps	Avg Fixed Rate of 3.95%	SIFMA	29 years	N/A	\$ 100,000	\$ 100,000
SIFMA fixed-receiver swaps	SIFMA	3.204	\$100 million matures September 2008 and \$216.5 million matures corresponding to scheduled re-marketings of Series 2005B bonds, with final maturity in April 2010	N/A	\$ 316,515	\$ 477,750
Basis swaps	Avg of 82.2% of one-month LIBOR	SIFMA	26 to 27 years	N/A	\$ 500,000	\$ 500,000
Reverse basis swaps	60% of one-month LIBOR + 0.804%	SIFMA	27 years	N/A	\$ 150,000	\$ 150,000

* Commencing in October 2012, the counterparty has an option to cancel 50% of the outstanding notional amount without a termination payment, which would result in a remaining fixed payment commitment of 4.175%.

11. Net Assets

Vanderbilt has chosen to provide further classification information for each net asset category.

UNRESTRICTED NET ASSETS are internally designated into the following groups:

DESIGNATED FOR OPERATIONS represents the cumulative budgeted operating activity of Vanderbilt and routine equipment replacement reserves.

DESIGNATED GIFTS AND GRANTS are composed of departmental gift and grant funds.

DESIGNATED FOR STUDENT LOANS represents Vanderbilt funds set aside to serve as revolving loan funds for students.

DESIGNATED FOR PLANT FACILITIES represents the net investment in property, plant, and equipment, as well as funds designated for future acquisitions of plant facilities and retirement of debt.

BOARD-DESIGNATED ENDOWMENTS are amounts set aside by the Board of Trust, intended to generate income in perpetuity to support operating needs. Such amounts include substantially all cumulative realized appreciation on the applicable investments.

ACCUMULATED NET APPRECIATION OF POOLED ENDOWMENT FUNDS represents cumulative net realized and unrealized gains less inception-to-date endowment distributions for both donor-restricted and board-designated endowments.

NET FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS represents the mark-to-market valuation for derivative contracts. Because these agreements are intended to serve as long-term hedges within the debt portfolio, segregation from other designations is maintained.

Based on the foregoing designations, unrestricted net assets as of June 30 were as follows (*in thousands*):

	2008	2007
Designated for operations	\$ 264,788	\$ 272,122
Designated gifts and grants	153,032	140,700
Designated for student loans	32,057	31,446
Designated for plant facilities	819,575	769,346
Board-designated endowments, at historical value	237,952	230,517
Accumulated net appreciation of pooled endowment funds	2,514,627	2,568,156
Net fair value of interest rate swap agreements	(26,151)	60,926
Total unrestricted net assets	\$ 3,995,880	\$ 4,073,213

TEMPORARILY RESTRICTED NET ASSETS as of June 30 were composed of the following (*in thousands*):

	2008	2007
Gifts and pledges	\$ 85,136	\$ 98,487
Donor-restricted endowments, at historical value	14,323	11,777
Interest in trusts held by others	7,693	10,148
Life income and gift annuities	17,738	13,082
Total temporarily restricted net assets	\$ 124,890	\$ 133,494

Such temporarily restricted net assets were available for the following purposes as of June 30 (*in thousands*):

	2008	2007
Student scholarships	\$ 1,308	\$ 1,275
Instruction	4,603	3,879
Capital improvements	10,303	9,021
Subsequent period operations and other	108,676	119,319
Total temporarily restricted net assets	\$ 124,890	\$ 133,494

PERMANENTLY RESTRICTED NET ASSETS as of June 30 were composed of the following (in thousands):

	2008	2007
Donor-restricted endowments, at historical value	\$ 728,537	\$ 677,808
Gifts and pledges	70,542	60,590
Interest in trusts held by others	38,888	38,917
Life income and gift annuities	24,020	33,643
Total permanently restricted net assets	\$ 861,987	\$ 810,958

Based on relative fair values at June 30, 2008, approximately 28% of permanent donor-restricted endowments are restricted for supporting scholarships, 30% for the support of endowed faculty chairs, 27% for departmental support, and 14% for other restricted purposes. Distributions from the remainder are available for general university support.

12. Retirement Plans

Vanderbilt's full-time faculty and staff members participate in defined contribution retirement plans administered by third-party investment and insurance firms. For eligible employees with one year of continuous service, these plans require employee and matching employer contributions; such contributions immediately fully vest with the employee.

Vanderbilt's obligations under these plans are fully funded by periodic transfers to the respective retirement plan administrators with the corresponding expenses recognized in the year incurred. Vanderbilt's retirement plan contributions for fiscal 2008 and 2007 were \$45.9 million and \$42.6 million, respectively.

13. Natural Classification of Expenses and Allocations

Operating expenses incurred in the fiscal years ended June 30, 2008 and 2007, were as follows (in thousands):

	2008	2007
Salaries, wages, and benefits	\$ 1,652,809	\$ 1,524,913
Services	146,820	131,005
General expenses and supplies	620,157	580,818
Depreciation and amortization	141,261	130,375
Interest	37,299	32,028
Provision for bad debts	119,672	146,459
Utilities, operating leases, and other	118,679	105,776
Total operating expenses	\$ 2,836,697	\$ 2,651,374

Certain allocations of institutional and other support costs were made to Vanderbilt's primary programs. Based on the functional uses of space on its campus, Vanderbilt allocated depreciation and interest on indebtedness to the various functional expense categories shown below (in thousands):

	2008	
	Interest	Depreciation
Instruction	\$ 3,106	\$ 17,935
Research	5,633	22,808
Health care services	18,955	57,838
Academic support	1,180	8,813
Institutional support	978	12,517
Student services	217	928
Public service	103	809
Room, board, and other auxiliary services	7,127	19,613
Total	\$ 37,299	\$ 141,261

	2007	
	Interest	Depreciation
Instruction	\$ 2,942	\$ 16,175
Research	5,332	20,032
Health care services	13,765	55,061
Academic support	1,008	8,545
Institutional support	952	12,015
Student services	306	1,676
Public service	168	1,090
Room, board, and other auxiliary services	7,555	15,781
Total	\$ 32,028	\$ 130,375

14. Charity Care, Community Benefits, and Other Unrecovered Costs

Consistent with its mission, Vanderbilt University Hospitals and Clinics (referred to herein as “the Hospital”) maintains a policy which sets forth the criteria pursuant to which health care services are provided without expectation of payment, or, at a reduced payment rate to patients who are unable to pay for their medical care. These services represent charity care and are not reported as revenue.

The Hospital maintains records to identify and monitor the level of charity care it provides, and these records include the amount of charges forgone for services furnished under its charity care policy and the estimated cost of those services. Charity care assistance is offered on a tiered grid which is based on federal poverty guidelines. In addition to charity care assistance, all uninsured patients are eligible for a State of Tennessee mandated discount from billed charges for medically necessary services. For those patients with a major catastrophic medical event that does not qualify for full charity assistance, additional discounts are given based on the income level of the household using a sliding scale.

The cost of charity care provided by the Hospital was \$58.6 million and \$45.3 million in 2008 and 2007, respectively. Of the total uncompensated care provided by the Hospital (comprised of charity care not reported as revenue and expense reported as provision for bad debts), 67% and 53% of the total in 2008 and 2007, respectively, was charity care. Charity care patients represented 4% and 3% of all total patients treated at the Hospital in 2008 and 2007, respectively. Other than Medicare and Medicaid disproportionate share payments, the Hospital does not receive any other external payments to offset the general cost of charity care. Rather, funding for these services comes from hospital income from operations.

In addition to the charity care services described above, the Hospital provides a number of other services to benefit the economically challenged for which little or no payment is received. TennCare/Medicaid and state indigent programs do not cover the full cost of providing care to beneficiaries of those programs. As a result, in addition to direct charity care costs, the Hospital provides services related to TennCare/Medicaid and state indigent programs substantially below the cost of rendering such services.

The Hospital provides public health education and training for new health professionals and provides, without charge, services to the community at large, together with support groups for many patients with special needs. The estimated total costs of charity care, community benefits, and other unrecovered costs at June 30 were as follows (*in thousands, unaudited*):

	2008	2007
Unreimbursed cost of charity care	\$ 58,600	\$ 45,300
Unreimbursed cost of TennCare Resident and Allied Health education	46,000	44,500
Unreimbursed cost of Medicare	36,300	35,300
Unreimbursed cost of CHAMPUS	32,500	14,800
Subsidized health services	6,200	3,400
Other community health programs	1,500	1,300
Clinical research support	1,300	1,100
Behavioral health hospital services	600	700
	—	2,500
Total cost of charity care, community benefits, and other unrecovered costs	\$ 183,000	\$ 148,900

15. Student Financial Aid

Vanderbilt provides financial aid to students based upon need and merit. This financial assistance is funded by institutional resources, gifts, endowment income, and externally sponsored aid.

In fiscal 2008 and 2007, financial aid for tuition and educational fees of \$145.2 million and \$136.5 million was applied to gross tuition and educational fees of \$362.8 million and \$335.5 million, respectively. In fiscal 2008 and 2007, financial aid for room and board of \$19.5 million and \$17.1 million was applied to gross room and board of \$54.2 million and \$46.2 million, respectively.

Loans to students from Vanderbilt funds are carried at cost, which, based on secondary market information, approximates the fair value of educational loans with similar interest rates and payment terms. Loans to qualified students are funded principally with government advances to Vanderbilt under the Perkins, Nursing, and Health Professions Student Loan Programs. Loans receivable from students under governmental loan programs, also carried at cost, can only be assigned to the federal government or its designees. Loan balances are net of allowances for estimated uncollectible accounts of \$4.0 million and \$3.9 million as of June 30, 2008 and 2007, respectively.

16. Related Parties

Vanderbilt contracts with certain related parties for the purchase of goods, performance of construction activities, and provision of other services. Significant purchases of goods and services from related parties typically are subject to competitive pricing analyses. During fiscal 2008 and 2007, Vanderbilt had related party transactions approximating \$25.2 million and \$35.3 million, respectively.

17. Lease Obligations

Vanderbilt leases certain equipment and real property. These leases are classified primarily as operating leases and have lease terms ranging up to 15 years. Total operating lease expense for fiscal 2008 and 2007 was \$52.7 million and \$50.5 million, respectively.

Future committed minimum rentals on non-cancelable operating leases with initial or remaining lease terms in excess of one year as of June 30, 2008, are as follows (*in thousands*):

2009	\$ 24,352
2010	21,705
2011	16,694
2012	13,573
2013	10,126
Thereafter	48,401
Total future minimum rentals	\$ 134,851

In July 2007, Vanderbilt committed, subject to landlord performance contingencies which have since been met, to lease over 50% of the space in the approximately 850,000-square-foot 100 Oaks shopping center located within five miles of the main campus.

Plans are to redevelop this space primarily for medical, wellness, and office uses. The term of financial commitments under this operating lease commenced in the latter portion of fiscal 2008 with an initial lease term of 12 years. In addition to having the option to renew the lease five times for additional 10-year periods, Vanderbilt will have the right of first offer to lease additional space as it becomes available. Furthermore, Vanderbilt will have additional rights to subsequently purchase the entire property during the next five years. Minimum rental payments aggregating \$51.6 million related to this space are included in the future minimum rentals above.

In conjunction with its normal business practices related to the leasing of equipment, in February 2005 and March 2004, Vanderbilt established financing mechanisms using tax-exempt bonds issued by the HEFB. As of June 30, 2008, the aggregate amount of bonds outstanding under this financing mechanism is \$15.6 million, and related payments made by Vanderbilt are reported as operating lease expense and included in the future minimum rentals above.

18. Commitments and Contingencies

(A) CONSTRUCTION. At June 30, 2008, approximately \$138 million was committed for projects under construction and equipment purchases, to be financed primarily from anticipated debt proceeds.

(B) LITIGATION AND REGULATION. Vanderbilt is a defendant in several legal actions. Management believes that the outcome of these actions will not have a significant effect on Vanderbilt's consolidated financial position.

Vanderbilt's compliance with laws and regulations is subject to future government review and interpretations, as well as regulatory actions unknown or unasserted at this time. Management believes that the liability, if any, from such reviews will not have a significant effect on Vanderbilt's consolidated financial position.

(C) MEDICAL MALPRACTICE LIABILITY INSURANCE. Vanderbilt is self-insured for the first level of medical malpractice claims. The current self-insured retention is \$5.5 million per occurrence, not to exceed an annual aggregate of \$41.0 million. For this self-insured retention, a trust fund has been established. The funding of the trust is based upon studies performed by an actuarial firm. Excess malpractice and professional liability coverage has been obtained from commercial insurance carriers on a claims-made basis for claims above the retained self-insurance risk levels.

(D) EMPLOYEE HEALTH AND WORKERS COMPENSATION INSURANCE. In addition to the initial tier of self-insured exposure for medical malpractice liability as previously noted, Vanderbilt also is self-insured for employee health insurance and workers compensation coverage. Actuarial liabilities are recorded based upon studies performed by actuarial firms.

(E) FEDERAL AND STATE CONTRACTS AND OTHER REQUIREMENTS. Expenditures and F&A costs related to federal and state grants and contracts are subject to adjustment based upon review by the granting agencies. The amounts, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although management expects they will not have a significant effect on Vanderbilt's consolidated financial position.

(F) HEALTH CARE SERVICES REVENUE. Revenue from health care services includes amounts paid under reimbursement agreements with certain third-party payers and is subject to examination and retroactive adjustments. Any differences between estimated year-end settlements and actual final settlements are reported in the year final settlements are known. Substantially all final settlements have been determined through the year ended June 30, 2005.

Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the federal government has authority to complete fraud and abuse investigations. HIPAA has established substantial fines and penalties for offenders. Management continues to refine policies, procedures, and organizational structures to enforce and monitor compliance with HIPAA, as well as other government statutes and regulations.

(G) PARTNERSHIP INVESTMENT COMMITMENTS. There were \$807.7 million of commitments to venture capital, real estate, and distressed security investments as of June 30, 2008. These funds may be drawn down over the next several years upon request by the general partners. Management expects to finance these commitments with available cash and expected proceeds from the sale of securities.

(H) MCKENDREE VILLAGE, INC. DEBT GUARANTY. In July 1998, Vanderbilt and McKendree Village, Inc., a not-for-profit retirement community, entered into a joint venture agreement. As of June 30, 2008, the balance of the guaranteed debt was \$17.1 million. No liability has been recorded under this guarantee.

Vanderbilt University
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

Program	Federal Sponsor/Project Title	CFDA	Flow-through Award Number	Flow-through Entity	Direct	Flow-through	Total
Type A:							
*Research							
U.S. Department of Agriculture	Grants for Agricultural Research-Competitive Research Grant	10.206			\$ 161	—	161
		10.206	GEISINGER	Pennsylvania State University	—	(140)	(140)
	Total CFDA	10.206			161	(140)	21
Agricultural & Rural Economic Research		10.250			—	—	—
		10.250	58-6000-6-0092	Resources for the Future, Inc.	—	75,526	75,526
	Total CFDA	10.250			—	75,526	75,526
Total U.S Department of Agriculture					161	75,386	75,547
U.S. Department of Commerce:							
Ctr for Sponsored Coastal Ocean Research-Coastal Ocean Progran		11.478			33,916	—	33,916
	Total CFDA	11.478			33,916	—	33,916
Total U.S Department of Commerce					33,916	—	33,916
U.S. Department of Defense:							
		12.000			—	—	—
		12.000	N0017807C2011/066911		—	318,079	318,079
		12.000	4224224803		—	2,965	2,965
	Total CFDA	12.000			—	321,044	321,044
Basic Scientific Research		12.431			31,560	—	31,560
		12.431	4224204933	SMI Group, Inc.	—	2,040	2,040
	Total CFDA	12.431			31,560	2,040	33,600
Basic, Applied, and Advanced Research in Science and Engineering		12.630			—	—	—
		12.630	172919	Boeing Company	—	(4,822)	(4,822)
	Total CFDA	12.630			—	(4,822)	(4,822)
Research and Technology Development		12.910			28,584	—	28,584
		12.910	HR0011-05-1-0044	University of Washington	—	41,915	41,915
		12.910	W31P4Q-08-1-0003	University of Florida	—	133,622	133,622
		12.910	TT0660127	Lockheed/Martin Marietta Corp	—	21,529	21,529
	Total CFDA	12.910			28,584	197,066	225,650
Total ARPA					60,144	515,328	575,472
Defense Secretary		12.000			—	—	—
		12.000	4047754013	Meharry Medical School	—	15,750	15,750
	Total CFDA	12.000			—	15,750	15,750
Basic, Applied, and Advanced Research in Science and Engineering		12.630			—	—	—
		12.630	H9400304D0004	Northrop Grumman Corporation	—	22,399	22,399
	Total CFDA	12.630			—	22,399	22,399
Total Defense Secretary					—	38,149	38,149
Defense Threat Reduction Agency							
Basic and Applied Scientific Research		12.300			—	—	—
		12.300	4224233773	Honeywell Systems	—	1,891	1,891
		12.300	SC-0008-02-0016/VAN01	ATK Mission Research	—	528,053	528,053
		12.300	DTRA1-07-C-0037	Alnylam Pharmaceuticals, Inc.	—	92,981	92,981
		12.300	DTRA01-03-D-0007	Bae Systems, Inc.	—	31,932	31,932
	Total CFDA	12.300			—	654,857	654,857

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	Basic Scientific Research – Combating Weapons of Mass Destruction	12.351			\$ 33,371	—	33,371
	Total CFDA	12.630			33,371	—	33,371
	Basic, Applied, and Advanced Research in Science and Engineering	12.630			—	—	—
	Total CFDA	12.630	HDTRA1-07-C-0047		—	126,894	126,894
	Research and Technology Development	12.910			24,943	—	24,943
	Total CFDA	12.910	221594	Boeing Company	—	1,944	1,944
	Total Defense Threat Reduction Agency	12.910			24,943	1,944	26,887
Air Force					58,314	783,695	842,009
	Basic and Applied Scientific Research	12.300			—	—	—
	Total CFDA	12.300	FA8750-06-C-213	Escher Research Institute	—	8,279	8,279
	Basic, Applied, and Advanced Research in Science and Engineering	12.630			2,139,445	—	2,139,445
	Total CFDA	12.630	W31P4Q07C0083	Systran Federal Corporation	—	4,366	4,366
		12.630	FA865006C2659	Combustion Science & Engineering, Inc.	—	49,084	49,084
		12.630	F33601-03-F-0060	Anteon Corporation	—	945	945
	Total CFDA	12.630			2,139,445	54,395	2,193,840
Air Force Defense Research Sciences Program		12.800			2,657,003	—	2,657,003
	Total CFDA	12.800	FA9550-06-1-0244	Univ of California Berkley	—	135,600	135,600
		12.800	FA8750-05	University of Southern California	—	324,291	324,291
		12.800	FA8650-07-M-3725	Industrial Measurement Systems	—	22,180	22,180
		12.800	FA8650-08-C-3829	Industrial Measurement Systems	—	7,840	7,840
	Total CFDA	12.800			2,657,003	489,911	3,146,914
	Research & Technology Development	12.910			511,909	—	511,909
	Total CFDA	12.910			511,909	—	511,909
	Total Air Force				5,308,357	552,585	5,860,942
Army							
	Basic and Applied Scientific Research	12.000			1,233,862	—	1,233,862
	Total CFDA	12.000	DAMD17-02-1-0693	Wayne State University	—	1,811	1,811
		12.000	PO#G6004901	EOIR Technologies, Inc.	—	8,747	8,747
	Total CFDA	12.000			1,233,862	10,558	1,244,420
	Basic and Applied Scientific Research	12.300			—	—	—
	Total CFDA	12.300	#531-0829-01	Purdue University	—	133,626	133,626
	National Guard Civilian Youth Opportunities	12.404			—	—	—
	Total CFDA	12.404	W31P4Q08C0081	Advanced Engineering Technology, Inc.	—	41,098	41,098
		12.404	W9113M-07-C-0183	Advanced Engineering Technology, Inc.	—	15,879	15,879
	Total CFDA	12.404			—	56,977	56,977
	Military Medical Research & Development	12.420			3,449,922	—	3,449,922
	Total CFDA	12.420	W81XWH-06-1-0654	Rutgers, The State Univ of NJ	—	13,797	13,797
		12.420	W81XWH06C0391/PO 738	CFD Research Corporation	—	61,602	61,602
		12.420	W81XWH07C0092/PO 725	CFD Research Corporation	—	36,164	36,164
		12.420	W81XWH-04-2-0031	Rutgers, The State Univ of NJ	—	70,421	70,421
	Total CFDA	12.420			3,449,922	181,984	3,631,906
	Basic Scientific Research	12.431			3,738,731	—	3,738,731
	Total CFDA	12.431	05-655K-0000	University of Nevada Las Vegas	—	26,388	26,388
		12.431	4224234093	University of Memphis	—	10,107	10,107
		12.431	W909MY060C0040/532362	TN Technology University	—	155,214	155,214
		12.431	W15P7T07CP218	TN Technology University	—	188,897	188,897

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		12.431	W911NF06C0187	Lynntech, Inc.	\$ —	87,926	87,926
		12.431	W911NF0720046	Auburn University	—	10,724	10,724
		12.431	W911NF-06-1-0076	Univ of California, Berkley	—	134,543	134,543
		12.431	HMAOEMB060004	Boeing Company	—	1,626,498	1,626,498
	Total CFDA	12.431			3,738,731	2,240,297	5,979,028
	Basic, Applied, and Advanced Research in Science and Engineering	12.630			—	—	—
		12.630	W15QKN06C0089	Information System Technologies, Inc.	—	249	249
		12.630	W15QKN07C0037	Information System Technologies, Inc.	—	11,546	11,546
		12.630	4224244753	Information System Technologies, Inc.	—	14,422	14,422
	Total CFDA	12.630			—	26,217	26,217
	Research & Technology Development	12.910			—	—	—
		12.910	07-C-0312/313586	BAE Systems, Inc.	—	91,060	91,060
	Total CFDA	12.910			—	91,060	91,060
	Total Army				8,422,515	2,740,719	11,163,234
	Navy	12.000			—	—	—
		12.000	N68335-08-C-0084	Puritan Research Corporation	—	2,411	2,411
		12.000	N00024-08-4104	Tech-X Corporation	—	17,774	17,774
	Total CFDA	12.000			—	20,185	20,185
	Basic and Applied Scientific Research	12.300			809,712	—	809,712
		12.300	N00014-06-M-0205	Puritan Research Corporation	—	7,416	7,416
		12.300	N00173-06-1-G027	State University of New York	—	135,843	135,843
		12.300	MRC/VAN-07	ATK Mission Research	—	(781)	(781)
		12.300	N00173-05-1-G023	State University of New York	—	(78,961)	(78,961)
		12.300	MRC/VAN-08	ATK Mission Research	—	(11,387)	(11,387)
		12.300	N00014-08-1-0655	Univ of California, Santa Barbara	—	3,921	3,921
		12.300	SC-6599-02-0012/VAN03	ATK Mission Research	—	(595)	(595)
		12.300	N00024-03-D-6606	Johns Hopkins University	—	83,871	83,871
		12.300	N00164-02-D-6599/VAN09	ATK Mission Research	—	71,560	71,560
		12.300	N6553807M0113	Tech-X Corporation	—	9,999	9,999
		12.300	SC-6599-02-0012/VAN10	ATK Mission Research	—	475,657	475,657
		12.300	N00014-05-1-0437	Purdue University	—	(317)	(317)
		12.300	N0016402C6599	ATK Mission Research	—	350,751	350,751
		12.300	N6871105C0076	Auburn University	—	25,201	25,201
		12.300	N000140710749/57100223	Massachusetts Institute of Tech	—	64,458	64,458
		12.300	MRCN164-02-D-6599	ATK Mission Research	—	(6,379)	(6,379)
		12.300	N66001-06-C-8005	Johns Hopkins University	—	65,250	65,250
	Total CFDA	12.300			809,712	1,195,507	2,005,219
	Research & Technology Development	12.910			—	—	—
		12.910	N00030-05-C-0035	AeroJet Tech Systems	—	2,231,273	2,231,273
	Total CFDA	12.910			—	2,231,273	2,231,273
	Total Navy				809,712	3,446,965	4,256,677
	Marines	12.630			—	—	—
	Basic, Applied, and Advanced Research in Science and Engineering	12.630	M67854-07-D-1035/S0812	Kansas State University	—	5,557	5,557
	Total CFDA	12.630			—	5,557	5,557
	Total Marines				—	5,557	5,557

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National Security Agency	Mathematical Sciences Grants Program	12.901			\$ 12,441	—	12,441
	Total CFDA	12.901			12,441	—	12,441
	Total National Security Agency				12,441	—	12,441
	Total U.S. Department of Defense				14,671,483	8,082,998	22,754,481
U.S. Department of State:	Prog for Study of Eastern Europe & Independent States of Former Soviet	19.300			—	—	—
		19.300	821-04	Nati'l Council for Eurasian & Eur	—	11,559	11,559
	Total CFDA	19.300			—	11,559	11,559
	Total U.S Department of State				—	11,559	11,559
U.S. Department of Education							
		84.000	4201002003	Howard University	—	3,156	3,156
		84.000	4261302093	State of Idaho	—	167,832	167,832
		84.000	4262602993	University of Pennsylvania	—	74,274	74,274
	Total CFDA	84.000			—	245,262	245,262
National Institute on Disability and Rehabilitation Research		84.133			308,653	—	308,653
	Total CFDA	84.133			308,653	—	308,653
Education Research, Development and Dissemination		84.305			8,254,964	—	8,254,964
		84.305	4261002163	University of Michigan	—	(14,444)	(14,444)
		84.305	4262102323	Wayne County TN Schools	—	120,018	120,018
		84.305	ER-06-CO-0019 S2006-03	Learning Point Associates	—	129,654	129,654
		84.305	4262102473	State University of New York	—	387,607	387,607
		84.305	4264302003	Harvard University	—	179,896	179,896
		84.305	R305U040001	MDRC	—	—	—
	Total CFDA	84.305			8,254,964	802,731	9,057,695
Research in Special Education		84.324			4,255,561	—	4,255,561
		84.324	4262332925	University of South Florida	—	(112)	(112)
		84.324	5830-0479	University of South Florida	—	(270)	(270)
		84.324	UF07088	University of Florida	—	15,444	15,444
		84.324	132H731	University of Wisconsin	—	56,371	56,371
	Total CFDA	84.324			4,255,561	71,433	4,326,994
Special Education Tech & Media Services for Individuals w/Disabilities		84.327			22,217	—	22,217
	Total CFDA	84.327			22,217	—	22,217
Grants for Enhanced Assessment Instrument		84.368			—	—	—
		84.368	4264302031	State of South Carolina	—	12,733	12,733
	Total CFDA	84.368			—	12,733	12,733
Special Education Tech Assistance on State Data Collection		84.373			77,808	—	77,808
	Total CFDA	84.373			77,808	—	77,808
Total U.S. Department of Education					12,919,203	1,132,159	14,051,362
U.S. Department of Energy	Energy	81.000			—	—	—
		81.000	DE-AC05-00OR22725	Batelle Memorial Institute	—	—	—
		81.000	DEAC5206NA25396	Los Alamos Laboratories	—	3,678	3,678
		81.000	4206344273	Oak Ridge Assoc Universities	—	10,301	10,301
		81.000	W-7405-ENG-36	Los Alamos Laboratories	—	97,600	97,600
		81.000	4206314393	Fermi Nat'l Accelerator Lab	—	8,659	8,659
		81.000	66427-001-08	Los Alamos Laboratories	—	4,066	4,066
		81.000	PO#51755	Fermi Nat'l Accelerator Lab	—	3,188	3,188
		81.000	PO578455	Fermi Nat'l Accelerator Lab	—	10,960	10,960
		81.000	UT BATT-4000056576	Batelle Memorial Institute	—	82,069	82,069

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		81.000	4000049157	Battelle Memorial Institute	\$ —	132,906	132,906
		81.000	POEP8663	Honeywell International, Inc.	—	—	—
	Total CFDA	81.000			—	353,427	353,427
	University Laboratory Cooperative Program	81.004			—	—	—
		81.004	PO#4000036178	Battelle Memorial Institute	—	5,699	5,699
			4000053959	Battelle Memorial Institute	—	97,386	97,386
		81.004	4206354315	Joint Inst for Heavy Ion Research	—	(5,748)	(5,748)
	Total CFDA	81.004			—	97,337	97,337
	Office of Science Financial Assistance Program	81.049			6,581,452	—	6,581,452
		81.049	ZCO-7-77390-01	Nat'l Renewable Energy Lab	—	11,776	11,776
		81.049	4000068798	UT Batelle, LLC	—	4,006	4,006
		81.049	4000059921	UT Batelle, LLC	—	89,714	89,714
		81.049	278573	Sandia Nat'l Laboratories	—	(17)	(17)
		81.049	4000056541	UT Batelle, LLC	—	418	418
	Total CFDA	81.049			6,581,452	105,897	6,687,349
	Fossil Energy Research and Development	81.089			—	—	—
		81.089	DEF26074NT4309	Honeywell International, Inc.	—	261,338	261,338
	Total CFDA	81.089			—	261,338	261,338
	Office of Environmental Waste Processing	81.104			—	—	—
		81.104	229045	Sandia National Laboratories	—	16,892	16,892
	Total CFDA	81.104			—	16,892	16,892
	Total U.S. Department of Energy				6,581,452	834,891	7,416,343
	Environmental Protection Agency						
	Science to Achieve Results (STAR) Research Program	66.509			215,072	—	215,072
	Total CFDA	66.509			215,072	—	215,072
	Greater Research Opportunities (GRO) Research Program	66.515			—	—	—
		66.515	05-CE-421146-VU	Auburn University	—	30,908	30,908
	Total CFDA	66.515			—	30,908	30,908
	Environmental Policy & Innovation Grants	66.611			15,350	—	15,350
	Total CFDA	66.611			15,350	—	15,350
	Pollution Prevention Grants Program	66.708			—	—	—
		66.708	RN04-0004	Upjohn Corporation	—	49,372	49,372
		66.708	RN04-0003	Upjohn Corporation	—	27,579	27,579
		66.708	RN06-0031	Upjohn Corporation	—	38,882	38,882
	Total CFDA	66.708			—	115,833	115,833
	Total Environmental Protection Agency				230,422	146,741	377,163
	U.S. Department of Health & Human Services						
	Center for Medicare and Medicaid Service:	93.000			149,002	—	149,002
	Total CFDA	93.000			149,002	—	149,002
	Total Center for Medicare and Medicaid Services				149,002	—	149,002
	Administration of Children and Families						
	Temporary Assistance for Needy Families	93.558			—	—	—
		93.558	GR-06-17098-00	TN Dept of Human Services	—	679,230	679,230
	Total CFDA	93.558			—	679,230	679,230
	Total Administration of Children and Families				—	679,230	679,230

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Agency for Healthcare Research and Quality		93.000			\$ 88,458	—	88,458
Total CFDA		93.000			88,458	—	88,458
Research on Healthcare Costs, Quality and Outcomes		93.226			1,423,245	—	1,423,245
		93.226	R01HS13610	University of Wisconsin	—	3,233	3,233
		93.226	R01HS15508	Mayo Fdn for Med Educ & Rsch	—	43,523	43,523
Total CFDA		93.226			1,423,245	46,756	1,470,001
Total Agency for Healthcare Research and Quality					1,511,703	46,756	1,558,459
Substance Abuse and Mental Health Services Administration		93.000			—	3,344	3,344
		93.000	27020070004	Chestnut Health Systems	—	25,620	25,620
		93.000	4264600191	Catholic Charities Diocese of Jackson, MS	—	—	—
Total CFDA		93.000			—	28,964	28,964
Community Mental Hlth Svcs for Children w/Serious Emotional Disturb		93.104			—	—	—
		93.104	GR-00-12936-02	TN Dept of MH/DD	—	(8,580)	(8,580)
		93.104	GR-03-14845-00	TN Dept of MH/DD	—	(11,236)	(11,236)
		93.104	GR-04-15561-00	TN Dept of MH/DD	—	(11,722)	(11,722)
		93.104	GR-05-16357-00	TN Dept of MH/DD	—	(15,345)	(15,345)
Total CFDA		93.104			—	(46,883)	(46,883)
Projects of Regional & National Significance		93.243			—	(10)	(10)
		93.243	Z-07-33420-00	TN Dept of MH/DD	—	74,341	74,341
		93.243	GR-06-17529-00	TN Dept of Finance & Admin	—	—	—
Total CFDA		93.243			—	74,331	74,331
Total Substance Abuse and Mental Health Services Admin					—	56,412	56,412
Centers for Disease Control		93.000			65,018	—	65,018
		93.000	U01DD00199	University of North Carolina	—	31,143	31,143
Total CFDA		93.000			65,018	31,143	96,161
Global AIDS		93.067			—	23,412	23,412
		93.067	U61CCU123541	CDC Foundation, Inc.	—	—	—
Total CFDA		93.067			—	23,412	23,412
Project Grants & Cooperative Agreements for Tuberculosis Control		93.116			—	10,914	10,914
		93.116	GR-04-16108-00	TN Dept of Health	—	10,914	10,914
Total CFDA		93.116			—	10,914	10,914
Acquired Immunodeficiency Syndrome (AIDS) Activity		93.118			—	(3,814)	(3,814)
		93.118	AI32908	St. Jude Hospital	—	(3,814)	(3,814)
Total CFDA		93.118			—	(3,814)	(3,814)
Injury Prevention and Control Rsrch & State & Community Based Prog		93.136			—	—	—
		93.136	32367	TN Dept of Health	—	29,365	29,365
		93.136	U49CE001091	Meharry Medical College	—	196,036	196,036
Total CFDA		93.136			—	225,401	225,401
Immunization Rsrch, Demo, Public Info & Educ-Training & Clinical		93.185			1,036,218	—	1,036,218
Total CFDA		93.185			1,036,218	—	1,036,218
Immunization Grants		93.268			—	73,632	73,632
		93.268	U90CCU416968	TN Dept of Health	—	1,228,036	1,228,036
		93.268	U50CCU416123	TN Dept of Health	—	—	—
Total CFDA		93.268			—	1,301,668	1,301,668

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Centers for Disease Control and Prevention Investigations		93.283					
		93.283	U27CCU413185-10	University of North Carolina	\$ —	15,793	15,793
Total CFDA		93.283			—	15,793	15,793
Total Centers for Disease Control					1,101,236	1,604,517	2,705,753
Food and Drug Administration							
Food and Drug Administration Research		93.103			204,962	—	204,962
		93.103	FD-R25555-01	Massachusetts General Hospital	—	42	42
Total CFDA		93.103			204,962	42	205,004
Total Food and Drug Administration					204,962	42	205,004
Health Resource Services Administration							
		93.000			—	—	—
		93.000	R40MC08724	Georgetown University	—	12,770	12,770
		93.000	H30MC05053-02	University of North Carolina	—	24,885	24,885
Total CFDA		93.000			—	37,655	37,655
Maternal & Child Health Fed Consolidation Program		93.110			28,965	—	28,965
Total CFDA		93.110			28,965	—	28,965
Coordinated HIV Services & Access to Research for Children		93.153			59,482	—	59,482
Total CFDA		93.153			59,482	—	59,482
Total Health Resource Services Administration					88,447	37,655	126,102
National Institutes of Health							
		93.000			4,277,999	—	4,277,999
		93.000	4348000203	Tufts University	—	188,223	188,223
		93.000	0209111AG153	Meharry Medical College	—	48,123	48,123
		93.000	4040090014	Univ of New Hampshire	—	38,551	38,551
		93.000	4042310024	Duke University	—	3,546	3,546
		93.000	4043570133	HCD International, Inc.	—	46,985	46,985
		93.000	4044750053	Southwest Research Institute, Inc.	—	14,156	14,156
		93.000	BAA-RM-04-23	LDS Hospital	—	20,207	20,207
		93.000	CA12582	John Wayne Cancer Institute	—	12,485	12,485
		93.000	CA29605	John Wayne Cancer Institute	—	6,862	6,862
		93.000	D31HP08823	Meharry Medical College	—	20,729	20,729
		93.000	G12RR03032	Meharry Medical College	—	(5,961)	(5,961)
		93.000	GR-07-18439	TN Department of Health	—	78,731	78,731
		93.000	HHSN267200612889C	Univ of California, San Diego	—	77,689	77,689
		93.000	HHSN271200677563C	Ionwerks, Inc.	—	43,311	43,311
		93.000	HHSP23320074102EC	Indiana University	—	14,102	14,102
		93.000	K12DH00850	Yale University	—	105,349	105,349
		93.000	K23HD43952	University of Michigan	—	475	475
		93.000	N01AA21004	Z-Tech Corporation	—	125,987	125,987
		93.000	N01A115444	Johns Hopkins University	—	267,085	267,085
		93.000	N01A45250	St Louis University	—	13,836	13,836
		93.000	N01C051106	University of Kentucky	—	133,703	133,703
		93.000	N01HD23342	Wayne State University	—	48,435	48,435
		93.000	N01MH90001	University of North Carolina	—	71,282	71,282
		93.000	N01MH90003	Univ of Texas Southwestern Med Ctr	—	(13,856)	(13,856)
		93.000	NORC290-040016	University of Chicago	—	127,125	127,125
		93.000	NR02795	Univ of California at Los Angeles	—	(21)	(21)
		93.000	P01A159443	University of North Carolina	—	291,479	291,479
		93.000	P01CA10445	Washington Univ in St. Louis	—	275,088	275,088
		93.000	P01DA12408	Cornell University	—	194,971	194,971
		93.000	P01HL61646	Cincinnati Children's Hosp Rsch Fdn	—	12,632	12,632
		93.000	P01HL68705	Boston University	—	12,673	12,673
		93.000	P01HL76406	University of Texas	—	11,491	11,491
		93.000	P20MD00516	Meharry Medical College	—	(113,474)	(113,474)
		93.000	P20RR11792	Meharry Medical College	—	(1,987)	(1,987)
		93.000	P20RR23518	Meharry Medical College	—	15,751	15,751

Vanderbilt University
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<u>Program</u>	<u>Federal Sponsor/Project Title</u>	<u>CFDA</u>	<u>Flow-through Award Number</u>	<u>Flow-through Entity</u>	<u>Direct</u>	<u>Flow-through</u>	<u>Total</u>
		93.000	P30AG28748	Univ of California at Los Angeles	\$ —	(186)	(186)
		93.000	P50CA70907	Univ of Texas Southwestern Med Ctr	—	(10,005)	(10,005)
		93.000	P50HD55751	University of Illinois	—	72,226	72,226
		93.000	P50NS109608	University of Pittsburgh	—	88,793	88,793
		93.000	P50NS44283	University of Cincinnati	—	3,914	3,914
		93.000	P50NS44378	Univ of California at Los Angeles	—	826	826
		93.000	P506M82251	University of Pittsburgh	—	98,853	98,853
		93.000	R01AG028786	Columbia University	—	67,763	67,763
		93.000	R01AG15978	University of Toledo	—	8,305	8,305
		93.000	R01AG21094	University of Massachusetts	—	(151)	(151)
		93.000	R01AG27944	University of Miami	—	21,529	21,529
		93.000	R01AI53034	University of Iowa	—	4,050	4,050
		93.000	R01AR55557	Brigham and Women's Hospital	—	12,608	12,608
		93.000	R01CA116174	H Lee Moffitt Cancer Ctr	—	100,914	100,914
		93.000	R01CA116743	Rensselaer Polytechnic Institute	—	98,367	98,367
		93.000	R01CA120097	Univ of Pittsburgh Medical Ctr	—	45,723	45,723
		93.000	R01CA90367	University of Iowa	—	47,621	47,621
		93.000	R01DA23879	John Hopkins University	—	54,421	54,421
		93.000	R01CA98217	Ohio State University	—	122,860	122,860
		93.000	R01CA104818	Baylor University	—	15,193	15,193
		93.000	R01DA11997	University of Michigan	—	17,934	17,934
		93.000	R01DK68261	University of Alabama	—	(435)	(435)
		93.000	R01DK70219	Cincinnati Children's Hosp Rsch Fdn	—	166,673	166,673
		93.000	R01DK73488	East Carolina University	—	25,976	25,976
		93.000	R01DK75046	Harvard University	—	5,128	5,128
		93.000	R01DK77298	State of Utah	—	71,698	71,698
		93.000	R01ES10041	University of Rochester	—	24,632	24,632
		93.000	R01ES14472	Meharry Medical College	—	25,904	25,904
		93.000	R01EY016752	New York University	—	61,662	61,662
		93.000	R01GM68786	University of Massachusetts	—	96,795	96,795
		93.000	R01HD41663	Magee Christian Education Fdn	—	929	929
		93.000	R01HD47447	Dartmouth University	—	188,418	188,418
		93.000	R01HD52732	Univ of Pittsburgh Medical Ctr	—	16,637	16,637
		93.000	R01HL058856	Duke University	—	169,664	169,664
		93.000	R01HL68927	Johns Hopkins University	—	46	46
		93.000	R01HL76645	University of North Carolina	—	62,961	62,961
		93.000	R01HL79783	Medvis Applied Medial Visualizations, LLC	—	24,575	24,575
		93.000	R01HL81619	University of Pennsylvania	—	28,545	28,545
		93.000	R01HL85610	Cincinnati Children's Hosp Rsch Fdn	—	45,482	45,482
		93.000	R01HL87115	University of Pennsylvania	—	103,508	103,508
		93.000	R01HS15274	University of Wisconsin	—	4,590	4,590
		93.000	R01LM09018	Carnegie Mellon University	—	52,616	52,616
		93.000	R01MD80647	University of Miami	—	120,297	120,297
		93.000	R01MH61989	N Kline Inst of Psych Research	—	46,916	46,916
		93.000	R01MH71260	Rosalind Franklin Univ of Med	—	102,063	102,063
		93.000	R01MH77647	Oregon Health & Science Univ	—	29,688	29,688
		93.000	R01NR08425	University of Chicago	—	77,047	77,047
		93.000	R01NS037912	Duke University	—	(56)	(56)
		93.000	R01NS39987	Mayo Fdn for Medical Educ	—	1,235	1,235
		93.000	R01NS42372	Univ of California at San Fran	—	38,806	38,806
		93.000	R01NS44876	Yale University	—	7,471	7,471
		93.000	R01NS48503	University of Pennsylvania	—	11,984	11,984
		93.000	R01NS49477	Univ of Cal at San Francisco	—	353,111	353,111
		93.000	R01PH00022	Mayo Fdn for Medical Educ	—	46,663	46,663
		93.000	R03DK69322	Emory University	—	23,038	23,038
		93.000	R21AG28182	University of Florida	—	6,243	6,243
		93.000	R21AR52710	Jackson Laboratory	—	10,611	10,611
		93.000	R21CA125227	New York University	—	38,640	38,640
		93.000	R21DK077312	Harvard University	—	9,951	9,951
		93.000	R21HD47463	Pennsylvania State University	—	513	513
		93.000	R24DK67674	University of North Carolina	—	35,444	35,444
		93.000	R37AR38648	Univ of Medicine & Dentistry of NJ	—	60,988	60,988
		93.000	R41DK75161	Cognosci, Inc.	—	151,232	151,232
		93.000	R42EB004789	Intuitive Surgical, Inc.	—	103,780	103,780

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		93.000	R43CA107908	Spectros Corporation	\$ —	88,015	88,015
		93.000	R43MH81379	Anatrace, Inc.	—	32,988	32,988
		93.000	R44NS051926	Acculight Corporation	—	121,210	121,210
		93.000	S11ES14156	Meharry Medical College	—	94,140	94,140
		93.000	U01AA13499	University of Tennessee	—	26,871	26,871
		93.000	U01AA13513	University of Tennessee	—	29,636	29,636
		93.000	U01AA16662	Virginia Commonwealth Univ	—	59,305	59,305
		93.000	U01AI67854	Duke University	—	32,216	32,216
		93.000	U01AI69918	Johns Hopkins University	—	46,358	46,358
		93.000	U01CA094986	Johns Hopkins University	—	(2,768)	(2,768)
		93.000	U01DK61055	George Washington University	—	209,460	209,460
		93.000	U01DK62418	Benaroya Research Institute at VA Mason	—	3,541	3,541
		93.000	U01DK66579	Renal Research Institute, Inc	—	71,497	71,497
		93.000	U01DK69322	Emory University	—	66,673	66,673
		93.000	U01DK72513	Mount Sinai School of Medicine	—	46,407	46,407
		93.000	U01EY13272	Emory University	—	8,318	8,318
		93.000	U01HG04263	University of Washington	—	435,107	435,107
		93.000	U01HL63747	Duke University	—	24,895	24,895
		93.000	U01HL68270	New England Research Institutes	—	31	31
		93.000	U01HL87318	University of Texas	—	716	716
		93.000	U01NS38529	University of Texas	—	75,139	75,139
		93.000	U01NS45719	Mount Sinai School of Medicine	—	10,838	10,838
		93.000	U10CA31946	Science Applications Internat'l Corp	—	35,505	35,505
		93.000	U10CA98543	Childrens Oncology Group	—	122,556	122,556
		93.000	U10CA98543	Nat'l Childhood Cancer Fdn	—	(1,306)	(1,306)
		93.000	U10CA76001	Duke University	—	(19,175)	(19,175)
		93.000	U10EY14231	Jaeb Center for Health Rsch Fdn	—	8,705	8,705
		93.000	U10EY14351	University of Wisconsin	—	12,468	12,468
		93.000	U24CA55727	St. Jude Hospital	—	18,129	18,129
		93.000	U24DK76169	University of Georgia	—	89,681	89,681
		93.000	U38HK00014	Mayo Fdn for Medical Educ	—	64,630	64,630
		93.000	U54CA091408	Meharry Medical College	—	85,547	85,547
		93.000	U54CA105296	Stanford University	—	175,467	175,467
		93.000	U54CA112967	Mass Institute of Technology	—	60,137	60,137
		93.000	U54GM69338	Univ of California San Diego	—	471,918	471,918
		93.000	U54HD52668	Yale University	—	244,202	244,202
		93.000	U54RR19192	Meharry Medical College	—	25,040	25,040
		93.000	U54RR19453	Children's National Med Ctr	—	209,353	209,353
		93.000	U54RR19478	Baylor University	—	40,188	40,188
		93.000	U01AI68619	Family Health International	—	247,799	247,799
	Total CFDA	93.000			4,277,999	8,880,427	13,158,426
	Biological Response to Environmental Health Hazards	93.113			6,867,546	—	6,867,546
	Total CFDA	93.113			6,867,546	—	6,867,546
	Applied Toxicological Research and Testing	93.114			1,482,693	—	1,482,693
	Total CFDA	93.114			1,482,693	—	1,482,693
	Oral Diseases and Disorders Research	93.121			869,241	—	869,241
	Total CFDA	93.121			869,241	—	869,241
	Human Genome Research	93.172	HG002647	University of North Carolina	840,872	—	840,872
	Total CFDA	93.172			840,872	54,249	895,121
	Research Related to Deafness and Communication Disorders	93.173			3,274,219	—	3,274,219
	Total CFDA	93.173	R01DC07660		—	343,285	343,285
	Telehealth Network Grants	93.211			3,274,219	343,285	3,617,504
	Total CFDA	93.211			322,782	—	322,782
	Total CFDA	93.211			322,782	—	322,782

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Research & Training in Complementary and Alternative Medicine		93.213			\$ 114,031	—	114,031
		93.213	R01AT002477		—	51,689	51,689
Total CFDA		93.213			114,031	51,689	165,720
Mental Health Research Grants		93.242			14,511,182	—	14,511,182
		93.242	5P50MH54156	University of Pittsburgh	—	171,380	171,380
		93.242	R01MH075041	Purdue University	—	130,274	130,274
		93.242	MH075016	University of Washington	—	12,108	12,108
		93.242	R01MH63852	Columbia University	—	(7,816)	(7,816)
Total CFDA		93.242			14,511,182	305,946	14,817,128
Alcohol Research Programs		93.273			1,170,390	—	1,170,390
Total CFDA		93.273			1,170,390	—	1,170,390
Drug Abuse Research Programs		93.279			3,597,561	—	3,597,561
		93.279	R21DA019045	University of Wisconsin	—	18,094	18,094
Total CFDA		93.279			3,597,561	18,094	3,615,655
Mental Health Research Career/Scientist Development Award		93.281			348,374	—	348,374
Total CFDA		93.281			348,374	—	348,374
Biomedical Imaging Research		93.286			4,569,500	—	4,569,500
Total CFDA		93.286			4,569,500	—	4,569,500
Trans-NIH Research Support		93.310			3,175,057	—	3,175,057
Total CFDA		93.310			3,175,057	—	3,175,057
Nursing Research		93.361			9	—	9
Total CFDA		93.361			9	—	9
Biomedical Technology		93.371			642,395	—	642,395
Total CFDA		93.371			642,395	—	642,395
Research Infrastructure		93.389			10,005,001	—	10,005,001
Total CFDA		93.389			10,005,001	—	10,005,001
Academic Research Enhancement Award		93.390			281,086	—	281,086
Total CFDA		93.390			281,086	—	281,086
Cancer Cause and Prevention Research		93.393			17,589,165	—	17,589,165
Total CFDA		93.393			17,589,165	—	17,589,165
Cancer Detection and Diagnosis Research		93.394			6,364,887	—	6,364,887
		93.394	R44CA115263	Pathfinder Therapeutics	—	132,527	132,527
Total CFDA		93.394			6,364,887	132,527	6,497,414
Cancer Treatment Research		93.395			7,030,767	—	7,030,767
		93.395	4046500014	Amer Coll of Radiology Image	—	166,540	166,540
		93.395	4045000605	Frontier Science & Tech Rsch Fdn	—	2	2
		93.395	4046750144	American Coll of Radiology	—	18,576	18,576
		93.395	R44CA119502	Pathfinder Therapeutics, Inc.	—	61,495	61,495
		93.395	4047750033	Southwest Oncology Group	—	14,968	14,968
		93.395	U10CA98543	Childrens Oncology Group	—	286	286
		93.395	U10CA98543	Nat'l Childhood Cancer Fdn	—	34,387	34,387
Total CFDA		93.395			7,030,767	296,254	7,327,021

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Cancer Biology Research		93.396			\$ 14,271,572	—	14,271,572
		93.396	U10CA21115	Eastern Coop Onology Group	—	6,310	6,310
		93.396	VANOPSTS00	Eastern Coop Onology Group	—	370,850	370,850
		93.396	SU10CA32102	Southwest Oncology Group	—	(85)	(85)
Total CFDA		93.396			14,271,572	377,075	14,648,647
Cancer Centers Support		93.397			12,519,795	—	12,519,795
Total CFDA		93.397			12,519,795	—	12,519,795
Cancer Research Manpower		93.398			650,898	—	650,898
Total CFDA		93.398			650,898	—	650,898
Cancer Research Manpower		93.399			2,445,621	—	2,445,621
		93.399	R01CA102353	Meharry Medical College	—	134,216	134,216
		93.399	U01CA114641		—	8,707	8,707
Total CFDA		93.399			2,445,621	142,923	2,588,544
Family Violence Prevention & Srvces/Grants for Battered Women's Shelter		93.671			411,556	—	411,556
Total CFDA		93.671			411,556	—	411,556
Heart and Vascular Research		93.837			19,337,845	—	19,337,845
		93.837	U01HL72431	Meharry Medical College	—	5,535	5,535
		93.837	P50HL61006	University of Washington	—	2,011	2,011
		93.837	R01HL85834	Children's Memorial Hosp (Chicago)	—	23,789	23,789
		93.837	P01HL74940	University of Virginia	—	36,537	36,537
		93.837	P01HL74940	Georgetown University	—	9,080	9,080
Total CFDA		93.837			19,337,845	76,952	19,414,797
Lung Diseases Research		93.838			6,903,036	—	6,903,036
		93.838	SU01HL64857	University of Colorado	—	12,683	12,683
		93.838	R01HL75770	Cincinnati Children's Hosp Rsrch	—	163	163
		93.838	R01HL084113	University of Pittsburgh	—	48,912	48,912
		93.838	R42HL64530	Genex, Inc.	—	5,665	5,665
		93.838	SU01HL61991	Cincinnati Children's Hosp Rsrch	—	871	871
Total CFDA		93.838			6,903,036	68,294	6,971,330
Blood Diseases and Resources Research		93.839			7,774,108	—	7,774,108
Total CFDA		93.839			7,774,108	—	7,774,108
Arthritis, Muscularskeletal & Skin Diseases Research		93.846			3,639,087	—	3,639,087
		93.846	R21AR051945	Virginia Polytechnic Inst & State Univ	—	20,990	20,990
		93.846	1R01AR48529	University of Minnesota	—	(676)	(676)
Total CFDA		93.846			3,639,087	20,314	3,659,401
Diabetes, Endocrinology and Metabolism Research		93.847			21,640,140	—	21,640,140
		93.847	R01DK58356	University of Minnesota	—	21,018	21,018
		93.847	R42DK65388	Arthrochip, LLC	—	17,647	17,647
		93.847	N01-DK-6-2203	Case Western University	—	222,408	222,408
		93.847	4043510024	Case Western University	—	(468)	(468)
Total CFDA		93.847			21,640,140	260,605	21,900,745
Digestive Diseases & Nutrition Research		93.848			8,058,450	—	8,058,450
		93.848	R01DK64592	Washington Univ in St Louis	—	58,397	58,397
Total CFDA		93.848			8,058,450	58,397	8,116,847
Kidney Diseases, Urology and Hematology		93.849			10,072,823	—	10,072,823
		93.849	P01DK65123	University of Kansas	—	724,566	724,566
		93.849	R43DK081240	Creare, Inc.	—	20,713	20,713
		93.849	U01DK58966	Maine Medical Center	—	29,460	29,460
Total CFDA		93.849			10,072,823	774,739	10,847,562

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Clinical Research Related Neurological		93.853			\$ 11,468,594	—	11,468,594
		93.853	NS052386	St Jude Hospital	—	132,384	132,384
		93.853	P01NS26630	Duke University	—	(1,940)	(1,940)
		93.853	P01NS26630	University of Miami	—	347,903	347,903
	Total CFDA	93.853			11,468,594	478,347	11,946,941
Biological Basics Research in Neuroscience		93.854			—	—	—
		93.854	1U54NS41071	Meharry Medical College	—	230,454	230,454
Total CFDA	93.854			—	230,454	230,454	
Allergy, Immunology and Transplantation		93.855			15,529,262	—	15,529,262
		93.855	U54AI57157	Duke University	—	1,093,246	1,093,246
		93.855	U19AI57229	Stanford University	—	91,538	91,538
Total CFDA	93.855			15,529,262	1,184,784	16,714,046	
Microbiology and Infectious Diseases Research		93.856			291,261	—	291,261
		93.856	2U01AI38858	Social & Scientific Systems, Inc	—	(722)	(722)
		93.856	5U01AI46747	Fred Hutchinson Cancer Rsch Ctr	—	342,970	342,970
		93.856	U01AI01018	Cornell University	—	52,291	52,291
		93.856	U19AI48231	Columbus Children's Research Inst	—	294,923	294,923
		93.856	CDC 200-2002-00732	Stanford University	—	33,069	33,069
		93.856	N01AI25462	Stanford University	—	1,088,819	1,088,819
		93.856	4043620074	Social & Scientific Systems, Inc	—	4,957	4,957
		93.856	5R01AI40350	Miriam Hospital	—	121,442	121,442
		93.856	R01AI58828	Emory University	—	(4,220)	(4,220)
		93.856	R01AI49989	University of Virginia	—	82,634	82,634
		93.856	4043621464	Social & Scientific Systems, Inc	—	1,162	1,162
	Total CFDA	93.856			291,261	2,017,325	2,308,586
Pharmacology, Physiology & Biological Chemistry Research		93.859			18,555,952	—	18,555,952
		93.859	R01GM66119	Scripps Research Institute	—	(80)	(80)
		93.859	R01GM063270	New York University	—	24,950	24,950
		93.859	R01GM083607	University of Miami	—	7,520	7,520
		93.859	R01GM068430	University of Pittsburgh	—	34,169	34,169
Total CFDA	93.859			18,555,952	66,559	18,622,511	
Genetics & Developmental Biology Research		93.862			(15,982)	—	(15,982)
Total CFDA	93.862			(15,982)	—	(15,982)	
Population Research		93.864			576,675	—	576,675
		93.864	R21HD054917	University of North Carolina	—	12,846	12,846
		93.864	R01HD42280	University of Illinois	—	(32,953)	(32,953)
Total CFDA	93.864			576,675	(20,107)	556,568	
Research For Mothers and Children		93.865			8,294,502	—	8,294,502
		93.865	R01HD43063	Kaiser Foundation	—	80	80
		93.865	1P01HD46261	University of Texas	—	692,958	692,958
		93.865	R01HD041653	Northwestern University	—	(3,689)	(3,689)
Total CFDA	93.865			8,294,502	689,349	8,983,851	
Aging Research		93.866			3,564,604	—	3,564,604
		93.866	R01AG19757	Duke University	—	(66)	(66)
		93.866	R01AG19757	University of Miami	—	173,164	173,164
		93.866	R01AG20135	Duke University	—	287	287
		93.866	R01AG20135	University of Miami	—	149,050	149,050
		93.866	AG21547	Duke University	—	(846)	(846)
		93.866	AG21547	University of Miami	—	230,476	230,476
		93.866	R01AG24010	University of Washington	—	14,886	14,886
		93.866	P01AG010770	Univ of California at San Franc	—	122,673	122,673
Total CFDA	93.866			3,564,604	689,624	4,254,228	

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Program	Federal Sponsor/Project Title	CFDA	Flow-through Award Number	Flow-through Entity	Direct	Flow-through	Total
	Vision Research	93.867			\$ 6,481,302	—	6,481,302
		93.867	U10EY12118	Duke University	—	(329)	(329)
		93.867	EY10886	Tufts University	—	(3,935)	(3,935)
		93.867	4204301753	University of Illinois	—	104,998	104,998
		93.867	U10EY11751	Jaeb Ctr for Health Rsrch Fdn, Inc.	—	37,322	37,322
		93.867	R01EY15872	Harvard University	—	91,997	91,997
		93.867	U10EY12118	University of Miami	—	366,286	366,286
		93.867	1R24EY12894	Western Michigan University	—	180,556	180,556
	Total CFDA	93.867			6,481,302	776,895	7,258,197
	Medical Library Assistance	93.879			777,268	—	777,268
	Total CFDA	93.879			777,268	—	777,268
	Resource and Manpower Dev in Environmental Health Sciences	93.894			(11,683)	—	(11,683)
	Total CFDA	93.894			(11,683)	—	(11,683)
	Fogarty International Research Collaborative	93.934			32,374	—	32,374
	Total CFDA	93.934			32,374	—	32,374
	Senior International Fellowships	93.989			—	—	—
		93.989	U2RTW006901	Cornell University	—	40,522	40,522
	Total CFDA	93.989			—	40,522	40,522
	Total National Institutes of Health				260,603,817	18,015,522	278,619,339
	Total Department of Health and Human Services				263,659,167	20,440,134	284,099,301
	US Agency for International Development						
	USAID Foreign Assistance for Prog Oversea	98.001			519,816	—	519,816
	Total CFDA	98.001			519,816	—	519,816
	Global Development Alliance	98.011			1,401,020	—	1,401,020
		98.011	DFDI00030014400	Management Systems Int'l	—	119	119
		98.011	DFDI00050022100	Management Systems Int'l	—	128,003	128,003
	Total CFDA	98.011			1,401,020	128,122	1,529,142
	Total US Agency for International Development				1,920,836	128,122	2,048,958
	U.S. Department of Justice						
	National Institute Juvenile Justice & Delinquency Prevention	16.542			70,353	—	70,353
	Total CFDA	16.542			70,353	—	70,353
	Justice Research, Development & Evaluation Project	16.560			—	—	—
		16.560	4251005003	Institute of Law and Justice	—	(963)	(963)
	Total CFDA	16.560			—	(963)	(963)
	Total U.S. Department of Justice				70,353	(963)	69,390
	National Aeronautics Space Administration						
	NASA Research Grants	43.000			1,605,460	—	1,605,460
		43.000	4224223533	Lockheed Martin Corporation	—	—	—
		43.000	NNL06AA29C	Georgia Institute of Technology	—	166,001	166,001
		43.000	HST-GO-10628.01-A	Space Telescope Science Inst.	—	2,900	2,900
		43.000	HST-GO-10921-01.A	Space Telescope Science Inst.	—	21,242	21,242
		43.000	HST-AR-10967.01-A	Space Telescope Science Inst.	—	43,739	43,739
		43.000	8100000850	Lockheed Martin Corporation	—	187,723	187,723
		43.000	NNA07BB97C	Universities Space Rsch Assoc	—	43,570	43,570
		43.000	HST-GO-11164.01-A	Space Telescope Science Inst.	—	4,781	4,781
		43.000	VAN-05-S-246	Muniz Engineering, Inc.	—	79,591	79,591
		43.000	07-524	CFD Research Corporation	—	9,139	9,139
		43.000	C09080012	Honeywell International, Inc.	—	8,028	8,028
		43.000	QSI-DSC-07-009	Qualtech Systems, Inc.	—	29,131	29,131
		43.000	HST-GO-10246-02-A	Space Telescope Science Inst.	—	20,174	20,174

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		43.000	4224223613	ITT Industries, Inc.	\$ —	30,539	30,539
		43.000	VU10NN02	Metrolaser, Inc.	—	4,829	4,829
	Total CFDA	43.000			1,605,460	651,387	2,256,847
	Total National Aeronautics Space Administration				1,605,460	651,387	2,256,847
	National Foundation for the Arts and Humanities						
	Institute of Museum Services						
	Institute of Museum and Library Service:	45.313			24,014	—	24,014
	Total CFDA	45.313			24,014	—	24,014
	Total Institute of Museum Services				24,014	—	24,014
	Total National Foundation for the Arts and Humanities				24,014	—	24,014
	National Science Foundation						
		47.000			205	—	205
		47.000	ECS 061528		—	10,773	10,773
	Total CFDA	47.000			205	10,773	10,978
	Engineering Grants						
		47.041			1,985,386	—	1,985,386
		47.041	IIP0646322	Tetramer Technologies, LLC	—	2,894	2,894
		47.041	IIP0740683	Appliflex, LLC	—	11,735	11,735
		47.041	IIP0740397	Wavesinsolids, LLC	—	24,538	24,538
		47.041	EEC0540834	University of Minnesota	—	357,558	357,558
		47.041	CBET0651803	Johns Hopkins University	—	25,142	25,142
	Total CFDA	47.041			1,985,386	421,867	2,407,253
	Mathematical & Physical Sciences						
		47.049			3,042,449	—	3,042,449
		47.049	DMS0504924	University of Maryland	—	21,586	21,586
		47.049	GSSP070020	Associated Universities, Inc.	—	17,149	17,149
	Total CFDA	47.049			3,042,449	38,735	3,081,184
	Geosciences						
		47.050			516,181	—	516,181
		47.050	EAR0711109	University of Chicago	—	13,707	13,707
	Total CFDA	47.050			516,181	13,707	529,888
	Computer and Info Sciences & Engineering						
		47.070			1,229,519	—	1,229,519
		47.070	SA41043-10097PG	University of California Berkley	—	10,522	10,522
		47.070	CNS0509342	Univ of Alabama at Birmingham	—	8,555	8,555
		47.070	CCF0424422	University of California Berkley	—	511,534	511,534
		47.070	CNS0804230	Mississippi State University	—	28,530	28,530
		47.070	CCR0225610	University of California Berkley	—	325,287	325,287
	Total CFDA	47.070			1,229,519	884,428	2,113,947
	Biological Sciences						
		47.074			1,594,436	—	1,594,436
	Total CFDA	47.074			1,594,436	—	1,594,436
	Social, Behavioral and Economic Sciences						
		47.075			1,328,508	—	1,328,508
		47.075	SBE0542013		—	320,984	320,984
	Total CFDA	47.075			1,328,508	320,984	1,649,492
	Educational and Human Resources						
		47.076			2,063,553	—	2,063,553
		47.076	ESI0227592	University of Wisconsin	—	27,519	27,519
		47.076	DUE0737198	East Carolina University	—	4,046	4,046
		47.076	EHR0227016	University of Wisconsin	—	148	148
		47.076	ESI0454754	University of Massachusetts	—	113,641	113,641
		47.076	EHR0456995	Brown University	—	(2,373)	(2,373)
		47.076	ESI0119732	University of Wisconsin	—	30,003	30,003
		47.076	DRL0733209	City College of New York	—	40,686	40,686
		47.076	4224303353	Tennessee State University	—	—	—
	Total CFDA	47.076			2,063,553	213,670	2,277,223

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<u>Program</u>	<u>Federal Sponsor/Project Title</u>	<u>CFDA</u>	<u>Flow-through Award Number</u>	<u>Flow-through Entity</u>	<u>Direct</u>	<u>Flow-through</u>	<u>Total</u>
Polar Programs		47.078			\$ 17,784	—	17,784
		47.078	2505500001005		—	2,922	2,922
Total CFDA		47.078			17,784	2,922	20,706
International Science & Engineering		47.079			—	—	—
		47.079	KYM12852BI07		—	2,357	2,357
Total CFDA		47.079			—	2,357	2,357
Total National Science Foundation					11,778,021	1,909,443	13,687,464
Other Federal Agencies							
Nuclear Regulatory							
USNRC Nuclear Education Grant Program		77.006			58,907	—	58,907
		77.006	NRC3807502	Rutgers, The State Univ of NJ	—	6,747	6,747
Total CFDA		77.006			58,907	6,747	65,654
Total Nuclear Regulatory					58,907	6,747	65,654
Homeland Security							
Research Projects		97.002			—	—	—
		97.002	5-39181	University of Memphis	—	421,274	421,274
Total CFDA		97.002			—	421,274	421,274
Total Homeland Security					—	421,274	421,274
General Service Administration							
Federal Citizen Information Center		39.009			—	—	—
		39.009	USAF0060430001	General Dynamics Info Technology	—	21,961	21,961
Total CFDA		39.009			—	21,961	21,961
Total General Service Administration					—	21,961	21,961
Library of Congress							
Library of Congress – Library Services		42.006			—	—	—
		42.006	SB050038 KK8126	Univ of California, Santa Barbara	—	103,248	103,248
Total CFDA		42.006			—	103,248	103,248
Total Library of Congress					—	103,248	103,248
Total Other Federal Agencies					58,907	553,230	612,137
National Academy of Science							
National Research Council							
Other		99.000			—	—	—
		99.000	4206304822	Ford Foundation	—	40,000	40,000
Total CFDA		99.000			—	40,000	40,000
Total National Research Council					—	40,000	40,000
Total National Academy of Science					—	40,000	40,000
U.S. Department of Transportation							
		20.000			—	—	—
		20.000	FA-08-21984	TN Dept of Transportation	—	57,281	57,281
Total CFDA		20.000			—	57,281	57,281
Aviation Research Grants		20.108			208,572	—	208,572
Total CFDA		20.108			208,572	—	208,572
Highway Planning and Construction		20.205			—	—	—
		20.205	FA-06-16691-00	TN Dept of Transportation	—	(216)	(216)
		20.205	FA-06-16701-00	TN Dept of Transportation	—	10,616	10,616
Total CFDA		20.205			—	10,400	10,400

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Program	Federal Sponsor/Project Title	CFDA	Flow-through Award Number	Flow-through Entity	Direct	Flow-through	Total
	Federal Transit Grants for Universities	20.502			\$ —	—	—
		20.502	DTRS95G0004	University of Tennessee	—	16,504	16,504
	Total CFDA	20.502			—	16,504	16,504
	Occupant Protection	20.602			—	—	—
		20.602	DTNH2204H05111	Meharry Medical College	—	17,804	17,804
	Total CFDA	20.502			—	17,804	17,804
	University Transportation Centers Program	20.701			—	—	—
		20.701	DTRS99G0004: 07-VU-S1	University of Tennessee	—	23,821	23,821
		20.701	DTRS99G0004: 07-VU-S2	University of Tennessee	—	20,179	20,179
		20.701	P0016450	University of Memphis	—	260,352	260,352
	Total CFDA	20.701			—	304,352	304,352
	Total U.S. Department of Transportation				208,572	406,341	614,913
	Tennessee Valley Authority						
	TVA Environmental Research Center	62.001			125,870	—	125,870
	Total CFDA	62.001			125,870	—	125,870
	Total Tennessee Valley Authority				125,870	—	125,870
	Veteran Affairs						
	Veteran Affairs	64.000			294,808	—	294,808
	Total CFDA	64.000			294,808	—	294,808
	Total Veteran Affairs				294,808	—	294,808
	Total Research				314,182,645	34,411,428	348,594,073
*Student Financial Aid							
	U.S. Department of Education						
	Federal Supplemental ED Opportunity Grant:	84.007			1,245,207	—	1,245,207
	Total CFDA	84.007			1,245,207	—	1,245,207
	Federal Family Education Loan Program	84.032			80,103,052	—	80,103,052
	Total CFDA	84.032			80,103,052	—	80,103,052
	Federal Work-Study Program	84.033			1,439,844	—	1,439,844
	Total CFDA	84.033			1,439,844	—	1,439,844
	Federal Perkins Loan Program	84.038			2,776,272	—	2,776,272
	Total CFDA	84.038			2,776,272	—	2,776,272
	Federal Pell Grant Program	84.063			2,251,301	—	2,251,301
	Total CFDA	84.063			2,251,301	—	2,251,301
	Academic Competitiveness Grants	84.375			162,650	—	162,650
	Total CFDA	84.375			162,650	—	162,650
	National Science & Mathematics Access to Retain Talent Grants	84.376			215,605	—	215,605
	Total CFDA	84.376			215,605	—	215,605
	Total U.S. Department of Education				88,193,931	—	88,193,931
	U.S. Department of Health & Human Services						
	Nursing Faculty Loan Program	93.264			75,423	—	75,423
	Total CFDA	93.264			75,423	—	75,423

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<u>Program</u>	<u>Federal Sponsor/Project Title</u>	<u>CFDA</u>	<u>Flow-through Award Number</u>	<u>Flow-through Entity</u>	<u>Direct</u>	<u>Flow-through</u>	<u>Total</u>
	Nursing Student Loan Program	93.364			\$ 166,000	—	166,000
	Total CFDA	93.364			166,000	—	166,000
	Total Department of Health and Human Services				241,423	—	241,423
	Total Student Financial Aid				88,435,354	—	88,435,354
Other							
	U.S. Department of Education						
	Spec Ed – Personnel Prep to Improve Svcs for Disabled Children	84.325			3,811,997	—	3,811,997
			4261002063	University of Florida	—	(6,339)	(6,339)
			57201	Pennsylvania College of Optometry	—	64,600	64,600
	Total CFDA	84.325			3,811,997	58,261	3,870,258
	Total U.S. Department of Education				3,811,997	58,261	3,870,258
	U.S. Department of Health & Human Services						
	*Global AIDS	93.067			3,282,618	—	3,282,618
	Total CFDA	93.067			3,282,618	—	3,282,618
	Cancer Research Manpower	93.398			4,395,286	—	4,395,286
	Total CFDA	93.398			4,395,286	—	4,395,286
	*Pharmacology, Physiology & Biological Chemistry Research	93.859			3,722,155	—	3,722,155
	Total CFDA	93.859			3,722,155	—	3,722,155
	Total Department of Health and Human Services				11,400,059	—	11,400,059
Type B:							
Other							
	U.S. Department of Agriculture						
	Child and Adult Care Food Program	10.558			—	—	—
			34764499001	TN Dept of Human Services	—	(5,456)	(5,456)
	Total CFDA	10.558			—	(5,456)	(5,456)
	Total U.S. Department of Agriculture				—	(5,456)	(5,456)
	U.S. Department of Commerce						
	Measurement and Engineering Research	11.609			3,670	—	3,670
	Total CFDA	11.609			3,670	—	3,670
	Total U.S. Department of Commerce				3,670	—	3,670
	Corporation For National Service						
		94.000			7,960	—	7,960
	Total CFDA	94.000			7,960	—	7,960
	Learn & Serve America Higher Education	94.005			173,925	—	173,925
	Total CFDA	94.005			173,925	—	173,925
	Americorps	94.006			—	—	—
		94.006	GR-04-15902-00	TN Department of Finance	—	—	—
		94.006	GR-03-15171	TN Department of Finance	—	(762)	(762)
		94.006	06 AC67098	TN Department of Finance	—	(9,165)	(9,165)
		94.006	4081105822	TN Department of Finance	—	145,793	145,793
		94.006	04 AC40525	TN Department of Finance	—	5,974	5,974
	Total CFDA	94.006			—	141,840	141,840

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	Training and Technical Assistance	94.009			\$ —	—	—
		94.009	4081105812	TN Department of Finance	—	3,760	3,760
	Total CFDA	94.009			—	3,760	3,760
	Total Corporation For National Service				181,885	145,600	327,485
U.S. Department of Defense:							
Army							
		12.000			—	—	—
		12.000	4060804013		422,454	—	422,454
		12.000	4060804023		—	1,494	1,494
					—	2,398	2,398
	Total CFDA	12.000			422,454	3,892	426,346
Basic Scientific Research		12.431			14,193	—	14,193
Total CFDA		12.431			14,193	—	14,193
Total Army					436,647	3,892	440,539
Total U.S. Department of Defense					436,647	3,892	440,539
U.S. Department of Education							
Department of Education							
		84.000			—	—	—
		84.000	4205902005	Univ of California San Diego	—	11,282	11,282
			4205902015	Fisk University	—	9,000	9,000
		84.000	ED-06-R-0021	Westat, Inc.	—	645,177	645,177
		84.000	2-218740-02	Metro Nashville Davidson Co	—	28,598	28,598
	Total CFDA	84.000			—	694,057	694,057
National Resource Centers & Fellowship		84.015			414,018	—	414,018
Total CFDA		84.015			414,018	—	414,018
Special Education Grants to States		84.027			—	—	—
		84.027	4045705163	TN Dept. of Education	—	(184)	(184)
		84.027	PAVE	TN Dept. of Education	—	(333)	(333)
		84.027	4045705153	TN Dept. of Education	—	(5,205)	(5,205)
		84.027	4045705183	TN Dept. of Education	—	348,580	348,580
		84.027	GR-05-16690-00	TN Dept. of Education	—	311,657	311,657
	Total CFDA	84.027			—	654,515	654,515
Fund for the Improvement of Postsecondary Education		84.116			—	—	—
		84.116	4207202073	Howard University	—	13,102	13,102
Total CFDA		84.116			—	13,102	13,102
Rehabilitation Services – Vocational Rehab		84.126			—	—	—
		84.126	GR-05-16271-01	TN Dept of Human Services	—	(12,297)	(12,297)
		84.126	GR-06-17179-00	TN Dept of Human Services	—	(9,963)	(9,963)
		84.126	GR-00-12686	TN Dept of Human Services	—	56,357	56,357
Total CFDA		84.126			—	34,097	34,097
National Institute on Disability & Rehabilitation Research		84.133			—	—	—
		84.133	4224302035	University of Connecticut	—	330	330
Total CFDA		84.133			—	330	330
Javits Fellowships		84.170			42,628	—	42,628
Total CFDA		84.170			42,628	—	42,628
Special Education Preschool Grants		84.173			—	—	—
		84.173	4045705193		—	60	60
Total CFDA		84.173			—	60	60

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	Special Education Grants For Infants & Families with Disabilities	84.181			\$ —	—	—
		84.181	4045705203	TN Dept of Education	—	743,954	743,954
		84.181	4045705213	TN Dept of Education	—	306,355	306,355
		84.181	4045705173	TN Dept of Education	—	(3,572)	(3,572)
	Total CFDA	84.181			—	1,046,737	1,046,737
	Safe & Drug-Free Schools & Communities	84.186			—	—	—
		84.186	GR-07-18399	TN Dept of Education	—	79,704	79,704
	Total CFDA	84.186			—	79,704	79,704
	Graduate Assistance In Areas Of National Need	84.200			190,303	—	190,303
	Total CFDA	84.200			190,303	—	190,303
	National Institute on Student Achievement	84.305			1,355,522	—	1,355,522
		84.305	PROJ0000243	Northwestern University	—	9,132	9,132
	Total CFDA	84.305			1,355,522	9,132	1,364,654
	Capacity Blg for Traditionally Under	84.315			(8,840)	—	(8,840)
	Total CFDA	84.315			(8,840)	—	(8,840)
	Special Education – State Personnel Development	84.323			—	—	—
		84.323	GR-07-18009-00	TN Department of Education	—	43,114	43,114
		84.323	GR-06-17720-00	TN Department of Education	—	(11,281)	(11,281)
	Total CFDA	84.323			—	31,833	31,833
	Special Education Research & Innovation	84.324			39,244	—	39,244
	Total CFDA	84.324			39,244	—	39,244
	Spec Ed – Technical Assistance & Dissemination to Improve Svcs	84.326			317,744	—	317,744
		84.326	5830-1251-00-B	University of South Florida	—	4,198	4,198
	Total CFDA	84.326			317,744	4,198	321,942
	Gaining Early Awareness & Readiness for Undergraduate Program	84.334			50,266	—	50,266
		84.334	FA-08-24222-00	TN Higher Education Commission	—	15,980	15,980
	Total CFDA	84.334			50,266	15,980	66,246
	Minority Outreach Program	84.920			(6,469)	—	(6,469)
	Total CFDA	84.920			(6,469)	—	(6,469)
	Total U.S. Department of Education				2,394,416	2,583,745	4,978,161
	U.S. Department of Energy	81.000			—	—	—
		81.000	4581004252	Krell Institute, Inc.	—	102	102
	Total CFDA	81.000			—	102	102
	Office of Science Financial Assistance	81.049			—	—	—
		81.049	4000039014	UT-Battelle, LLC	—	21,557	21,557
	Total CFDA	81.049			—	21,557	21,557
	Total U.S. Department of Energy				—	21,659	21,659
	U.S. Department of Health & Human Services: Centers for Medicare and Medicaid Service: Medical Assistance Program:	93.778			—	—	—
		93.778	GR-04-15873-00	TN Bureau of TennCare	—	(1,201)	(1,201)
		93.778	GR-07-15873-00	TN Dept of Health	—	360	360
		93.778	GR-07-18109	TN Dept of Health	—	862,794	862,794
		93.778	GR-06-16956	TN Dept of Finance & Admin	—	607,754	607,754
			4044255093	TN Dept of Health	—	50,219	50,219
			4044255103	TN Dept of Health	—	292,085	292,085
		93.778	GR-07-18399	TN Dept of Health	—	21,301	21,301

Vanderbilt University
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2008

<u>Program</u>	<u>Federal Sponsor/Project Title</u>	<u>CFDA</u>	<u>Flow-through Award Number</u>	<u>Flow-through Entity</u>	<u>Direct</u>	<u>Flow-through</u>	<u>Total</u>
			4044255053	TN Dept of Health	\$ —	129	129
		93.778	GR-06-16995-00	TN Dept of Health	—	1,595	1,595
			GR-06-15873	TN Dept of Health	—	976	976
			4044255073	TN Dept of Finance & Admin	—	8,321	8,321
		93.778	4090135013	TN Dept of Health	—	(527)	(527)
	Total CFDA	93.778			—	1,843,806	1,843,806
	Total Centers for Medicare and Medicaid Services				—	1,843,806	1,843,806
Administration for Children and Families	Head Start	93.600			1,118,172	—	1,118,172
	Total CFDA	93.600			1,118,172	—	1,118,172
	Developmental Disabilities Basic Support	93.630			—	—	—
			GR-08-22277	TN Dept of MH/DD	—	71,231	71,231
		93.630	GR-07-18199-00	TN Dept of MH/DD	—	5,308	5,308
			GR-07-18238	TN Dept of MH/DD	—	1,367	1,367
			GR-08-22321	TN Dept of MH/DD	—	159,455	159,455
		93.630	GR-07-18474-00	TN Dept of MH/DD	—	(3,599)	(3,599)
	Total CFDA	93.630			—	233,762	233,762
	Total Administration for Children and Families				1,118,172	233,762	1,351,934
Agency for Healthcare Research and Quality		93.000			—	—	—
		93.000	290-04-0006	TN Dept of Finance & Admin	—	72,397	72,397
		93.000	4047855014	TN Dept of Finance & Admin	—	246,089	246,089
		93.000	4047855034	TN Dept of Health	—	1,647,508	1,647,508
		93.000	4047855044	TN Dept of Health	—	6,427	6,427
	Total CFDA	93.000			—	1,972,421	1,972,421
	National Research Service Awards Health	93.225			287,014	—	287,014
	Total CFDA	93.225			287,014	—	287,014
	Research on Healthcare Costs, Quality & Outcomes	93.226			7,876	—	7,876
	Total CFDA	93.226			7,876	—	7,876
	Total Agency for Healthcare Research and Quality				294,890	1,972,421	2,267,311
Substance Abuse and Mental Health Services Administration	Projects of Regional & National Significance	93.243			69,492	—	69,492
		93.243	Z-07-033420		—	1,672	1,672
	Total CFDA	93.243			69,492	1,672	71,164
	Total Substance Abuse & Mental Health Services Admin				69,492	1,672	71,164
Center for Disease Control	Innovations in Applied Public Health	93.061			92,148	—	92,148
	Total CFDA	93.061			92,148	—	92,148
	Injury Prevention and Control Research	93.136			—	—	—
		93.136	4045785034	TN Department of Health	—	(10,181)	(10,181)
		93.136	FA-07-16968	TN Department of Health	—	8,114	8,114
	Total CFDA	93.136			—	(2,067)	(2,067)
	CDC and Prevention – Investigations and Technical Assistance	93.283			—	—	—
		93.283	U50CCU422173	Matthew Walker Comp Health Ctr	—	57,888	57,888
	Total CFDA	93.283			—	57,888	57,888
	HIV Demonstration, Research, Public & Professional Educ Projects	93.941			—	—	—
		93.941	U62CCU123541	CDC Foundation, Inc.	—	489,832	489,832
	Total CFDA	93.941			—	489,832	489,832

Vanderbilt University
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2008

<u>Program</u>	<u>Federal Sponsor/Project Title</u>	<u>CFDA</u>	<u>Flow-through Award Number</u>	<u>Flow-through Entity</u>	<u>Direct</u>	<u>Flow-through</u>	<u>Total</u>
Assistance Programs for Chronic Disease		93.945			\$ 29,805	—	29,805
Total CFDA		93.945			29,805	—	29,805
Preventive Health & Health Services Block Grant		93.991			—	—	—
		93.991	GR-04-15889-00	TN Department of Health	—	840,440	840,440
Total CFDA		93.991			—	840,440	840,440
Total Center for Disease Control					121,953	1,386,093	1,508,046
Health Resource Services Administration							
		93.000			—	—	—
		93.000	D36HP10050	Meharry Medical College	—	1,339	1,339
		93.000	GR-08-21903	TN Dept of MH/DD	—	63,995	63,995
		93.000	GR-08-22160	TN Dept of MH/DD	—	64,867	64,867
Total CFDA		93.000			—	130,201	130,201
Public Health & Social Services Emergency Fund		93.003					
		93.003	Z-04-019660-00	TN Department of Health	—	—	—
		93.003	4016015024	TN Department of Health	—	1,622	1,622
		93.003	4016015034	TN Department of Health	—	9,725	9,725
		93.003	4016015044	TN Department of Health	—	20,929	20,929
		93.003	4016015054	TN Department of Health	—	122,860	122,860
		93.003	4016015064	TN Department of Health	—	45,019	45,019
		93.003	GR-05-16617-00	TN Department of Health	—	1,120	1,120
		93.003	4096015034	TN Department of Health	—	7,212	7,212
		93.003	4096015044	TN Department of Health	—	50,053	50,053
		93.003	4096015054	TN Department of Health	—	45,838	45,838
		93.003	4096015064	TN Department of Health	—	67,900	67,900
		93.003	GR-05-16692-00	TN Department of Health	—	184,250	184,250
		93.003	Z-04-019661-00	TN Department of Health	—	3,474	3,474
Total CFDA		93.003			—	560,002	560,002
Medical Reserve Corps Small Grant Program		93.008			(4)	—	(4)
Total CFDA		93.008			(4)	—	(4)
Mental Health Planning and Demo Projects		93.110			430,157	—	430,157
Total CFDA		93.110			430,157	—	430,157
Emergency Medical Services for Children		93.127			157,392	—	157,392
		93.127	GR-06-17942	TN Department of Health	—	(16,586)	(16,586)
		93.127	H33MC068841	TN Department of MH/DD	—	(1,077)	(1,077)
Total CFDA		93.127			157,392	(17,663)	139,729
Advanced Education Nursing Grant Program		93.247			1,090,496	—	1,090,496
Total CFDA		93.247			1,090,496	—	1,090,496
National Poison Control Systems Stabilization		93.253			359,075	—	359,075
Total CFDA		93.253			359,075	—	359,075
Professional Nurse Traineeships		93.358			193,866	—	193,866
Total CFDA		93.358			193,866	—	193,866
Basic Nurse Education & Practice Grants		93.359			805,570	—	805,570
Total CFDA		93.359			805,570	—	805,570
Maternal and Child Health Services Block		93.994			—	—	—
		93.994	4045905413	TN Department of Health	—	(1,220)	(1,220)
		93.994	4045905423	TN Department of Health	—	796,004	796,004
Total CFDA		93.994			—	794,784	794,784
Total Health Resource Services Administration					3,036,552	1,467,324	4,503,876

Vanderbilt University
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

Program	Federal Sponsor/Project Title	CFDA	Flow-through Award Number	Flow-through Entity	Direct	Flow-through	Total
National Institutes of Health		93.000			\$ 60,274	—	60,274
		93.000	K12HD00850	Yale University	—	96,134	96,134
		93.000	R25CA102209	Meharry Medical Center	—	14,794	14,794
		93.000	4060800043	Batelle Memorial Institute	—	(1,156)	(1,156)
		93.000	U01AI69421	Cornell University	—	21,138	21,138
		93.000	N01LM63502	University of Maryland	—	11,264	11,264
		93.000	PO#184382	Batelle Memorial Institute	—	49,632	49,632
Total CFDA		93.000			60,274	191,806	252,080
Maternal & Child Health Fed Consolidated Program		93.110			—	—	—
		93.110	T83MC00008	Tennessee State University	—	136,425	136,425
Total CFDA		93.110			—	136,425	136,425
Biological Response to Environment Health		93.113			662,340	—	662,340
Total CFDA		93.113			662,340	—	662,340
Research Related To Deafness and Communication Disorders		93.173			62,074	—	62,074
Total CFDA		93.173			62,074	—	62,074
Mental Health Research Grants		93.242			675,980	—	675,980
Total CFDA		93.242			675,980	—	675,980
Alcohol National research Service Awards		93.272			73,290	—	73,290
Total CFDA		93.272			73,290	—	73,290
Drug Abuse National Research Service Awd		93.278			174,190	—	174,190
Total CFDA		93.278			174,190	—	174,190
Drug Abuse Research Programs		93.279			572,100	—	572,100
Total CFDA		93.279			572,100	—	572,100
Mental Health Research Career/Scientist Development Awards		93.281			121,391	—	121,391
Total CFDA		93.281			121,391	—	121,391
Mental Health National Research Service Awards		93.282			1,125,304	—	1,125,304
Total CFDA		93.282			1,125,304	—	1,125,304
Biomedical Imaging Research		93.286			587,075	—	587,075
Total CFDA		93.286			587,075	—	587,075
Clinical Research		93.333			151,793	—	151,793
Total CFDA		93.333			151,793	—	151,793
Nursing Research		93.361			91,213	—	91,213
Total CFDA		93.361			91,213	—	91,213
Research Infrastructure		93.389			1,641,262	—	1,641,262
Total CFDA		93.389			1,641,262	—	1,641,262
Developmental Disabilities Basic Support		93.630			—	—	—
		93.630	4042985423		—	20,405	20,405
Total CFDA		93.630			—	20,405	20,405
Cell Biology and Biophysics Research		93.821			23,030	—	23,030
Total CFDA		93.821			23,030	—	23,030
Heart and Vascular Diseases Research		93.837			1,685,134	—	1,685,134
		93.837	K01HL76623	Meharry Medical College	—	8,764	8,764
Total CFDA		93.837			1,685,134	8,764	1,693,898

Vanderbilt University
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

Program	Federal Sponsor/Project Title	CFDA	Flow-through Award Number	Flow-through Entity	Direct	Flow-through	Total
Lung Diseases Research		93.838			\$ 507,085	—	507,085
Total CFDA		93.838			507,085	—	507,085
Blood Diseases and Resources Research		93.839			707,462	—	707,462
		93.839	K01HL67715	Meharry Medical College	—	15	15
Total CFDA		93.839			707,462	15	707,477
Arthritis, Muscularskeletal & Skin		93.846			109,606	—	109,606
Total CFDA		93.846			109,606	—	109,606
Diabetes, Endocrinology and Metabolism Research		93.847			1,348,450	—	1,348,450
		93.847	4013864753	Meharry Medical College	—	(222)	(222)
Total CFDA		93.847			1,348,450	(222)	1,348,228
Digestive Diseases & Nutrition Research		93.848			150,839	—	150,839
Total CFDA		93.848			150,839	—	150,839
Kidney Diseases, Urology and Hematology		93.849			232,670	—	232,670
Total CFDA		93.849			232,670	—	232,670
Clinical Research Related Neurological Disorders		93.853			1,077,422	—	1,077,422
Total CFDA		93.853			1,077,422	—	1,077,422
Allergy, Immunology and Transplantation		93.855			1,148,231	—	1,148,231
Total CFDA		93.855			1,148,231	—	1,148,231
Microbiology and Infectious Diseases Research		93.856			1,290	—	1,290
Total CFDA		93.856			1,290	—	1,290
Population Research		93.864			564,697	—	564,697
Total CFDA		93.864			564,697	—	564,697
Research For Mothers and Children		93.865			1,289,198	—	1,289,198
		93.865	T32HD44328	Stanford University	—	1,171	1,171
Total CFDA		93.865			1,289,198	1,171	1,290,369
Aging Research		93.866			291,664	—	291,664
Total CFDA		93.866			291,664	—	291,664
Vision Research		93.867			334,756	—	334,756
Total CFDA		93.867			334,756	—	334,756
Medical Library Assistance		93.879			624,418	—	624,418
Total CFDA		93.879			624,418	—	624,418
Resource and Manpower Dev in Environmental Health Sciences		93.894			5,252	—	5,252
Total CFDA		93.894			5,252	—	5,252
Senior International Fellowships		93.989			1,444,600	—	1,444,600
		93.989	R25TW07766	Meharry Medical College	—	14,561	14,561
		93.989	2D43TW00018	Cornell University	—	79,426	79,426
Total CFDA		93.989			1,444,600	93,987	1,538,587
Total National Institutes of Health					17,544,090	452,351	17,996,441
Total U.S. Department of Health & Human Services					22,185,149	7,357,429	29,542,578
U.S. Department of Labor		17.000			—	(66,000)	(66,000)
Total CFDA		17.000	AH-13665-04-60	TN Dept of Labor & Workforce Dev	—	(66,000)	(66,000)
Total U.S. Department of Labor					—	(66,000)	(66,000)

Vanderbilt University
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2008

Program	Federal Sponsor/Project Title	CFDA	Flow-through Award Number	Flow-through Entity	Direct	Flow-through	Total
National Aeronautics Space Administration	NASA Grants	43.000			\$ 516,687	—	516,687
		43.000	4206303502	United Negro College Fund, Inc	—	8,500	8,500
		43.000	HST-EO-10921.06-A	Space Telescope Science Institute	—	44,018	44,018
		43.000	HST-EO-11164.06-A	Space Telescope Science Institute	—	4,293	4,293
		43.000	HST-EO-10628.04-A	Space Telescope Science Institute	—	23,674	23,674
	Total CFDA	43.000			516,687	80,485	597,172
	Total National Aeronautics Space Administration				516,687	80,485	597,172
National Foundation for the Arts and Humanities	National Endowment for the Humanitie Promotion of the Humanities Div of Prese	45.149			—	—	—
		45.149			139,760	—	139,760
	Total CFDA	45.149			139,760	—	139,760
	Total National Endowment for the Humanities				139,760	—	139,760
	Total National Foundation for the Arts and Humanities				139,760	—	139,760
National Science Foundation	Engineering Grants	47.041			815,162	—	815,162
		47.041	8602-55014	Johns Hopkins University	—	2,179	2,179
		47.041	EEC0540834	University of Minnesota	—	9,387	9,387
	Total CFDA	47.041			815,162	11,566	826,728
Mathematical & Physical Sciences		47.049			183,642	—	183,642
		47.049	DMS0349367	University of Hawaii	—	7,288	7,288
		47.049	PHY0715396	University of Norte Dame	—	800	800
		47.049	DMS0532334	Society of Industrial & App Mathematics	—	8,000	8,000
	Total CFDA	47.049			183,642	16,088	199,730
Computer and Info Sciences & Engineering		47.070			190,734	—	190,734
		47.070	CCR0225610	University of California Berkley	—	7,500	7,500
	Total CFDA	47.070			190,734	7,500	198,234
Biological Sciences		47.074			25,490	—	25,490
	Total CFDA	47.074			25,490	—	25,490
Social, Behavioral and Economic Sciences		47.075			12,567	—	12,567
	Total CFDA	47.075			12,567	—	12,567
Educational and Human Resources		47.076			1,165,049	—	1,165,049
		47.076	HRD0217629-VU-01	Tennessee State University	—	105,503	105,503
		47.076	DUE0717768	University of Wisconsin	—	7,596	7,596
	Total CFDA	47.076			1,165,049	113,099	1,278,148
	Total National Science Foundation				2,392,644	148,253	2,540,897
Council of Economic Advisors	Intergovernmental Personnel Act Mobility	27.011			12,971	—	12,971
	Total CFDA	27.011			12,971	—	12,971
	Total Council of Economic Advisors				12,971	—	12,971
U.S. Department of Transportation	Highway Training and Education	20.215			23,957	—	23,957
	Total CFDA	20.215			23,957	—	23,957
Federal Transit Grants for University		20.502			—	—	—
		20.502	DTRT07G0004	University of Tennessee	—	2,000	2,000
	Total CFDA	20.502			—	2,000	2,000
	Total U.S. Department of Transportation				23,957	2,000	25,957

Vanderbilt University
Schedule of Expenditures of Federal Awards
Year ended June 30, 2008

<u>Program</u>	<u>Federal Sponsor/Project Title</u>	<u>CFDA</u>	<u>Flow-through Award Number</u>	<u>Flow-through Entity</u>	<u>Direct</u>	<u>Flow-through</u>	<u>Total</u>
Tennessee Valley Authority							
	TVA Environmental Research Center	62.001			\$ 233,194	—	233,194
	Total CFDA	62.001			233,194	—	233,194
	Total Tennessee Valley Authority				233,194	—	233,194
	Total Other				28,520,980	10,271,607	38,792,587
	Total Federal Awards				\$ 446,351,035	44,741,296	491,092,331

The accompanying notes are an integral part of the schedule.
See accompanying independent auditors' report.
* Indicates major program

THE VANDERBILT UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards summarizes the expenditures of The Vanderbilt University (the University) under federal programs for the year ended June 30, 2008. Because the schedule presents only a selected portion of the operations of the University, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the University.

For purposes of the Schedule of Expenditures of Federal Awards, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies and departments of the federal government and all subawards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. The awards are classified into Type A and Type B programs in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Clustered award categories are as follows:

Research and Development – Includes awards for systematic study directed toward fuller scientific knowledge or understanding of the subject studied, and are funded primarily by The National Institutes of Health.

Student Financial Aid – Includes certain awards to provide financial assistance to eligible students, primarily under the Federal Work-Study Program (FWS), Scholarship Program for Students of Exceptional Financial Need (EFN), Federal Pell Grant, and Federal Supplemental Educational Opportunity Grant (FSEOG) of the U.S. Departments of Education and Health and Human Services. The University also receives awards to make loans to eligible students under certain federal student loan programs (Federal Perkins Loan, Health Profession Student Loan, Primary Care Loan, Federal Student Nursing Loan and Loans to Disadvantaged Students). Guaranteed Loans (Stafford, Unsubsidized Stafford, Parent Loans for Undergraduate Students, and Graduate PLUS Loans) are issued to eligible students of the University or their parents by various financial institutions. Current year loan disbursements for these loan programs are included in the federal expenditures in the Schedule of Expenditures of Federal Awards (see note 3).

(2) Summary of Significant Accounting Policies for the Schedule

For purposes of the Schedule of Expenditures of Federal Awards, expenditures for federal programs are recognized on the accrual basis of accounting.

Expenditures for federal student financial aid programs are recognized as incurred and include Federal Pell program grants to students, the federal share of students' FSEOG program grants, FWS program earnings, loans to students under federally guaranteed programs and certain other federal financial assistance grants for students and administrative cost allowances, where applicable.

Expenditures for other federal awards of the University are determined using the cost accounting principles and procedures set forth in OMB Circular A-21, *Cost Principles for Educational Institutions*. Under these cost principles, certain expenditures are not allowable or are limited as to reimbursement.

Expenditures for nonfinancial aid awards include indirect costs. Indirect costs allocated to such awards for the year ended June 30, 2008 were based on predetermined fixed rates negotiated with the University's

THE VANDERBILT UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2008

cognizant federal agency, the U.S. Department of Health and Human Services. Indirect costs and recoveries of those costs under sponsored programs are classified as unrestricted expenditures and revenues, respectively, in the University's financial statements.

Negative balances represent programs with unfunded expenditures prior to normal close-out procedures, which were subsequently cost-shared or transferred to nonfederal cost centers.

(3) Federal Student Financial Assistance Programs

Federal student financial assistance made available by the University to eligible students or utilized by the University for allowable administrative expenses under grant, work-study and student loan programs and guaranteed loans offered to students of the University or their parents by financial institutions during the year ended June 30, 2008 are summarized as follows:

Grant and work-study based programs:

FWS	\$	1,439,844
Pell		2,251,301
FSEOG		1,245,207
Academic Competitiveness Grants		162,650
National Science and Mathematics Access to Retain Talent Grants		215,605
Total	\$	<u>5,314,607</u>

Direct loans disbursed:

Federal Perkins	\$	2,776,272
Health Profession Student Loan		—
Primary Care Loan		—
Federal Nursing Student Loan		166,000
Nurse Faculty Loan Program		75,423
Loans for Disadvantaged Students		—
Total	\$	<u>3,017,695</u>

Guaranteed loans disbursed:

Federal Subsidized Stafford	\$	20,791,232
Federal Unsubsidized Stafford		26,966,143
Federal Parent Loans for Undergraduate Students		8,434,004
Federal Graduate PLUS Loans		23,911,673
Total	\$	<u>80,103,052</u>

THE VANDERBILT UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards and State of Tennessee Grant Activity

Year ended June 30, 2008

The Perkins, Health Profession Student Loan (HPSL), Primary Care Loan (PCL), Nursing Student Loan (NSL), Nursing Faculty Loan Program (NFLP) and Loans for Disadvantaged Students (LDS) programs are administered directly by the University and balances and transactions relating to these programs are included in the loan funds of the University's financial statements. Balances of loans outstanding at June 30, 2008 are as follows:

Perkins	\$	15,391,211
HPSL		263,182
PCL		192,297
NSL		1,236,428
NFLP		444,296
LDS		878
		<hr/>
	\$	<u>17,528,292</u>

The University is responsible for the performance of certain administrative duties with respect to the guaranteed loan programs. It is not practical to determine the balance of loans outstanding to students and former students of the University under these programs for the year ended June 30, 2008. These loans are not included in the University's consolidated financial statements.



KPMG LLP
401 Commerce Street, Suite 1000
Nashville, TN 37219-2422

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

Board of Trust
The Vanderbilt University:

We have audited the consolidated financial statements of The Vanderbilt University and subsidiaries as of and for the year ended June 30, 2008, and have issued our report thereon dated October 13, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Vanderbilt'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 Vanderbilt's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Vanderbilt'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 Vanderbilt's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, audit committee, others within the entity, and the U.S Department of Health and Human Services, and other legislative or regulatory bodies governing the federal funds received by The Vanderbilt University and subsidiaries and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

October 13, 2008



KPMG LLP
401 Commerce Street, Suite 1000
Nashville, TN 37219-2422

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

Board of Trust
The Vanderbilt University:

Compliance

We have audited the compliance of The Vanderbilt University and subsidiaries (Vanderbilt) 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, 2008. Vanderbilt's major federal programs are identified in the summary of auditors' 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 Vanderbilt's management. Our responsibility is to express an opinion on Vanderbilt's compliance based on our audit.

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 Vanderbilt'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 Vanderbilt's compliance with those requirements.

In our opinion, Vanderbilt 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, 2008.

Internal Control Over Compliance

The management of Vanderbilt 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 Vanderbilt'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 purposes 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 Vanderbilt's internal control over compliance.

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 internal control 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.

This report is intended solely for the information and use of the Board of Trust, the audit committee, management, the U.S. Department of Health and Human Services and other legislative or regulatory bodies governing the federal funds received by The Vanderbilt University and subsidiaries and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 19, 2009

THE VANDERBILT UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2008

(1) Summary of Auditors' Results

- (a) The type of report issued on the consolidated financial statements: **Unqualified opinion**
- (b) Significant deficiencies in internal control were disclosed by the audit of the consolidated financial statements: **None reported**
Material weaknesses: **None**
- (c) Noncompliance which is material to the consolidated financial statements: **None**
- (d) Significant deficiencies in internal control over major programs: **None reported**
Material weaknesses: **None**
- (e) The type of report issued on compliance for major programs: **Unqualified opinion**
- (f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **None**
- (g) Major programs:

CFDA#	Grantor	Program
Various	Various	Research and Development Cluster
Various	Department of Education	Student Financial Aid Cluster
93.067	Department of Health and Human Services	Global AIDS
93.859	Department of Health and Human Services	Pharmacology, Physiology & Biological Chemistry Research

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **Yes**

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

None.

(3) Findings and Questioned Costs Relating to Federal Awards

None.