

Auburn University

**Report on Federal Awards in Accordance with OMB
Circular A-133
For the Year Ended September 30, 2013
EIN: 63-6000724**

Auburn University
Report on Federal Awards in Accordance with OMB Circular A-133
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September 30, 2013

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Part I

Financial Statements



Independent Auditor's Report

To the Board of Trustees of Auburn University:

We have audited the accompanying financial statements of Auburn University (the "University"), a component unit of the State of Alabama, as of and for the years ended September 30, 2013 and 2012, and the related notes to the financial statements, which consist of the statements of net position and the related statements of revenues, expenses, and changes in net position and statements of cash flows of Auburn University and the statements of financial position and of activities and changes in net assets of the University's discretely presented component units.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We did not audit the financial statements of the Auburn Alumni Association (the "Association"), the Auburn University Foundation (the "Foundation"), two of the University's discretely presented component units, as of and for the years ended September 30, 2013 and 2012. We did not audit the financial statements of Tigers Unlimited Foundation ("TUF"), one of the University's discretely presented component units, as of and for the year ended June 30, 2013. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned discretely presented component units of the University, is based on the reports of the other auditors. 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 from material misstatement. The financial statements of the University's discretely presented component units were not audited in accordance with *Government Auditing Standards*.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University and its discretely presented component units at September 30, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the University has revised its 2012 financial statements for the retrospective application of new accounting standards adopted during 2013. These standards govern the reporting of deferred outflows and deferred inflows of resources and the accounting for debt issuance costs. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis and the required supplemental information for the year ended September 30, 2013, on pages 5 through 12 and 52 through 55, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information



for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The University has omitted the management's discussion and analysis for the year ended September 30, 2012 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Our opinions are not modified with respect to this matter.

Other Information

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. As described in Note 1 to the schedule of expenditures of federal awards, the accompanying schedule of expenditures of federal awards was prepared on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, on the basis of accounting described in Note 1, in relation to the financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2014 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, for the year ended September 30, 2013. 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.

PricewaterhouseCoopers LLP

January 28, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following discussion and analysis provides an overview of the financial position and activities of Auburn University (the University) for the year ended September 30, 2013, with a comparison to the year ended September 30, 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section. The financial statements, footnotes, and this discussion are the responsibility of University management.

The University is a land grant institution and is classified by the Carnegie Foundation as "Doctoral/Research-Extensive," while Auburn University at Montgomery (AUM) is classified as "Master's I." Fall 2013 enrollment included 29,960 total students at the main campus at Auburn and at AUM. The University offers a diverse range of degree programs in 12 colleges and schools and has 5,332 full-time employees, including 1,384 faculty members, who contribute to the University's mission of serving the citizens of the State of Alabama through its instructional, research, and outreach programs.

Using the Annual Report

During 2013, the University adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The adoption of these statements changed the presentation of certain financial statement line items as well as restated some prior year balances (see Note 2). In accordance with these standards, the University's financial report includes three renamed financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. All references to "2013," "2012," or another year refer to the fiscal year ended September 30, unless otherwise noted.

The University's financial statements are summarized as follows:

The Statement of Net Position presents entity-wide assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) on the last day of the fiscal year. Distinctions are made in current and noncurrent assets and liabilities. Net position is segregated into unrestricted, restricted (expendable and nonexpendable), and net investment in capital assets. The University's net position is one indicator of the University's financial health. From the data presented, readers of the Statement of Net Position have the information to determine the assets available to continue the operation of the University. They may also determine how much the University owes vendors, investors and lending institutions. Finally, the Statement of Net Position outlines the net resources available to the University.

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. Governmental accounting standards require state appropriations, gifts, and investment earnings to be classified as nonoperating revenues. As a result, the University will typically realize a significant operating loss. The utilization of capital assets is reflected in the Statement of Revenues, Expenses and Changes in Net Position as depreciation expense, which is the amortization of the cost of an asset over its expected useful life.

The Statement of Cash Flows reports the major sources and uses of cash and reveals further information for assessing the University's ability to meet financial obligations as they become due. Inflows and outflows of cash are summarized by operating, noncapital financing, capital and related financing, and investing activities.

In addition to the University's financial statements, related component unit Statements of Financial Position and Statements of Activities and Changes in Net Assets have been included in this annual report. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*, provides criteria for determining which related organizations should be reported as component units based on the nature and significance of their relationship with the primary government, which is the University. GASB Statement No. 39 also clarifies financial reporting requirements for those organizations as amendments to GASB Statement No. 14, *The Financial Reporting Entity*. The University also evaluated GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34* to ensure proper disclosure. The component units report financial results under principles prescribed by the Financial Accounting Standards Board (FASB) and are subject to standards under the Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles and present net assets in three classes: unrestricted, temporarily restricted, and permanently restricted. The four component units of the University reported herein are:

- (1) Auburn University Foundation (AUF)** - AUF was organized on February 9, 1960, and is the fundraising foundation for the University. As of September 30, 2013, AUF holds endowments and distributes earnings from those endowments to the University. AUF is incorporated as a legally separate, tax-exempt nonprofit organization established to solicit individual and corporate donations for the direct benefit of the University. The Auburn University Real Estate Foundation, Inc. (AUREFI) has been consolidated into AUF's financial statements.
- (2) Tigers Unlimited Foundation (TUF)** - TUF is a legally separate nonprofit organization incorporated in December 2002, which began operations on April 21, 2004. TUF was organized exclusively for charitable purposes, pursuant to Sections 501(a) and 501(c)(3) of the Internal Revenue Code to support athletic fund raising and athletic programs. TUF has a June 30 fiscal year end. TUF provides economic resources to the University for athletic scholarships, athletic building maintenance or new construction, and for athletic department programs.
- (3) Auburn Alumni Association (the Association)** - The Association is a nonprofit corporation organized on April 14, 1945, to promote mutually beneficial relationships between the University and its alumni, to encourage loyalty among alumni, and to undertake various other actions for the benefit of the University, its alumni, and the State of Alabama. Membership is comprised of alumni, friends, and students of the University. The Association provides monetary support to the University in the form of faculty awards and student scholarships.
- (4) Auburn Research and Technology Foundation (ARTF)** - ARTF was organized on August 24, 2004, as a separate nonprofit organization to develop and operate the Auburn Research Park and to assist the University with the attraction, development, and commercialization of technology. The vision of ARTF is to establish an entrepreneurial atmosphere for businesses to foster economic diversification and vitality of the local community, state, and region.

The University has one other related foundation. Due to immateriality, the statements for the Auburn Spirit Foundation for

Scholarships (ASFS) are not presented as a component unit in these financial statements.

Financial Highlights

Statement of Net Position

A summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of September 30, 2013 and 2012, is as follows:

	2013	2012
Assets		
Current assets	\$ 257,011,629	\$ 277,173,040
Capital assets	1,535,238,933	1,397,087,900
Other noncurrent assets	<u>865,559,735</u>	<u>945,591,324</u>
Total assets	<u>2,657,810,297</u>	<u>2,619,852,264</u>
Deferred Outflows of Resources		
Loss on refunding of bonds	<u>10,911,474</u>	<u>12,813,756</u>
Liabilities		
Current liabilities	318,508,943	316,383,075
Noncurrent liabilities	<u>772,599,661</u>	<u>798,531,525</u>
Total liabilities	<u>1,091,108,604</u>	<u>1,114,914,600</u>
Deferred Inflows of Resources		
Nonexchange transactions	<u>346,994</u>	<u>179,752</u>
Net Position		
Net investment of capital assets	787,467,398	733,294,756
Restricted-nonexpendable	27,696,563	25,977,276
Restricted-expendable	173,183,733	180,857,774
Unrestricted	<u>588,918,479</u>	<u>577,441,862</u>
Total net position	<u>\$ 1,577,266,173</u>	<u>\$ 1,517,571,668</u>

The University's Assets

Current assets consist of cash and cash equivalents, operating investments (those investments that are expected to be liquidated during the course of normal operations), net accounts receivable (primarily amounts due from the federal and state governments and other agencies as reimbursements for sponsored programs), net student accounts receivable (including amounts due from third parties on behalf of the students), current portion of loans receivable, accrued interest receivable, inventories, and prepaid expenses. The University's current assets decreased \$20.2 million from 2012 to 2013. Of this decrease, cash and cash equivalents and operating investments decreased by \$14.2 million. This decrease was mainly due to paying expenditures accrued at September 30, 2012. The remaining decrease was from accounts receivable and student accounts receivable. Current accounts receivable decreased by \$4.0 million, which was the result of decreases in receivables on federally sponsored projects. Student accounts receivable decreased by \$1.8 million, due to the timing of agency payments, such as Alabama's Prepaid Affordable College Tuition (PACT) program.

The University's long-term investments, shown in other noncurrent assets, decreased \$78.6 million from 2012 to 2013. This decrease is due to spending previously-invested bond funds held for construction projects. The University saw increases in capital assets, net of depreciation, shown as "Investment in plant, net" on the Statement of Net Position, of 9.9% from 2012 to 2013. Capital assets generally represent the historical cost of land improvements, buildings, construction in progress, infrastructure, equipment, library books and livestock, less any accumulated depreciation, with buildings comprising approximately 72.6% of the total net capital asset value. The increase, offset by disposal activity, depreciation and transfers, was the result of \$204.7 million, net, of new additions to property, plant and equipment. The University expended \$205.6 million in new construction during fiscal year 2013.

The following construction projects totaling \$250.1 million were completed and placed into service during the current fiscal year.

Student Recreation and Wellness	\$ 73.4 million
South Donahue Residence Hall	\$ 67.7 million
Center for Advanced Science, Innovation & Commerce	\$ 27.2 million
AUM Warhawk Residence Hall	\$ 26.5 million
Kinesiology Building	\$ 20.3 million
Lowder Replace Exterior Brick & Expansion Joints	\$ 6.5 million
Biodiversity Learning Center	\$ 5.8 million
Corley Annex Biological Engineering Research Lab	\$ 5.7 million
AUM Library Tower Annex	\$ 2.1 million
Poultry and Animal Nutrition Center Feed Mill Building	\$ 1.7 million
AUM Wellness Center	\$ 1.6 million
Lowder Student Athlete Development Center Renovation	\$ 1.6 million
Solon & Martha Dixon Foundation Learning Center	\$ 1.5 million
Walker Pharmacy Teaching Lab	\$ 1.0 million
Other Small Projects	\$ 7.5 million

The University's Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net assets that is applicable to a future reporting period. In 2010 and 2012, the University defeased certain outstanding bonds. These refundings resulted in a loss (the difference between the acquisition price of the new debt and the net carrying amount of the old debt). In accordance with the adoption of GASB Statements No. 63 and No. 65, this loss is presented as a deferred outflow of resources.

Implementation of these standards requires retroactive application and comparative values for the prior year(s) presented. The decrease in the deferred outflows of resources of \$1.9 million is the current year amortization of the loss on refunding of the bond, which is amortized over

the life of the old or new bonds, whichever is shorter. The University is amortizing over the life of the defeased bonds (see Note 9).

The University's Liabilities

Current liabilities consist of accounts payable, accrued salaries and wages, the current portion of compensation-related liabilities, accrued interest payable, student and other deposits (including Perkins and Health Professions loan liability), unearned revenues, the current portion of noncurrent liabilities, and other accrued liabilities. Current liabilities increased by \$2.1 million from 2012 to 2013. The majority is due to an increase in unearned revenues of \$4.3 million. Unearned revenue is comprised of tuition revenue that relates to fiscal year 2014 and contracts and grants funding received prior to expenditures. For Fall 2013, the Board approved approximately 5.0% and 8.0% tuition increases for main campus and AUM, respectively. Sixty percent of Fall tuition is reported as unearned revenue due to the fiscal year end of September 30. While the University accrued \$6.6 million less in payables at year end, the accrual for other accrued liabilities increased \$3.5 million, which was the result of adjusting and reclassing the University's pollution remediation obligation (GASB Statement No. 49) in fiscal year 2013 from noncurrent to current.

Noncurrent liabilities include principal amounts due on University bonds payable, lease obligations, accrued compensated absences, and other compensation-related liabilities that are payable beyond September 30, 2013. Noncurrent liabilities decreased \$25.9 million from 2012 to 2013. As mentioned above, approximately \$3.0 million of other noncurrent liabilities was reclassified to current liabilities. The remaining decrease was due to debt payments and amortization of bond premium and discounts.

The University's Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net assets that is applicable to a future reporting period. The University engages in certain voluntary nonexchange transactions (grants). Grant funds received for which all eligibility requirements have been met, other than time requirements, are presented as deferred inflows of resources in accordance with the adoption of GASB Statements No. 63 and No. 65.

Implementation of these standards requires retroactive application and comparative values for the prior year(s) presented. During fiscal year 2013, deferred inflows of resources increased \$0.2 million. This was the result of receiving additional funding for which the time requirement for spending had not occurred at year end (see Note 15).

The University's Net Position

The three major net position categories are discussed below:

Net investment in capital assets (previously shown as invested in capital assets, net of related debt) represent the University's capital assets, net of accumulated depreciation, and outstanding principal balances of debt as well as any deferred inflows or outflows of resources, attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets increased 7.4% from 2012 to 2013. This increase is due to the capitalization of assets as previously described and payments made on outstanding debt.

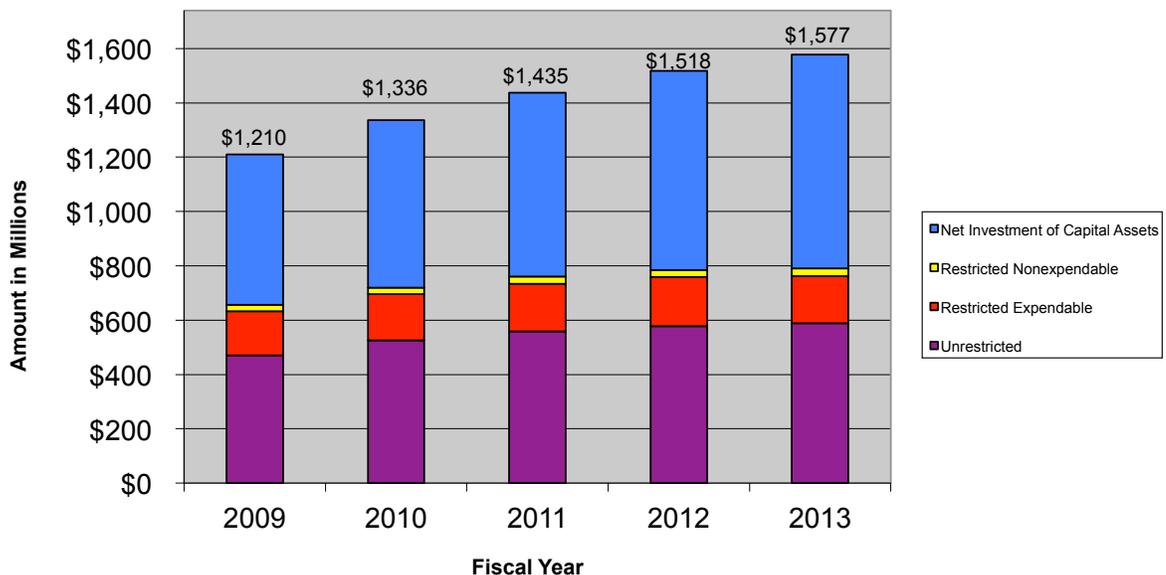
Restricted (nonexpendable and expendable) net position:

Restricted-nonexpendable net position is subject to external restrictions governing its use and consists of the University's permanent endowment funds. This net position increased 6.6% from 2012 to 2013. This increase is the result of additional gifts to permanently endowed funds as well as investment earnings that were added back to current permanent endowments.

Restricted-expendable net position is also subject to external restrictions governing its use. Items of this nature include gifts, contracts, and grants restricted by federal, state, local governments, or private sources for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. Restricted funds functioning as endowments, restricted funds available for student loans and funds restricted for construction purposes are also included in this category. Restricted-expendable net position decreased 4.2%. This decrease was due to expending funds on capital projects that did not have associated outstanding debt.

Unrestricted net position is the third major class of net position, and it is not subject to externally imposed stipulations; however, the majority of the University's unrestricted net position has been internally designated for various mission-related purposes. This category includes funds for general operations of the University, auxiliary operations (including athletics, housing, and the bookstore), unrestricted quasi-endowments, and capital projects. Unrestricted net position increased \$11.5 million from 2012 to 2013. The increase in unrestricted net position is mainly due to holding unrestricted funds for future mission-related priorities and deferred maintenance needs during this uncertain economic time.

TOTAL NET POSITION



Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position are the result of activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of this statement is to present the revenues earned by the

University, both operating and nonoperating, and the expenses incurred by the University, operating and nonoperating, and any other revenues, expenses, gains, losses, and changes in net position.

A condensed statement is provided below:

	2013	2012
Operating revenues	\$ 621,142,050	\$ 602,442,097
Operating expenses	<u>885,675,659</u>	<u>858,060,079</u>
Operating loss	(264,533,609)	(255,617,982)
Net nonoperating revenues and other changes in net position	<u>324,228,114</u>	<u>342,859,031</u>
Increase in net position	59,694,505	87,241,049
Net position - beginning of year	<u>1,517,571,668</u>	<u>1,430,330,619</u>
Net position - end of year	<u>\$ 1,577,266,173</u>	<u>\$ 1,517,571,668</u>

The 2013 Statement of Revenues, Expenses and Changes in Net Position reflects an increase in net position at the end of the year of \$59.7 million. Operating revenues increased 3.1% when comparing operating revenues from 2012 to 2013. The majority of this increase is attributable to the increase in student tuition and fee revenue, net of discounts. The \$22.1 million tuition and fee increase over fiscal year 2012 was the result of the Board-approved increase in tuition for both main campus and AUM. The University also saw increases in sales and services of educational departments of \$4.9 million. This increase was due to revenue generated by the increases in clinic and pharmacy sales. The University recognized a net decrease in federal appropriations, federal, state and nongovernmental contract and grant revenues of \$11.6 million, which was the result of a decrease in spending of federal grant funds appropriated and awarded for research. Auxiliary revenue increased approximately \$3.0 million. The majority of this increase was due to new dorms being placed into service at main campus and at AUM.

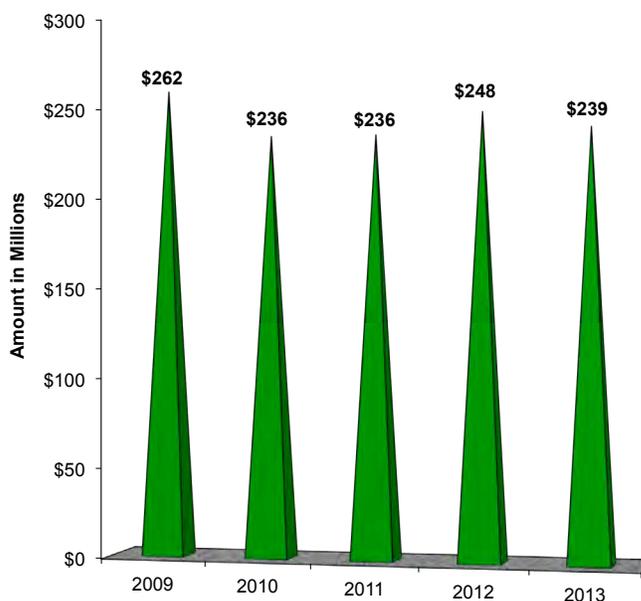
This increase was a result of recording depreciation beginning in fiscal year 2013 on projects completed in 2012. Some of the buildings completed included the AUM Wellness Center, AU's MRI Research Center Building, AUM Taylor Center Expansion, and AU's Multi-Sport Indoor Practice Facility.

Operating expenses increased 3.2% from 2012 to 2013. Multiple factors contributed to this net increase. Compensation and benefit costs increased 3.5%. This was the result of a Board-approved salary increase. Other supplies and services expenses increased \$5.2 million. This increase was attributable to additional noncapitalized maintenance projects in fiscal year 2013. Depreciation expense increased 8.1%.

Net nonoperating revenues decreased \$30.8 million from 2012 to 2013. The University received a decrease in appropriations from the State of Alabama of \$9.2 million. Revenue recognized on Pell grants awarded to students in fiscal year 2013 decreased 3.2%. The University's net investment income decreased from \$28.4 million in fiscal year 2012 to \$13.1 million in fiscal year 2013. Due to the low interest rate environment, the University recognized decreases in interest income, which was offset by the increases in endowment income and realized gains. However, in fiscal year 2013, the University recognized unrealized losses of \$7.2 million, whereas, in fiscal year 2012, the University recognized unrealized gains of \$7.8 million.

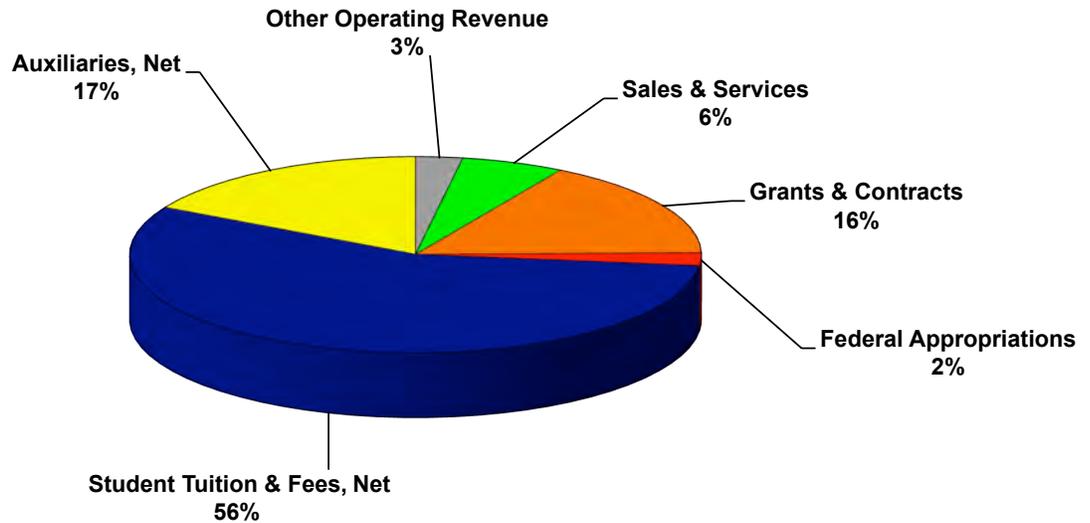
Other Changes in Net Position increased \$12.2 million in fiscal year 2013 from fiscal year 2012. This increase is the direct result of receiving ARRA and state funding for the Center for Advanced Science, Innovation & Commerce and the renovation of the Corley Annex Biological Engineering Research Lab.

STATE APPROPRIATIONS



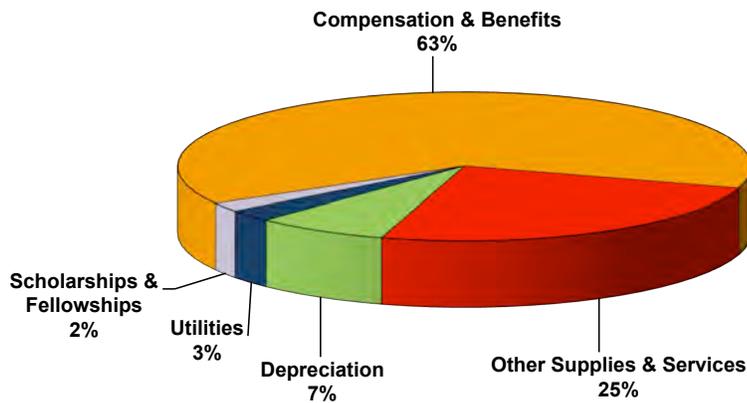
OPERATING REVENUES SUPPORTING CORE ACTIVITIES

For the year ended September 30, 2013



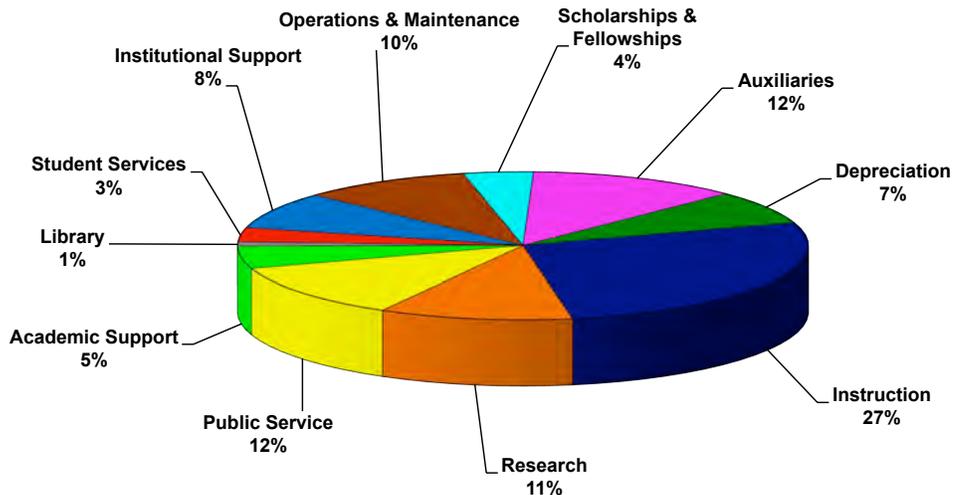
OPERATING EXPENSES BY NATURAL CLASSIFICATION

For the year ended September 30, 2013



OPERATING EXPENSES BY FUNCTION

For the year ended September 30, 2013



Statement of Cash Flows

The Statement of Cash Flows presents information about changes in the University's cash position using the direct method of reporting sources and uses of cash. The direct method reports all major gross cash inflows and outflows, differentiating these activities into operating activities; noncapital financing, such as nonexchange grants and

contributions; capital and related financing, including bond proceeds from debt issued to purchase or construct buildings; and investing activities. Operating activity uses of cash significantly exceed operating activity sources of cash due to classification of state appropriations and gifts as noncapital financing activities.

The University's cash flows are summarized below:

	2013	2012
Net cash provided by (used in):		
Operating activities	\$ (182,145,734)	\$ (165,997,216)
Noncapital financing activities	296,475,856	310,756,753
Capital and related financing activities	(220,486,064)	(193,743,815)
Investing activities	<u>80,230,333</u>	<u>63,708,912</u>
Net (decrease) increase in cash	(25,925,609)	14,724,634
Cash and cash equivalents - beginning of year	<u>97,356,321</u>	<u>82,631,687</u>
Cash and cash equivalents - end of year	<u>\$ 71,430,712</u>	<u>\$ 97,356,321</u>

Net cash used for operating activities increased from 2012 to 2013 by 9.7%. During fiscal year 2013, the University had additional payments to suppliers of \$20.7 million, primarily due to the additional accruals at the end of fiscal year 2012, as well as payments for employee compensation & benefits of \$18.0 million. The University also saw a reduction in cash inflows from grants & contracts of \$5.7 million and auxiliary enterprises of \$3.6 million. This utilization of cash was offset by additional cash provided from tuition and fees of \$9.5 million, federal appropriations of \$1.3 million and sales and services of educational departments of \$17.8 million. In addition, the University provided less cash payments related to scholarships and fellowships of \$3.2 million, even though the amount of tuition and board benefit provided to students increased \$1.8 million.

Net cash provided by noncapital financing activities decreased \$14.3 million. This was primarily due to the reduction in state appropriations of 3.7%. During fiscal year 2013, the University distributed an additional net \$3.5 million for direct loans. This distribution reduced the amount of cash provided by noncapital financing activities from the prior year.

The University saw additional net cash used in capital and related financing activities of \$26.8 million. This is the result of issuing the 2012A General Fee Bonds and receiving new money in fiscal year 2012 of approximately \$28 million to construct the new dormitories at AUM.

Net cash provided by investing activities increased \$16.5 million. This is the result of receiving more proceeds from the sale and maturity of investments than purchases of new investments. During fiscal year 2013, investments in bond proceeds were sold in order to cover the costs of the construction projects.

Economic factors that will affect the future

While the University is impacted by the general economic conditions, management believes the University will continue its high level of excellence in service to students, sponsors, the State of Alabama, and other constituents. The University's strong financial position and internal financial planning process provide the University some protection against the funding reductions and adverse economic conditions. Nonetheless, a continuation of the economic downturn and future reductions in state support must be anticipated and managed carefully to maintain excellence. Neither external nor internal efforts to mitigate the impact, however, are intended to eliminate the effects of future proration or decreases in state funding. As a labor-intensive

organization, the University faces competitive pressures related to attracting and retaining faculty and staff. The rising cost of health care remains a concern, particularly in light of the post-retirement health care benefits offered to retirees.

The University continues to address aging facilities with significant new construction, as well as modernization and renovation of existing facilities. Although funding of these projects through gifts, federal and state funds, and deferred maintenance budget allocations continues, the costs of operating the new and renovated facilities will continue to place additional resource demands on the operating budget of the institution.

The University continues to take steps to enhance student recruitment, both in marketing efforts and in providing additional scholarship funding. Applications, acceptances and retention are monitored closely to assess the potential impact of general economic conditions on future enrollment. We are cautiously optimistic that demand will remain strong.

The University will continue to employ its long-term investment strategy to maximize total returns at an appropriate level of risk, while utilizing a spending rate policy to insulate the University's operations from temporary market volatility. Preservation of capital is regarded as the highest priority in the investing of the cash pool. Diversification through asset allocation is utilized as a fundamental risk strategy for endowed funds.

Cautionary note regarding forward-looking statements

Certain information provided by the University, including written, as outlined above, or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, which address activities, events or developments that the University expects or anticipates will or may occur in the future, contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions.

UNDERGRADUATE TUITION FOR THE ACADEMIC YEAR

	2009-10	2010-11	2011-12	2012-13	2013-14
Auburn Main Campus/ Auburn University at Montgomery					
Full Time Students:					
In-State	\$6,972/\$5,970	\$7,900/\$6,730	\$8,698/\$6,930	\$9,446/\$7,500	\$9,852/\$8,425
Out-of-State	\$19,452/\$17,250	\$21,916/\$19,090	\$23,290/\$20,790	\$25,190/\$22,500	\$26,364/\$24,950

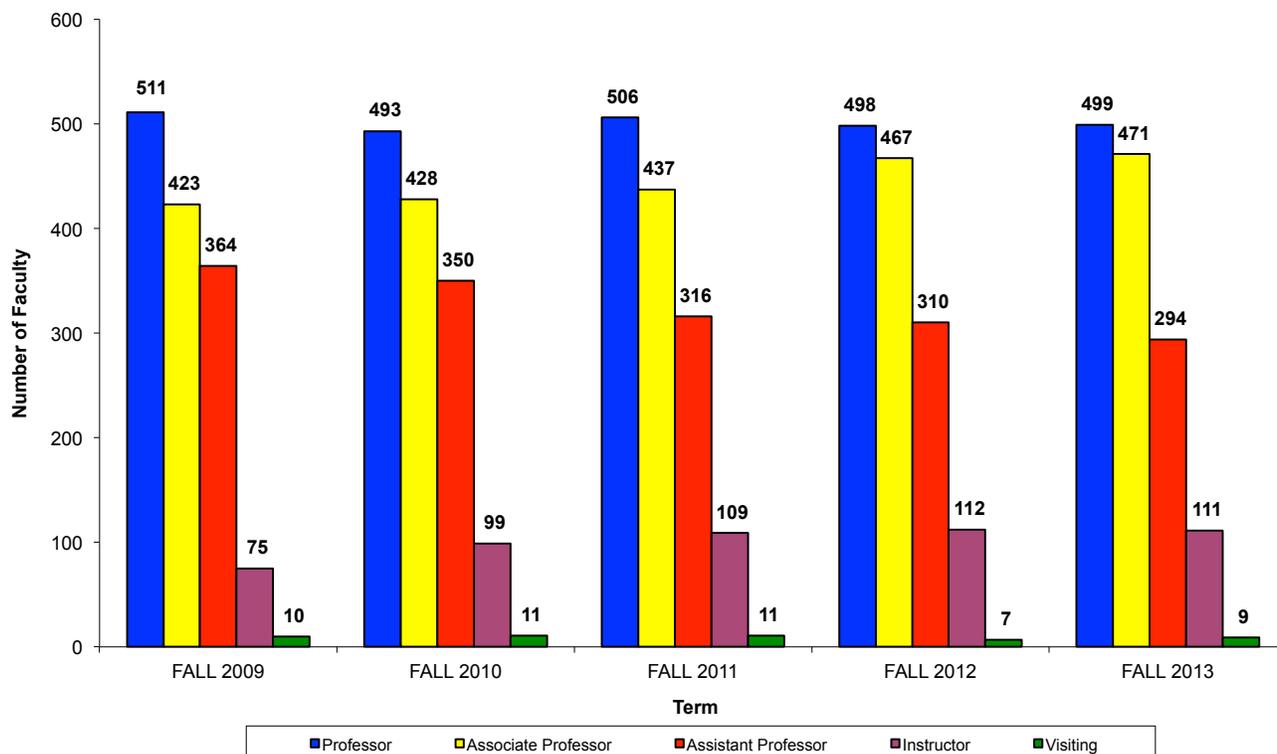
FALL STUDENT ENROLLMENT

	2009	2010	2011	2012	2013
Auburn Main Campus and Auburn University at Montgomery					
Undergraduate and Professional	25,599	26,025	25,868	25,442	24,133
Graduate	4,558	4,864	4,906	4,681	5,827

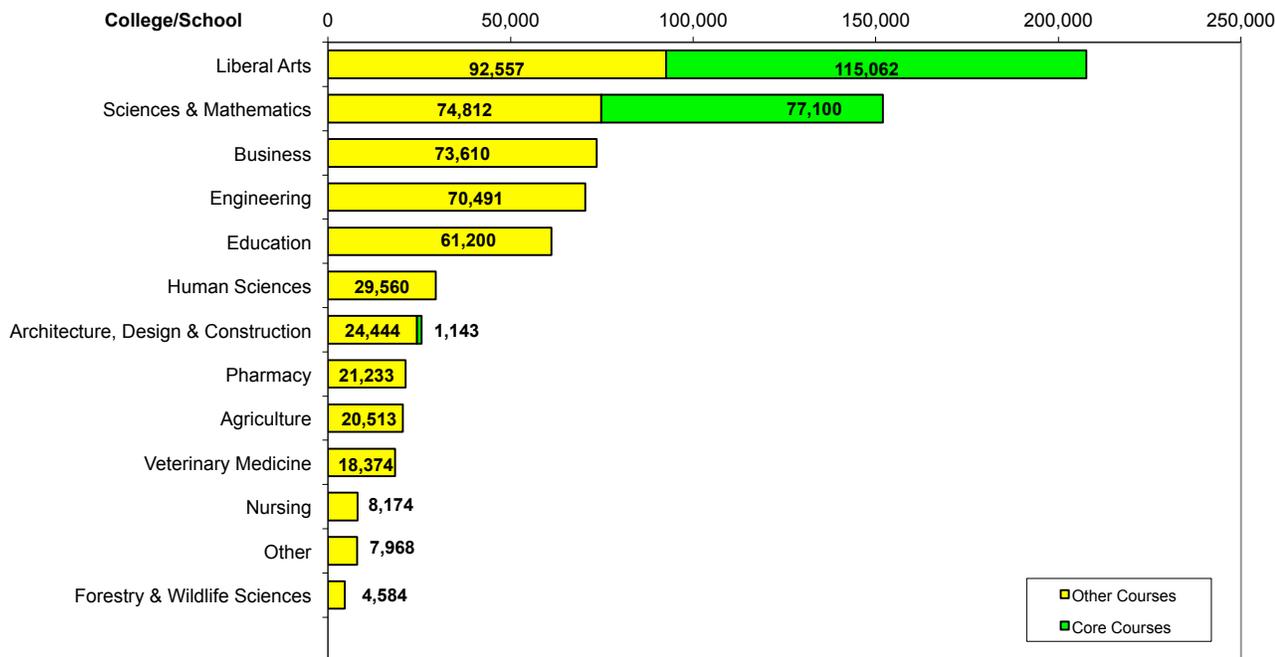
DEGREES AWARDED FOR THE ACADEMIC YEAR

	2008-09	2009-10	2010-11	2011-12	2012-13
Auburn Main Campus and Auburn University at Montgomery					
Bachelor	4,593	4,700	4,800	4,925	4,834
Advanced	1,561	1,670	1,809	1,827	1,835

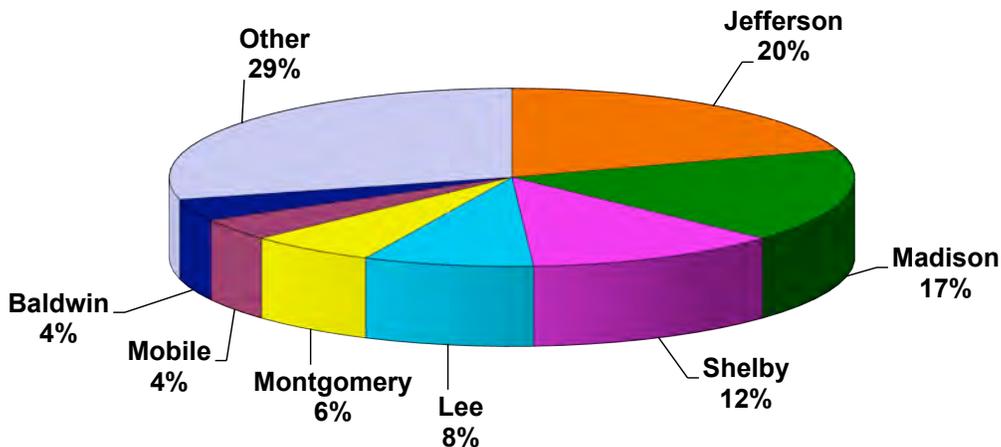
**AUBURN UNIVERSITY MAIN CAMPUS AND AUBURN UNIVERSITY AT MONTGOMERY
FULL-TIME FACULTY BY RANK**



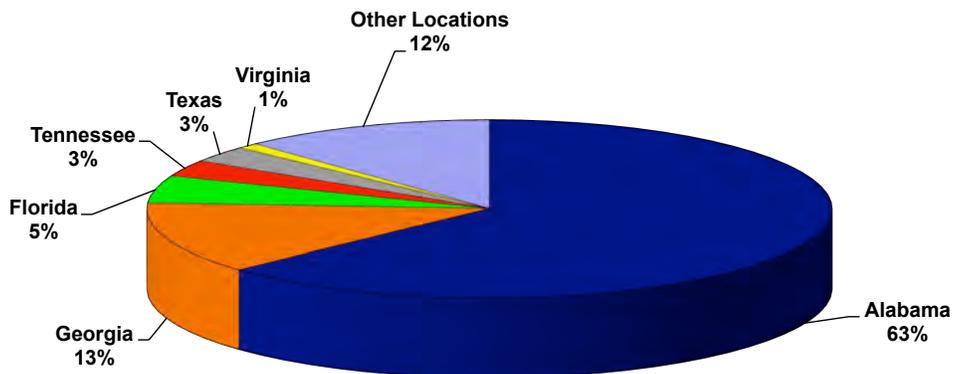
**AUBURN UNIVERSITY MAIN CAMPUS
TOTAL STUDENT CREDIT HOURS BY COLLEGE/SCHOOL 2012-13**



**AUBURN UNIVERSITY MAIN CAMPUS FRESHMEN
ENROLLMENT BY ALABAMA COUNTIES
SUMMER/FALL TERMS 2013**



**SOURCES OF ENTERING FRESHMEN BY STATE
MAIN CAMPUS SUMMER/FALL TERMS 2013**



AUBURN UNIVERSITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2013 AND 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 71,430,712	\$ 97,356,321
Operating investments	59,887,580	48,141,852
Accounts receivable, net	47,339,578	51,311,777
Student accounts receivable, net	34,360,176	36,146,796
Loans receivable, net	2,509,024	2,378,014
Accrued interest receivable	1,713,614	1,932,483
Inventories	4,517,492	4,691,546
Prepaid expenses	35,253,453	35,214,251
Total current assets	257,011,629	277,173,040
Noncurrent assets		
Investments	848,661,718	927,288,928
Loans receivable, net	16,898,017	18,302,396
Investment in plant, net	1,535,238,933	1,397,087,900
Total noncurrent assets	2,400,798,668	2,342,679,224
Total assets	2,657,810,297	2,619,852,264
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding of bonds	10,911,474	12,813,756
LIABILITIES		
Current liabilities		
Accounts payable	57,643,073	64,224,308
Accrued salaries and wages	2,637,392	2,401,088
Accrued compensated absences	17,532,179	17,070,517
Accrued interest payable	12,460,524	12,601,718
Other accrued liabilities	7,699,964	4,245,267
Student deposits	2,534,320	2,278,242
Deposits held in custody	21,164,453	21,182,492
Unearned revenues	173,863,776	169,592,602
Noncurrent liabilities-current portion	22,973,262	22,786,841
Total current liabilities	318,508,943	316,383,075
Noncurrent liabilities		
Bonds and notes payable	739,255,580	761,934,877
Lease obligations	200,000	441,003
Other noncurrent liabilities	33,144,081	36,155,645
Total noncurrent liabilities	772,599,661	798,531,525
Total liabilities	1,091,108,604	1,114,914,600
DEFERRED INFLOWS OF RESOURCES		
Nonexchange transactions	346,994	179,752
NET POSITION		
Net investment in capital assets	787,467,398	733,294,756
Restricted		
Nonexpendable	27,696,563	25,977,276
Expendable:		
Scholarships, research, instruction, other	159,887,301	161,495,334
Loans	3,908,694	5,160,622
Capital projects	9,387,738	14,201,818
Unrestricted	588,918,479	577,441,862
Total net position	\$ 1,577,266,173	\$ 1,517,571,668

See accompanying notes to financial statements.

AUBURN UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
OPERATING REVENUES		
Tuition & fees, net of scholarship allowances of \$107,695,483 and \$106,702,821, respectively	\$ 345,231,012	\$ 323,136,139
Federal appropriations	13,003,383	11,840,435
Federal grants & contracts, net	69,712,138	82,499,718
State & local grants & contracts, net	17,457,909	19,069,123
Nongovernmental grants & contracts, net	12,965,576	11,317,521
Sales & services of educational departments	41,965,810	37,061,728
Auxiliary revenue, net of scholarship allowances of \$7,041,111 and \$6,207,278, respectively	104,542,266	101,537,350
Other operating revenues	<u>16,263,956</u>	<u>15,980,083</u>
Total operating revenues	<u>621,142,050</u>	<u>602,442,097</u>
OPERATING EXPENSES		
Compensation & benefits	557,979,424	539,232,639
Scholarships & fellowships	17,351,012	18,354,074
Utilities	22,842,876	23,147,154
Other supplies & services	221,437,423	216,222,211
Depreciation	<u>66,064,924</u>	<u>61,104,001</u>
Total operating expenses	<u>885,675,659</u>	<u>858,060,079</u>
Operating loss	<u>(264,533,609)</u>	<u>(255,617,982)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	238,601,180	247,816,148
Gifts	35,354,346	36,603,692
Grants	20,926,014	21,620,329
Net investment income	13,129,982	28,359,822
Interest expense on capital debt	<u>(13,703,285)</u>	<u>(9,305,463)</u>
Nonoperating revenues, net	<u>294,308,237</u>	<u>325,094,528</u>
Income before other changes in net position	29,774,628	69,476,546
OTHER CHANGES IN NET POSITION		
Capital appropriations	114,188	1,801,433
Capital gifts & grants	28,086,402	15,393,203
Additions to permanent endowments	<u>1,719,287</u>	<u>569,867</u>
Net increase in net position	59,694,505	87,241,049
Net position - beginning of year	<u>1,517,571,668</u>	<u>1,430,330,619</u>
Net position - end of year	<u>\$ 1,577,266,173</u>	<u>\$ 1,517,571,668</u>

See accompanying notes to financial statements.

AUBURN UNIVERSITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition & fees	\$ 344,457,719	\$ 334,911,633
Federal appropriations	12,930,070	11,622,794
Grants & contracts	105,355,969	111,100,719
Sales & services of educational departments	48,344,842	30,502,811
Auxiliary enterprises	104,480,389	108,091,559
Other operating revenues	14,762,840	15,878,174
Payments to suppliers	(216,718,691)	(196,306,986)
Payments for utilities	(22,842,876)	(23,147,154)
Payments for employee compensation & benefits	(555,425,011)	(537,396,915)
Payments for scholarships & fellowships	(17,554,004)	(20,734,008)
Student loans issued	(2,545,519)	(2,853,108)
Student loans collected	<u>2,608,538</u>	<u>2,333,265</u>
Net cash used in operating activities	<u>(182,145,734)</u>	<u>(165,997,216)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	238,601,180	247,816,148
ARRA state fiscal stabilization funds	-	1,145,665
Gifts and grants for other than capital purposes	58,566,731	58,958,075
Direct loan receipts	177,713,211	171,213,542
Direct loan disbursements	<u>(178,405,266)</u>	<u>(168,376,677)</u>
Net cash provided by noncapital financing activities	<u>296,475,856</u>	<u>310,756,753</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from advanced refunding of debt, net of issuance cost	-	132,658,243
Capital appropriations	114,188	1,801,433
Capital grants & gifts received	25,014,137	12,599,786
Purchases of capital assets	(210,399,545)	(208,175,723)
Proceeds received from sale of capital assets	40,280	140,858
Principal paid on debt & capital leases	(19,260,538)	(20,871,247)
Interest paid on debt & capital leases	(15,994,586)	(11,037,165)
Payment to escrow on advanced refunding of debt	-	(100,860,000)
Net cash used in capital and related financing activities	<u>(220,486,064)</u>	<u>(193,743,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments and reinvestments	620,284,495	1,003,830,593
Investment income	16,179,986	18,191,995
Purchases of investments	<u>(556,234,148)</u>	<u>(958,313,676)</u>
Net cash provided by investing activities	<u>80,230,333</u>	<u>63,708,912</u>
Net (decrease) increase in cash and cash equivalents	(25,925,609)	14,724,634
Cash and cash equivalents - beginning of year	<u>97,356,321</u>	<u>82,631,687</u>
Cash and cash equivalents - end of year	<u>\$ 71,430,712</u>	<u>\$ 97,356,321</u>

See accompanying notes to financial statements.

AUBURN UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (264,533,609)	\$ (255,617,982)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	66,064,924	61,104,001
Reserve for (recovery of) loans receivable	1,210,350	(120,430)
Loss on sale of capital assets	411,103	2,948,970
Changes in assets and liabilities:		
Accounts receivable	2,703,143	(1,856,452)
Student accounts receivable	1,746,381	(893,627)
Inventories	174,054	(909,912)
Unearned revenue	4,271,174	12,120,743
Accounts payable	2,925,207	15,453,574
Prepaid expenses	(67,287)	(2,888,789)
Accrued salaries, wages and compensated absences	697,966	45,094
Student deposits and deposits held in custody	970,333	1,151,946
Loans to students	63,019	(519,843)
Other accrued liabilities	3,454,697	(303,691)
Nonexchange transactions	167,242	179,752
Other noncurrent liabilities	(2,404,431)	4,109,430
Net cash used in operating activities	<u>\$ (182,145,734)</u>	<u>\$ (165,997,216)</u>

SUPPLEMENTAL NONCASH ACTIVITIES INFORMATION

Capital assets acquired with a liability at year end	\$ 9,986,306	\$ 19,492,748
Gifts of capital assets	3,774,237	2,361,703
Capitalized interest	21,004,825	25,154,169

See accompanying notes to financial statements.

AUBURN UNIVERSITY COMPONENT UNITS
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2013 AND 2012

	Auburn University Foundation		Auburn Alumni Association	
	2013	2012	2013	2012
ASSETS				
Cash and cash equivalents	\$ 1,373,367	\$ 2,146,059	\$ 58,870	\$ 58,447
Investments	366,370,535	323,877,142	4,173,764	4,008,504
Investment in Auburn University Foundation Securities Pool	-	-	8,451,707	7,521,948
Accrued interest receivable	82,936	146,490	15,453	8,044
Contributions receivable, net	56,501,674	25,850,614	467,515	522,955
Other assets	27,471	51,116	272	1,211
Investment in real estate	3,802,131	2,426,897	674,799	674,799
Cash surrender value of life insurance	4,633,863	4,398,340	-	-
Beneficial interest in outside trusts	4,533,281	4,520,683	-	-
Property and equipment, net	290,175	373,151	1,889,526	1,899,551
Prepaid rent	-	-	26	27
Due from Auburn University	130,222	141,300	-	-
Due from Auburn University Foundation	-	-	390	-
Total assets	<u>\$ 437,745,655</u>	<u>\$ 363,931,792</u>	<u>\$ 15,732,322</u>	<u>\$ 14,695,486</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 215,336	\$ 132,511	\$ 31,380	\$ 85,025
Annuities payable	9,032,840	6,459,762	-	-
Due to Auburn University	48,270	10,215	3,211	7,981
Due to Auburn University Foundation	-	-	205,704	16,800
Due to Auburn Alumni Association	8,452,093	7,523,855	-	-
Due to Tigers Unlimited Foundation	7,984,570	7,081,653	-	-
Deferred revenue	52,626	104,450	8,297,710	8,150,857
Total liabilities	<u>25,785,735</u>	<u>21,312,446</u>	<u>8,538,005</u>	<u>8,260,663</u>
NET ASSETS				
Unrestricted	20,524,121	17,619,650	7,194,317	6,434,823
Temporarily restricted	93,759,484	67,403,823	-	-
Permanently restricted	297,676,315	257,595,873	-	-
Total net assets	<u>411,959,920</u>	<u>342,619,346</u>	<u>7,194,317</u>	<u>6,434,823</u>
Total liabilities and net assets	<u>\$ 437,745,655</u>	<u>\$ 363,931,792</u>	<u>\$ 15,732,322</u>	<u>\$ 14,695,486</u>

See accompanying notes to financial statements.

AUBURN UNIVERSITY COMPONENT UNITS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	Auburn University Foundation		Auburn Alumni Association	
	2013	2012	2013	2012
REVENUES AND OTHER SUPPORT				
Public support - contributions	\$ 65,656,935	\$ 37,611,370	\$ 1,748,427	\$ 1,558,661
Investment income	2,722,858	1,551,994	333,983	337,637
Other revenues	<u>2,063,374</u>	<u>2,347,268</u>	<u>948,257</u>	<u>747,229</u>
Total operating revenues	<u>70,443,167</u>	<u>41,510,632</u>	<u>3,030,667</u>	<u>2,643,527</u>
EXPENSES AND LOSSES				
Program services				
Contributions to and support for Auburn University	27,796,485	26,841,051	-	-
Other program services	<u>2,755,692</u>	<u>2,867,100</u>	<u>732,384</u>	<u>738,325</u>
Total program services	<u>30,552,177</u>	<u>29,708,151</u>	<u>732,384</u>	<u>738,325</u>
Support services				
General and administrative	1,277,134	1,398,912	1,769,421	1,850,920
Fund raising	<u>2,937,528</u>	<u>2,717,525</u>	<u>267,158</u>	<u>241,401</u>
Total support services	<u>4,214,662</u>	<u>4,116,437</u>	<u>2,036,579</u>	<u>2,092,321</u>
Total expenses	34,766,839	33,824,588	2,768,963	2,830,646
Unrealized (gains) losses on investments, net	(28,622,499)	(24,994,725)	(497,790)	(463,842)
Realized (gains) losses on investments, net	(4,771,963)	(4,060,794)	-	-
Change in valuation of split-interest agreements	(319,601)	(1,593,483)	-	-
Impairment in real estate	<u>49,817</u>	<u>35,090</u>	<u>-</u>	<u>-</u>
Total expenses, (gains) and losses	<u>1,102,593</u>	<u>3,210,676</u>	<u>2,271,173</u>	<u>2,366,804</u>
*Change in net assets	69,340,574	38,299,956	759,494	276,723
Net assets - beginning of year	<u>342,619,346</u>	<u>304,319,390</u>	<u>6,434,823</u>	<u>6,158,100</u>
Net assets - end of year	<u>\$ 411,959,920</u>	<u>\$ 342,619,346</u>	<u>\$ 7,194,317</u>	<u>\$ 6,434,823</u>
*Change in net assets				
Unrestricted	\$ 2,904,471	\$ 9,134,835	\$ 759,494	\$ 276,723
Temporarily restricted	26,355,661	14,274,270	-	-
Permanently restricted	<u>40,080,442</u>	<u>14,890,851</u>	<u>-</u>	<u>-</u>
Total change in net assets	<u>\$ 69,340,574</u>	<u>\$ 38,299,956</u>	<u>\$ 759,494</u>	<u>\$ 276,723</u>

See accompanying notes to financial statements.

AUBURN UNIVERSITY COMPONENT UNITS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

Tigers Unlimited Foundation
2013 **2012**

ASSETS

Cash and cash equivalents	\$ 1,026,747	\$ 660,212
Investments	38,714,112	42,094,386
Investment in Auburn University Foundation Securities Pool	7,543,528	6,770,285
Due from Auburn University	504,245	5
Due from Auburn University Foundation	143,221	-
Accrued interest receivable	101,308	78,354
Contributions receivable, net	8,923,837	7,745,463
Other receivables	923,255	669,251
Other assets	257,364	199,504
Property and equipment, net	<u>164,640</u>	<u>9,127</u>
Total assets	<u>\$ 58,302,257</u>	<u>\$ 58,226,587</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 523,711	\$ 323,458
Contracts payable, net	8,779,544	-
Deferred revenue	1,514,672	1,295,858
Due to Auburn University	<u>2,508,750</u>	<u>2,565,950</u>
Total liabilities	<u>13,326,677</u>	<u>4,185,266</u>

NET ASSETS

Unrestricted	23,013,931	34,215,016
Temporarily restricted	14,989,563	12,875,448
Permanently restricted	<u>6,972,086</u>	<u>6,950,857</u>
Total net assets	<u>44,975,580</u>	<u>54,041,321</u>
Total liabilities and net assets	<u>\$ 58,302,257</u>	<u>\$ 58,226,587</u>

See accompanying notes to financial statements.

AUBURN UNIVERSITY COMPONENT UNITS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	Tigers Unlimited Foundation	
	2013	2012
REVENUES AND OTHER SUPPORT		
Public support - contributions	\$ 29,882,610	\$ 29,144,504
Investment income	606,399	626,700
Other revenues	<u>4,680,650</u>	<u>4,910,105</u>
Total operating revenues	<u>35,169,659</u>	<u>34,681,309</u>
 EXPENSES AND LOSSES		
Program services		
Contributions to and support for Auburn University	11,212,529	13,157,617
Other program services	<u>23,586,742</u>	<u>10,508,502</u>
Total program services	<u>34,799,271</u>	<u>23,666,119</u>
Support services		
General and administrative	1,015,323	1,011,146
Fund raising	<u>6,696,726</u>	<u>6,191,663</u>
Total support services	<u>7,712,049</u>	<u>7,202,809</u>
Total expenses	42,511,320	30,868,928
Unrealized (gains) losses on investments, net	418,852	213,590
Realized (gains) losses on investments, net	1,422	1,151
Loss on write-off of contribution receivable	<u>1,303,806</u>	<u>467,044</u>
Total expenses, (gains) and losses	<u>44,235,400</u>	<u>31,550,713</u>
 *Change in net assets	 (9,065,741)	 3,130,596
Net assets - beginning of year	<u>54,041,321</u>	<u>50,910,725</u>
Net assets - end of year	<u>\$ 44,975,580</u>	<u>\$ 54,041,321</u>
 *Change in net assets		
Unrestricted	\$ (11,201,085)	\$ 1,949,197
Temporarily restricted	2,114,115	1,161,663
Permanently restricted	<u>21,229</u>	<u>19,736</u>
Total change in net assets	<u>\$ (9,065,741)</u>	<u>\$ 3,130,596</u>

See accompanying notes to financial statements.

AUBURN UNIVERSITY COMPONENT UNITS
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2013 AND 2012

Auburn Research and Technology Foundation

2013

2012

ASSETS

Cash and cash equivalents	\$ 596,616	\$ 626,705
Deposits	39,486	27,113
Other assets	25,846	15,695
Accounts receivable	58,091	40,817
Contributions receivable, net	1,127,444	357,010
Property and equipment, net	<u>8,860,973</u>	<u>8,798,746</u>
Total assets	<u>\$ 10,708,456</u>	<u>\$ 9,866,086</u>

LIABILITIES

Accounts payable	\$ 58,707	\$ 55,015
Deferred revenue	151,507	119,179
Deposits held in custody	39,486	27,113
Interest payable	37,924	39,310
Loan payable to Auburn University	912,314	945,662
Other payable to Auburn University	<u>72,018</u>	<u>96,156</u>
Total liabilities	<u>1,271,956</u>	<u>1,282,435</u>

NET ASSETS

Unrestricted	8,309,016	8,226,601
Temporarily restricted	<u>1,127,484</u>	<u>357,050</u>
Total net assets	<u>9,436,500</u>	<u>8,583,651</u>
Total liabilities and net assets	<u>\$ 10,708,456</u>	<u>\$ 9,866,086</u>

See accompanying notes to financial statements.

AUBURN UNIVERSITY COMPONENT UNITS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

Auburn Research and Technology Foundation

2013

2012

REVENUES AND OTHER SUPPORT

Rental income	\$ 681,665	\$ 655,030
Other contracts	177,469	143,867
Contributions	<u>1,133,185</u>	<u>16,613</u>
Total operating revenues	<u>1,992,319</u>	<u>815,510</u>

EXPENSES AND LOSSES

Support services		
General and administrative	787,392	757,072
Amortization	28,313	22,214
Depreciation	284,961	252,574
Interest	<u>38,804</u>	<u>40,220</u>
Total support services	<u>1,139,470</u>	<u>1,072,080</u>
Total expenses	1,139,470	1,072,080

*Change in net assets	852,849	(256,570)
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Net assets - beginning of year	<u>8,583,651</u>	<u>8,840,221</u>
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Net assets - end of year	<u>\$ 9,436,500</u>	<u>\$ 8,583,651</u>
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*Change in net assets		
Unrestricted	\$ 82,415	\$ (236,420)
Temporarily restricted	<u>770,434</u>	<u>(20,150)</u>
Total change in net assets	<u>\$ 852,849</u>	<u>\$ (256,570)</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

(1) NATURE OF OPERATIONS

Auburn University (the University) is a land grant university originally chartered on February 1, 1856, as the East Alabama Male College. The Federal Land Grant Act of 1862, by which the University was established as a land grant university, donated public lands to several states and territories with the intent that the states would use these properties for the benefit of agriculture and the mechanical arts. Several pertinent laws dictate specific purposes for which the land may be used. In 1960, the Alabama State Legislature officially changed the name to Auburn University. The University has two campuses, Auburn and Montgomery, with a combined enrollment of 29,960 students for Fall Semester 2013. It serves the State of Alabama, the nation and international business communities through instruction of students and the advancement of research and outreach programs. By statutory laws of the State of Alabama, the University is governed by the Board of Trustees (the Board) who are appointed by the Governor, a committee consisting of two trustees and two Alumni Association board members and approved by the Alabama State Senate.

The accompanying financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements include the following four divisions of the University:

- Auburn University Main Campus
- Auburn University at Montgomery
- Alabama Agricultural Experiment Station
- Alabama Cooperative Extension System

Reporting Entity

The University, a publicly supported, state funded institution, is a component unit of the State of Alabama and is included in the Comprehensive Annual Financial Report of the State. However, the University is considered a separate reporting entity for financial statement purposes.

The University, as a public corporation and instrumentality of the State of Alabama, is exempt from federal income taxes under Section 115 of the Internal Revenue Code. Certain transactions may be taxable as unrelated business income under Internal Revenue Code Sections 511 to 514.

Auburn University Foundation and Auburn Alumni Association are exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Tigers Unlimited Foundation is exempt from federal taxes under Section 501(a) as an organization described in Section 501(c)(3). Therefore, no provision has been made for income taxes in their respective financial statements.

Auburn Research and Technology Foundation and Auburn Spirit Foundation for Scholarships, created in 2004 and 2006, respectively, were organized under Internal Revenue Code 509(a)(3) and Internal Revenue Code 509(a)(2), respectively. They are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Auburn University Real Estate Foundation, Inc. was organized in 2005 under Internal Revenue Code 170(b)(1)(A)(vi). This real estate holding corporation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Contributions intended for the University's benefit are primarily received through Auburn University Foundation, Tigers Unlimited Foundation, Auburn Research and Technology Foundation, Auburn Spirit Foundation for Scholarships or Auburn University Real Estate Foundation, Inc. and are deductible by donors as provided under Section 170 of the Internal Revenue Code, consistent with the provisions under Section 501(c)(3) and corresponding state law.

Component Units

The University adheres to GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*. This statement clarifies GASB Statement No. 14, *The Financial Reporting Entity*, which provides criteria for determining whether such organizations for which a government is not financially accountable should be reported as component units. During fiscal year 2013, the University adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34*. Due to the fact that the exclusion of such organizations would render the entity's financial statements misleading or incomplete, the University has included statements for Auburn University Foundation, Tigers Unlimited Foundation, Auburn Alumni Association and Auburn Research and Technology Foundation in these financial statements. Auburn University Real Estate Foundation, Inc. has been consolidated into Auburn University Foundation's financial statements, as an affiliated supporting organization. The University's component units' financial statements are presented following the University's statements. Due to the immateriality of the Auburn Spirit Foundation for Scholarships, presentation and disclosure of its statements are not included. The component units are not GASB entities; therefore, their respective financial statements adhere to accounting principles under the Financial Accounting Standards Board (FASB) Accounting Standards Codification.

Auburn University Foundation (AUF) is a qualified charitable organization established in 1960, existing solely for the purpose of receiving and administering funds for the benefit of the University. AUF's activities are governed by its own Board of Directors.

Tigers Unlimited Foundation (TUF) is an independent corporation that began operations on April 21, 2004. It was formed for the sole purpose of obtaining and disbursing funds for the University's Intercollegiate Athletics Department. TUF's activities are governed by its own Board of Directors with transactions being maintained using a June 30 fiscal year end date.

Auburn Alumni Association (the Association) is an independent corporation organized on April 14, 1945, which was created to promote mutually beneficial relationships between the University and its alumni, to encourage loyalty among alumni and to undertake various other actions for the benefit of the University, its alumni and the State of Alabama. Membership is comprised of alumni, friends and students of the University. The Association's activities are governed by its own Board of Directors.

Auburn Research and Technology Foundation (ARTF) is an independent corporation organized on August 24, 2004, to facilitate the acquisition, construction and equipping of a technology and research park on the University's campus. ARTF's activities are governed by its own Board of Directors.

Auburn Spirit Foundation for Scholarships (ASFS) is a qualified charitable organization established on September 29, 2006, organized exclusively

to assist the University with the attraction and funding of student scholarships. ASFS's activities are governed by its own Board of Directors.

Auburn University Real Estate Foundation, Inc. (AUREFI) is a qualified charitable organization created on July 5, 2005, which is owned and controlled by AUF solely for the purpose of receiving and administering real estate gifts. AUREFI's activities are governed by its own Board of Directors.

The component units are not-for-profit organizations that report financial results under principles prescribed by the FASB. Authoritative accounting guidance for these units' transactions is found under the Accounting Standards Codification (ASC).

The financial statements of the component units have been prepared on the accrual basis of accounting. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the component units and changes therein are classified and reported as unrestricted, temporarily restricted or permanently restricted.

Investments in debt securities, equity securities and mutual funds with readily determinable market values are reported at their fair values based on published market prices.

Contributions received, including unconditional promises to give, are recognized as revenues at their fair values in the period received. For financial reporting purposes, the component units distinguish between contributions of unrestricted assets, temporarily restricted assets and permanently restricted assets. Contributions for which donors have imposed restrictions, which limit the use of the donated assets, are reported as restricted support if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions when the purpose or time restrictions are met. Contributions of assets which donors have stipulated must be maintained permanently, with only the income earned thereon available for current use, are classified as permanently restricted assets. Contributions for which donors have not stipulated restrictions are reported as unrestricted support.

Financial statements for AUF, the Association, and ASFS may be obtained by writing to the applicable entity at 317 South College Street, Auburn University, Alabama 36849. Financial statements for TUF may be obtained by writing to Athletic Complex, 392 South Donahue Drive, Auburn University, Alabama 36849. Financial statements for ARTF may be obtained by writing to 570 Devall Drive, Suite 101, Auburn, Alabama 36832.

Financial Statement Presentation

For financial reporting purposes, the University adheres to the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis-for Public Colleges and Universities-an amendment of GASB Statement No. 34*. During fiscal year 2013, the University adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (see Note 2). These statements establish

standards for external financial reporting for public colleges and universities on an entity-wide perspective and require that resources be classified in three net position categories.

- **Net investment in capital assets:**
Capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred inflows and outflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt would also be included in this component of net position. Unexpended related debt proceeds and the related debt attributable to the unspent amount, as well as deferred inflows of resources, if applicable, are not reported in net investment in capital assets, but in restricted or unrestricted net position.
- **Restricted net position:**
The restricted component of net position consists of Nonexpendable and Expendable elements.
Nonexpendable – Net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources subject to externally imposed stipulations that they be maintained permanently by the University. This element includes the University's permanent endowment funds.
Expendable – Net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources whose use by the University are subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations, or that expire by the passage of time.
- **Unrestricted net position:** Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not subject to externally imposed stipulations or included in the determination of net investment in capital assets. Unrestricted net position may be designated for specific purposes by action of management or the Board. Substantially all unrestricted net position is designated for academic and research programs and initiatives, capital projects, and auxiliary units.

GASB Statements No. 35 and No. 63 also require three statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

Basis of Accounting

The financial statements of the University have been prepared on the accrual basis of accounting and in accordance with accounting standards of the United States of America and all significant, interdivisional transactions between auxiliary units and other funds have been eliminated. The University reports as a Business Type Activity (BTA) as defined by GASB Statement No. 35. BTAs are those institutions that are financed in whole or in part by fees charged to external parties for goods or services. Under BTA reporting, it is required that statements be prepared using the economic resources measurement focus.

GASB Statement No. 35 requires the recording of depreciation on capital assets, accrual or deferral of revenue associated with certain grants and contracts, accrual of interest expense, accounting for certain scholarship

allowances as a reduction of revenue, classification of federal refundable loans as a liability, and capitalization and depreciation of equipment with a sponsor reversionary interest.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) REVISION OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During 2013, the University adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The adoption of these Statements require retroactive application. In addition, certain reclassifications have been made to the 2012 financial statements in order to conform them to the 2013 financial statement presentation. The impacts of the adoption of GASB Statements No. 63 and No. 65 as well as the reclassifications between financial statement line items on the previously published 2012 amounts are shown below (see Notes 9 and 15):

	Adoption/ Reclass	As Previously Reported September 30, 2012	Adoption Adjustment/Reclass	New Presentation September 30, 2012
ASSETS				
Student accounts receivable, net	Reclass	\$ 36,106,557	\$ 40,239	\$ 36,146,796
Prepaid expenses	Adoption	\$ 40,068,511	\$ (4,854,260)	\$ 35,214,251
Total assets		<u>\$ 2,624,666,285</u>	<u>\$ (4,814,021)</u>	<u>\$ 2,619,852,264</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding of bonds	Adoption	\$ -	\$ 12,813,756	\$ 12,813,756
LIABILITIES				
Student deposits	Reclass	\$ 2,238,003	\$ 40,239	\$ 2,278,242
Unearned revenues (previously called "Deferred revenues")	Adoption	\$ 169,772,354	\$ (179,752)	\$ 169,592,602
Noncurrent liabilities-current portion	Adoption	\$ 21,045,075	\$ 1,741,766	\$ 22,786,841
Bonds and notes payable	Adoption	\$ 750,425,261	\$ 11,509,616	\$ 761,934,877
Total liabilities		<u>\$ 1,101,802,731</u>	<u>\$ 13,111,869</u>	<u>\$ 1,114,914,600</u>
DEFERRED INFLOWS OF RESOURCES				
Nonexchange transactions	Adoption	\$ -	\$ 179,752	\$ 179,752
NET POSITION				
Net investment in capital assets (previously called "Invested in capital assets, net of related debt")	Adoption	\$ 738,586,642	\$ (5,291,886)	\$ 733,294,756
Total net position (previously shown as "net assets")		<u>\$ 1,522,863,554</u>	<u>\$ (5,291,886)</u>	<u>\$ 1,517,571,668</u>
OPERATING EXPENSES				
Utilities	Reclass	\$ 23,425,151	\$ (277,997)	\$ 23,147,154
Other supplies and services	Reclass	\$ -	\$ 277,997	\$ -
Other supplies and services	Reclass	\$ -	\$ 1,241,162	\$ -
Other supplies and services	Subtotal	\$ 214,703,052	\$ 1,519,159	\$ 216,222,211
Total operating expenses		<u>\$ 856,818,917</u>	<u>\$ 1,241,162</u>	<u>\$ 858,060,079</u>
NONOPERATING REVENUES (EXPENSES)				
Interest expense on capital debt	Reclass	\$ -	\$ 1,241,162	\$ -
Interest expense on capital debt	Adoption	\$ -	\$ (202,265)	\$ -
Interest expense on capital debt	Subtotal	\$ (10,344,360)	\$ 1,038,897	\$ (9,305,463)
Total nonoperating revenues, net		<u>\$ 324,055,631</u>	<u>\$ 1,038,897</u>	<u>\$ 325,094,528</u>
Net increase in net position	Adoption	\$ 87,443,314	\$ (202,265)	\$ 87,241,049
Net position - beginning of year	Adoption	\$ 1,435,420,240	\$ (5,089,621)	\$ 1,430,330,619
Net position - end of year	Adoption	\$ 1,522,863,554	\$ (5,291,886)	\$ 1,517,571,668

(3) SIGNIFICANT ACCOUNTING POLICIES OF AUBURN UNIVERSITY

Cash & Cash Equivalents

Cash and cash equivalents are defined as highly liquid debt instruments readily convertible into cash and with maturities at date of acquisition of three months or less, whose use is not restricted for long term purposes.

Investments

Investments in equity securities, mutual funds, common trust funds, business trust funds, cash value of life insurance and debt securities are reported at fair value in the Statement of Net Position, with all net realized and unrealized gains and losses reflected in the Statement of Revenues, Expenses and Changes in Net Position. Fair value of these investments is based on quoted market prices or dealer quotes where available.

Under GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the University records its initial investment and subsequent contributions in non-readily marketable investments at cost with no adjustments for its share of income/appreciation and losses/depreciation received from the investment (see Note 5). The University performs periodic evaluations in which these investments are monitored for impairment.

Under GASB Statement No. 40, *Deposit and Investment Risk Disclosures-an amendment of GASB Statement No. 3*, common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk are addressed. This Statement defines custodial risk for deposits as “the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.” As an element of interest rate risk, this statement requires certain disclosures of investments that have fair values which are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this statement are also required to be disclosed (see Note 5).

The University employs a custodian to hold, and external investment managers to administer, the majority of its endowed investments and records transactions related to these investments based upon the University’s review of the custodian’s records.

Operating investments consist of cash and investments designated for current operations. Investments for capital and student loan activities represent funds that are intended to be used for the related specific activities. Investments recorded as endowment and life income represent funds that are considered by management to be of long duration. Investments received by gift are recorded at fair value on the date of receipt. Investments in real estate are recorded at fair value. For investments other than non-readily marketable investments, investment income is recorded on the accrual basis of accounting.

Inventories

Units currently holding inventories include Facilities, Scientific Supply Store, Chemistry Glass Shop, Animal Clinic Pharmacy, Alabama Agricultural Experiment Station, Bookstores, Museum Gift Shop, Copycat Duplicating Service, and Ralph Draughon and AUM Libraries. All inventories are valued at the lower of cost or market, on the first-in, first-out basis, and are considered to be current assets.

Capital Assets

Capital expenditures and gifts of land, buildings and equipment are carried at cost at date of acquisition or, in the case of gifts, at fair value at the date of donation. Depreciation is computed on a straight line basis over the estimated useful lives of buildings and building improvements (40 years), land improvements and infrastructure (10 – 40 years), library collection and software costs (10 years) and inventoried equipment (5 – 18 years). Land and construction in progress are not depreciated. The threshold for capitalizing buildings and infrastructure is \$25,000. Expenditures for maintenance, repairs and minor renewals and replacements are expensed as incurred; major renewals and replacements are capitalized if they meet the \$25,000 threshold. Equipment is capitalized if the cost exceeds \$5,000 and has a useful life of more than one year. All buildings are insured through the State of Alabama Property Insurance Fund.

Art collections and historical treasures are capitalized and valued at cost or fair value at the date of purchase or gift, respectively, but not depreciated. Collections are preserved and held for public exhibition, education and research.

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, the University continues to evaluate prominent events or changes in circumstance to determine whether an impairment loss should be recorded and whether any insurance recoveries should be offset against the impairment loss. The University did not incur any losses related to asset impairment during fiscal year 2013 or 2012.

Unearned Revenues

Unearned revenues include funds received in advance of an event, such as tuition and fees and advance ticket sales for athletic events. Net student tuition and fee revenues and housing revenues for the fall semester are recognized in the fiscal year in which the related revenues are earned. Ticket sale revenues for athletic events are recognized as the related games are played. Unearned revenues also consist of amounts received from grant and contract sponsors that have not yet been earned under the terms of the agreements. Amounts received from grant sponsors for which the only unmet term of the agreement is timing (i.e. funds may not be spent until a certain date) are classified as deferred inflows of resources in accordance with GASB Statement No. 65. All other unearned revenue is classified as a current liability (see Note 14).

Classification of Revenues

The University has classified its revenues as either operating or nonoperating according to the following criteria:

- **Operating Revenues:** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state, local, private grants and contracts and federal appropriations, and (4) interest on institutional student loans.
- **Nonoperating Revenues:** Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues. In accordance with GASB Statement No. 35, certain

significant revenues on which the University relies to support its operational mission are required to be recorded as nonoperating revenues. These revenues include state appropriations, private gifts, federal Pell grants and investment income, including realized and unrealized gains and losses on investments.

Student Tuition, Fees and Scholarship Discounts and Allowances

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances represent the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Scholarship allowance to students is reported using the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). The alternative method is an algorithm that computes scholarship allowance on a university-wide basis rather than on an individual student basis.

Auxiliary Enterprises Revenues

Sales and services of auxiliary enterprises primarily consist of revenues generated by athletics, bookstore, housing, printing and telecommunications, which are substantially self supporting activities that primarily provide services to students, faculty, administrative and professional employees and staff.

Compensated Absences

The University reports employees' accrued annual leave and sick leave at varying rates depending upon employee classification and length of service, subject to maximum limitations. Upon termination of employment, employees are paid all unused accrued vacation at their regular rates of pay up to a designated maximum number of days. GASB Statement No. 35 requires the amount of compensated absences that are due within one year of the fiscal year end to be classified as a current liability. Since this amount cannot be known precisely in advance, the current liability is estimated, based on a three year average cost of annual and sick leave taken by eligible employees.

Pledged Revenue

The University normally does not receive gift pledges. Pledged revenue representing unconditional promises to give is normally received by AUF or TUF and later disbursed in accordance with the donors' wishes for the benefit of the University. Pledges are recorded at their gross, undiscounted amounts.

(4) CASH AND CASH EQUIVALENTS

Cash consists of petty cash funds and demand deposits held in the name of the University. The Board approves all banks or other institutions as depositories for University funds. GASB Statement No. 40, *Deposit and Investment Risk Disclosures-an amendment of GASB Statement No. 3*, defines custodial risk for deposits as "the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover securities which are in the possession of an outside party."

Effective January 1, 2001, any depository of University funds must provide annual evidence of its continuing designation as a qualified public depository under the Security for Alabama Fund Enhancement Act (SAFE). The enactment of the SAFE program changed the way

all Alabama public deposits are collateralized. In the past, the bank pledged collateral directly to each individual public entity. Under the mandatory SAFE program, each qualified public depository (QPD) is required to hold collateral for all its public deposits on a pooled basis in a custody account established for the State Treasurer as SAFE administrator. In the unlikely event a public entity should suffer a loss due to QPD insolvency or default, a claim form would be filed with the State Treasurer who would use the SAFE pool collateral or other means to reimburse the loss. As a result, the University believes its custodial risk related to cash is remote. In addition, the standard Federal Deposit Insurance Corporation (FDIC) is \$250,000 per depositor, per insured bank, for each account ownership category.

Cash equivalents may consist of commercial paper, repurchase agreements, banker's acceptances, and money market accounts purchased with maturities at date of acquisition of three months or less.

(5) INVESTMENTS

The Board is authorized to invest all available cash and is responsible for the management of the University's investments. The endowment funds and the cash pool assets are invested in accordance with policies established by the Board. The Board has engaged professional investment managers to manage the investment of the endowment funds while maintaining centralized management of the cash pool. The University periodically monitors these investments.

Preservation of capital is regarded as the highest priority in the investing of the cash pool. It is assumed that all investments will be suitable to be held to maturity. The University's investment portfolio is structured in such a manner to help ensure sufficient liquidity to pay obligations as they become due. The portfolio strives to provide a stable return consistent with investment policy. The Cash Pool Investment Policy authorizes investments in the following: money market accounts, repurchase and reverse repurchase agreements, banker's acceptances, commercial paper, certificates of deposit, municipals, U.S. Treasury obligations, U.S. Agency securities and mortgage-backed securities.

Bond proceeds are invested in accordance with the underlying bond agreements. The University's bond agreements generally permit bond proceeds and debt service funds to be invested in obligations in accordance with University policy in terms maturing on or before the date funds are expected to be required for expenditures or withdrawal. Certain bond indentures require the University to invest amounts held in certain construction funds, redemption funds and bond funds in federal securities or state, local and government series (SLGS) securities.

Diversification through asset allocation is utilized as a fundamental risk strategy for endowed funds. These strategic allocations represent a blend of assets best suited, over the long term, to achieve maximum returns without violating the risk parameters established by the Board. The Endowment Investment Policy, approved April 20, 2012, authorizes investment of the endowment portfolio to include the following: cash and cash equivalents; global fixed income; global equity securities; global private capital; absolute return/hedge funds; and real estate assets, collectively referred to as the endowment pool.

The Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA) has been enacted by the Legislature of the State of Alabama and signed into law effective January 1, 2009. Among its

changes, UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund (in the absence of overriding, explicit donor stipulations). Its predecessor, the Uniform Management of Institutional Funds Act (UMIFA), focused on the prudent spending of the net appreciation of the fund. UPMIFA instead, focuses on the entirety of a donor-restricted endowment fund, that is, both the original gift amount(s) and net appreciation. UPMIFA eliminates UMIFA's historic dollar value-threshold, an amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending, explicitly requiring consideration of the duration and preservation of the fund.

The earnings distributions are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed

by UPMIFA. In order to conform to the standards for prudent fiduciary management of investments, the Board has adopted a spending plan whose long term objective is to maintain the purchasing power of each endowment and provide a predictable and sustainable level of income to support current operations. In the policy approved on April 20, 2012, spending for a given year equals 80% of spending in the previous year, adjusted for inflation (Consumer Price Index (CPI) within a range of 0% and 6%), plus 20% of the long-term spending rate (4.0%) applied to the twelve month rolling average of the market values. Under previous approved policies, spending was calculated using different formulas. Accumulated net realized and unrealized gains on endowments and funds functioning as endowments total \$27,353,552 and \$22,542,978 at September 30, 2013 and 2012, respectively, and are recorded as restricted expendable net position.

The components of the accumulated net gains in the fair value of investments for the years ended September 30, 2013 and 2012, are as follows:

	2013	2012
Accumulated net realized gains on sale of investments	\$ 10,238,974	\$ 14,275,265
Accumulated net unrealized gains	17,114,578	8,267,713
Net increase in fair value of investments	<u>\$ 27,353,552</u>	<u>\$ 22,542,978</u>

Investment Risks

Investments are subject to certain types of risks, including interest rate risk, custodial credit risk, credit quality risk, concentration of credit risk, and foreign currency risk. The following describes those risks:

- **Interest Rate Risk** – Interest rate or market risk is the potential for changes in the value of financial instruments due to interest rate changes in the market. Certain fixed maturity

investments contain call provisions that could result in shorter maturity periods. As previously stated, it is the University's intent to hold all investments in the Cash Pool until maturity. The Board understands that in order to achieve its objectives, investments can experience fluctuations in fair value. Both the Endowment Investment Policy and the Non-Endowment Cash Pool Investment Policy set forth allowable investments and allocations.

The following segmented time distribution tables provide information as of September 30, 2013 and 2012, covering the fair value of investments by investment type and related maturity:

Auburn University Investments					
Investment Maturities at Fair Value (in Years)					
September 30, 2013					
Type of Investments	< 1 year	1-5 years	6-10 years	> 10 years	Total Fair Value
Fixed Maturity					
Certificates of Deposit	\$ -	\$ 709,668	\$ -	\$ -	\$ 709,668
U.S. Treasury Obligations	31,473,698	67,812,643	34,430,465	-	133,716,806
U.S. Agency Securities	17,302,084	258,813,778	207,955,643	52,159,389	536,230,894
Mortgage Backed Securities	-	3,039,442	13,442,648	22,176,896	38,658,986
Municipals	-	395,568	990,468	-	1,386,036
	<u>\$ 48,775,782</u>	<u>\$ 330,771,099</u>	<u>\$ 256,819,224</u>	<u>\$ 74,336,285</u>	<u>\$ 710,702,390</u>
Domestic Equities					1,106,576
Alternative Investments – at cost:					
Hedge Funds					46,800,191
Private Capital					12,849,926
Real Assets					21,104,614
Real Estate					740,750
Mutual Funds					101,534,844
Other					3,878,734
Money Market					77,781,273
Total investments					<u>976,499,298</u>
Less cash equivalents held in cash pool					<u>(67,950,000)</u>
Operating and noncurrent investments					<u>\$ 908,549,298</u>

Auburn University Investments
Investment Maturities at Fair Value (in Years)
September 30, 2012

Type of Investments	< 1 year	1-5 years	6-10 years	> 10 years	Total Fair Value
Fixed Maturity					
Commercial Paper	\$ 58,962,307	\$ -	\$ -	\$ -	\$ 58,962,307
Certificates of Deposit	-	722,627	-	-	722,627
U.S. Treasury Obligations	34,799,347	27,106,732	44,728,908	-	106,634,987
U.S. Agency Securities	12,878,076	224,786,331	289,855,165	60,145,846	587,665,418
Mortgage Backed Securities	-	26,797	10,890,908	36,641,807	47,559,512
Municipals	-	-	1,439,847	-	1,439,847
	<u>\$ 106,639,730</u>	<u>\$ 252,642,487</u>	<u>\$ 346,914,828</u>	<u>\$ 96,787,653</u>	<u>\$ 802,984,698</u>
Domestic Equities					954,801
Alternative Investments – at cost:					
Hedge Funds					56,843,085
Private Capital					13,071,882
Real Assets					21,119,918
Real Estate					740,750
Mutual Funds					73,729,429
Other					3,467,027
Money Market					86,186,567
Total investments					<u>1,059,098,157</u>
Less cash equivalents held in cash pool					<u>(83,667,377)</u>
Operating and noncurrent investments					<u>\$ 975,430,780</u>

- **Custodial Credit Risk** – GASB Statement No. 40 defines investment custodial risk as “the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.” Although no formal policy has been adopted, the University requires its safekeeping agents to hold all securities in the University’s name for both the Cash Pool and the Endowment Pool. Certain limited partnership investments in Private Capital and Real Assets represent ownership interests that do not exist in physical or book-entry form. As a result, custodial credit risk is remote.
- **Credit Quality Risk** – GASB Statement No. 40 defines credit quality risk as “the risk that an issuer or other counterparty to an investment will not fulfill its obligations” as they become due. The University’s Non-Endowment Cash Pool Investment Policy stipulates that commercial paper be rated P1 by Moody’s or A1 by Standard & Poor’s or a comparable rating by another nationally recognized rating agency. Banker’s acceptances should hold a long term debt rating of at least AA or short term debt rating of AAA (or comparable ratings) as provided by one of the nationally recognized rating agencies.

The following table provides information as of September 30, 2013 and 2012, concerning credit quality risk:

Auburn University Investments Ratings of Fixed Maturities				
Moody’s Rating	Fair Value	Fair Value as a % of Total Fixed Maturity Fair Value	Fair Value	Fair value as a % of Total Fixed Maturity Fair Value
	2013		2012	
US Treasury	\$ 133,716,806	18.81%	\$ 106,634,987	13.28%
Aaa	574,889,880	80.89%	635,224,930	79.11%
Aa	1,386,036	0.20%	1,439,847	0.18%
P1	-	-	58,962,307	7.34%
Not rated*	709,668	0.10%	722,627	0.09%
	<u>\$ 710,702,390</u>	<u>100.00%</u>	<u>\$ 802,984,698</u>	<u>100.00%</u>

*Certificates of deposit and repurchase agreements are included in the “Not rated” category.

- **Concentration of Credit Risk** – GASB Statement No. 40 defines concentration of credit risk as “the risk of loss attributed to the magnitude of a government’s investment in a single issuer.” The University Non-Endowment Cash Pool Investment Policy does not limit the aggregate amounts that can be invested in U.S. Treasury securities with the explicit guarantee of the U.S. Government or U.S. Agency securities that carry the implicit guarantee of the U.S. Government. As of September 30, 2013 and 2012, the University Cash Pool and the University Endowment Pool were in compliance with their respective policies.

The University Endowment Investment Policy provides for diversification by identifying asset allocation classes and ranges to provide reasonable assurance that no single security, or class of securities, will have a disproportionate impact on the performance of the total Endowment Pool.

- **Foreign Currency Risk** – GASB Statement No. 40 defines foreign currency risk as “the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.” No formal University policy has been adopted addressing foreign currency risk. As of September 30, 2013 and 2012, the University held no investments in foreign currency.

Securities Lending Program

As of September 30, 2013 and 2012, there was no participation in any securities lending program.

Interest Sensitive Securities

As of September 30, 2013 and 2012, the University held \$38,658,986 and \$47,559,512, representing 4.0% and 4.5%, respectively, of its total investments in mortgage-backed securities. As of September 30, 2013

and 2012, the University held no investments in asset-backed securities. The mortgage-backed investments have embedded prepayment options that are expected to fluctuate with interest rate changes. Generally, this variance presents itself in variable repayment amounts, uncertain early or extended payments.

Certain fixed maturity investments have call provisions that could result in shorter maturity periods. However, it is the intent that the University’s Cash Pool fixed maturity investments be held to maturity; therefore, the fixed maturity investments are classified in the above table as if they were held to maturity. As of September 30, 2013 and 2012, the University Cash Pool held \$40,981,220 and \$14,966,250, representing 4.2% and 1.4%, respectively, of total investments in continuously callable fixed maturity investments. The University investment policies do not restrict the purchase of mortgage-backed securities, asset-backed securities, or bonds with call provisions.

The University owns shares in eleven mutual funds and three business trust funds. These funds are invested in global marketable securities, commodities and global debt securities. The University owns an interest in a corporation and limited partnership interests in several non-registered investment partnerships. The goal of the corporation and limited partnerships is to invest in readily marketable securities, privately held companies and properties within different industry sectors. At investment inception, the University enters into a separate subscription agreement with a capital commitment to each corporation or limited partnership.

The University has entered into separate subscription agreements with a capital commitment to each alternative investment that expire periodically in the future. The following information pertains to alternative investment capital commitments at September 30, 2013 and 2012:

2013								
Unfunded Commitment by Commitment Expiration								
Type of Alternative Investment	Number of Commitments	Original Commitments	Capital Contributions	< 1 Year	1-5 years	6-10 years	>10 years	Total Unfunded Commitment
Hedge Funds	9	\$ 47,750,000	\$ 47,750,000	\$ -	\$ -	\$ -	\$ -	\$ -
Private Capital	12	28,250,000	20,037,628	-	2,657,317	1,976,321	3,578,734	8,212,372
Real Assets	12	45,800,000	35,762,472	-	2,264,031	5,749,909	2,023,588	10,037,528
	<u>33</u>	<u>\$ 121,800,000</u>	<u>\$ 103,550,100</u>	<u>\$ -</u>	<u>\$ 4,921,348</u>	<u>\$ 7,726,230</u>	<u>\$ 5,602,322</u>	<u>\$ 18,249,900</u>

2012								
Unfunded Commitment by Commitment Expiration								
Type of Alternative Investment	Number of Commitments	Original Commitments	Capital Contributions	< 1 Year	1-5 years	6-10 years	>10 years	Total Unfunded Commitment
Hedge Funds	13	\$ 62,650,000	\$ 62,650,000	\$ -	\$ -	\$ -	\$ -	\$ -
Private Capital	11	25,250,000	17,371,654	-	780,041	2,979,035	4,119,270	7,878,346
Real Assets	13	45,550,000	33,933,074	-	1,084,224	8,098,166	2,434,536	11,616,926
	<u>37</u>	<u>\$ 133,450,000</u>	<u>\$ 113,954,728</u>	<u>\$ -</u>	<u>\$ 1,864,265</u>	<u>\$ 11,077,201</u>	<u>\$ 6,553,806</u>	<u>\$ 19,495,272</u>

Unfunded commitments presented in the tables above are intended to reflect the time of expiration of the commitment, not the timing of future capital calls by the investment. The hedge funds are primarily invested in long/short term equities, fixed income arbitrage, merger arbitrage and other event driven strategies through various investment managers, investment partnerships and offshore funds. The private capital fund commitments are investments in privately held companies in various industries, including alternative fuel technology. The real asset funds include investments in commercial real estate, residential real estate and oil and gas production.

As of September 30, 2013 and 2012, the University's limited partnership investments are carried at cost. As required by GASB Statement No. 31, no adjustment was recorded to recognize net unrealized gains and losses. Limited partnership investments are made in accordance with the University's investment policy, which approves the allocation of funds to various assets classes (i.e., global equity, private capital, hedge funds, real assets, global fixed income and cash) in order to ensure the proper level of diversification within the endowment pool. The limited partnerships (private equity, hedge funds, and real assets) enhance diversification and provide reductions in overall portfolio volatility.

	2013		2012	
	Fair Value	Cost	Fair Value	Cost
Cash and pooled investments	\$ 8,362,274	\$ 8,362,274	\$ 4,211,940	\$ 4,211,940
Government bonds, notes and other securities	22,324,015	19,365,409	25,592,374	22,068,941
Corporate stocks	1,582,395	775,666	1,533,934	1,031,189
Mutual funds, business trust funds and common trust funds	166,040,460	140,809,806	121,344,380	112,168,645
Hedge funds	106,918,600	75,274,504	109,310,489	89,838,443
Private equity funds	26,891,437	23,013,712	25,704,037	23,126,058
Real asset investment funds	34,251,354	34,077,938	36,179,988	37,211,823
Total investments	<u>\$ 366,370,535</u>	<u>\$ 301,679,309</u>	<u>\$ 323,877,142</u>	<u>\$ 289,657,039</u>

AUF owns shares in nine mutual funds and three business trust funds. These funds are invested in global marketable securities, commodities and global debt securities. AUF owns an interest in a corporation and limited partnership interests of which the goal is to invest in readily marketable securities, privately held companies and properties within different industry sectors. At investment inception, AUF enters into a separate subscription agreement with a capital commitment to each corporation or limited partnership.

As of September 30, 2013, AUF had entered into subscription agreements with one corporate and thirty-six limited partnership investments. The aggregate amount of capital committed to these investments is \$166,072,200 of which capital contributions of \$136,802,538 have been invested. A net unrealized gain of \$15,849,572 has been recorded on these investments. Of these thirty-six commitments, eleven subscriptions relate to hedge funds, fourteen subscriptions relate to private equity funds, and eleven subscriptions relate to real estate asset funds. The hedge funds are primarily invested in long/short equities, fixed-income arbitrage, merger arbitrage and other event driven strategies through various investment managers,

On September 30, 2013 and 2012, the University was not a party in any swap or other derivative contracts.

The table entitled, "Auburn University Investments, Investment Maturities at Fair Value (in Years)", includes funds held for pending capital expenditures at September 30, 2013, as follows: \$6,176,976, 2006 General Fee Bond proceeds; \$15,562,174, 2011 General Fee Bond proceeds; \$3,995,414, 2012A General Fee Bond proceeds; and \$53,367,625, Deferred Maintenance Building Fund. The General Liability Account holds investments of \$5,728,852.

At September 30, 2012 funds held for pending capital expenditures were as follows: \$3,004,452, 2004 General Fee Bond proceeds; \$10,511,897, 2006 General Fee Bond proceeds; \$103,980,902, 2011 General Fee Bond proceeds; \$24,330,452, 2012A General Fee Bond proceeds; and \$55,220,002, Deferred Maintenance Building Fund. The General Liability Account held investments of \$5,737,303.

AUF holds endowments and distributes earnings from those endowments to the University. AUF investments at September 30, 2013 and 2012, include the following:

investment partnerships and offshore funds. The private equity fund commitments are for investments in privately held companies in various industries, including alternative fuel technology. The real assets funds include investments in commercial real estate, residential real estate, and oil and gas production.

Investment income, realized gains and losses, unrealized gains and losses, and changes in values of split-interest agreements are reported on AUF's Consolidated Statements of Activities and Changes in Net Assets net of estimated investment expenses of \$3,474,000 and \$3,282,000 for the fiscal years ended September 30, 2013 and 2012, respectively.

AUF carries its limited partnership investments at fair value. This differs from how the University carries these investments, which is at cost, in accordance with GASB requirements. AUF believes that the carrying amount of its limited partnership investments is a reasonable estimate of fair value as of September 30, 2013. Because limited partnership investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would

have been used had a ready market for the investments existed and such difference could be material. Limited partnership investments are made in accordance with AUF's investment policy that approves the allocation of funds to various assets classes (i.e., global equity, private capital, hedge funds, real assets, global fixed income and cash) in order to ensure the proper level of diversification within the endowment pool. Investments in limited partnerships (private equity, hedge funds, and real assets) are designed to enhance diversification and provide reductions in overall portfolio volatility. These fair values are estimated by the general partner of each limited partnership using various valuation techniques. The fair values of these investments at September 30, 2013 and 2012, were \$168,061,391 and \$171,194,514, respectively.

(6) FUNDS HELD IN TRUST

In addition to permanently restricted endowments carried on the University's financial statements, the University is the beneficiary of income earned on a number of AUF endowments. The cost of these funds was \$268,373,168 and \$258,388,087 and the market value was \$330,124,702 and \$290,802,761 at September 30, 2013 and

2012, respectively. The portion of endowment income received by the University from these funds was \$9,243,002 and \$6,761,012 for the fiscal years ended September 30, 2013 and 2012, respectively.

Endowment earnings are distributed annually in January, based on the AUF endowment distribution spending rate. These amounts are reported as investment income on the Statement of Revenues, Expenses and Changes in Net Position.

In addition, the University has been named as a beneficiary of a foundation with investments having a cost of \$2,305,701 and \$2,362,514 and a market value of \$3,308,192 and \$2,932,966 at September 30, 2013 and 2012, respectively.

The University is the beneficiary of the income earned on two additional trusts. The cost of investments held by these trusts was \$753,000 as of September 30, 2013 and 2012. The income received from the two trusts was \$70,177 and \$75,492 for the fiscal years ended September 30, 2013 and 2012, respectively.

(7) ACCOUNTS RECEIVABLE

Accounts receivable and the allowances for doubtful accounts at September 30, 2013 and 2012, are summarized as follows:

	2013	2012
NONSTUDENT ACCOUNTS RECEIVABLE		
Federal, state & local government, and other restricted expendable	\$ 31,621,335	\$ 35,557,890
Less allowance for doubtful accounts	(2,397,992)	(2,759,726)
Pledged receivables	597,519	1,187,284
General	16,090,078	14,678,338
Less allowance for doubtful accounts	(13,355,752)	(12,532,675)
Auxiliary	9,190,418	8,541,154
Capital gifts and grants	5,593,972	6,639,512
Total nonstudent accounts receivable	<u>\$ 47,339,578</u>	<u>\$ 51,311,777</u>
STUDENT ACCOUNTS RECEIVABLE		
Unrestricted general	\$ 32,962,275	\$ 34,732,855
Less allowance for doubtful accounts	(496,853)	(319,085)
Unrestricted auxiliary	2,148,652	1,975,585
Less allowance for doubtful accounts	(253,898)	(242,559)
Total student accounts receivable	<u>\$ 34,360,176</u>	<u>\$ 36,146,796</u>

(8) CAPITAL ASSETS

Capital assets at September 30, 2013 and 2012, are summarized as follows (dollars in thousands):

	September 30, 2012	Additions/Transfers	Deletions/Transfers	September 30, 2013
Capital assets not being depreciated				
Land	\$ 16,983	\$ 1,260	\$ -	\$ 18,243
Art & collectibles	8,971	363	-	9,334
Construction in progress	184,355	205,586	(305,310)	84,631
Livestock	2,050	96	(209)	1,937
Total capital assets not being depreciated	<u>212,359</u>	<u>207,305</u>	<u>(305,519)</u>	<u>114,145</u>
Capital assets being depreciated				
Land improvements	90,792	16,303	-	107,095
Buildings	1,265,451	250,083	(511)	1,515,023
Equipment	228,427	15,342	(3,263)	240,506
Infrastructure	178,819	13,742	(34)	192,527
Library books	163,316	7,201	(871)	169,646
Software system implementation	14,448	-	-	14,448
Total capital assets being depreciated	<u>1,941,253</u>	<u>302,671</u>	<u>(4,679)</u>	<u>2,239,245</u>
Less accumulated depreciation for				
Land improvements	32,092	6,142	-	38,234
Buildings	371,636	28,730	(474)	399,892
Equipment	152,891	16,938	(3,090)	166,739
Infrastructure	57,410	6,541	(2)	63,949
Library books	134,609	6,269	(872)	140,006
Software system implementation	7,886	1,445	-	9,331
Total accumulated depreciation	<u>756,524</u>	<u>66,065</u>	<u>(4,438)</u>	<u>818,151</u>
Total capital assets being depreciated, net	<u>1,184,729</u>	<u>236,606</u>	<u>(241)</u>	<u>1,421,094</u>
Capital assets, net	<u>\$ 1,397,088</u>	<u>\$ 443,911</u>	<u>\$ (305,760)</u>	<u>\$ 1,535,239</u>

Capital assets at September 30, 2012 and 2011, are summarized as follows (dollars in thousands):

	September 30, 2011	Additions/Transfers	Deletions/Transfers	September 30, 2012
Capital assets not being depreciated				
Land	\$ 16,314	\$ 669	\$ -	\$ 16,983
Art & collectibles	8,363	608	-	8,971
Construction in progress	82,528	199,511	(97,684)	184,355
Livestock	1,821	229	-	2,050
Total capital assets not being depreciated	<u>109,026</u>	<u>201,017</u>	<u>(97,684)</u>	<u>212,359</u>
Capital assets being depreciated				
Land improvements	82,744	8,048	-	90,792
Buildings	1,209,300	62,801	(6,650)	1,265,451
Equipment	207,851	22,545	(1,969)	228,427
Infrastructure	164,040	15,025	(246)	178,819
Library books	157,490	7,016	(1,190)	163,316
Software system implementation	13,512	936	-	14,448
Total capital assets being depreciated	<u>1,834,937</u>	<u>116,371</u>	<u>(10,055)</u>	<u>1,941,253</u>
Less accumulated depreciation for				
Land improvements	26,257	5,835	-	32,092
Buildings	349,851	27,139	(5,354)	371,636
Equipment	139,817	14,592	(1,518)	152,891
Infrastructure	51,552	5,874	(16)	57,410
Library books	128,470	6,217	(78)	134,609
Software system implementation	6,439	1,447	-	7,886
Total accumulated depreciation	<u>702,386</u>	<u>61,104</u>	<u>(6,966)</u>	<u>756,524</u>
Total capital assets being depreciated, net	<u>1,132,551</u>	<u>55,267</u>	<u>(3,089)</u>	<u>1,184,729</u>
Capital assets, net	<u>\$ 1,241,577</u>	<u>\$ 256,284</u>	<u>\$ (100,773)</u>	<u>\$ 1,397,088</u>

During the fiscal years ended September 30, 2013 and 2012, approximately \$0.1 million and \$1.8 million, respectively, was received from the State of Alabama to fund construction. These revenues are classified as capital appropriations on the Statement of Revenues, Expenses and Changes in Net Position.

(9) DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources are a consumption of net assets that is applicable to a future reporting period. In 2010 and 2012, the University defeased certain outstanding bonds. These refundings resulted in

a loss (the difference between the acquisition price of the new debt and the net carrying amount of the old debt). In accordance with the adoption of GASB Statements No. 63 and No. 65, this loss is presented as a deferred outflow of resources. Implementation of these standards requires retroactive application and comparative values for the prior year(s) presented. The decrease in the deferred outflows of resources is the current year amortization of the loss on refunding of the bond, which is amortized over the life of the old or new bonds, whichever is shorter. The University is amortizing over the life of the defeased bonds. Deferred outflows of resources are summarized below:

	September 30, 2013	September 30, 2012
Loss on refunding		
2009 General Fee refunding	\$ 3,274,279	\$ 3,822,846
2012A General Fee refunding	7,260,353	8,564,363
2012B General Fee refunding	376,842	426,547
	<u>\$ 10,911,474</u>	<u>\$ 12,813,756</u>

(10) LONG-TERM DEBT

Bonds, notes and lease obligations are collateralized by certain real estate, equipment and pledged revenues (See Note 11).

Bonds and notes payable	Balance at September 30, 2012	Principal New Debt	Repayment	Balance at September 30, 2013
1978 Auburn University at Montgomery Dormitory Revenue Bonds, \$3,279,000 face value, 3.0%, due annually through 2018, a reserve of \$146,538 and a \$138,389 contingency fund.	\$ 910,000	\$ -	\$ (120,000)	\$ 790,000
2001A Athletic Revenue Bonds, \$24,412,607 face value, 2.125% to 5.49%, due annually through 2021.	16,039,329	-	(2,250,538)	13,788,791
2004 General Fee Revenue Bonds, \$76,875,000 face value, 3.0% to 5.25%, due annually through 2034.	3,515,000	-	(1,715,000)	1,800,000
2004A Athletic Revenue Bonds, \$24,860,000 face value, 2.0% to 5.0%, due annually from 2006 through 2021 and annually from 2025 through 2034.	1,320,000	-	(650,000)	670,000
2006A General Fee Revenue Bonds, \$60,000,000 face value, 3.5% to 5.0%, due annually from 2008 through 2037.	54,630,000	-	(1,195,000)	53,435,000
2007A General Fee Revenue Bonds, \$162,530,000 face value, 3.6% to 5.0%, due annually from 2009 through 2038.	159,895,000	-	(725,000)	159,170,000
2007B General Fee Revenue Bonds, \$14,465,000 face value, 4.625% to 5.125%, due annually from 2010 through 2014.	6,200,000	-	(3,025,000)	3,175,000
2008 General Fee Revenue Bonds, \$92,500,000 face value, 3.0% to 5.0%, due annually from 2010 through 2038.	87,185,000	-	(1,875,000)	85,310,000
2009 General Fee Revenue Bonds, \$79,500,000 face value, 2.0% to 5.0%, due annually from 2011 through 2026.	75,525,000	-	(2,735,000)	72,790,000
2011A General Fee Revenue Bonds, \$226,035,000 face value, 4.0% to 5.0%, due annually from 2015 through 2041.	226,035,000	-	-	226,035,000
2012A General Fee Revenue Bonds, \$120,135,000 face value, 2.0% to 5.0%, due annually from 2013 through 2042.	120,135,000	-	(4,725,000)	115,410,000
2012B General Fee Revenue Bonds, \$3,505,000 face value, 2.9%, due annually from 2013 through 2024.	3,505,000	-	(60,000)	3,445,000
Total bonds payable	<u>754,894,329</u>	<u>-</u>	<u>(19,075,538)</u>	<u>735,818,791</u>
Plus unamortized bond premium	29,605,291	-	(3,481,036)	26,124,255
Less unamortized bond discount	<u>(15,864)</u>	<u>-</u>	<u>7,695</u>	<u>(8,169)</u>
	<u>784,483,756</u>	<u>\$ -</u>	<u>\$ (22,548,879)</u>	<u>761,934,877</u>
Less: current portion				
Bonds payable	(19,075,538)			(19,302,349)
Unamortized bond premium	(3,481,036)			(3,385,117)
Unamortized bond discount	<u>7,695</u>			<u>8,169</u>
Total noncurrent bonds and notes payable	<u>\$ 761,934,877</u>			<u>\$ 739,255,580</u>

Bonds and notes payable	Balance at September 30, 2011	Principal New Debt	Repayment	Balance at September 30, 2012
1978 Auburn University at Montgomery Dormitory Revenue Bonds, \$3,279,000 face value, 3.0%, due annually through 2018, a reserve of \$146,442 and a \$138,299 contingency fund.	\$ 1,025,000	\$ -	\$ (115,000)	\$ 910,000
2001A Athletic Revenue Bonds, \$24,412,607 face value, 2.125% to 5.49%, due annually through 2021.	18,429,162	-	(2,389,833)	16,039,329
2003 General Fee Revenue Bonds, \$49,460,000 face value, 1.45% to 5.25%, due annually through 2016.	21,975,000	-	(21,975,000)	-
2003 Housing and Dining Revenue Bonds, \$15,645,000 face value, 1.4% to 5.0%, due annually through 2012.	1,875,000	-	(1,875,000)	-
2004 General Fee Revenue Bonds, \$76,875,000 face value, 3.0% to 5.25%, due annually through 2034.	66,120,000	-	(62,605,000)	3,515,000
2004A Athletic Revenue Bonds, \$24,860,000 face value, 2.0% to 5.0%, due annually from 2006 through 2021 and annually from 2025 through 2034.	21,460,000	-	(20,140,000)	1,320,000
2004B Athletic Revenue Bonds, \$3,050,000 face value, 5.75%, due annually from 2022 through 2024.	3,050,000	-	(3,050,000)	-
2006A General Fee Revenue Bonds, \$60,000,000 face value, 3.5% to 5.0%, due annually from 2008 through 2037.	55,785,000	-	(1,155,000)	54,630,000
2007A General Fee Revenue Bonds, \$162,530,000 face value, 3.6% to 5.0%, due annually from 2009 through 2038.	160,590,000	-	(695,000)	159,895,000
2007B General Fee Revenue Bonds, \$14,465,000 face value, 4.625% to 5.125%, due annually from 2010 through 2014.	9,090,000	-	(2,890,000)	6,200,000
2008 General Fee Revenue Bonds, \$92,500,000 face value, 3.0% to 5.0%, due annually from 2010 through 2038.	89,010,000	-	(1,825,000)	87,185,000
2009 General Fee Revenue Bonds, \$79,500,000 face value, 2.0% to 5.0%, due annually from 2011 through 2026.	77,985,000	-	(2,460,000)	75,525,000
2011A General Fee Revenue Bonds, \$226,035,000 face value, 4.0% to 5.0%, due annually from 2015 through 2041.	226,035,000	-	-	226,035,000
2012A General Fee Revenue Bonds, \$120,135,000 face value, 2.0% to 5.0%, due annually from 2013 through 2042.	-	120,135,000	-	120,135,000
2012B General Fee Revenue Bonds, \$3,505,000 face value, 2.9%, due annually from 2013 through 2024.	-	3,505,000	-	3,505,000
Total bonds payable	<u>752,429,162</u>	<u>123,640,000</u>	<u>(121,174,833)</u>	<u>754,894,329</u>
Plus unamortized bond premium	14,620,893	19,362,869	(4,378,471)	29,605,291
Less unamortized bond discount	<u>(245,630)</u>	-	<u>229,766</u>	<u>(15,864)</u>
	<u>766,804,425</u>	<u>\$ 143,002,869</u>	<u>\$ (125,323,538)</u>	<u>784,483,756</u>
Less: current portion				
Bonds payable	(20,314,832)			(19,075,538)
Unamortized bond premium	(1,937,261)			(3,481,036)
Unamortized bond discount	<u>25,788</u>			<u>7,695</u>
Total noncurrent bonds and notes payable	<u>\$ 744,578,120</u>			<u>\$ 761,934,877</u>

On March 27, 2012, the University issued the 2012A General Fee Bonds with a par value of \$120,135,000 and interest rates ranging from 2.0% to 5.0% to advance refund \$97,810,000 of outstanding 2003 General Fee, 2004A General Fee, and 2004A Athletic Bonds with interest rates ranging from 1.45% to 5.25% and to finance certain capital improvements at AUM. The portion of the net proceeds of this new bond issue to be used for refunding were deposited in an irrevocable trust with an escrow agent and were used to purchase U.S. Government securities which will provide sufficient funds to pay all future debt service payments on the previously outstanding bonds. As a result, the previously outstanding bonds are considered to be defeased and the liability for those bonds has been removed from the University's financial statements. This refunding resulted in the University recognizing a loss of \$9,868,373 for the difference between the acquisition price of the new debt and the net carrying amount of the old debt. Although the University recognized an accounting loss, the refunding decreases the University's total debt service payments over the next 23 years by \$21,386,601 and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new bonds) for the University of \$18,721,021.

On March 27, 2012, the University issued the 2012B General Fee Bonds with a par value of \$3,505,000 and an interest rate of 2.9%

to advance refund \$3,050,000 of outstanding 2004B Athletic Bonds with an interest rate of 5.75%. The net proceeds of this new bond issue were deposited in an irrevocable trust with an escrow agent and were used to purchase U.S. Government securities which will provide sufficient funds to pay all future debt service payments on the previously outstanding bonds. As a result, the previously outstanding bonds are considered to be defeased and the liability for those bonds has been removed from the University's financial statements. This refunding resulted in the University recognizing a loss of \$476,253 for the difference between the acquisition price of the new debt and the net carrying amount of the old debt. Although the University recognized an accounting loss, the refunding decreases the University's total debt service payments over the next 13 years by \$530,135 and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new bonds) for the University of \$418,242.

These losses on refunding, combined with previous losses, have been classified as deferred outflows of resources on the Statements of Net Position. The University recognized \$1,902,282 and \$1,978,165 of interest cost associated with the amortization of these deferred outflows in 2013 and 2012, respectively.

Future Debt Service

Future debt service payments for each of the five fiscal years subsequent to September 30, 2013, and thereafter, are as follows:

Year Ending September 30	Bonds Payable	
	Principal	Interest
2014	\$ 19,302,349	\$ 36,470,352
2015	24,108,361	35,940,069
2016	24,958,719	35,097,477
2017	21,998,501	34,183,323
2018	23,217,554	33,361,615
2019-2023	127,493,307	146,982,131
2024-2028	138,560,000	108,442,855
2029-2033	149,055,000	74,543,869
2034-2038	158,770,000	35,518,719
2039-2042	48,355,000	5,084,000
Total future debt service	\$ 735,818,791	\$ 545,624,410

Capital Lease Obligations

AUM acquired a building under a capital lease agreement which provides for the University to purchase the building over a period of 25

years. The University also leases certain items of equipment which are classified as capital leases.

Lease Obligations	Balance at September 30, 2012	New Lease Obligations	Principal Repayment	Balance at September 30, 2013
Building	\$ 580,000	\$ -	\$ (185,000)	\$ 395,000
Equipment	98,965	-	-	98,965
Total lease obligations	<u>\$ 678,965</u>	<u>\$ -</u>	<u>\$ (185,000)</u>	<u>\$ 493,965</u>

Minimum lease payments under capital leases together with the present value of the net minimum lease payments are shown in the table below:

	Building	Equipment	Total
2013-2014	\$ 214,750	\$ 101,068	\$ 315,818
2014-2015	210,000	-	210,000
2015-2016	-	-	-
2016-2017	-	-	-
2017-2018	-	-	-
Minimum lease payments	424,750	101,068	525,818
Less interest	(29,750)	(2,103)	(31,853)
Present value of minimum lease payments	395,000	98,965	493,965
Less current portion	(195,000)	(98,965)	(293,965)
Noncurrent obligations	\$ 200,000	\$ -	\$ 200,000

The University has entered into various operating leases for equipment. It is expected that, in the normal course of business, such leases will continue to be required. Net expenditures for rentals under operating

leases for the years ended September 30, 2013 and 2012, amounted to approximately \$4.2 million and \$4.0 million, respectively.

(11) PLEDGED REVENUES

Pledged revenue for 2013 and 2012 as defined by the **Series 2003, 2004, 2006A, 2007A, 2007B, 2008, 2009, 2011A, 2012A and 2012B General Fee Revenue Trust Indentures** is as follows:

	2013	2012
Student fees collected	\$ 398,180,878	\$ 373,770,328
Less fees pledged for specific purposes:		
Athletic fees (\$96 per student per semester)	(4,320,269)	(4,224,442)
Transit fees (\$135/\$129 as of Fall 2013/2012 per student per semester)	(5,827,995)	(5,316,099)
Student activities fees (\$15 per student per semester)	(673,987)	(662,885)
Total general fees pledged	\$ 387,358,627	\$ 363,566,902

The Series 2011A Bonds expands the definition of pledged revenues. "General Fees" pledged to secure the Series 2011A Bonds and all other Parity Bonds now or hereafter outstanding under the General Fee Revenue Indenture will include the general fees levied against the University's students at both the Auburn Main Campus and the Auburn University at Montgomery campus. "Housing Revenues" pledged to secure the Series 2011A Bonds and all other Parity Bonds now or hereafter outstanding under the General Fee Revenue Indenture will include the University's housing and dining revenues from the operation of housing and dining facilities on both the Auburn Main Campus and the Auburn University at Montgomery campus. The pledge of housing and dining revenues under the General Fee

Revenue Indenture is subordinate in all respects to the University's prior pledge of certain dormitory revenues on the Auburn University at Montgomery campus to secure payment of the 1978 Dormitory Revenue Bonds and the University's prior pledge of the housing and dining revenues under the Housing and Dining Revenue Indenture to secure the University's Housing and Dining Revenue Bonds, Series 2003 and any other bonds hereafter issued on a parity basis with such Series 2003 Bonds under the terms and conditions of the Housing and Dining Revenue Indenture.

See section on Series 2003 Housing and Dining Revenue Trust Indenture below for information on main campus housing and dining revenues.

AUM housing and dining revenue pledged for 2013 and 2012 subordinate to prior pledges of such revenues as defined by the **Series 2011A General Fee Revenue Trust Indenture** is as follows:

	2013	2012
AUM housing revenues		
Room rental	\$ 3,463,967	\$ 2,855,495
Other income	303,578	216,945
Total housing	3,767,545	3,072,440
AUM dining revenue	1,606,301	1,373,413
Total AUM housing and dining revenues pledged	\$ 5,373,846	\$ 4,445,853

The pledge of Athletic program revenues was added to the General Fee Trust Indenture contemporaneously with the issuance of the Series 2008 Bonds and collateralizes, on a parity basis, all bonds now or hereafter issued under the General Fee Revenue Indenture. Athletic

program revenues pledged to the 2008 General Fee Revenue Bonds are subordinate to the Athletic program revenues previously pledged to the Athletic Bonds as described below.

Pledged revenue for 2013 and 2012 as defined by the **Series 2001A and 2004 Athletic A & B Revenue Trust Indentures** is as follows:

	2013	2012
Jordan Hare and other revenues:		
Television and broadcast revenues	\$ 6,121,751	\$ 5,750,212
Conference and NCAA distributions	21,317,678	20,024,728
Sales and services revenues	29,808,653	29,098,531
Student fees	4,320,269	4,224,442
Royalties, advertisements and sponsorships	5,217,605	6,886,435
Other income	2,954,597	4,609,698
Total athletic revenues pledged	<u>\$ 69,740,553</u>	<u>\$ 70,594,046</u>

The Series 2004 Athletic Revenue Bonds and Series 2001A Athletic Revenue Bonds are collateralized by a first-priority pledge of the Athletic program revenues that is senior to, and has priority in all respects over, the subordinate pledge of the Athletic program revenues that was added to the General Fee Trust Indenture concurrently with the issuance of the Series 2008 Bonds.

The pledge of housing and dining revenues was added to the General Fee Trust Indenture, contemporaneously with the issuance of the University's General Fee Revenue Bonds, Series 2007A and 2007B (taxable) and collateralizes, on a parity basis now or hereafter issued under the General Fee Revenue Indenture.

Pledged revenue for 2013 and 2012 as defined by the **Series 2003 Housing and Dining Revenue Trust Indenture** is as follows:

	2013	2012
Housing revenues:		
Room rental	\$ 23,706,546	\$ 21,383,293
Other income	1,646,492	1,635,711
Total housing revenues pledged	25,353,038	23,019,004
Food services commission revenue	3,692,126	3,048,371
Total housing and food services revenues pledged	<u>\$ 29,045,164</u>	<u>\$ 26,067,375</u>

The Housing and Dining Revenue Bonds, Series 2003 are collateralized by a pledge of the University's housing and dining revenues. The Housing and Dining Revenue Indenture permits the University to issue additional bonds collateralized by the housing and dining revenues on a parity basis with the Housing and Dining Revenue Bonds Series 2003.

The Auburn University dormitory occupancy rate for Fall Semester 2013 and Fall Semester 2012 was 96.9% and 97.4%, respectively (unaudited).

Pledged revenues and related expenses for 2013 and 2012 as defined by the **1978 Auburn University at Montgomery Trust Indenture** are as follows:

The following summary shows the revenues, expenses and transfers from operations of the West Dormitories of AUM for the years ended September 30, 2013 and 2012.

	2013	2012
Revenues:		
Room rental	\$ 1,230,943	\$ 1,175,081
Other income	19,244	95,283
Total revenues	<u>1,250,187</u>	<u>1,270,364</u>
Expenses and transfers:		
Personnel costs	304,519	302,469
Operating expenses	332,209	278,484
Transfers	248,567	147,067
Total expenses and transfers	<u>885,295</u>	<u>728,020</u>
Surplus of revenues over expenses and transfers	364,892	542,344
AUM Student Housing net deficit at beginning of year	(266,954)	(809,298)
AUM Student Housing net surplus (deficit) at end of year	<u>\$ 97,938</u>	<u>\$ (266,954)</u>

The AUM dormitory occupancy rate for Fall Semester 2013 and Fall Semester 2012 was 93.5% and 97.0% respectively (unaudited).

(12) RETIREMENT PROGRAMS

The employees of the University are participants in three benefit plans; a 401(a) defined benefit plan, a 403(b) defined contribution plan, and a 457(b) deferred compensation plan as follows:

A. Teachers' Retirement System of Alabama

The University contributes to the Teachers' Retirement System of Alabama (TRS), a cost sharing, multiple-employer, public employee retirement system for the various state-supported educational agencies and institutions. This plan is administered by the Retirement Systems of Alabama.

Substantially all non-student employees are members of the Teachers' Retirement System. Membership is mandatory for eligible employees. During the 2012 regular session of the Alabama Legislature, Act 2012-377 created a new defined benefit plan tier for employees hired on or after January 1, 2013, with no previous creditable service ("Tier 2"). Employees hired or with creditable service prior to that date are "Tier 1" participants.

Benefits vest after ten years of creditable service. Vested Tier 1 employees may retire with full benefits at age 60 with 10 years of service or at any age with 25 years of service. Retirement benefits for Tier 1 employees are calculated by the formula method by which retirees are allowed 2.0125% of their final salary (average of the highest three of the last ten years) for each year of service. Vested Tier 2 employees may retire with full benefits at age 62 with 10 years of service. For Tier 2 employees, the percentage is 1.65% of their final salary (average of the highest five of the last ten years) for each year of service. Disability retirement benefits are calculated in the same manner for both Tier 1 and Tier 2 employees. Pre-retirement death benefits are provided to plan members.

The Teachers' Retirement System was established as of October 1, 1941, under the provisions of Act Number 419, of the Acts of Alabama 1939,

for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions. The responsibility for general administration and operation of the Teachers' Retirement System is vested in the Board of Control (currently 14 members). Benefit provisions are established by the *Code of Alabama 1975*, Sections 16-25-1 through 16-25-113, as amended, and Sections 36-27B-1 through 36-27B-6, as amended.

The ten year historical trend information showing TRS's progress in accumulating sufficient assets to pay benefits when due and the significant actuarial assumptions used to compute the pension benefit obligation, including the discount rate, projected salary increases and post-retirement benefit increases, are presented in the September 30, 2012, annual financial report of the Teachers' Retirement System of Alabama. The Retirement System of Alabama issues a publicly available financial report that includes financial statements and required supplementary information for the Teachers' Retirement System of Alabama. That report may be obtained by writing to the Retirement System of Alabama, 135 South Union Street, Montgomery, Alabama 36130-2150.

Funding Policy

Tier 1 employees are required by statute to contribute 7.5% of their salary to the Teachers' Retirement System. Tier 2 employees contribute 6.0% of their salary. The University is required to contribute the remaining amounts necessary to fund the actuarially determined contributions to ensure sufficient assets will be available to pay benefits when due. Each year the Teachers' Retirement System recommends to the Alabama State Legislature the contribution rate for the following fiscal year, with the Alabama State Legislature setting this rate in the annual appropriations bill. The percentages of the contributions and the amount of contributions made by the University and the University's employees, for both Tier 1 and Tier 2 employees, respectively, equal the required contributions for each year as follows:

Fiscal year ended September 30,	2013	2012	2011
Total percentage of covered payroll	17.58%/15.44%	17.25%	17.51%
Contributions:			
Percentage contributed by the employer	10.08%/9.44%	10.00%	12.51%
Percentage contributed by the employees	7.50%/6.00%	7.25%	5.00%
Contributed by the employer	\$ 35,742,024	\$ 34,144,425	\$ 41,773,908
Contributed by the employees	<u>26,543,214</u>	<u>24,761,049</u>	<u>16,703,108</u>
Total contributions	<u>\$ 62,285,238</u>	<u>\$ 58,905,474</u>	<u>\$ 58,477,016</u>

B. Employees' Retirement System of Alabama

Federally appointed employees of the Alabama Cooperative Extension System are covered by the Employees' Retirement System of Alabama (ERS). This program is a multi-employer defined benefit plan. Benefits of the ERS plan are similar to those of the TRS plan with the exception that they are based on half of the employee's average final salary. Upon retirement, these employees will also receive pension benefits under the Federal Civil Service Retirement System. ERS is part of the Retirement Systems of Alabama.

Funding Policy

Tier 1 employees are required by statute to contribute 3.75% of their salary to the Employees' Retirement System. Tier 2 employees contribute 3.0% of their salary. The University is required to contribute the remaining amounts necessary to fund the actuarially determined contributions to ensure sufficient assets will be available to pay benefits when due. Each year the Employees' Retirement System recommends to the Legislature the contribution rate for the following fiscal year, with the Legislature setting this rate in the annual appropriations bill. The percentages of the contributions and the amount of contributions made by the University and the University's employees, for Tier 1 and Tier 2 employees, respectively, equal the required contributions for each year as follows:

Fiscal year ended September 30,	2013	2012	2011
Total percentage of covered payroll	50.59%/49.80%	39.67%	40.38%
Contributions:			
Percentage contributed by the employer	46.84%/46.80%	36.04%	37.88%
Percentage contributed by the employees	3.75%/3.00%	3.63%	2.50%
Contributed by the employer	\$ 1,807,654	\$ 1,589,969	\$ 1,863,377
Contributed by the employees	144,705	159,923	122,963
Total contributions	\$ 1,952,359	\$ 1,749,892	\$ 1,986,340

C. Tax Deferred Annuity Plans

This plan is a defined contribution plan under section 403(b) of the Internal Revenue Code. Accordingly, benefits depend solely on amounts contributed to the plan plus investment earnings. This is provided as a supplement to the aforementioned programs. All full-time regular or probationary employees are eligible to participate. Full-time temporary employees are also eligible if their employment period is for a minimum of one year. The University will match 100.0% of elective deferral contributions up to 5.0% of the employee's plan compensation. The matching contributions cannot exceed \$1,650 for any plan year (calendar year). An employee enrolling in one of the University's tax deferred annuity plans will not vest in the University's matching portion until he/she has completed five years of full-time continuous service. Upon the employee's completion of the five year requirement, the University's matching contribution and interest earned will be vested to the participant. Nonparticipating employees with continuous service will be given credit toward the five year requirement upon joining the tax deferred annuity program. The total investment in the annuities is determined by Section 403(b). There are several investment options including fixed and variable annuities and mutual funds. The University-approved investment firms employees may select are Valic, TIAA-CREF, Fidelity Investments and Lincoln Financial. At September 30, 2013 and 2012, 3,264 and 3,373 employees, respectively, participated in the tax deferred annuity program. The contribution for 2013 was \$18,928,378 which includes \$4,879,216 from the University and \$14,049,162 from its employees. The contribution for 2012 was \$17,796,298, which includes \$5,484,638 from the University and \$12,311,660 from its employees. Total salaries and wages during the fiscal year for covered employees participating in the plan were \$235,219,284 and \$219,242,408 for the fiscal years ended September 30, 2013 and 2012, respectively.

D. Deferred Compensation Plans

The University follows the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-a rescission of GASB Statement No. 2 and an amendment of GASB Statement No. 31*. As of September 30, 2013 and 2012, 201 and 227 employees, respectively, participated in the plans. Contributions of \$2,358,162 and \$2,180,227 for fiscal years 2013 and 2012, respectively, were funded by employees and no employer contribution was funded. The 457(b) plans include Valic, TIAA-CREF and Fidelity Investments.

(13) OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The University offers postemployment health care benefits to all employees who officially retire from the University. Health care benefits are offered through the State of Alabama Public Education Employees Health Insurance Plan (PEEHIP) with TRS or Auburn University's self insured Retiree Medical Plan (the Plan), which is available for select employees who are not eligible for PEEHIP or those who were grandfathered in as Civil Service employees. Eligibility for benefits for

Tier 1 employees begins at age 60 with at least 10 years of service or at any age with 25 years of service. For Tier 2 employees, eligibility begins at age 62 with at least 10 years of service. Retirees must have been enrolled in the active employees' health care plan for the last six of those years in order to be eligible for coverage under the plan.

The University applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postretirement Benefits Other than Pensions*. This statement requires governmental entities to recognize and match other postretirement benefit costs with related services received and also to provide information regarding the actuarially calculated liability and funding level of the benefits associated with past services.

A. State of Alabama Public Education Employees Health Insurance Plan (PEEHIP)

Alabama Retired Education Employees' Health Care Trust is a cost-sharing multiple-employer defined benefit health care plan administered by the Public Education Employees' Health Insurance Board (PEEHIB). PEEHIP offers a basic hospital/medical plan that provides basic medical coverage for up to 365 days of care during each hospital confinement. The basic hospital/medical plan also provides for physicians benefits, outpatient care, prescription drugs, and mental health benefits.

The *Code of Alabama 1975*, Section 16-25A-4 provides the PEEHIB with the authority to amend the benefit provisions for the plan, and Section 16-25A-8 provides the authority to set the contribution for retirees and employers.

The required contribution rate of the employer was \$336 and \$370 per employee per month in the years ended September 30, 2013 and 2012, respectively. The University paid \$8,633,554 and \$9,394,450 for 2,141 and 2,112 retirees for the years ended September 30, 2013 and 2012, respectively. 100% of the required contributions were paid by PEEHIP. The required contribution rate is determined by PEEHIP in accordance with state statute.

The required monthly contribution rates for fiscal year 2013 are as follows:

Retired Member Rates

- Individual Coverage/Non-Medicare Eligible - \$151.00
- Family Coverage/Non-Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$391.00
- Family Coverage/Non-Medicare Eligible Retired Member and Dependent Medicare Eligible - \$250.00
- Individual Coverage/Medicare Eligible Retired Member - \$10.00
- Family Coverage/Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$250.00
- Family Coverage/Medicare Eligible Retired Member and Dependent Medicare Eligible - \$109.00
- Tobacco surcharge - \$28.00 per month

- PEEHIP Supplemental Plan - \$0
- Optional Plans (Hospital Indemnity, Cancer, Dental, Vision) - up to two optional plans can be taken by retirees at no cost if the retiree is not also taking one of the Hospital Medical Plans. Otherwise, they can purchase the Optional Plans at the normal monthly rate of \$38.00 or \$45.00 for family dental.

Members who retired on or after October 1, 2005, and before January 1, 2012, pay 2% of the employer premium for each year under 25 years of service, and for each year over 25 years of service, the retiree premium is reduced by 2%.

Employees who retire on or after January 1, 2012, with less than 25 years of service, are required to pay 4% for each year under 25 years of service. Additionally, non-Medicare eligible employees who retire on or after January 1, 2012, are required to pay 1% more for each year less than 65 (age premium) and to pay the net difference between the active employee subsidy and the non-Medicare eligible retiree subsidy (subsidy premium). When the retiree becomes Medicare eligible, the age and subsidy premium will no longer apply. However, the years of service (if applicable to the retiree) will continue to be applied throughout retirement. These changes are being phased in over a five year period.

Surviving Spouse Rates

- Surviving Spouse Non-Medicare Eligible - \$671.00
- Surviving Spouse Non-Medicare Eligible and Dependent Non-Medicare Eligible - \$860.00
- Surviving Spouse Non-Medicare Eligible and Dependent Medicare Eligible - \$829.00
- Surviving Spouse Medicare Eligible - \$317.00
- Surviving Spouse Medicare Eligible and Dependent Non-Medicare Eligible - \$506.00
- Surviving Spouse Medicare Eligible and Dependent Medicare Eligible - \$475.00

The complete financial report for PEEHIP can be obtained on the PEEHIP website at <http://www.rsa-al.gov/PEEHIP/peehip.html> under the Trust Fund Financials tab and will be available at the end of January 2014.

B. Retiree Medical Plan (the Plan)

The Plan is considered a single-employer plan and consists of hospital benefits, major medical benefits, a prescription drug program and a preferred care program. The health care benefits cover medical and hospitalization costs for retirees and their dependents. If the retiree is eligible for Medicare, University coverage is secondary. The authority under which the Plan's benefit provisions are established or amended is the University President. Recommendations for modifications are brought to the President by the Insurance and Benefits Committee. Any amendments to the obligations of the plan members or employer(s) to contribute to the plan are brought forth by the Insurance and Benefits Committee and approved by the President.

Employees included in the actuarial valuation include retirees and survivors, active eligible Civil Service employees and those retirees who elected the PEEHIP plan on or prior to October 1, 1997, for whom the University pays a subsidy. Expenditures for postretirement health care benefits are recognized monthly and financed on a pay-as-you-go basis. The University funds approximately 60% of the postretirement healthcare premiums, which totaled \$933,287 and \$930,342 for fiscal years ended September 30, 2013 and 2012, respectively. The retirees are responsible for funding approximately 40% of the healthcare premiums.

In compliance with the provisions of GASB Statement No. 45, the University accrued an additional \$1,329,425 and \$1,567,505 in retiree healthcare expense during fiscal years 2013 and 2012, respectively.

The Plan does not issue a stand-alone financial report. For inquiries relating to the Plan, please contact Auburn University Payroll and Employee Benefits, 212 Ingram Hall, Auburn University, Alabama 36849.

The required schedule of funding progress, contained in the Required Supplemental Information immediately following the divisional financial statements (see page 72), presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Determination of Annual Required Contribution (ARC) and End of Year Accrual for Retiree Medical Plan

Cost Element	Fiscal Year Ended September 30, 2013	
	Amount	Percent of Payroll ¹
1. Unfunded actuarial accrued liability at Oct. 1, 2012	\$ 58,200,833	1,476.3%
<u>Annual Required Contribution (ARC)</u>		
2. Normal cost	\$ 80,583	
3. Amortization of the unfunded actuarial accrued liability over 15 years using level dollar amortization	4,474,833	
4. Annual Required Contribution (ARC = 2 + 3)	<u>\$ 4,555,416</u>	115.5%
<u>Annual OPEB Cost (Expense)</u>		
5. ARC	\$ 4,555,416	
6. Interest on beginning of year accrual	264,694	
7. Adjustment to ARC	<u>(1,009,801)</u>	
8. Fiscal year 2013 OPEB cost (5 + 6 + 7)	<u>\$ 3,810,309</u>	96.6%
End of Year Accrual (Net OPEB Obligation)²		
9. Beginning of year accrual ¹	\$ 13,234,687	
10. Annual OPEB cost	3,810,309	
11. Employer contribution (benefit payments) ²	<u>(2,480,884)</u>	
12. End of year CAFR accrual (9 + 10 + 11) ²	<u>\$ 14,564,112</u>	369.4%

¹ Annual payroll for 46 participants as of September 30, 2013, was \$3,942,432.

² Actual amounts paid in fiscal year 2013 include claim costs, administrative fees, and PEEHIP subsidy less participant contributions.

Three Year Schedule of Percentage of OPEB Cost Contributed

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed ³	Net OPEB Obligation
September 30, 2011	\$ 4,740,817	56.0%	\$ 11,667,182
September 30, 2012	\$ 4,044,529	61.2%	\$ 13,234,687
September 30, 2013	\$ 3,810,309	65.1%	\$ 14,564,112

³ Cost Contributed is shown in the "Determination of Annual Required contribution and End of Year Accrual."

Summary of Key Actuarial Methods and Assumptions

Valuation year	October 1, 2012 – September 30, 2013
Actuarial cost method	Unit Credit, Actuarial Cost Method
Amortization method	15 years, level dollar open amortization ⁴
Asset valuation method	Not applicable
Discount rate	2.0%
Projected payroll growth rate	Not applicable

⁴ Open amortization means a fresh-start each year for the cumulative unrecognized amount.

Health care cost trend rate for medical and prescription drugs

9.0% in fiscal year 2014, decreasing by one-half percentage point per year to an ultimate of 5.0% in fiscal year 2022 and later.

Valuation Date	October 1, 2012
-----------------------	-----------------

Monthly Per Capita Claim Costs

<u>Age</u>	<u>Medical</u>
55	\$719
60	\$862
65	\$350
70	\$388
75	\$413

Claim costs were increased by 6% over last year based on a weighted average of benefit plan premiums. Future claim costs are increased by health care cost trend.

Retiree Premiums

Retirees contribute 40% and surviving spouses pay 100% of the monthly premiums shown below:

	<u>As of 1/1/13</u>	<u>As of 1/1/12</u>
Pre-65 Single	\$472	\$458
Pre-65 Family	\$1,062	\$1,008
Post-65 Single	\$142	\$139
Post-65 Family	\$742	\$638

Note: There are several other categories of premiums.

Administrative Expenses

Included in claim cost.

Assumed Health Care Trend Rate

<u>Fiscal Year</u>	<u>Medical and Rx Combined Rate</u>
2014	9.0%
2015	8.5%
2016	8.0%
2017	7.5%
2018	7.0%
2019	6.5%
2020	6.0%
2021	5.5%
2022+	5.0%

Spouse Age Difference

Husbands are assumed to be three years older than wives for current and future retirees who are married.

Mortality

RP-2000 Combined Mortality Projected to 2015 using Projection Scale AA.

Participation Rates

100% of active employees are assumed to elect postretirement health insurance coverage upon retirement.

Retirement Rates

Employees are assumed to retire according to the following schedule:

<u>Age</u>	<u>Retirement Rate</u>
45 or less	0%
46 - 49	1%
50 - 51	2%
52 - 54	3%
55	10%
56 - 59	8%
60	20%
61	15%
62	25%
63 - 64	20%
65	40%
66 - 69	30%
70 - 74	75%
75+	100%

Withdrawal Rates

None assumed since all are long service Civil Service employees.

Disability Rates

Sample rates are shown below, percent assumed to terminate within one year:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	0.06%	0.09%
30	0.08%	0.12%
35	0.17%	0.24%
40	0.30%	0.41%
45	0.54%	0.65%
50	0.98%	0.98%
55	1.50%	1.50%

(14) SELF INSURANCE PROGRAMS AND OTHER LIABILITIES**Self Insurance**

An actuarially determined rate is used to provide funding for retained risk in the University's self-insurance program. The self-insurance reserves, liabilities and related assets are included in the accompanying financial statements. The estimated liability for general liability and on-the-job injury self-insurance is actuarially determined. These self-insured programs are supplemented with commercial excess insurance.

The Comprehensive General Liability Trust Fund is a self-insured retention program that protects the University, its faculty, staff and volunteers against claims brought by third parties arising from bodily injury, property damage and personal liability (libel, slander, etc.) Funds are held in a separate trust account with a financial institution to be used to pay claims for which the University may become legally liable. The liability at September 30, 2013 and 2012, was \$434,682 and \$443,204, respectively.

The On-The-Job-Injury program provides benefits for job-related injuries or death related from work at the University. This program is designed to cover out-of-pocket expenses of any employee who is not covered by insurance. The program will also pay for medically evidenced disability claims and provide death benefits arising from a job-related death of an employee. This self-funded program is provided to employees since the University is not subject to the workers' compensation laws of the State of Alabama. The liability at September 30, 2013 and 2012, was \$1,996,978 and \$2,023,455, respectively.

The University self-insures its health insurance program for all eligible employees. Assets have been set aside to fund the related claims of this program. Should the assets be insufficient to pay the

Unearned revenues at September 30, 2013 and 2012, are as follows:

	2013	2012
Tuition and fees, net	\$ 127,082,274	\$ 124,577,576
Federal, state and local government grants and contracts	11,822,527	10,788,320
Auxiliary, net	34,436,664	33,688,568
Plant	522,311	538,138
Total unearned revenue	<u>\$ 173,863,776</u>	<u>\$ 169,592,602</u>

Pollution Remediation Obligations

The University follows GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which requires recognition of liabilities, recoveries, and related disclosures, as appropriate.

insurance claims, the University would be liable for such claims. The accompanying Statements of Net Position include a self-insurance liability for health insurance as of September 30, 2013 and 2012, of \$10,161,839 and \$8,741,124, respectively.

Other Liabilities

Other liabilities include compensated absences, deposits held in custody and unearned revenues. The University allows employees to accrue and carryover annual and sick leave up to certain maximum amounts depending on years of service. Employees will be compensated for accrued annual leave at time of separation from University employment (termination or retirement) up to a maximum of one month's additional compensation. All eligible employees hired before October 1, 1990, may be compensated for unused sick leave at the rate of 25% of their respective balances, subject to a maximum of one month's additional compensation. The liability for compensated absences was \$17,532,178 and \$17,070,517 at September 30, 2013 and 2012, respectively.

Deposits held in custody include the portion of the Federal Perkins Student Loan funds and Health Professional Student Loans which would be refunded in the event the University's operations ceased. The refundable amounts were \$16,763,334 and \$16,503,837 at September 30, 2013 and 2012, respectively. Also included in deposits held in custody of others are the agency funds. These amounts totaled \$4,331,498 and \$4,645,284 for September 30, 2013 and 2012, respectively. The remaining difference relates to immaterial rental deposits.

Unearned revenue includes tuition revenue related to the portion of Fall Semester subsequent to September 30, funding received for contracts and grants which has not been expended as of September 30, as well as athletic revenue related to games played subsequent to September 30.

The University conducts groundwater monitoring, monitored natural attenuation and clean-up in accordance with the Resource Conservation and Recovery Act (RCRA) and the Toxic Substances and Control Act. Additionally, asbestos abatement is necessary as older buildings

on campus are demolished or renovated. During fiscal year 2011, the University, with the assistance of an outside consultant, prepared a 30-year Post Closure Cost Estimate related to all active and inactive solid waste management units managed through the University RCRA Facility permit.

As of September 30, 2013 and 2012, the total estimated pollution remediation liability (estimated using the expected cash-flow technique) is \$6,774,397 and \$6,831,665, respectively. The current portion of

this amount (\$3,220,087 and \$327,355, respectively) is included in other accrued liabilities and the long-term portion (\$3,554,310 and \$6,504,310, respectively) is included in other noncurrent liabilities in the accompanying Statements of Net Position. This estimate may change in future periods as additional information is obtained. The University does not expect to recover any funds from insurance or other third parties related to these obligations.



(15) DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources are an acquisition of net assets that is applicable to a future reporting period. The University engages in certain voluntary nonexchange transactions (grants). Grant funds received for which all eligibility requirements have been met, other than

time requirements, are presented as deferred inflows of resources in accordance with the adoption of GASB Statements No. 63 and No. 65. Implementation of these standards requires retroactive application and comparative values for the prior year(s) presented. Deferred outflows of resources are summarized below:

	September 30, 2013	September 30, 2012
Nonexchange transactions	\$ <u>346,994</u>	\$ <u>179,752</u>

(16) CONTRACTS AND GRANTS

The University has been awarded approximately \$3.9 million (unaudited) and \$8.3 million (unaudited) in contracts and grants that have not been received or expended as of September 30, 2013 and 2012, respectively. These awards, which represent commitments of sponsors to provide funds for research and training projects, have not been reflected in the financial statements.

(18) CONSTRUCTION COMMITMENTS AND FINANCING

The University has entered into projects for the construction and renovation of various facilities that are estimated to cost approximately \$427.7 million (unaudited). At September 30, 2013, the estimated remaining cost to complete the projects is approximately \$69.9 million (unaudited) which will be funded from University funds and bond proceeds.

(17) RECOVERY OF FACILITIES AND ADMINISTRATIVE COST FOR SPONSORED PROGRAMS

The portion of revenue recognized for all grants and contracts that represents facilities and administrative cost recovery is recognized on the Statements of Revenues, Expenses and Changes in Net Position within contract and grant operating revenues. The University recognized \$17,624,581 and \$16,692,646 in facilities and administrative cost recovery for the years ended September 30, 2013 and 2012, respectively.

(19) OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the years ended September 30, 2013 and 2012, are listed below. In preparing the financial statements, all significant transactions and balances between auxiliary units and other funds have been eliminated. Some scholarships and fellowships are provided by the instruction or research function and are broken out in the charts below. In addition, the graduate waivers are shown as compensation; however, they are shown functionally as scholarship and fellowship expense. The University is able to capture auxiliary utility expenditures; therefore, those expenditures are shown separately by function.

September 30, 2013

	Compensation and Benefits	Scholarships and Fellowships	Utilities	Other Supplies and Services	Depreciation	Total
Instruction	\$ 207,837,651	\$ 761,287	\$ -	\$ 34,017,145	\$ -	\$ 242,616,083
Research	67,298,382	1,395,995	10,068	28,715,022	-	97,419,467
Public Service	62,847,491	2,500	102,448	41,770,586	-	104,723,025
Academic Support	37,177,725	-	-	6,475,153	-	43,652,878
Library	7,118,913	-	-	1,218,631	-	8,337,544
Student Services	18,857,371	-	-	8,708,410	-	27,565,781
Institutional Support	63,944,107	-	-	4,744,518	-	68,688,625
Operation and Maintenance	26,866,013	-	18,223,525	39,370,969	-	84,460,507
Scholarships and Fellowships	19,749,940	15,191,230	-	306,108	-	35,247,278
Auxiliaries	46,281,831	-	4,506,835	56,110,881	-	106,899,547
Depreciation	-	-	-	-	66,064,924	66,064,924
	<u>\$ 557,979,424</u>	<u>\$ 17,351,012</u>	<u>\$ 22,842,876</u>	<u>\$ 221,437,423</u>	<u>\$ 66,064,924</u>	<u>\$ 885,675,659</u>

	Compensation and Benefits	Scholarships and Fellowships	Utilities	Other Supplies and Services	Depreciation	Total
Instruction	\$ 207,364,653	\$ 1,125,249	\$ -	\$ 31,026,179	\$ -	\$ 239,516,081
Research	64,426,343	813,360	8,182	37,404,840	-	102,652,725
Public Service	62,875,756	5,154	115,931	44,384,611	-	107,381,452
Academic Support	33,383,234	-	-	5,392,578	-	38,775,812
Library	7,182,707	-	-	2,879,270	-	10,061,977
Student Services	17,185,082	-	-	7,685,922	-	24,871,004
Institutional Support	62,587,059	-	-	10,733,278	-	73,320,337
Operation and Maintenance	26,339,343	-	18,356,531	21,554,942	-	66,250,816
Scholarships and Fellowships	18,670,225	16,233,438	-	66,385	-	34,970,048
Auxiliaries	39,218,237	176,873	4,666,510	55,094,206	-	99,155,826
Depreciation	-	-	-	-	61,104,001	61,104,001
	<u>\$ 539,232,639</u>	<u>\$ 18,354,074</u>	<u>\$ 23,147,154</u>	<u>\$ 216,222,211</u>	<u>\$ 61,104,001</u>	<u>\$ 858,060,079</u>

(20) CONTINGENT LIABILITIES

The University is a party in various legal actions and administrative proceedings arising in the normal course of its operations.

Management does not believe that the outcome of these actions will have a material adverse effect on the University's financial position.

(21) RELATED PARTY TRANSACTIONS

Auburn University Foundation

The majority of funds that AUF raises are donor restricted for specific schools, colleges or programs of the University. These may be transferred to the University for its use, expended by AUF for the benefit of University schools, colleges or programs, or in the case of endowments, invested with only the earnings transferred to or expended on behalf of the University. Amounts transferred to the University or expended on behalf of its programs totaled \$30,552,177 and \$29,708,151 during the years ended September 30, 2013 and 2012, respectively. Net undistributed grants to the University totaled \$48,270 and \$10,215 at September 30, 2013 and 2012, respectively.

The President of the University serves as an ex officio non-voting member of AUF's Board of Directors. The University is the primary recipient of AUF expenditures and maintains AUF's accounting records as a subsystem within the University's accounting system.

AUF and the University entered into an operating agreement (the AUF Agreement), which addresses the general and administrative and development financial relationships between these two entities. In summary, the AUF Agreement states that in return for raising and administering gifts for the benefit of the University, the University will provide certain services and facilities to AUF, which primarily consist of personnel and other administrative support, and that AUF will make a quarterly determination of the relative allocable share of these costs and transfer funds as necessary. AUF and the University review the AUF Agreement annually and provide an estimate of the maximum consideration to be paid for the upcoming year for approval by the respective boards. The actual reimbursement is determined based on the actual costs incurred and is as follows:

- For the years ended September 30, 2013 and 2012, all personnel costs were incurred by the University, and AUF reimbursed the University \$1,376,034 and \$1,385,242, respectively, for its share of these central development services in accordance with the AUF Agreement.
- Nonsalary development costs were incurred and paid primarily by AUF. The University provided for its share of these operating costs by establishing budgets within the University's budgetary system whereby it paid a portion of these costs. The amount directly incurred by the University or reimbursed to AUF totaled \$2,480,551 and \$1,835,408, while the actual University's expenditures for these costs were only \$1,338,423 and \$791,115 for the years ended September 30, 2013 and 2012, respectively. AUF paid more than its share of the nonpersonnel costs and applied the excess toward its allocable share of personnel costs. In fiscal years 2013 and 2012, AUF paid the University \$233,905 and \$340,949, respectively, as settlement in accordance with the agreement.
- Constituency development operations, which are fund raising programs restricted to one school, college or program of the University, are funded jointly by the University unit involved and the AUF gifts restricted to that unit. These costs are the responsibility of the respective constituency's unit.

During 2013 and 2012, AUF granted AUREFI \$177,073 and \$150,000, respectively, for operations and projects. AUREFI reimbursed AUF \$4,293 and \$7,079 for operating expenses paid on behalf of AUREFI during 2013 and 2012, respectively. During the year 2013, AUF received \$49,669 from the Real Estate Foundation for the Samuel Ginn College of Engineering and \$122,734 to endow scholarships for University freshmen who graduated from Wetumpka High School, respectively. These inter-entity transactions are eliminated in consolidation.

AUREFI and the University entered into an agreement with the University to provide certain services and facilities. AUREFI reimbursed the University \$113,851 and \$100,978 during the years ended September 30, 2013 and 2012, respectively, for agreement-related services and facilities. The reimbursements are accrued and reflected in the payable due to the University on the Consolidated Statements of Financial Position. AUREFI reimbursed the University \$790 during fiscal year 2013 for general and administrative expenses. AUREFI provided a cash grant to the University of \$443,627 to the Samuel Ginn College of Engineering for capital construction during fiscal year 2012.

The amount due from AUF to the Association consists of funds from the Association's Life Membership program which are invested with AUF's pooled endowment. AUF remits income from the investments directly to the Association on an annual basis. For the years ended September 30, 2013 and 2012, AUF was committed to the Association for \$8,452,093 and \$7,523,855, respectively. Of the amount for the year ended September 30, 2013 and 2012, \$386 and \$1,907 relates to payables and receivables between the Association and AUF for reimbursement of miscellaneous general and administrative expenses, respectively. AUF distributed \$287,029 and \$279,984 during fiscal years 2013 and 2012, respectively.

AUF provided the Association grants of \$1,650 and \$5,008 during fiscal years 2013 and 2012, respectively, for alumni relations. The Association provided AUF grants of \$626,027 of which \$625,892 was added to the corpus of AUF's endowments during fiscal year 2013. The Association provided grants of \$443,242 which was added to the corpus of AUF's endowments during fiscal year 2012. AUF paid \$62,612 and \$222,206 to the Association for general and administrative expenses during fiscal years 2013 and 2012, respectively. The Association paid \$49,492 and \$66,515 to AUF for similar expenses during fiscal years 2013 and 2012, respectively.

The amount due from AUF to TUF consists of funds which are invested with AUF's pooled endowment. Of these amounts, \$5,195 and \$3,692 related to receivables between TUF and AUF for routine, operating transactions as of September 30, 2013 and 2012, respectively. AUF remits income from the investments which are designated by donor restriction for spending directly to the University on behalf of TUF on an annual basis. AUF remits income from investments which are designated by donor restriction for additions to endowment corpus directly to TUF on an annual basis. As of September 30, 2013 and 2012, AUF was committed to TUF for \$7,984,570 and \$7,081,653, respectively. AUF annually remits a distribution to the University on behalf of TUF. AUF distributed \$233,300 and \$197,061 during fiscal years 2013 and 2012, respectively.

AUF provided TUF grants of \$110,883 and \$23,751 during fiscal years 2013 and 2012, respectively, for intercollegiate athletics. AUF paid \$323,757 and \$322,839 to TUF for costs incurred in the cultivation, solicitation and stewardship of contributions during fiscal years 2013 and 2012, respectively. TUF paid \$7,186 and \$3,699 for general and administrative expenses during fiscal years 2013 and 2012, respectively.

Tigers Unlimited Foundation

The funds that TUF raises are restricted for athletic-related programs of the University. These may be transferred to the University for its use, expended for the benefit of athletic programs or, in the case of endowments, invested according to donor restriction and the earnings

transferred to, or expended for, the University's benefit. Amounts transferred to the University, or expended on behalf of its programs, totaled \$34,799,271 and \$23,666,119 during the years ended June 30, 2013 and 2012, respectively. Included in these amounts is a current year accrual of severance payments due to terminated employees totaling \$8,779,544 and \$0, respectively.

Effective July 1, 2007, TUF and the University entered into an operating agreement (the TUF Agreement), which addresses the general and administrative and development financial relationships between these two entities. In summary, the TUF Agreement states that the University will provide certain services and facilities to TUF, which primarily consist of personnel and other administrative support. TUF will pay to the University an amount equal to the compensation of Auburn University employees for services performed and reimbursement for space and property utilized by such employees, in an amount to be specifically approved by TUF's Board of Directors each year. The TUF Agreement commenced on July 1, 2007, and expired on July 1, 2008, but remains in force in subsequent years unless cancelled in writing by one of the parties.

During the years ended June 30, 2013 and 2012, the University contributed \$504,245 each year to TUF for the use of executive suites at University athletic events. Of this amount, \$499,125 is recorded as public support-contributions revenue and \$5,120 is recorded as other revenue on the Statements of Activities and Changes in Net Assets. At June 30, 2013, a receivable of \$504,245 related to these transactions was outstanding. The University paid the 2012 obligation during fiscal year 2012 and intends to pay the 2013 obligation during fiscal year 2014.

During the years ended June 30, 2013 and 2012, TUF paid the University for normal, recurring expense transactions including, but not limited to, purchasing athletic event tickets, reimbursing athletic staff salaries, sponsoring student scholarships, and funding the debt, repair, maintenance and operations of athletic facilities. At June 30, 2013 and 2012, obligations of \$2,508,750 and \$2,565,950 related to these transactions, respectively, were outstanding. TUF paid the 2012 obligation during fiscal year 2013, and it intends to pay the 2013 obligation during fiscal year 2014.

As indicated, the above TUF balances are as of June 30, 2013 and 2012; however, the University believes these figures are not materially different than September 30, 2013 and 2012, respectively.

Auburn Alumni Association

The Association, AUF, Auburn University Offices of Alumni and Development and their related support units jointly utilize operational facilities, personnel and other assets in order to effectively and efficiently carry out their required activities. All personnel are employed by the University and their services are provided to the other organizations under contractual agreements. Other operational costs are paid from budgets of each organization.

The combined expenditures are analyzed periodically and, based on each entity's utilization of the facilities, supplies and services, any necessary reimbursements are made among the organizations. In the Statements of Activities and Changes in Net Assets, amounts received by the Operating Fund from other organizations are used to offset the related expenses. The Executive Director of the Association is an employee of the University, providing services to the Association under a

services and facilities contract. The Executive Director also serves as the Vice President for Alumni Affairs for the University.

A portion of the Association's investments have been pooled with AUF investments and are invested and managed by AUF. Cash receipts and disbursements records of the Association are maintained within the University accounting system.

During the years ended September 30, 2013 and 2012, the Association had a salary reimbursement expense of \$989,349 and \$957,096, respectively, to the University under the service and facilities agreement. Of these amounts, all had been paid at September 30, 2013 and September 30, 2012, respectively.

Rental income recorded by the Association from the University totaled \$368,358 and \$222,500, respectively, for the years ended September 30, 2013 and 2012. Rental income recorded by the Association from AUF totaled \$4,840 and \$116,588 for the years ended September 30, 2013 and 2012, respectively.

During the years ended September 30, 2013 and 2012, the University provided for its share of alumni affairs activities costs by establishing a budget within the University's budgetary system; whereby, the University pays a portion of the costs, and reimburses the Association for the balance. The alumni affairs activities costs were \$688,000 and \$640,000 for the years ended September 30, 2013 and 2012, respectively.

During the year ended September 30, 2013, the Association contributed \$198,200 to the Auburn Alumni Association Endowment for Scholarships held with AUF. During the year ended September 30, 2012, the Association contributed \$96,863 to the Auburn Alumni Association Endowment for Scholarships held with AUF. As of September 30, 2013, the Association accrued \$205,700 to support alumni scholarships.

Auburn Research and Technology Foundation

ARTF's mission is to facilitate the acquisition, construction and equipping of a technology and research park on the University's campus in order to create new academic and entrepreneurial opportunities for the University's faculty and students. Consideration received by the University from ARTF includes the traditional benefits enjoyed by a University from an affiliated research park, including but not limited to increased exposure for development and commercialization of the University's intellectual property and technologies, increased research opportunities for the University's students and professors, and heightened exposure within the commercial world of the technological campus offerings.

The Vice President for Research of the University serves as the President of ARTF and is a member of the ARTF Board of Directors with full voting powers. Contributed services in the amount of approximately \$15,000 were recognized by ARTF during fiscal 2013 and 2012, related to services provided by the Vice President for Research serving as the President of ARTF. Additionally, ARTF's accounting records are maintained as a subsystem within the University's accounting system.

ARTF and the University entered into an Operating Agreement (the ARTF Agreement), which governs the general and administrative and development financial relationships between these two entities. In summary, the ARTF Agreement states that in return for certain services and facilities that are within the capability and control of the

University, ARTF will reimburse and compensate the University for the cost of such services and facilities. ARTF will make an annual determination of its allocable share of these costs and records the transaction in the financial statements. ARTF and the University review the ARTF Agreement annually and provide an estimate of the maximum consideration to be paid for the upcoming year for approval by the respective boards. The actual reimbursement is determined based on the actual costs incurred.

In accordance with the ARTF Agreement for fiscal years 2013 and 2012, personnel costs incurred by the University and charged to ARTF were \$59,611 and \$48,190, respectively. These amounts are included in "Other payables to Auburn University" at September 30, 2013 and 2012.

ARTF held lease agreements with two University departments and three University departments in fiscal years 2013 and 2012, respectively, whereby the departments lease office space from ARTF. As leasing tenants, the University departments remit a monthly rental fee to ARTF in accordance with their lease agreements.

ARTF entered into a contract with the University during fiscal year 2011 to develop and manage a full service business incubator. Revenues of \$139,969 and \$142,902 related to this contract were recognized at September 30, 2013 and 2012, respectively. The remaining amounts of \$10,031 and \$7,098 are shown as deferred revenue and will be recognized when the expenditures are incurred.

(22) DIRECT LOAN PROGRAM

The Federal Direct Loan Program (DL) enables an eligible student or parent to obtain a loan directly through the Department of Education. Under DL, files are transmitted via the Federal Common Originator and Disbursement System (COD). Funds are received via G5, a federal website. The Department of Education is responsible for the collection of these loans.

The University's Main Campus disbursed approximately \$127.2 million and \$127.1 million under this program during the fiscal years ended September 30, 2013 and 2012, respectively. AUM disbursed approximately \$34.3 million and \$27.7 million under this program during the fiscal years ended September 30, 2013 and 2012, respectively.

(23) IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Statement No. 66, *Technical Corrections –2012—an amendment of GASB Statements No. 10 and No. 62* was issued in March 2012. This Statement resolves conflicting guidance from the issuance of previous Statements, including guidance regarding fund-type classification of risk financing activities as well as operating lease payments, the difference between purchase price and principal amount of purchased loans, and service fees related to mortgage loans that are sold. The provisions of this statement are effective for periods beginning after December 15, 2012. Earlier application is encouraged. The University is currently evaluating the financial statement impact of the adoption of this Statement.

Statement No. 68, *Accounting and Financial Reporting for Pensions –an amendment of GASB Statement No. 27* was issued in June 2012. This Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans administered through trusts. It establishes standards for measuring and recognizing liabilities, deferred outflows

and inflows of resources, and expenses. It also identifies methods and assumptions used to project benefit payments, their net present value, and to attribute it to periods of employee service. Additionally, it addresses disclosure requirements regarding pensions. This Statement is effective for periods beginning after June 15, 2014. Earlier application is encouraged. The University is currently evaluating the financial statement impact of this Statement, but expects to record a liability upon adoption.

Statement No. 69, *Government Combinations and Disposals of Government Operations* was issued in January 2013. This Statement establishes new accounting and financial reporting standards related to government mergers, acquisitions, and transfers of operations and to disposals of government operations. This Statement is effective for periods beginning after December 15, 2013, and should be applied on a prospective basis. Earlier application is encouraged. The University does not believe the adoption of this Statement will have an effect on the University's financial statements.

Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* was issued in April 2013. This Statement improves accounting and financial reporting by state and local governments that extend or receive nonexchange financial guarantees. This Statement is effective for periods beginning after June 15, 2013. Earlier application is encouraged. The University is currently evaluating the financial statement impact of this Statement.

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* was issued in November 2013. This Statement addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The provisions of this Statement are required to be applied simultaneously with Statement No. 68. The University is currently evaluating the financial statement impact of this Statement.





FINANCIAL REPORT
2013

REQUIRED SUPPLEMENTAL
INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION

Determination of Annual Required Contribution (ARC) and End of Year Accrual for Retiree Medical Plan

Cost Element	Fiscal Year Ended September 30, 2013	
	Amount	Percent of Payroll ¹
1. Unfunded actuarial accrued liability at Oct. 1, 2012	\$ 58,200,833	1,476.3%
<u>Annual Required Contribution (ARC)</u>		
2. Normal cost	\$ 80,583	
3. Amortization of the unfunded actuarial accrued liability over 15 years using level dollar amortization	<u>4,474,833</u>	
4. Annual Required Contribution (ARC = 2 + 3)	<u>\$ 4,555,416</u>	115.5%
<u>Annual OPEB Cost (Expense)</u>		
5. ARC	\$ 4,555,416	
6. Interest on beginning of year accrual	264,694	
7. Adjustment to ARC	<u>(1,009,801)</u>	
8. Fiscal year 2013 OPEB cost (5 + 6 + 7)	<u>\$ 3,810,309</u>	96.6%
<u>End of Year Accrual (Net OPEB Obligation)²</u>		
9. Beginning of year accrual ¹	\$ 13,234,687	
10. Annual OPEB cost	3,810,309	
11. Employer contribution (benefit payments) ²	<u>(2,480,884)</u>	
12. End of year CAFR accrual (9 + 10 + 11) ²	<u>\$ 14,564,112</u>	369.4%

¹ Annual payroll for 46 participants as of September 30, 2013, was \$3,942,432.

² Actual amounts paid in fiscal year 2013 include claim costs, administrative fees, and PEEHIP subsidy less participant contributions.

Three Year Schedule of Percentage of OPEB Cost Contributed

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed ³	Net OPEB Obligation
September 30, 2011	\$ 4,740,817	56.0%	\$ 11,667,182
September 30, 2012	\$ 4,044,529	61.2%	\$ 13,234,687
September 30, 2013	\$ 3,810,309	65.1%	\$ 14,564,112

³ Cost Contributed is shown in the "Determination of Annual Required contribution and End of Year Accrual."

Summary of Key Actuarial Methods and Assumptions

Valuation year	October 1, 2012 – September 30, 2013
Actuarial cost method	Unit Credit, Actuarial Cost Method
Amortization method	15 years, level dollar open amortization ⁴
Asset valuation method	Not applicable
Discount rate	2.0%
Projected payroll growth rate	Not applicable

⁴ Open amortization means a fresh-start each year for the cumulative unrecognized amount.

Health care cost trend rate for medical and prescription drugs

9.0% in fiscal year 2014, decreasing by one-half percentage point per year to an ultimate of 5.0% in fiscal year 2022 and later.

Valuation Date October 1, 2012

Monthly Per Capita Claim Costs

<u>Age</u>	<u>Medical</u>
55	\$719
60	\$862
65	\$350
70	\$388
75	\$413

Claim costs were increased by 6% over last year based on a weighted average of benefit plan premiums. Future claim costs are increased by health care cost trend.

Retiree Premiums

Retirees contribute 40% and surviving spouses pay 100% of the monthly premiums shown below:

	<u>As of 1/1/13</u>	<u>As of 1/1/12</u>
Pre-65 Single	\$472	\$458
Pre-65 Family	\$1,062	\$1,008
Post-65 Single	\$142	\$139
Post-65 Family	\$742	\$638

Note: There are several other categories of premiums.

Administrative Expenses

Included in claim cost.

Assumed Health Care Trend Rate

<u>Fiscal Year</u>	<u>Medical and Rx Combined Rate</u>
2014	9.0%
2015	8.5%
2016	8.0%
2017	7.5%
2018	7.0%
2019	6.5%
2020	6.0%
2021	5.5%
2022+	5.0%

Spouse Age Difference

Husbands are assumed to be three years older than wives for current and future retirees who are married.

Mortality

RP-2000 Combined Mortality Projected to 2015 using Projection Scale AA.

Participation Rates

100% of active employees are assumed to elect postretirement health insurance coverage upon retirement.

Retirement Rates

Employees are assumed to retire according to the following schedule:

<u>Age</u>	<u>Retirement Rate</u>
45 or less	0%
46 - 49	1%
50 - 51	2%
52 - 54	3%
55	10%
56 - 59	8%
60	20%
61	15%
62	25%
63 - 64	20%
65	40%
66 - 69	30%
70 - 74	75%
75+	100%

Withdrawal Rates

None assumed since all are long service Civil Service employees.

Disability Rates

Sample rates are shown below, percent assumed to terminate within one year:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	0.06%	0.09%
30	0.08%	0.12%
35	0.17%	0.24%
40	0.30%	0.41%
45	0.54%	0.65%
50	0.98%	0.98%
55	1.50%	1.50%

Schedule of Funding Progress

Schedule of Funding Progress at 2%

Year Ended	Annual Required Contribution	Interest on NOO	ARC Adjustment	Amortization Factor
September 30, 2007	\$ 5,394,900	\$ -	\$ -	11.5631
September 30, 2008	\$ 4,386,200	\$ 109,508	\$ 236,761	11.5631
September 30, 2009	\$ 5,429,570	\$ 95,020	\$ 362,499	13.1062
September 30, 2010	\$ 5,264,830	\$ 147,204	\$ 561,580	13.1062
September 30, 2011	\$ 5,280,202	\$ 191,613	\$ 730,998	13.1062
September 30, 2012	\$ 4,701,384	\$ 233,344	\$ 890,199	13.1062
September 30, 2013	\$ 4,555,416	\$ 264,694	\$ 1,009,801	13.1062

Year Ended	OPEB Cost	Contributions	Change in Net OPEB Obligation	NET OPEB Obligation Balance
September 30, 2007	\$ 5,394,900	\$ 2,657,200	\$ 2,737,700	2,737,700
September 30, 2008	\$ 4,258,947	\$ 2,245,000	\$ 2,013,947	4,751,000
September 30, 2009	\$ 5,162,091	\$ 2,552,888	\$ 2,609,204	7,360,204
September 30, 2010	\$ 4,850,454	\$ 2,630,017	\$ 2,220,437	9,580,641
September 30, 2011	\$ 4,740,817	\$ 2,654,276	\$ 2,086,541	11,667,182
September 30, 2012	\$ 4,044,529	\$ 2,477,024	\$ 1,567,505	13,234,687
September 30, 2013	\$ 3,810,309	\$ 2,480,884	\$ 1,329,425	14,564,112

AUBURN UNIVERSITY BOARD OF TRUSTEES

Auburn University is governed by a Board of Trustees consisting of one member from each congressional district, as these districts were constituted on January 1, 1961, one member from Lee County, three at-large members, all of whom shall be residents of the continental United States, and the Governor, who is ex-officio. The Governor is the President of the Board of Trustees. Prior to 2003, trustees were appointed by the Governor, by and with the consent of the State Senate, for a term of 12 years. Any new trustees will be appointed by a committee, by and with the consent of the State Senate, for a term of seven years, and may serve no more than two full seven-year terms. A member may continue to serve until a successor is confirmed, but in no case for more than one year after the completion of a term. Members of the board receive no compensation. By executive order of the Governor in 1971, two non-voting student representatives selected by the student body serve as members ex-officio, one from the Auburn campus and one from the Montgomery campus.



Robert Bentley
Governor of Alabama
President, Montgomery



James W. Rane
Abbeville, Third
Congressional District
President Pro Tempore



B.T. Roberts
Mobile, First
Congressional District



Clark Sahlie
Montgomery, Second
Congressional District



Bob Dumas
Auburn, Third
Congressional District



Jimmy Sanford
Prattville, Fourth
Congressional District



D. Gaines Lanier
Lanett, Fifth
Congressional District



Elizabeth Huntley
Clanton, Sixth
Congressional District



Sarah B. Newton
Fayette, Seventh
Congressional District



Michael A. DeMaioribus
Huntsville, Eighth
Congressional District



James Pratt
Birmingham, Ninth
Congressional District



Raymond J. Harbert
At-Large Member



Charles D. McCrary
At-Large Member



Wayne T. Smith
At-Large Member

Part II

Schedule of Expenditures of Federal Awards

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Research and Development Cluster			
Department of Agriculture			
Agricultural Research_Basic and Applied Research			
Department of Agriculture Direct		10.001	\$ 446,065
CFDA 10.001 Total			<u>446,065</u>
Plant and Animal Disease, Pest Control, and Animal Care			
Department of Agriculture Direct		10.025	39,184
CFDA 10.025 Total			<u>39,184</u>
Wildlife Services			
Department of Agriculture Direct		10.028	7,685
CFDA 10.028 Total			<u>7,685</u>
Specialty Crop Block Grant Program			
Department of Agriculture Pass-through			
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 3-2011	10.169	3,016
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 4-2011	10.169	458
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 5-2011	10.169	(73)
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJECT 4	10.169	19,463
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJECT 5	10.169	14,029
CFDA 10.169 Total			<u>36,893</u>
Specialty Crop Block Grant Program - Farm Bill			
Department of Agriculture Pass-through			
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 11-2015	10.170	7,004
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 5-2015	10.170	24,163
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJECT 10	10.170	(517)
CFDA 10.170 Total			<u>30,650</u>
Grants for Agricultural Research, Special Research Grants			
Department of Agriculture Direct		10.200	552,980
Department of Agriculture Pass-through			
	FLORIDA STATE UNIV-R01318	10.200	23,623
	MISSISSIPPI STATE UNIV-SRAC-CARBON EMISSION	10.200	16,545
	MISSISSIPPI STATE UNIV-SRAC-CRAWFISH BAITS	10.200	317
	MISSISSIPPI STATE UNIV-SRAC-INTENSIVE SYSTEMS	10.200	10,955
	MISSISSIPPI STATE UNIV-SRAC-MKTG STRUCTURES	10.200	2,161
	TEXAS A&M UNIV-570675	10.200	(6,770)
	TEXAS A&M UNIV-S100074	10.200	8,105
	TEXAS AGRICULTURAL EXPERIMENT STATION-6-130604	10.200	497
	UNIV OF FLORIDA-1300213065	10.200	2,000
	UNIV OF FLORIDA-PO 1200139955	10.200	(1,768)
	UNIV OF GEORGIA-RF330-449/4892926	10.200	20,281
CFDA 10.200 Total			<u>628,926</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Cooperative Forestry Research			
Department of Agriculture Direct		10.202	<u>568,422</u>
CFDA 10.202 Total			<u>568,422</u>
Payments to Agricultural Experiment Stations Under the Hatch Act			
Department of Agriculture Direct		10.203	<u>5,695,903</u>
CFDA 10.203 Total			<u>5,695,903</u>
Grants for Agricultural Research_Compétitive Research Grants			
Department of Agriculture Direct		10.206	416,323
Department of Agriculture Pass-through	SOUTH DAKOTA STATE UNIV-3TP017	10.206	<u>8,042</u>
CFDA 10.206 Total			<u>424,365</u>
Animal Health and Disease Research			
Department of Agriculture Direct		10.207	<u>58,010</u>
CFDA 10.207 Total			<u>58,010</u>
Sustainable Agriculture Research and Education			
Department of Agriculture Pass-through	UNIV OF GEORGIA-RD309-105/4690148	10.215	18,083
CFDA 10.215 Total	UNIV OF GEORGIA-RD309-109/4892136	10.215	<u>5,486</u>
			<u>23,569</u>
1890 Institution Capacity Building Grants			
Department of Agriculture Pass-through	TUSKEGEE UNIV-36-22091-255	10.216	<u>(276)</u>
CFDA 10.216 Total			<u>(276)</u>
Higher Education - Institution Challenge Grants Program			
Department of Agriculture Direct		10.217	<u>119,465</u>
CFDA 10.217 Total			<u>119,465</u>
Biotechnology Risk Assessment Research			
Department of Agriculture Direct		10.219	<u>136,416</u>
CFDA 10.219 Total			<u>136,416</u>
Secondary and Two-Year Postsecondary Agriculture			
Education Challenge Grants			
Department of Agriculture Direct		10.226	<u>28,452</u>
CFDA 10.226 Total			<u>28,452</u>
1994 Institutions Research Program			
Department of Agriculture Pass-through	BLACKFEET COMM COLLEGE-2010-792	10.227	<u>481</u>
CFDA 10.227 Total			<u>481</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Integrated Programs			
Department of Agriculture Pass-through			
	NORTH CAROLINA STATE UNIV-2012-2604-02	10.303	50,653
	NORTH CAROLINA STATE UNIV-2012-2604-05	10.303	5,101
	NORTH CAROLINA STATE UNIV-2012-413-01	10.303	15,609
	UNIV OF CONNECTICUT-7078	10.303	14,719
	UNIV OF FLORIDA-UF10174	10.303	57,236
	UNIV OF NEBRASKA-25-6331-0198-004	10.303	57,215
CFDA 10.303 Total			<u>200,533</u>
Homeland Security_Agricultural			
Department of Agriculture Pass-through			
CFDA 10.304 Total	UNIV OF FLORIDA-12238	10.304	<u>20,950</u>
			<u>20,950</u>
International Science and Education Grants			
Department of Agriculture Direct			
		10.305	113,470
Department of Agriculture Pass-through			
	UNIV OF GEORGIA-RF327-239/4786156	10.305	25,368
CFDA 10.305 Total			<u>138,838</u>
Organic Agriculture Research and Extension Initiative			
Department of Agriculture Direct			
		10.307	201,994
Department of Agriculture Pass-through			
	CORNELL UNIV-67385-9949	10.307	38,970
CFDA 10.307 Total			<u>240,964</u>
Specialty Crop Research Initiative			
Department of Agriculture Direct			
		10.309	588,492
Department of Agriculture Pass-through			
	UNIV OF FLORIDA-UF09153	10.309	51,089
	UNIV OF GEORGIA-RR722-132/4692308	10.309	1,602
CFDA 10.309 Total			<u>641,183</u>
Agriculture and Food Research Initiative (AFRI)			
Department of Agriculture Direct			
		10.310	1,350,365
Department of Agriculture Pass-through			
	UNIV OF FLORIDA-UF11036	10.310	60,166
	UNIV OF FLORIDA-UF11101	10.310	67,102
	UNIV OF FLORIDA-UF11110	10.310	18,290
	UNIV OF MARYLAND-Z541312	10.310	(4,374)
	UNIV OF TENNESSEE-8500022698	10.310	587,125
CFDA 10.310 Total			<u>2,078,674</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
ARRA - Trade Adjustment Assistance for Farmers Training Coordination Program (TAAF) Department of Agriculture Pass-through	UNIV OF MINNESOTA-H001344205	10.315	<u>5,535</u>
CFDA 10.315 Total			<u>5,535</u>
Sun Grant Program Department of Agriculture Pass-through	UNIV OF TENNESSEE-8500032069	10.320	<u>14,356</u>
CFDA 10.320 Total			<u>14,356</u>
Cooperative Extension Service Department of Agriculture Direct		10.500	<u>3,499</u>
CFDA 10.500 Total			<u>3,499</u>
Emerging Markets Program Department of Agriculture Direct		10.603	<u>61,456</u>
CFDA 10.603 Total			<u>61,456</u>
Forestry Research Department of Agriculture Direct		10.652	234,008
Department of Agriculture Pass-through	UNIV OF FLORIDA-13097	10.652	1,482
	VIRGINIA POLYTECHNIC INSTITUTE-422149-19158	10.652	<u>3,109</u>
CFDA 10.652 Total			<u>238,599</u>
Urban and Community Forestry Program Department of Agriculture Direct		10.675	<u>61,911</u>
CFDA 10.675 Total			<u>61,911</u>
Forest Stewardship Program Department of Agriculture Direct		10.678	<u>40</u>
CFDA 10.678 Total			<u>40</u>
Forest Health Protection Department of Agriculture Direct		10.680	<u>51,418</u>
CFDA 10.680 Total			<u>51,418</u>
Rural Business Enterprise Grants Department of Agriculture Direct		10.769	<u>124,699</u>
CFDA 10.769 Total			<u>124,699</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Environmental Quality Incentives Program Department of Agriculture Direct Department of Agriculture Pass-through		10.912	74,644
	TUSKEGEE UNIV-39-22091-262	10.912	2,158
CFDA 10.912 Total			<u>76,802</u>
Scientific Cooperation and Research Department of Agriculture Direct		10.961	5,503
CFDA 10.961 Total			<u>5,503</u>
Cochran Fellowship Program-International Training-Foreign Participant Department of Agriculture Direct		10.962	13,762
CFDA 10.962 Total			<u>13,762</u>
Other Financial Assistance Department of Agriculture Direct			
FS-10-JV-11330140-077		10	19,483
FS-10-JV-11330144-147		10	1,723
USDA-13-8130-0073-CA		10	5,163
USDA-AG-32SD-P-13-0033		10	20,052
USDA-RED CEDAR		10	(1,212)
Department of Agriculture Pass-through			
ASA-IM FEED-BASED POND & CAGE PRODUCT MAP	U.S. SOYBEAN EXPORT COUNCIL-12AU01M24B-CR	10	8,341
ASA-IM FEED-BASED POND & CAGE CULTURE PROD	U.S. SOYBEAN EXPORT COUNCIL-12AU01F24A-CR	10	35,047
CFDA 10 Total			<u>88,597</u>
Department of Agriculture Total			<u>12,311,529</u>

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Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Department of Commerce			
Sea Grant Support			
Department of Commerce Pass-through			
	LOUISIANA STATE UNIV-51962	11.417	(153)
	LOUISIANA STATE UNIV-64428	11.417	(4,392)
	MISSISSIPPI STATE UNIV-10500-320547-01	11.417	11,634
	MOTE MARINE LABORATORY-MML 185-470	11.417	11,194
	UNIV OF PUERTO RICO-MAYAGUEZ-R-101-1-8	11.417	50
	UNIV OF SOUTHERN MISS-GR03924OMNIBUS-AUBURN-RCCD21	11.417	11,759
	UNIV OF SOUTHERN MISS-GR03924-R/SCD	11.417	131,190
	UNIV OF SOUTHERN MISS-GR03924-R/SSS-02-NSI	11.417	81,330
	UNIV OF SOUTHERN MISS-GR04080-B10	11.417	(632)
	UNIV OF SOUTHERN MISS-GR04118/OMNIBUS-AUBURN-R/AT10	11.417	43,697
	UNIV OF SOUTHERN MISS-HEADWATER WETLANDS	11.417	67,020
CFDA 11.417 Total			<u>352,697</u>
Coastal Zone Management Administration Awards			
Department of Commerce Pass-through			
	DAUPHIN ISLAND SEA LAB-2411RC-AU-01	11.419	5,725
CFDA 11.419 Total			<u>5,725</u>
Climate and Atmospheric Research			
Department of Commerce Direct			
Department of Commerce Pass-through			
	UNIV CORP FOR ATMOSPHERIC RESEARCH-Z12-94355	11.431	53,678
	UNIV OF FLORIDA-UF11009	11.431	48,133
CFDA 11.431 Total			<u>142,154</u>
Marine Fisheries Initiative			
Department of Commerce Direct			
		11.433	148,990
CFDA 11.433 Total			<u>148,990</u>
Unallied Science Program			
Department of Commerce Pass-through			
	N PACIFIC RESCH BD	11.472	8,183
CFDA 11.472 Total			<u>8,183</u>
Other Financial Assistance			
Department of Commerce Pass-through			
	STRATUS CONSULTING INC-Z200-2S-1813-TO	11	54,858
CFDA 11 Total			<u>54,858</u>
Department of Commerce Total			<u>712,607</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Department of Defense			
Basic and Applied Scientific Research			
Department of Defense Direct		12.300	1,837,265
Department of Defense Pass-through			
	UNIV OF MISSISSIPPI-12-10-018	12.300	<u>68,805</u>
CFDA 12.300 Total			<u>1,906,070</u>
Basic Scientific Research - Combating Weapons of Mass Destruction			
Department of Defense Direct		12.351	154,367
Department of Defense Pass-through			
	PENNSYLVANIA STATE UNIV-4107-AU-DTRA-0004	12.351	<u>70,397</u>
CFDA 12.351 Total			<u>224,764</u>
Military Medical Research and Development			
Department of Defense Direct		12.420	174,703
Department of Defense Pass-through			
	UNIV OF MONTANA-PG12-24825-02	12.420	<u>17,679</u>
CFDA 12.420 Total			<u>192,382</u>
Basic Scientific Research			
Department of Defense Direct		12.431	220,606
Department of Defense Pass-through			
	UNITED SILICON CARBIDE INC-USCi001 PO 500	12.431	<u>8,429</u>
CFDA 12.431 Total			<u>229,035</u>
Basic, Applied, and Advanced Research in Science and Engineering			
Department of Defense Direct		12.630	1,161
CFDA 12.630 Total			<u>1,161</u>
Air Force Defense Research Sciences Program			
Department of Defense Direct		12.800	92,824
Department of Defense Pass-through			
	FLORIDA A&M UNIV-SUB C-3614	12.800	45,506
	FLORIDA STATE UNIV-R01558	12.800	<u>19,373</u>
CFDA 12.800 Total			<u>157,703</u>
Information Security Grant Program			
Department of Defense Direct		12.902	<u>175,940</u>
CFDA 12.902 Total			<u>175,940</u>

The accompanying notes are an integral part of this schedule.

Auburn University

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Other Financial Assistance			
Department of Defense Direct			
AIR WAR COLLEGE		12	27,798
ARMY-DAAD19-01-10414		12	(188)
ARMY-W56HZV-05-C0686		12	271,973
ARMY-W912HQ-11-C-0008		12	470,465
ARMY-W912JA-12-M-0069		12	(4,394)
DOD-H98230-08-C-0795		12	12,769
DOD-H98230-10-C-1055		12	(13,541)
DOD-H98230-12-C-1102		12	4,041,620
HHM402-12-P-0032		12	37,872
HHM402-12-P-0094		12	25,455
HHM402-13-C-0029		12	81,893
MDA-HQ0147-11-C-6008		12	153,071
MDA-HQ0147-13-C-6024		12	68,759
NAVY-N00014-10-C-0190		12	167,561
NSA-H98230-07-1-0224-A2-CBF		12	(1,739)
Department of Defense Pass-through			
AF-FA8650-07-D-5800	UNIVERSAL TECHNOLOGY CORP-09-S587-044-01-C1	12	(3,124)
AF-FA8650-09-D-5223	UNIV OF DAYTON-RSC10038	12	25,042
AF-FA8650-11-D-5800	UNIVERSAL TECHNOLOGY CORP-11-S7401-01-C1	12	184,604
AF-FA8651-11-D-0056	INTEGRATED SOLUTIONS FOR SYSTEMS INC-POS-2011-006	12	974
ARMY-W31P4Q-12-C-0251	TORCH TECHNOLOGIES INC-T12S025-CR	12	3,655
ARMY-W56HZV-07-C-0721	UNIV OF KENTUCKY RESEARCH FDN-3048103876-08-161	12	(399)
ARMY-W81XWH-10-C-0211	CFD RESEARCH CORP-SUB NO 1504	12	25,278
ARMY-W911NF-11-D-0001	BATTELLE MEMORIAL INSTITUTE-US001-0000294468	12	101,908
ARMY-W911NF-11-D-0001	BATTELLE MEMORIAL INSTITUTE-US001-351561	12	113,220
DARPA-W31P4Q-10-C-0030	STREAMLINE AUTOMATION LLC-1064-SC-03R0	12	(14,322)
DOD-H98230-08-D-0171	STEVENS INSTITUTE OF TECH-RESCH TOPIC 0019	12	(8,856)
DOD-H98230-08-D-0171	STEVENS INSTITUTE OF TECH-RESCH TOPIC 0030A	12	59,762
DOD-H98230-08-D-0171	STEVENS INSTITUTE OF TECH-RESCH TOPIC-0031A	12	45,242
DOD-H98230-08-D-0171	STEVENS INSTITUTE OF TECH-SOFTWARE DESIGN	12	(27,088)
FATIGUE ANALYSIS SUPPORT-TRAVEL COSTS ONLY	GLEASON RESCH ASSOC INC-AE-10-A-0017-AUB	12	1,219
FUNCTIONAL IMAGING TO DEVELOP OUTSTANDING SERVICE DOGS	iK9 LLC-DESHPANDE	12	11,133
MILTEC-13-C-0006	MILTEC-13-C-0006	12	41,602
MSIC-09-D-0012	SPARTA, INC.-13-2442-128-TRAV	12	1,252
NAVY-N00014-11-M-0320	ROBOTIC RESEARCH LLC-M0320-2011-AUB	12	(4,674)
NAVY-N00014-12-C-0323	CUBRC INC-07875S3	12	1,646
NAVY-N00024-12-C-4509	PROMETHEUS INC-4509-01	12	318,570
TRVEL & MATERIALS COSTS ONLY	TORCH TECHNOLOGIES INC-T11S047-CR	12	(3,381)
UNIVERSAL TECHNOLOGY CORP-13-S2604-04-C7	UNIVERSAL TECHNOLOGY CORP-13-S2604-04-C7	12	5,382
US ARMY-W56HZV-09-C-0635	FRONTIER TECHNOLOGY INC-AU-09-207665-036	12	(46,177)
US ARMY-W9113M-10-C-0007	LAMAR UNIV-DAVIS-12	12	(194)
CFDA 12 Total			6,171,648
Department of Defense Total			9,058,703

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Department of Housing and Urban Development			
Section 4 Capacity Building for Community Development and Affordable Housing			
Department of Housing and Urban Development Pass-through			
	ENTERPRISE COMMUNITY PARTNERS, INC-11SG555	14.252	<u>(4,550)</u>
CFDA 14.252 Total			<u>(4,550)</u>
Department of Housing and Urban Development Total			<u>(4,550)</u>
Department of Interior			
Fish, Wildlife and Plant Conservation Resource Management			
Department of The Interior Direct			
CFDA 15.231 Total		15.231	<u>44,036</u>
			<u>44,036</u>
Bureau of Ocean Energy Management (BOEM)			
Environmental Studies Program (ESP)			
Department of The Interior Direct			
CFDA 15.423 Total		15.423	<u>167,322</u>
			<u>167,322</u>
Fish and Wildlife Management Assistance			
Department of The Interior Direct			
CFDA 15.608 Total		15.608	<u>3,691</u>
			<u>3,691</u>
Wildlife Restoration and Basic Hunter Education			
Department of The Interior Pass-through			
	ALA DEPT OF CONS & NAT RESOURCES-WHITE TAILED DEER	15.611	<u>26,942</u>
CFDA 15.611 Total			<u>26,942</u>
Cooperative Endangered Species Conservation Fund			
Department of The Interior Pass-through			
	ALA DEPT OF CONS & NAT RESOURCES-AMPHIBIAN SURVEY	15.615	8,842
	ALA DEPT OF CONS & NAT RESOURCES-APEX PREDATORS	15.615	42,083
	ALA DEPT OF CONS & NAT RESOURCES-BLACK BEARS	15.615	(379)
	ALA DEPT OF CONS & NAT RESOURCES-CAVEFISH	15.615	9,976
	ALA DEPT OF CONS & NAT RESOURCES-CRAYFISH POPS	15.615	15,698
	ALA DEPT OF CONS & NAT RESOURCES-GOPHER TORTOISE	15.615	62,071
	ALA DEPT OF CONS & NAT RESOURCES-LMOUTH BASS GEN	15.615	17,376
	ALA DEPT OF CONS & NAT RESOURCES-MAP TURTLES	15.615	(715)
	ALA DEPT OF CONS & NAT RESOURCES-MUSK TURTLE	15.615	20,935
	ALA DEPT OF CONS & NAT RESOURCES-RED BELLIED TURTLE	15.615	35,552
	ALA DEPT OF CONS & NAT RESOURCES-UPLAND SNAKES	15.615	(831)
	ALA DEPT OF CONS & NAT RESOURCES-WOOD STORKS	15.615	<u>3,805</u>
CFDA 15.615 Total			<u>214,413</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Conservation Grants Private Stewardship for Imperiled Species			
Department of The Interior Direct		15.632	<u>4,739</u>
CFDA 15.632 Total			<u>4,739</u>
State Wildlife Grants			
Department of The Interior Pass-through			
	ALA DEPT OF CONS & NAT RESOURCES-EASTERN INDIGO	15.634	37,688
	ALA DEPT OF CONS & NAT RESOURCES-INV & CONS PLAN	15.634	(9,089)
	NATURE CONSERVANCY-TNFO-91511-3844-1	15.634	<u>24,270</u>
CFDA 15.634 Total			<u>52,869</u>
Research Grants (Generic)			
Department of The Interior Direct		15.650	<u>57,083</u>
CFDA 15.650 Total			<u>57,083</u>
ARRA - Recovery Act Funds - Habitat Enhancement, Restoration and Improvement.			
Department of The Interior Direct			
FWS-40181AJ015		15.656	<u>(110)</u>
CFDA 15.656 Total			<u>(110)</u>
Endangered Species Conservation – Recovery Implementation Funds			
Department of The Interior Direct		15.657	105,011
Department of The Interior Pass-through			
	ALA DEPT OF CONS & NAT RESOURCES-MUSSEL HOST FISH	15.657	<u>27,078</u>
CFDA 15.657 Total			<u>132,089</u>
Endangered Species - Candidate Conservation Action Funds			
Department of The Interior Direct		15.660	<u>27,356</u>
CFDA 15.660 Total			<u>27,356</u>
National Wetlands Inventory			
Department of The Interior Pass-through			
	ALA DEPT OF CONS & NAT RESOURCES-RED BELLIED TURTLE	15.665	<u>22,763</u>
CFDA 15.665 Total			<u>22,763</u>
Assistance to State Water Resources Research Institutes			
Department of The Interior Direct		15.805	<u>131,968</u>
CFDA 15.805 Total			<u>131,968</u>
Earthquake Hazards Reduction Program			
Department of The Interior Direct		15.807	<u>37,355</u>
CFDA 15.807 Total			<u>37,355</u>

The accompanying notes are an integral part of this schedule.

Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
U.S. Geological Survey_ Research and Data Collection			
Department of The Interior Direct		15.808	<u>9,439</u>
CFDA 15.808 Total			<u>9,439</u>
National Cooperative Geologic Mapping Program			
Department of The Interior Direct		15.810	<u>15,433</u>
CFDA 15.810 Total			<u>15,433</u>
Cooperative Research Units Program			
Department of The Interior Direct		15.812	<u>305,112</u>
CFDA 15.812 Total			<u>305,112</u>
Cooperative Research and Training Programs – Resources of the National Park System			
Department of The Interior Direct		15.945	(51)
Department of The Interior Pass-through			
	UNIV OF MISSOURI-GITZEN	15.945	<u>12,853</u>
CFDA 15.945 Total			<u>12,802</u>
Other Financial Assistance			
Department of The Interior Pass-through			
ALA COOP FISHERY UNIT	ALA DEPT OF CONS & NAT RESOURCES-FAA OPERATION	15	32,720
CLIMATE CHANGE & PERSISTENCE of FISH ASSEMBLAGES	ALA DEPT OF CONS & NAT RESOURCES-FISH ASSEMBLAGES	15	80,478
SPAWNING POP SIZE &UPSTREAM PASSAGE of ALA SHAD AT JIM WOODRUFF LOCK&DAM	GEORGIA DEPT OF NATURAL RESOURCES	15	29,468
UPDATE PROTECTED AREAS DATABASE of THE US	ALA DEPT OF CONS & NAT RESOURCES-PAD US	15	7,500
VASCULAR PLANT SURVEY	CANE RIVER NATIONAL AREA COMMISSION-2009-003 001	15	2,887
VASCULAR PLANT SURVEY	CANE RIVER NATIONAL AREA COMMISSION-PLANT SURVEY	15	(539)
CFDA 15 Total			<u>152,514</u>
Department of Interior Total			<u>1,417,816</u>
Department of Justice			
Cooperative Research and Training Programs – Resources of the National Park System			
Department of Justice Direct		16.560	<u>304,542</u>
CFDA 16.560 Total			<u>304,542</u>
Department of Justice Total			<u>304,542</u>

The accompanying notes are an integral part of this schedule.

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Department of Transportation			
Air Transportation Centers of Excellence			
Department of Transportation Direct		20.109	606,424
CFDA 20.109 Total			<u>606,424</u>
Highway Research and Development Program			
Department of Transportation Direct		20.200	466,601
Department of Transportation Pass-through			
	WESTERN RESEARCH INST-211031	20.200	348,689
CFDA 20.200 Total			<u>815,290</u>
Highway Training and Education			
Department of Transportation Direct		20.215	4,796
Department of Transportation Pass-through			
	ALA DEPT OF TRANSPORTATION-761	20.515	18,685
	ALA DEPT OF TRANSPORTATION-930-655	20.515	(728)
	ALA DEPT OF TRANSPORTATION-930-725	20.515	(81)
	ALA DEPT OF TRANSPORTATION-930-737	20.515	642
	ALA DEPT OF TRANSPORTATION-930-738	20.515	11,866
	ALA DEPT OF TRANSPORTATION-930-754P	20.515	129
	ALA DEPT OF TRANSPORTATION-930-755	20.515	7,030
	ALA DEPT OF TRANSPORTATION-930-762	20.515	57,411
	ALA DEPT OF TRANSPORTATION-930-764	20.515	29,770
	ALA DEPT OF TRANSPORTATION-930-777	20.515	370
	ALA DEPT OF TRANSPORTATION-930-786	20.515	3,172
	ALA DEPT OF TRANSPORTATION-930-789	20.515	46,206
	ALA DEPT OF TRANSPORTATION-930-790	20.515	36,538
	ALA DEPT OF TRANSPORTATION-930-793	20.515	12,334
	ALA DEPT OF TRANSPORTATION-930-795	20.515	25,691
	ALA DEPT OF TRANSPORTATION-930-799	20.515	94,202
	ALA DEPT OF TRANSPORTATION-930-802	20.515	37,743
	ALA DEPT OF TRANSPORTATION-930-804	20.515	47,775
	ALA DEPT OF TRANSPORTATION-930-816R	20.515	34,265
	ALA DEPT OF TRANSPORTATION-930-822P TPF-5(267)	20.515	5,799,288
	ALA DEPT OF TRANSPORTATION-930-826R	20.515	226,068
	ALA DEPT OF TRANSPORTATION-930-827	20.515	26,675
	ALA DEPT OF TRANSPORTATION-930-828	20.515	99,584
CFDA 20.515 Total			<u>6,619,431</u>
University Transportation Centers Program			
Department of Transportation Pass-through			
	UNIV OF CONNECTICUT-FRS 560653	20.701	5,422
	YOUNGSTOWN STATE UNIV-211300-141309-22	20.701	(12,039)
CFDA 20.701 Total			<u>(6,617)</u>

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Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Biobased Transportation Research			
Department of Transportation Pass-through			
	UNIV OF TENNESSEE-8500014159	20.761	2,652
	UNIV OF TENNESSEE-8500014160	20.761	64,092
	UNIV OF TENNESSEE-8500022311	20.761	25,905
	UNIV OF TENNESSEE-SUB 101565	20.761	(1,100)
CFDA 20.761 Total			<u>91,549</u>
Other Financial Assistance			
Department of Transportation Direct			
DTFH61-13-C-00006		20	35,218
Department of Transportation Pass-through			
CHARACTERIZATION of ALA WORK ZONE CRASHES	ALA DEPT OF TRANSPORTATION-BELT-SP7(906)	20	36,090
DTFH61-06-D-00038	APPLIED RESEARCH ASSOCIATES INC -L00028.11001	20	11,072
DTFH61-12-C-00016	IOWA STATE UNIV-436-17-04	20	101,351
DVLPMENT of INSTRUMENTATION RESOURCES FOR ACCELERATED PAVEMENT FACILITIES	KANSAS STATE UNIV-S12257	20	2,990
EFFECTIVENESS of ANTI-STRIP AGENTS IN HMA MIXTURES	GEORGIA DEPART OF TRANSPORTATION-PROJ#06-23	20	(181)
EVAL of INLET PROTECTION PRACTICES USING LARGE-SCALE TESTING TECHNIQUES	ALA DEPT OF TRANSPORTATION-930-853R	20	14,865
EXPERIMENTAL VALIDATION of ANALYSIS METHODS and DESIGN PROCEDURES FOR STEEL PILE BRIDGE BENTS	ALA DEPT OF TRANSPORTATION-930-859	20	11,272
FHA-DTFH61-11-C-00015	RESOURCE SYSTEMS GROUP INC-LAMONDIA	20	14,809
IMPROVING CAMBER PREDICTION FOR PRE-STRESSED CONCRETE GIRDERS	ALA DEPT OF TRANSPORTATION-930-832	20	142,233
LIFE CYCLE COST ANALYSIS FOR PAVEMENT TYPE SELECTION	ALA DEPT OF TRANSPORTATION-930-846	20	119,887
MONITOR EFFECTS of BHAM NORTHERN BELTLINE CONSTRUCTION IN LITTLE CAHABA CREEK WTRSHED	ALA DEPT OF TRANSPORTATION-930-837R	20	60,809
PAVEMENT CONDITION MODEL BASED ON AUTOMATED PAVEMENT DISTRESS SURVEYS	ALA DEPT OF TRANSPORTATION-930-758	20	2,812
SHORT-TERM LAB CONDITIONING of ASPHALT MIXTURES	TEXAS A&M RESEARCH FND-99-S120207	20	101,811
UPDATE of BRIDGE DESIGN STANDARDS FOR AASHTO LRFD SEISMIC DESIGN REQUIREMENTS	ALA DEPT OF TRANSPORTATION-930-803	20	107,394
US DOT-DTRT12-G-UTC04	UNIV OF FLORIDA-EIES-1200010-AUB-TO	20	81,474
CFDA 20 Total			<u>843,906</u>
Department of Transportation Total			<u>8,969,983</u>
Appalachian Regional Commission			
Appalachian Regional Development (See individual Appalachian Programs)			
Appalachian Regional Commission Direct			
APPLACHIAN REGIONAL COMMISSION-AL-16578-2010		23.001	<u>3,226</u>
CFDA 23.001 Total			<u>3,226</u>
Appalachian Regional Commission Total			<u>3,226</u>

The accompanying notes are an integral part of this schedule.

Auburn University

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Office of Personnel Management			
Intergovernmental Personnel Act (IPA) Mobility Program			
Office of Personal Management Pass-Through			
	ARMY- IPA-CAHILL -14	27.011	185,849
	ARMY WAR COLLEGE -IPA-SEROKA	27.011	(4,185)
	CENTER FOR DISEASE CONTROL - IPA-SMIDT	27.011	(4,682)
	NATIONAL INSTITUTE OF HEALTH-IPA-WANG	27.011	15,553
	NATIONAL SCIENCE FOUNDATION-CBET -1152046	27.011	226,063
	NATIONAL SCIENCE FOUNDATION-DMS-1352905	27.011	13,839
	NATIONAL SCIENCE FOUNDATION-IOS-1353666	27.011	17,237
CFDA 27.011 Total			<u>449,674</u>
Office of Personnel Management Total			<u>449,674</u>
National Aeronautics and Space Administration			
Science			
National Aeronautics and Space Administration Direct			
National Aeronautics and Space Administration Pass-through			
	CARNEGIE INSTITUTE OF WASHINGTON-9-10307-04	43.001	296,141
	JOHNS HOPKINS UNIV-113915	43.001	23,335
	PLANETARY SCIENCE INSTITUTE-REF NUMBER 1266	43.001	16,053
	PLANETARY SCIENCE INSTITUTE-REF NUMBER 693	43.001	1,776
	SOUTHWEST RESEARCH INSTITUTE-A99172JD	43.001	4,245
	SPACE SCIENCE INSTITUTE-SUBAWARD 00568	43.001	29,914
	UNIV OF ALABAMA IN HUNTSVILLE-SUB2010-175	43.001	10,010
	UNIV OF ALABAMA IN HUNTSVILLE-SUB2010-175	43.001	74,719
	UNIV OF ARKANSAS-SA1302027	43.001	17,062
	UNIV OF MASSACHUSETTS-13305	43.001	62,633
	UNIV OF SOUTHERN MISS-GR04146-002	43.001	196,175
	VIRGINIA INSTITUTE OF MARINE SCIENCE-715673-712683	43.001	98,014
CFDA 43.001 Total			<u>830,077</u>
Aeronautics			
National Aeronautics and Space Administration Pass-through			
	UNIV OF ALABAMA-UA13-30	43.002	65,698
CFDA 43.002 Total			<u>65,698</u>
Exploration			
National Aeronautics and Space Administration Direct			
		43.003	56,078
CFDA 43.003 Total			<u>56,078</u>
Education			
National Aeronautics and Space Administration Direct			
		43.008	28,505
CFDA 43.008 Total			<u>28,505</u>
Cross Agency Support			
National Aeronautics and Space Administration Direct			
		43.009	167,277
National Aeronautics and Space Administration Pass-through			
	OREGON STATE UNIV-N244A-A	43.009	15,618
CFDA 43.009 Total			<u>182,895</u>

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Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Other Financial Assistance			
National Aeronautics and Space Administration Direct			
NASA-NNM07AA04A		43	25,275
NASA-NNM13AA10G		43	87,145
NASA-NNX10AR53G		43	48,221
National Aeronautics and Space Administration Pass-through			
NASA-NNX07AL52A	UNIV OF ALABAMA IN HUNTSVILLE-SUB2011-057	43	(96)
NASA-NNX07AL52A	UNIV OF ALABAMA IN HUNTSVILLE-SUB2012-213	43	4,951
NASA-NNX10AJ80H	UNIV OF ALABAMA IN HUNTSVILLE-SUB2011-001	43	4,022
NASA-NNX10AN26A	UNIV OF SOUTH ALABAMA-11-100113-01	43	6,404
CFDA 43 Total			<u>175,922</u>
National Aeronautics and Space Administration Total			<u>1,339,175</u>
National Science Foundation			
Engineering Grants			
National Science Foundation Direct			
		47.041	2,724,880
National Science Foundation Pass-through			
	INTEGRATED SURFACE TECHNOLOGIES, INC-10-26571	47.041	43,006
	LUCIGEN CORP-CHANNEL CATFISH	47.041	88,202
	MONOLITH SEMICONDUCTOR	47.041	5,214
CFDA 47.041 Total			<u>2,861,302</u>
Mathematical and Physical Sciences			
National Science Foundation Direct			
		47.049	1,087,767
National Science Foundation Pass-through			
	VANDERBILT UNIV-20726-S1	47.049	62,736
CFDA 47.049 Total			<u>1,150,503</u>
Geosciences			
National Science Foundation Direct			
		47.050	324,256
CFDA 47.050 Total			<u>324,256</u>
Computer and Information Science and Engineering			
National Science Foundation Direct			
		47.070	761,130
National Science Foundation Pass-through			
	CLEMSON UNIV-1683-206-2009520	47.070	22,101
	CLEMSON UNIVERSITY-1354-206-2097476	47.070	68,918
	UNIV OF NORTH CAROLINA AT CHARLOTTE-20100715-04-AUB	47.070	20,970
	UNIV OF NORTH CAROLINA AT CHARLOTTE-2975-07-05880-AU	47.070	(3,280)
	UNIV OF WISCONSIN-437K710	47.070	22,925
CFDA 47.070 Total			<u>892,764</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Biological Sciences			
National Science Foundation Direct		47.074	1,236,870
National Science Foundation Pass-through			
CFDA 47.074 Total	ALABAMA A&M UNIV-SUB-DBI-0703470-AU	47.074	<u>(24,944)</u>
			<u>1,211,926</u>
Social, Behavioral, and Economic Sciences			
National Science Foundation Direct		47.075	66,569
National Science Foundation Pass-through			
CFDA 47.075 Total	MIAMI UNIV-NSF JOHNSON G01652	47.075	(730)
	WEST VIRGINIA UNIV RESEARCH CORP-12-285-AU	47.075	<u>25,292</u>
			<u>91,131</u>
Education and Human Resources			
National Science Foundation Direct		47.076	1,148,202
National Science Foundation Pass-through			
CFDA 47.076 Total	TUSKEGEE UNIV-34-11530-201-76190	47.076	329,879
	TUSKEGEE UNIV-34-21530-198-76190	47.076	18,502
	TUSKEGEE UNIV-34-21530-199-76190	47.076	63,465
	TUSKEGEE UNIV-34-22460-075	47.076	8,049
	UNIV OF ALABAMA AT BIRMINGHAM-000401937-001	47.076	<u>2,921</u>
			<u>1,571,018</u>
Polar Programs			
National Science Foundation Direct		47.078	<u>143,544</u>
CFDA 47.078 Total			<u>143,544</u>
office of International and Integrative Activities			
National Science Foundation Direct		47.079	<u>234,059</u>
CFDA 47.079 Total			<u>234,059</u>
office of Cyberinfrastructure			
National Science Foundation Direct		47.080	<u>67,185</u>
CFDA 47.080 Total			<u>67,185</u>
office of Experimental Program to Stimulate Competitive Research			
National Science Foundation Pass-through			
CFDA 47.081 Total	TUSKEGEE UNIV-34-21530-200-76190	47.081	<u>499,781</u>
			<u>499,781</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
ARRA - Trans-NSF Recovery Act Research Support			
National Science Foundation Direct			
NSF-BCS-0921271		47.082	46,508
NSF-CBET-0934860		47.082	130,526
NSF-CNS-0855182		47.082	265
NSF-DMS-0905818		47.082	2,730
NSF-DMS-0907752		47.082	12,974
NSF-DMS-0915045		47.082	8,431
NSF-EAR-0929991		47.082	27,141
National Science Foundation Pass-through			
	UNIV OF ALABAMA AT HUNTSVILLE-2012-170	47.082	37,514
	UNIV OF MINNESOTA-D0033616101	47.082	176,355
CFDA 47.082 Total			<u>442,444</u>
National Science Foundation Total			<u>9,489,913</u>
Environmental Protection Agency			
Water Pollution Control State, Interstate, and Tribal Program Support			
Environmental Protection Agency Pass-through			
	ALA DEPT OF ENVIRON MGMT-C10595050	66.419	135,024
CFDA 66.419 Total			<u>135,024</u>
Capitalization Grants for Clean Water State Revolving Funds			
Environmental Protection Agency Pass-through			
	ALA DEPT OF ENVIRON MGMT-C10595035	66.458	29,029
	ALA DEPT OF ENVIRON MGMT-C10595083	66.458	92,937
ARRA - Capitalization Grants for Clean Water State Revolving Funds			
Environmental Protection Agency Pass-through			
	ALA DEPT OF ENVIRON MGMT-C00594051	66.458	(2,069)
CFDA 66.458 Total			<u>119,897</u>
Regional Wetland Program Development Grants			
Environmental Protection Agency Direct			
CFDA 66.461 Total		66.461	<u>94,419</u>
Gulf of Mexico Program			
Environmental Protection Agency Direct			
CFDA 66.475 Total		66.475	<u>88,811</u>
Science To Achieve Results (STAR) Fellowship Program			
Environmental Protection Agency Direct			
CFDA 66.514 Total		66.514	<u>4,467</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Performance Partnership Grants			
Environmental Protection Agency Pass-through			
CFDA 66.605 Total	ALA DEPT OF ENVIRON MGMT-C20596056	66.605	<u>40,726</u>
			<u>40,726</u>
Regional Agricultural IPM Grants			
Environmental Protection Agency Direct		66.714	28,129
Environmental Protection Agency Pass-through			
CFDA 66.714 Total	ALA DEPT OF AGRICULT & INDUSTRIES-IPM PRACTICES	66.714	<u>3,097</u>
			<u>31,226</u>
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			
Environmental Protection Agency Direct		66.716	<u>25,247</u>
CFDA 66.716 Total			<u>25,247</u>
Environmental Education Grants			
Environmental Protection Agency Direct		66.951	<u>3,548</u>
CFDA 66.951 Total			<u>3,548</u>
Other Financial Assistance			
Environmental Protection Agency Pass-through			
EPA-EP-C-11-006	PEGASUS TECHNICAL SERVICES INC-PO AUB-12-001	66	4,820
EPA-EP-C-11-006	PEGASUS TECHNICAL SERVICES INC.-PO AUB-13-001	66	55,769
MILL CREEK WATERSHED PROJECT	ALA DEPT OF ENVIRON MGMT-C20596049	66	156,297
PUBLIC PARTICIPATION GIS MAPPING & ANALYSIS	DAUPHIN ISLAND SEA LAB-MBNEP-GIS MAPPING	66	<u>13,204</u>
CFDA 66 Total			<u>230,090</u>
Environmental Protection Agency Total			<u>773,455</u>
Nuclear Regulatory Commission			
Other Financial Assistance			
Nuclear Regulatory Commission Pass-through			
NRC-HQ-11-C-04-0041	M TUTTLE & ASSOC-MTA-SC2011-AU-1	77	<u>17,641</u>
CFDA 77 Total			<u>17,641</u>
Nuclear Regulatory Commission Total			<u>17,641</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Department of Energy			
Office of Science Financial Assistance Program			
Department of Energy Direct		81.049	1,136,948
Department of Energy Pass-through			
	CHEMAT TECHNOLOGY-PO#-57-01	81.049	210
	UNIV OF ALABAMA-EPSCOR-09-075	81.049	373,351
ARRA - office of Science Financial Assistance Program			
Department of Energy Direct			
DE-FG02-00ER54610-ARRA		81.049	25,685
CFDA 81.049 Total			<u>1,536,194</u>
University Coal Research			
Department of Energy Direct		81.057	596
CFDA 81.057 Total			<u>596</u>
Regional Biomass Energy Programs			
Department of Energy Pass-through			
	SOUTH DAKOTA STATE UNIV-3TC154	81.079	2,502
CFDA 81.079 Total			<u>2,502</u>
Conservation Research and Development			
Department of Energy Pass-through			
	RESEARCH TRIANGLE INSTITUTE INTERNATIONAL-1-340-0213159	81.086	107,148
CFDA 81.086 Total			<u>107,148</u>
Renewable Energy Research and Development			
Department of Energy Direct		81.087	592,929
Department of Energy Pass-through			
	GE HEALTHCARE SYSTEM-PO 400005926	81.087	(491)
ARRA - Renewable Energy Research and Development			
Department of Energy Pass-through			
	GE HEALTHCARE SYSTEM-PO 400041371	81.087	69,789
CFDA 81.087 Total			<u>662,227</u>
Fossil Energy Research and Development			
Department of Energy Pass-through			
	UNIV OF KENTUCKY RESEARCH FDN-469001-05-502	81.089	300
CFDA 81.089 Total			<u>300</u>
Defense Nuclear Nonproliferation Research			
Department of Energy Direct		81.113	62,763
CFDA 81.113 Total			<u>62,763</u>

The accompanying notes are an integral part of this schedule.

Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Other Financial Assistance			
Department of Energy Pass-through			
ARRA-DE-AC04-94AL85000	SANDIA NATIONAL LABORATORIES-PO 1113355	81	7,065
DE-AC05-00OR22725	UT-BATTELLE LLC-B-4000087151	81	(416)
DE-AC05-00OR22725	UT-BATTELLE LLC-B-4000116826	81	49,973
DE-AC05-00OR22725	UT-BATTELLE LLC-B-4000120967	81	49,358
DE-AC09-08SR22470	SAVANNAH RIVER NUCLEAR SOLUTIONS LLC-AC 70067 O	81	82,336
DE-AC36-08GO28308	ALLIANCE FOR SUSTAINABLE ENERGY LLC-XCO-9-99343-01	81	4,530
CFDA 81 Total			<u>192,846</u>
Department of Energy Total			<u>2,564,576</u>
Department of Education			
Overseas Programs - Doctoral Dissertation Research Abroad			
Department of Education Direct			
CFDA 84.022 Total		84.022	<u>27,033</u>
			<u>27,033</u>
Graduate Assistance in Areas of National Need			
Department of Education Direct			
CFDA 84.200 Total		84.200	<u>104,925</u>
			<u>104,925</u>
Department of Education Total			<u>131,958</u>
Department of Health and Human Services			
Chronic Diseases: Research, Control, and Prevention			
Department of Health and Human Services Pass-through			
CFDA 93.068 Total	ALA DEPT PUBLIC HEALTH-GC-12-132 C20119130	93.068	<u>985</u>
			<u>985</u>
Healthy Marriage Promotion and Responsible Fatherhood Grants			
Department of Health and Human Services Direct			
CFDA 93.086 Total		93.086	<u>2,366,674</u>
			<u>2,366,674</u>
Affordable Care Act (ACA) Personal Responsibility Education Program			
Department of Health and Human Services Pass-through			
CFDA 93.092 Total	ALA DEPT PUBLIC HEALTH-C10114241	93.092	<u>4,460</u>
			<u>4,460</u>
Food and Drug Administration_Research			
Department of Health and Human Services Direct			
CFDA 93.103 Total		93.103	<u>1,192,557</u>
			<u>1,192,557</u>

The accompanying notes are an integral part of this schedule.

Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Environmental Health			
Department of Health and Human Services Direct		93.113	(1,253)
Department of Health and Human Services Pass-through			
	MEHARRY MEDICAL COLLEGE-100415DBH087	93.113	(609)
	MICHIGAN STATE UNIV-61-0825AU	93.113	281,649
	MICHIGAN STATE UNIV-RC060825SUPP2AU	93.113	15,047
CFDA 93.113 Total			<u>294,834</u>
Research and Training in Complementary and Alternative Medicine			
Department of Health and Human Services Pass-through			
	PALMER COLLEGE OF CHIROPRACTIC-RAJU	93.213	10,396
CFDA 93.213 Total			<u>10,396</u>
Mental Health Research Grants			
Department of Health and Human Services Direct		93.242	(2,114)
Department of Health and Human Services Pass-through			
	UNIV OF TEXAS HLTH SCIENCE CTR AT HOUSTON-0005456A	93.242	(13,870)
	UNIV OF TEXAS HLTH SCIENCE CTR AT HOUSTON-0008570B	93.242	1,087
CFDA 93.242 Total			<u>(14,897)</u>
Occupational Safety and Health Program			
Department of Health and Human Services Pass-through			
	UNIV OF ALABAMA AT BIRMINGHAM-000286477-019	93.262	4,958
	UNIV OF ALABAMA AT BIRMINGHAM-000286477-021	93.262	3,626
	UNIV OF ALABAMA AT BIRMINGHAM-500836-1	93.262	16,840
	UNIV OF ALABAMA AT BIRMINGHAM-CRAWLING POSTURES	93.262	1,203
	UNIV OF ALABAMA AT BIRMINGHAM-NIOSH-OIP	93.262	87,784
	UNIV OF ALABAMA AT BIRMINGHAM-NIOSH-OIPRT	93.262	21,807
	UNIV OF ALABAMA AT BIRMINGHAM-NIOSH-OSE	93.262	233,838
	UNIV OF ALABAMA AT BIRMINGHAM-OSHERC-000286477	93.262	(41,454)
CFDA 93.262 Total			<u>328,602</u>
Discovery and Applied Research for Technological Innovations to Improve Human Health			
Department of Health and Human Services Direct		93.286	114,101
CFDA 93.286 Total			<u>114,101</u>
Research Infrastructure Programs			
Department of Health and Human Services Pass-through			
	UNIV OF SOUTH ALABAMA-12-120069-01	93.351	101,094
	UNIV OF SOUTH ALABAMA-13-130138-01	93.351	43,154
CFDA 93.351 Total			<u>144,248</u>

The accompanying notes are an integral part of this schedule.

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
National Center for Research Resources Department of Health and Human Services Pass-through	UNIV OF SOUTH ALABAMA-10-090476-01	93.389	<u>29,596</u>
CFDA 93.389 Total			<u>29,596</u>
Cancer Cause and Prevention Research Department of Health and Human Services Pass-through	NORTHEASTERN UNIV-500225 NORTHEASTERN UNIV-500268-78051 NORTHEASTERN UNIV-500335-78051	93.393 93.393 93.393	2,817 452,141 22,128
CFDA 93.393 Total			<u>477,086</u>
Cancer Treatment Research Department of Health and Human Services Direct CFDA 93.395 Total		93.395	(6,143) <u>(6,143)</u>
Cancer Biology Research Department of Health and Human Services Direct Department of Health and Human Services Pass-through CFDA 93.396 Total	PURDUE UNIV-4102-38311	93.396 93.396	(3,395) <u>(13,535)</u> <u>(16,930)</u>
Welfare Reform Research, Evaluations and National Studies Department of Health and Human Services Direct CFDA 93.595 Total		93.595	(13) <u>(13)</u>
Developmental Disabilities Basic Support and Advocacy Grants Department of Health and Human Services Pass-through CFDA 93.630 Total	MONTGOMERY CTR FOR INDEPENDENT LIVING-HEALT & FITNESS	93.630	<u>26,349</u> <u>26,349</u>
ARRA - Trans-NIH Recovery Act Research Support Department of Health and Human Services Direct NIH-1R21AI076893-01A1 NIH-1R21AI083852-01 NIH-1RC1AA019293-01 Department of Health and Human Services Pass-through BRIGHAM & WOMEN'S HOSP INC-104867 CFDA 93.701 Total		93.701 93.701 93.701 93.701	(5,818) 243 (77) <u>(19,563)</u> <u>(25,215)</u>

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Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Cardiovascular Diseases Research			
Department of Health and Human Services Direct		93.837	1,117,995
Department of Health and Human Services Pass-through			
	MASSACHUSETTS GENERAL HOSP-222589	93.837	7,544
	UNIV OF ALABAMA AT BIRMINGHAM-000374790-001	93.837	(50,012)
	UNIV OF ALABAMA AT BIRMINGHAM-374790-1-YR3	93.837	126,581
CFDA 93.837 Total			<u>1,202,108</u>
Arthritis, Musculoskeletal and Skin Diseases Research			
Department of Health and Human Services Pass-through			
	UNIV OF MISSOURI-C00036039-1	93.846	(4,594)
	UNIV OF MISSOURI-C00039231-1	93.846	35,452
CFDA 93.846 Total			<u>30,858</u>
Diabetes, Digestive, and Kidney Diseases Extramural Research			
Department of Health and Human Services Direct		93.847	391,261
CFDA 93.847 Total			<u>391,261</u>
Extramural Research Programs in the Neurosciences and Neurological Disorders			
Department of Health and Human Services Direct		93.853	332,270
Department of Health and Human Services Pass-through			
	UNIV OF MASSACHUSETTS-6127751/RFS2011165	93.853	(2,631)
	UNIV OF MASSACHUSETTS-6135840/RFS2012021	93.853	(1,309)
	UNIV OF MASSACHUSETTS-6145440/RFS2013062	93.853	43,046
CFDA 93.853 Total			<u>371,376</u>
Allergy, Immunology and Transplantation Research			
Department of Health and Human Services Direct		93.855	104,444
Department of Health and Human Services Pass-through			
	LUCIGEN CORP-LILES-15	93.855	168,092
	LUCIGEN CORP-PANIZZI	93.855	37,800
	MICROBIOTIX, INC.-SCHNELLER	93.855	(48)
	VAXIN INC.-TORO-09	93.855	(2,827)
CFDA 93.855 Total			<u>307,461</u>
Child Health and Human Development Extramural Research			
Department of Health and Human Services Direct		93.865	15,702
Department of Health and Human Services Pass-through			
	UNIV OF ILLINOIS-VAUGHN	93.865	44,131
	UNIV OF KENTUCKY RESEARCH FDN-3048107325-11-110	93.865	(5,110)
	UNIV OF MASSACHUSETTS-6118839/RFS900298	93.865	244,415
CFDA 93.865 Total			<u>299,138</u>
Department of Health and Human Services Total			<u>7,528,892</u>

The accompanying notes are an integral part of this schedule.

Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Research and Development Cluster			
Agency for International Development			
USAID Foreign Assistance for Programs Overseas			
Agency For International Development Pass-through			
	OREGON STATE UNIV-RD011G-G	98.001	<u>60,872</u>
CFDA 98.001 Total			<u>60,872</u>
USAID Development Partnerships for University Cooperation and Development			
Agency For International Development Pass-through			
	UNIV OF GEORGIA-RC710-025/3842028	98.012	<u>9,985</u>
CFDA 98.012 Total			<u>9,985</u>
Other Financial Assistance			
Agency For International Development Pass-through			
USAID-442-C-11-00001	FINTRAC INC-2011-HARVEST-02	98	<u>15,519</u>
CFDA 98 Total			<u>15,519</u>
Agency for International Development Total			<u>86,376</u>
Research and Development Cluster Total			<u>55,155,516</u>
Supplemental Nutrition Assistance Program (SNAP) Cluster			
Department of Agriculture			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
Department of Agriculture Pass-through			
	ALA DEPT HUMAN RESOURCES-AGREEMENT NO 4153	10.561	<u>2,965,767</u>
CFDA 10.561 Total			<u>2,965,767</u>
Department of Agriculture Total			<u>2,965,767</u>
Supplemental Nutrition Assistance Program (SNAP) Cluster Total			<u>2,965,767</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Community Facilities Loans and Grants Cluster			
Department of Agriculture			
Community Facilities Loans and Grants			
Department of Agriculture Direct		10.766	<u>3,736</u>
CFDA 10.766 Total			<u>3,736</u>
Department of Agriculture Total			<u>3,736</u>
Community Facilities Loans and Grants Cluster Total			<u>3,736</u>
Economic Development Cluster			
Department of Commerce			
Economic Adjustment Assistance			
Department of Commerce Direct		11.307	<u>(883)</u>
CFDA 11.307 Total			<u>(883)</u>
Department of Commerce Total			<u>(883)</u>
Economic Development Cluster Total			<u>(883)</u>
Fish and Wildlife Cluster			
Department of The Interior			
Sport Fish Restoration Program			
Department of The Interior Pass-through			
	ALA DEPT OF CONS & NAT RESOURCES-ANGLING EFFORT	15.605	4,235
	ALA DEPT OF CONS & NAT RESOURCES-APEX PREDATORS	15.605	51,521
	ALA DEPT OF CONS & NAT RESOURCES-BLACK BEARS	15.605	45,740
	ALA DEPT OF CONS & NAT RESOURCES-BLUEBACK HERRING	15.605	71,321
	ALA DEPT OF CONS & NAT RESOURCES-CHANNEL CFISH	15.605	50,994
	ALA DEPT OF CONS & NAT RESOURCES-HALLOWEEN DARTER	15.605	10,121
	ALA DEPT OF CONS & NAT RESOURCES-LMOUTH BASS	15.605	40,736
	ALA DEPT OF CONS & NAT RESOURCES-MOLLUSK DISEASES	15.605	19,417
	ALA DEPT OF CONS & NAT RESOURCES-MUSSEL HOST FISH	15.605	(311)
	ALA DEPT OF CONS & NAT RESOURCES-PYGYMY SCULPIN	15.605	(1,365)
	ALA DEPT OF CONS & NAT RESOURCES-REC FISHING	15.605	163,373
	ALA DEPT OF CONS & NAT RESOURCES-RED-COCKADED WOODPECKER	15.605	4,926
	ALA DEPT OF CONS & NAT RESOURCES-SLACKWTR DARTER	15.605	43,984
	ALA DEPT OF CONS & NAT RESOURCES-STANDARDIZED SAMPLING	15.605	10,462
	ALA DEPT OF CONS & NAT RESOURCES-TN RIV SURV	15.605	155
	ALA DEPT OF CONS & NAT RESOURCES-WOOD STORKS	15.605	14,342
	ALA DEPT OF CONS & NAT RESOURCES-YELLOW PERCH	15.605	(5,823)
	HAWAII DEPT OF LAND & NAT RESOURCES-PO C21927	15.605	1,473
	N CAROLINA WILDLIFE RESOURCE CTR-FISH DISEASE	15.605	<u>16,187</u>
CFDA 15.605 Total			<u>541,488</u>

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Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Wildlife Restoration and Basic Hunter Education Department of The Interior Pass-through			
CFDA 15.611 Total	ALA DEPT OF CONS & NAT RESOURCES-HUNTING SURVEY	15.611	<u>576</u>
			<u>576</u>
Department of The Interior Total			<u>542,064</u>
Fish and Wildlife Cluster Total			<u>542,064</u>
Edward Byrne Memorial Justice Assistance Grant (JAG) Program Cluster			
Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program Department of Justice Direct			
CFDA 16.738 Total		16.738	<u>36,773</u>
			<u>36,773</u>
Department of Justice Total			<u>36,773</u>
Edward Byrne Memorial Justice Assistance Grant (JAG) Program Cluster Total			<u>36,773</u>
Workforce Investment Act (WIA) Cluster			
Department of Labor			
WIA Youth Activities Department of Labor Pass-through			
CFDA 17.259 Total	ALA DEPT OF ECON&COMM AFFAIRS-34220011	17.259	<u>8,160</u>
			<u>8,160</u>
Department of Labor Total			<u>8,160</u>
Workforce Investment Act (WIA) Cluster Total			<u>8,160</u>
Highway Planning & Construction Cluster			
Department of Transportation			
Highway Planning and Construction Department of Transportation Pass-through			
	APPLIED RESEARCH ASSOC INC-L00028.09003	20.205	15,233
	NATIONAL ACADEMY OF SCIENCES-HR 04-35	20.205	41,200
	NATIONAL ACADEMY OF SCIENCES-HR 09-47A	20.205	70,230
	NATIONAL ACADEMY OF SCIENCES-SHRP R-06(D)	20.205	79,274
	SOUTH DAKOTA DEPT OF TRANSPORTATION-311159	20.205	41,041
CFDA 20.205 Total			<u>246,978</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Recreational Trails Program Department of Transportation Pass-through	ALA DEPT ECON&COMM AFFAIRS-RTP-2010	20.219	10,684
CFDA 20.219 Total			<u>10,684</u>
Department of Transportation Total			<u>257,662</u>
Highway Planning & Construction Cluster Total			<u>257,662</u>
Federal Transit Cluster			
Department of Transportation			
ARRA - Federal Transit_Capital Investment Grants Department of Transportation Pass-through	ALA DEPT OF TRANSPORTATION-K-13-542	20.500	357,596
CFDA 20.500 Total			<u>357,596</u>
Department of Transportation Total			<u>357,596</u>
Federal Transit Cluster Total			<u>357,596</u>
Special Education (IDEA) Cluster			
Department of Education			
Special Education_Grants to States Department of Education Pass-through	ALA DEPT OF EDUCATION-C200002	84.027	1,081
	ALA DEPT OF EDUCATION-C200006	84.027	1,774
	ALA DEPT OF EDUCATION-CONSORTIUM 2012	84.027	30,000
	ALA DEPT OF EDUCATION-U100420	84.027	52
CFDA 84.027 Total			<u>32,907</u>
Special Education_Preschool Grants Department of Education Pass-through	ALA DEPT OF EDUCATION-C200004	84.173	2,044
CFDA 84.173 Total			<u>2,044</u>
Department of Education Total			<u>34,951</u>
Special Education (IDEA) Cluster Total			<u>34,951</u>
Student Financial Assistance Cluster			
Department of Education			
Federal Supplemental Educational Opportunity Grants (FSEOG) Department of Education Direct		84.007	583,297
CFDA 84.007 Total			<u>583,297</u>
Federal Work-Study Program (FWS) Department of Education Direct		84.033	592,350
CFDA 84.033 Total			<u>592,350</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Perkins Loan Cancellations			
Department of Education Direct			<u>(206,762)</u>
CFDA 84.037			<u>(206,762)</u>
Federal Perkins Loan (FPL) - Federal Capital Contributions			
Department of Education Direct		84.038	<u>15,566,878</u>
CFDA 84.038 Total			<u>15,566,878</u>
Federal Pell Grant Program			
Department of Education Direct		84.063	<u>21,047,825</u>
CFDA 84.063 Total			<u>21,047,825</u>
Federal Direct Student Loans			
Department of Education Direct		84.268	<u>150,055,889</u>
CFDA 84.268 Total			150,055,889
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			
Department of Education Direct		84.379	<u>100,323</u>
CFDA 84.379 Total			<u>100,323</u>
Department of Education Total			<u>187,739,800</u>
Department of Health and Human Services			
Health Professions Student Loans, Including Primary Care Loans and Loans For Disadvantaged Students (Hpsi/Pcl/Lds)			
Department of Health and Human Services Direct		93.342	<u>1,983,709</u>
CFDA 83.342 Total			<u>1,983,709</u>
Department of Health and Human Services Total			<u>1,983,709</u>
Student Financial Assistance Cluster Total			<u>189,723,509</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Child Care and Development Cluster			
Department of Health and Human Services			
Child Care and Development Block Grant			
Department of Health and Human Services Pass-through			
	ALA DEPT HUMAN RESOURCES-832	93.575	<u>1,212,650</u>
CFDA 93.575 Total			<u>1,212,650</u>
Department of Health and Human Services Total			<u>1,212,650</u>
Child Care and Development Cluster Total			<u>1,212,650</u>
Other Programs			
Department of Agriculture			
Plant and Animal Disease, Pest Control, and Animal Care			
Department of Agriculture Direct		10.025	<u>5,316</u>
CFDA 10.025 Total			<u>5,316</u>
Specialty Crop Block Grant Program			
Department of Agriculture Pass-through			
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 10-2015	10.169	17,463
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 11	10.169	4,427
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJ 9-2015	10.169	<u>18,217</u>
CFDA 10.169 Total			<u>40,107</u>
Specialty Crop Block Grant Program - Farm Bill			
Department of Agriculture Pass-through			
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJECT 1	10.170	10,703
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJECT 2	10.170	38,686
	ALA DEPT OF AGRICULT & INDUSTRIES-PROJECT 7	10.170	<u>33,929</u>
CFDA 10.170 Total			<u>83,318</u>

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Grants for Agricultural Research, Special Research Grants Department of Agriculture Pass-through			
	MISSISSIPPI STATE UNIV-SRAC-INTRO AQUACULTURE	10.200	1,994
	MISSISSIPPI STATE UNIV-SRAC-OYSTER FARMING	10.200	1,862
	MISSISSIPPI STATE UNIV-SRAC-SPLIT POND SYS	10.200	900
CFDA 10.200 Total			<u>4,756</u>
Sustainable Agriculture Research and Education Department of Agriculture Pass-through			
	TUSKEGEE UNIV-39 22091 326	10.215	180
CFDA 10.215 Total			<u>180</u>
1890 Institution Capacity Building Grants Department of Agriculture Pass-through			
	ALABAMA A&M UNIV-SUB-2011-38821-30831-AU	10.216	65,577
	SOUTHERN UNIV AGRICULTURAL RESEARCH & EXTENSION CENTER-SUAGCENTER-2011-02-0011	10.216	35,026
	TUSKEGEE UNIV-35-31244-095-62112	10.216	(1,160)
	TUSKEGEE UNIV-35-31244-097-62112	10.216	13,155
	TUSKEGEE UNIV-36-32091-318	10.216	1,326
CFDA 10.216 Total			<u>113,924</u>
Higher Education - Institution Challenge Grants Program Department of Agriculture Pass-through			
	UNIV OF GEORGIA-RH150-127/3840038	10.217	(1,218)
CFDA 10.217 Total			<u>(1,218)</u>
Higher Education - Multicultural Scholars Grant Program Department of Agriculture Direct			
		10.220	8,648
CFDA 10.220 Total			<u>8,648</u>
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants Department of Agriculture Direct			
		10.226	(1,143)
CFDA 10.226 Total			<u>(1,143)</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Integrated Programs			
Department of Agriculture Pass-through			
	NORTH CAROLINA STATE UNIV-2012-2604-08	10.303	13,444
	TEXAS COOPERATIVE EXTENSION-451001	10.303	50,634
	UNIV OF WISCONSIN-386K540	10.303	7,712
CFDA 10.303 Total			<u>71,790</u>
Homeland Security_Agricultural			
Department of Agriculture Pass-through			
	PURDUE UNIV-8000037046-AG	10.304	28,791
	PURDUE UNIV-8000053483-AG	10.304	1,675
	UNIV OF FLORIDA-IFAS 00069553	10.304	(619)
CFDA 10.304 Total			<u>29,847</u>
Organic Agriculture Research and Extension Initiative			
Department of Agriculture Direct		10.307	<u>5,924</u>
CFDA 10.307 Total			<u>5,924</u>
Specialty Crop Research Initiative			
Department of Agriculture Pass-through			
	LOUISIANA STATE UNIV-42958	10.309	<u>10,033</u>
CFDA 10.309 Total			<u>10,033</u>
Agriculture and Food Research Initiative (AFRI)			
Department of Agriculture Direct		10.310	<u>16,501</u>
CFDA 10.310 Total			<u>16,501</u>
Beginning Farmer and Rancher Development Program			
Department of Agriculture Pass-through			
	TUSKEGEE UNIV-35 21244 102 62112	10.311	<u>15,257</u>
CFDA 10.311 Total			<u>15,257</u>
ARRA - Trade Adjustment Assistance for Farmers Training Coordination Program (TAAF)			
Department of Agriculture Pass-through			
	UNIV OF MINNESOTA-H001344217	10.315	<u>5,748</u>
CFDA 10.315 Total			<u>5,748</u>
Farm Business Management and Benchmarking Competitive Grants Program			
Department of Agriculture Pass-through			
	NORTH DAKOTA STATE UNIV-FAR-20958	10.319	2,420
	UNIV OF GEORGIA-RE670-421/4943136	10.319	<u>11,573</u>
CFDA 10.319 Total			<u>13,993</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Cooperative Extension Service			
Department of Agriculture Direct		10.500	7,052,001
Department of Agriculture Pass-through			
	KANSAS STATE UNIV-2012 4H CLUB S12081	10.500	1,451
	KANSAS STATE UNIV-4H ARMY YOUTH-S12249	10.500	64,659
	KANSAS STATE UNIV-4H CLUB GRANT-S13075	10.500	14,270
	KANSAS STATE UNIV-MILITARY KIDS-13-S12047.01	10.500	37,178
	KANSAS STATE UNIV-S13120	10.500	40,316
	MISSISSIPPI STATE UNIV-018000-340409-01	10.500	305
	TUSKEGEE UNIV-35 31243 044 62112	10.500	31,922
	TUSKEGEE UNIV-35-31243-044-62112	10.500	(55)
	UNIV OF ARKANSAS AT LITTLE ROCK-21662-2	10.500	14,794
	UNIV OF ARKANSAS AT PINE BLUFF-AQUACULTURE COP	10.500	(1,120)
	UNIV OF GEORGIA-RE675-167/4940468	10.500	5,860
	UNIV OF NEBRASKA-25-6265-0040-118	10.500	5,533
	UNIV OF NEBRASKA-25-6365-0023-352	10.500	(345)
	UNIV OF NEBRASKA-25-6365-0030-017	10.500	56,466
	UNIV OF NEBRASKA-25-6365-0040-106	10.500	2,043
	UNIV OF NEBRASKA-25-6365-0040-111	10.500	6,085
	UNIV OF NEBRASKA-25-6365-0040-114	10.500	12,054
	UNIV OF NEBRASKA-25-6365-0040-116	10.500	8,305
	UNIV OF NEBRASKA-25-6365-0040-133	10.500	8,597
	UNIV OF NEBRASKA-25-6365-50-41	10.500	100,612
	UNIV OF NEBRASKA-26-6365-0040-127	10.500	7,872
	UNIV OF NEW HAMPSHIRE-13-72	10.500	7,349
CFDA 10.500 Total			<u>7,476,152</u>
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants			
Department of Agriculture Direct		10.580	72,850
Department of Agriculture Pass-through			
	ALA DEPT HUMAN RESOURCES	10.580	51,070
CFDA 10.580 Total			<u>123,920</u>
ARRA - Trade Adjustment Assistance			
Department of Agriculture Pass-through			
	UNIV OF MINNESOTA-TAA-TRAVEL	10.609	675
CFDA 10.609 Total			<u>675</u>
Forestry Research			
Department of Agriculture Direct		10.652	28,058
CFDA 10.652 Total			<u>28,058</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Forest Health Protection			
Department of Agriculture Direct		10.680	<u>13,152</u>
CFDA 10.680 Total			<u>13,152</u>
Rural Business Enterprise Grants			
Department of Agriculture Direct		10.769	<u>21,778</u>
CFDA 10.769 Total			<u>21,778</u>
Environmental Quality Incentives Program			
Department of Agriculture Direct		10.912	<u>57,299</u>
CFDA 10.912 Total			<u>57,299</u>
Cochran Fellowship Program-International Training-Foreign Participant			
Department of Agriculture Direct		10.962	<u>13,088</u>
CFDA 10.962 Total			<u>13,088</u>
Other Financial Assistance			
Department of Agriculture Direct			
FS-08-PA-11080100-005		10	4,170
FS-12-CR-11074200-071		10	27,249
FS-12-CS-11080104-001		10	1,182
Department of Agriculture Pass-through			
EA HAUSS DEMO FOREST: AGRofORESTRY			
DEMONSTRATION MAINTENANCE	ALA FORESTRY COMM-12-7-1029	10	(299)
LEADERSHIP WILCOX V	ALA-TOM RESOURCE CONSERVATION & DEVELOPMENT COUNCIL-TOM RC&D	10	(252)
USDA-2010-48661-21868	KANSAS STATE UNIV-2012-S-12047	10	1,000
STRONGER ECONOMIES TOGETHER	MISSISSIPPI STATE UNIV-018000-340452-14	10	(562)
CFDA 10 Total			<u>32,488</u>
Department of Agriculture Total			<u>8,189,591</u>
Department of Commerce			
Economic Development_Technical Assistance			
Department of Commerce Direct		11.303	<u>154,360</u>
CFDA 11.303 Total			<u>154,360</u>

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Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Sea Grant Support			
Department of Commerce Pass-through			
	LOUISIANA STATE UNIV-73832	11.417	576
	UNIV OF SOUTHERN MISS-GR03924/OMNIBUS-A/O-32	11.417	97,836
	UNIV OF SOUTHERN MISS-GR04072/OMNIBUS-NSI-A/O-34	11.417	200,954
	UNIV OF SOUTHERN MISS-GR04114/OMNIBUS-CSP II-A/O-33	11.417	375
CFDA 11.417 Total			<u>299,741</u>
Fisheries Disaster Relief			
Department of Commerce Pass-through			
	GULF STATES MARINE FISHERIES COMMISSION-MM-925-050-2011-AL/SG	11.477	72,493
CFDA 11.477 Total			<u>72,493</u>
ARRA - Broadband Technology Opportunities Program (BTOP)			
Department of Commerce Direct			
NIST-01-42-B10580		11.557	240,242
Department of Commerce Pass-through			
	ALA DEPT OF ECON&COMM AFFAIRS-BB-SBA-002-10	11.557	332,090
CFDA 11.557 Total			<u>572,332</u>
Manufacturing Extension Partnership			
Department of Commerce Pass-through			
	ALA TECH NETWORK-2010-MEP-SDCC-01	11.611	36,568
	ALA TECH NETWORK-MEP-NIST-10-11	11.611	(1,596)
	ALA TECH NETWORK-MEP-NIST-12-13	11.611	226,734
CFDA 11.611 Total			<u>261,706</u>
ARRA - National Institute of Standards and Technology Construction Grant Program			
Department of Commerce Direct			
NIST-60NANB9D9140		11.618	9,430,904
CFDA 11.618 Total			<u>9,430,904</u>
Department of Commerce Total			<u>10,791,536</u>

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Auburn University
Schedule of Expenditures of Federal Awards
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Department of Defense			
Other Financial Assistance			
Department of Defense Direct			
ARMY-NAFBA1-13-M-0172		12	43,477
ARMY-W911SF-09-C-0024		12	419,139
ARMY-W911SF-13-C-0020		12	43,492
Department of Defense Pass-through			
4H MILITARY PARTNERSHIPS: ARMY YOUTH DVLMT PROJECT	BOYS & GIRLS CLUB-AYDP-10651	12	<u>1,033,305</u>
CFDA 12 Total			<u>1,539,413</u>
Department of Defense Total			<u>1,539,413</u>
Department of Interior			
Research Grants (Generic)			
Department of The Interior Direct		15.650	<u>8,605</u>
CFDA 15.650 Total			<u>8,605</u>
National Land Remote Sensing_Education Outreach and Research			
Department of The Interior Pass-through			
	AMERICA VIEW INC-AV08-AL01-005	15.815	(423)
	AMERICA VIEW INC-AV08-AL01-008	15.815	<u>24,490</u>
CFDA 15.815 Total			<u>24,067</u>
Department of Interior Total			<u>32,672</u>
Department of Justice			
Juvenile Justice and Delinquency Prevention_Allocation to States			
Department of Justice Pass-through			
	ALA DEPT OF ECON&COMM AFFAIRS-JF-CM-01	16.540	63,517
	ALA DEPT OF ECON&COMM AFFAIRS-JUNVENILE JAIL COMPLIANCE MONITORING	16.540	<u>29,427</u>
CFDA 16.540 Total			<u>92,944</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			
Department of Justice Pass-through			
	MONTG COUNTY COMM-FJC-PROTECTION ORDER DB	16.590	<u>33,474</u>
CFDA 16.590 Total			<u>33,474</u>
Juvenile Mentoring Program			
Department of Justice Pass-through			
	ALABAMA A&M UNIV-2011-MU-MU-026-AU	16.726	7,646
	ALABAMA A&M UNIV-2012-JU-FX-0016	16.726	<u>13,898</u>
CFDA 16.726 Total			<u>21,544</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Edward Byrne Memorial Justice Assistance Grant Program Department of Justice Pass-through	ALA DEPT OF ECON&COMM AFFAIRS-ALA CRIME PREVENTION CLEARINGHOUSE	16.738	<u>101,066</u>
CFDA 16.738 Total			<u>101,066</u>
Congressionally Recommended Awards Department of Justice Direct		16.753	<u>299,751</u>
CFDA 16.753 Total			<u>299,751</u>
Recovery Act Transitional Housing Department of Justice Pass-through	FAMILY SUNSHINE CENTER-CENTER FOR DEMOGRAPHIC RESEARCH	16.805	<u>1,598</u>
CFDA 16.805 Total			<u>1,598</u>
Department of Justice Total			<u>550,377</u>
Department of Labor			
Other Financial Assistance Department of Labor Pass-through PREPARING FOR REGIONAL TRANSFORMATION: SUPPORTING WD IN THE CHATTAHOOCHEE RIVER VALLEY REGION	GEORGIA INSTITUTE OF TECHNOLOGY-R9712-S1	17	<u>(283)</u>
CFDA 17 Total			<u>(283)</u>
Department of Labor Total			<u>(283)</u>
Department of State			
Other Financial Assistance Department of State Pass-through US DEPT STATE-S-LMAQM-10-CA-384	UNIV OF FLORIDA-UF10265	19	<u>26,347</u>
CFDA 19 Total			<u>26,347</u>
Department of State Total			<u>26,347</u>
Department of Transportation			
Airport Improvement Program Department of Transportation Pass-through	ALA DEPT OF TRANSPORTATION-PARALLEL TAXIWAY	20.106	<u>425,781</u>
	ALA DEPT OF TRANSPORTATION-WIDEN TAXIWAY B-FED	20.106	<u>1,359,978</u>
CFDA 20.106 Total			<u>1,785,759</u>

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Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Formula Grants for Rural Areas Department of Transportation Pass-through	ALA DEPT OF TRANSPORTATION-LTAP	20.509	320,710
	ALA DEPT OF TRANSPORTATION-RTAP	20.509	59,493
ARRA - Formula Grants for Rural Areas Department of Transportation Pass-through			
	ALA DEPT OF TRANSPORTATION-RTAP-ARRA	20.509	(21,105)
CFDA 20.509 Total			<u>359,098</u>
Other Financial Assistance Department of Transportation Direct FAA-DTFAWA-11-A-80000		20	83,037
Department of Transportation Pass-through WIRE RD BICYCLE FACILITIES	ALA DEPT OF TRANSPORTATION-STPTE-TE08(925)	20	72,201
CFDA 20 Total			<u>155,238</u>
Department of Transportation Total			<u>2,300,095</u>
Department of Treasury			
Volunteer Income Tax Assistance (VITA) Matching Grant Program Department of The Treasury Pass-through			
	ALA ASSET BUILDING COALITION-TAC ASSIST-13	21.009	1,974
CFDA 21.009 Total			<u>1,974</u>
Department of Treasury Total			<u>1,974</u>
Appalachian Regional Commission			
Appalachian Regional Development (See individual Appalachian Programs) Appalachian Regional Commission Pass-through			
	ALA GREEN INDUSTRY TRAINING CTR-GREEN INDUSTRY WEBSITE	23.001	3,589
CFDA 23.001 Total			<u>3,589</u>
Appalachian Area Development Appalachian Regional Commission Direct Appalachian Regional Commission Pass-through		23.002	47,025
	UNIV OF ALABAMA-WAHDH-FAYETTE	23.002	626
	UNIV OF ALABAMA-WAHDH-HALE	23.002	1,193
	UNIV OF ALABAMA-WAHDH-PICKENS	23.002	5,296
CFDA 23.002 Total			<u>54,140</u>

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Auburn University
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Appalachian Local Development District Assistance Appalachian Regional Commission Direct Appalachian Regional Commission Pass-through	ALA DEVELOPMENT OFFICE	23.009	(64)
CFDA 23.009 Total			<u>(1,500)</u>
			<u>(1,564)</u>
Appalachian Research, Technical Assistance, and Demonstration Projects Appalachian Regional Commission Pass-through	EAST TENNESSEE STATE UNIV-220012-16	23.011	4,000
CFDA 23.011 Total			<u>4,000</u>
Appalachian Regional Commission Total			<u>60,165</u>
National Aeronautics and Space Administration			
Science			
National Aeronautics and Space Administration Direct CFDA 43.001 Total		43.001	<u>28,826</u>
			<u>28,826</u>
Other Financial Assistance			
National Aeronautics and Space Administration Direct NASA-NNG12PF24P		43	42
National Aeronautics and Space Administration Pass-through FY12 SUMMER OF INNOVATION	WILL TECHNOLOGY INC-SUMMER OF INNOVATION-12	43	<u>3,117</u>
CFDA 43 Total			<u>3,159</u>
National Aeronautics and Space Administration Total			<u>31,985</u>
National Endowment for the Arts			
Promotion of the Arts_Grants to Organizations and Individuals			
National Endowment For The Arts Direct National Endowment For The Arts Pass-through	UNIV OF GEORGIA-RE021-147/4785256	45.024	19,625
CFDA 45.024 Total		45.024	<u>41,042</u>
National Endowment for the Arts Total			<u>60,667</u>
National Endowment for the Humanities			
Promotion of the Humanities_Federal/State Partnership			
National Endowment For The Humanities Pass-through	ALA HUMANITIES FDN-0911-0313-2112PD	45.129	335
CFDA 45.129 Total	ALA HUMANITIES FDN-0911-2042PD	45.129	<u>(708)</u>
			<u>(373)</u>

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Auburn University
Schedule of Expenditures of Federal Awards
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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Promotion of the Humanities_Challenge Grants			
National Endowment For The Humanities Direct		45.130	<u>7,691</u>
CFDA 45.130 Total			<u>7,691</u>
National Endowment for the Humanities Total			<u>7,318</u>
National Science Foundation			
Engineering Grants			
National Science Foundation Direct		47.041	<u>(6,114)</u>
CFDA 47.041 Total			<u>(6,114)</u>
Mathematical and Physical Sciences			
National Science Foundation Direct		47.049	<u>56,324</u>
CFDA 47.049 Total			<u>56,324</u>
Biological Sciences			
National Science Foundation Direct		47.074	<u>273,708</u>
CFDA 47.074 Total			<u>273,708</u>
Education and Human Resources			
National Science Foundation Direct		47.076	542,719
National Science Foundation Pass-through			
	UNIV OF ALABAMA AT BIRMINGHAM-000332659-001	47.076	(3,476)
	UNIV OF ALABAMA AT BIRMINGHAM-000398033-011	47.076	19,278
	UNIV OF ALABAMA AT BIRMINGHAM-000500324-001	47.076	67,519
	UNIV OF ALABAMA AT BIRMINGHAM-LSAMP-PHASE IV	47.076	<u>225</u>
CFDA 47.076 Total			<u>626,265</u>
ARRA-Trans-NSF Recovery Act Research Support			
National Science Foundation Direct			
NSF-DUE-0934821		47.082	255,177
NSF-OIA-0963407		47.082	<u>4,190,324</u>
CFDA 47.082 Total			<u>4,445,501</u>
National Science Foundation Total			<u>5,395,684</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Small Business Administration			
Small Business Development Centers			
Small Business Administration Pass-through	UNIV OF ALABAMA-AU-11-048	59.037	(6,782)
	UNIV OF ALABAMA-SBA-UA13-23	59.037	18,415
CFDA 59.037 Total			<u>11,633</u>
Small Business Administration Total			<u>11,633</u>
Department of Veterans Affairs			
Other Financial Assistance			
Department of Veterans Affairs Direct			
CLINICAL PHARMACY SERVICE AGREEMENT	VETERANS ADMIN MED CTR	64	(32)
CFDA 64 Total			<u>(32)</u>
Department of Veterans Affairs Total			<u>(32)</u>
Environmental Protection Agency			
State Indoor Radon Grants			
Environmental Protection Agency Pass-through			
	ALA DEPT PUBLIC HEALTH-C00113146	66.032	59,062
CFDA 66.032 Total			<u>59,062</u>
Capitalization Grants for Clean Water State Revolving Funds			
Environmental Protection Agency Pass-through			
	ALA DEPT OF ENVIRON MGMT-C10595083	66.458	23,183
CFDA 66.458 Total			<u>23,183</u>
Nonpoint Source Implementation Grants			
Environmental Protection Agency Pass-through			
	ALA DEPT OF ENVIRON MGMT-C20596011	66.460	(362)
CFDA 66.460 Total			<u>(362)</u>
Regional Wetland Program Development Grants			
Environmental Protection Agency Direct			
CFDA 66.461 Total		66.461	79,902
			<u>79,902</u>
Environmental Education Grants			
Environmental Protection Agency Pass-through			
	KENTUCKY ASSOC OF ENVIRONMENTAL ED-ALABAMA RIVER	66.951	168
CFDA 66.951 Total			<u>168</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Other Financial Assistance			
Environmental Protection Agency Pass-through			
RESTORING STREAM FUNCTIONS IN HOLLAND CREEK	NATIONAL FISH & WILDLIFE FDN-2011-0059-003	66	39,100
EPA-EP-W-07-080	NATURESERVE-EPA0C031	66	235
CFDA 66 Total			<u>39,335</u>
Environmental Protection Agency Total			<u>201,288</u>
Department of Energy			
Renewable Energy Research and Development			
Department of Energy Direct		81.087	<u>784,060</u>
CFDA 81.087 Total			<u>784,060</u>
Department of Energy Total			<u>784,060</u>
Department of Education			
Career and Technical Education -- Basic Grants to States			
Department of Education Pass-through			
	ALA DEPT OF EDUCATION-U200160	84.048	1,185
	ALA DEPT OF EDUCATION-U300167	84.048	1,815
CFDA 84.048 Total			<u>3,000</u>
Leveraging Educational Assistance Partnership			
Department of Education Pass-through			
	ALA COMM OF HIGHER ED-SSIG 2012	84.069	<u>47,471</u>
CFDA 84.069 Total			<u>47,471</u>
Fund for the Improvement of Postsecondary Education			
Department of Education Pass-through			
	INDIANA UNIV-BL-4240318-AU	84.116	<u>79,858</u>
CFDA 84.116 Total			<u>79,858</u>
Rehabilitation Services_Vocational Rehabilitation Grants to States			
Department of Education Pass-through			
	ALA DEPT REHAB SERVICES	84.126	1,451
	ALA DEPT REHAB SERVICES VR TRAINING	84.126	2,636
	ALA DEPT REHAB SERVICES-AE3087MS24	84.126	6,250
	ALA DEPT REHAB SERVICES-C10870035	84.126	(1,000)
CFDA 84.126 Total			<u>9,337</u>
Rehabilitation Long-Term Training			
Department of Education Direct		84.129	<u>277,818</u>
CFDA 84.129 Total			<u>277,818</u>
Safe and Drug-Free Schools and Communities_National Programs			
Department of Education Direct		84.184	143,700
Department of Education Pass-through			
	MONTGOMERY PUBLIC SCHOOLS-MPS HEALTHY STUDENTS GRANT	84.184	<u>2,069</u>
CFDA 84.184 Total			<u>145,769</u>

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<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Fund for the Improvement of Education Department of Education Pass-through	LEE CO BD OF ED-TAH-1	84.215	35,886
	MONTGOMERY PUBLIC SCHOOLS-ELEM COUNSELING SUPPORT	84.215	<u>7,315</u>
CFDA 84.215 Total			<u>43,201</u>
Rehabilitation Training_State Vocational Rehabilitation Unit In-Service Training Department of Education Pass-through	ALA DEPT REHAB SERVICES	84.265	<u>4,267</u>
CFDA 84.265 Total			<u>4,267</u>
Twenty-First Century Community Learning Centers Department of Education Pass-through	ALA DEPT OF EDUCATION-3RD PTY-244509	84.287	18,627
	ALA DEPT OF EDUCATION-C3U0086	84.287	292,186
	BALDWIN CO BD OF ED-CT-12 076	84.287	290
	BALDWIN CO BD OF ED-CT-12 078	84.287	102
	BALDWIN CO BD OF ED-CT-13 040	84.287	4,592
	BALDWIN CO BD OF ED-CT-13 041	84.287	4,037
	BREWTON CITY SCHOOLS-21ST	84.287	58,791
	WALKER CO BD OF ED-21ST CENTURY FARM	84.287	<u>(75)</u>
CFDA 84.287 Total			<u>378,550</u>
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities Department of Education Direct		84.325	<u>279,625</u>
CFDA 84.325 Total			<u>279,625</u>
Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities Department of Education Direct		84.326	<u>1,366,938</u>
CFDA 84.326 Total			<u>1,366,938</u>
Mathematics and Science Partnerships Department of Education Pass-through	ALA DEPT OF EDUCATION-AMSTI-U300472	84.366	199,854
	ALA DEPT OF EDUCATION-U000700	84.366	(25)
	ALA DEPT OF EDUCATION-U100569	84.366	55,579
	ALA DEPT OF EDUCATION-U300144	84.366	<u>183,733</u>
CFDA 84.366 Total			<u>439,141</u>

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Other Programs			
Improving Teacher Quality State Grants Department of Education Pass-through			
CFDA 84.367 Total	ALA COMM OF HIGHER ED-TIPS IN READING	84.367	<u>57</u>
			<u>57</u>
College Access Challenge Grant Program Department of Education Pass-through			
CFDA 84.378 Total	ALA DEPT OF EDUCATION-COLLEGE ACCESS GRANT	84.378	<u>17,406</u>
			<u>17,406</u>
Department of Education Total			<u>3,092,438</u>
Department of Health and Human Services			
Special Programs for the Aging, Title IV, and Title II Discretionary Projects Department of Health and Human Services Pass-through			
CFDA 93.048 Total	ALA DEPT OF SENIOR SERVICES-HHS CONFERENCE PLANNING	93.048	8,152
	ALA DEPT SENIOR SERVICES-PRIVATE PAY TOOLKIT	93.048	<u>6,600</u>
			<u>14,752</u>
Innovations in Applied Public Health Research Department of Health and Human Services Pass-through			
CFDA 93.061 Total	IOWA STATE UNIV-PROSPER	93.061	<u>1,664</u>
			<u>1,664</u>
Healthy Marriage Promotion and Responsible Fatherhood Grants Department of Health and Human Services Direct			
CFDA 93.086 Total		93.086	<u>182,888</u>
			<u>182,888</u>
Food and Drug Administration Research Department of Health and Human Services Direct			
CFDA 93.103 Total		93.103	<u>136,872</u>
			<u>136,872</u>
Maternal and Child Health Federal Consolidated Programs Department of Health and Human Services Pass-through			
CFDA 93.110 Total	ALA PARTNERSHIP FOR CHILDREN-ZERO TO FIVE	93.110	<u>2,000</u>
			<u>2,000</u>
Affordable Care Act (ACA) Abstinence Education Program Department of Health and Human Services Pass-through			
CFDA 93.235 Total	ALA DEPT PUBLIC HEALTH-C20119069	93.235	11,557
	ALA DEPT PUBLIC HEALTH-GC 11-278 C10114229	93.235	<u>(1,497)</u>
			<u>10,060</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
Centers for Disease Control and Prevention_Investigations and Technical Assistance Department of Health and Human Services Pass-through	ALA DEPT PUBLIC HEALTH-C20119186	93.283	14,220
	ALA DEPT PUBLIC HEALTH-GC 11-535 C10114213	93.283	(1,129)
	ALA DEPT PUBLIC HEALTH-GC 13-367 C30117229	93.283	5,042
	ALA DEPT PUBLIC HEALTH-GC-13-279 C30117181	93.283	19,731
	SOWING SEEDS OF HOPE	93.283	1,985
CFDA 93.283 Total			<u>39,849</u>
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program Department of Health and Human Services Pass-through	ALA DEPT OF CHILDREN'S AFFAIRS-HIPPY PROJ	93.505	3,851
CFDA 93.505 Total			<u>3,851</u>
Community-Based Child Abuse Prevention Grants Department of Health and Human Services Pass-through	CHILDRENS TRUST FUND OF ALA-CBCAP 2013-203	93.590	26,755
	CHILDRENS TRUST FUND OF ALA-CBCAP 2014-203	93.590	843
CFDA 93.590 Total			<u>27,598</u>
Grants to States for Access and Visitation Programs Department of Health and Human Services Pass-through	AL ADMIN OFFICE COURTS-CARDWELL	93.597	317
	AL ADMIN OFFICE COURTS-FUSSELL	93.597	641
CFDA 93.597 Total			<u>958</u>
Head Start Department of Health and Human Services Pass-through	MONTGOMERY COMMUNITY ACTION COMMITTEE INC-HEAD START	93.600	22,131
CFDA 93.600 Total			<u>22,131</u>
The Affordable Care Act – Medicaid Adult Quality Grants Department of Health and Human Services Pass-through	ALA MEDICAID-MEDICAID ADULT QUALITY	93.609	134,140
CFDA 93.609 Total			<u>134,140</u>
Developmental Disabilities Basic Support and Advocacy Grants Department of Health and Human Services Pass-through	ALA DEPT MENTAL HEALTH-MARTIN-FY11	93.630	(1,118)
	ALA DEPT OF ENVIRON MGMT-ACDD	93.630	9,344
CFDA 93.630 Total			<u>8,226</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Cluster Title/Federal Agency/Program</u>	<u>Pass-through Entity/Pass-Through Number</u>	<u>CFDA#</u>	<u>Expenditures</u>
Other Programs			
ARRA - State Grants to Promote Health Information Technology Department of Health and Human Services Pass-through	ALA MEDICAID AGENCY-MEDICAID TRANSFORMATION INITIATIVE	93.719	<u>8,563</u>
CFDA 93.719 Total			<u>8,563</u>
Money Follows the Person Rebalancing Demonstration Department of Health and Human Services Pass-through	ALA MEDICAID AGENCY-MONEY FOLLOWS PERSON	93.791	<u>291,218</u>
CFDA 93.791 Total			<u>291,218</u>
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program Department of Health and Human Services Pass-through	CAHABA CTR OF MENTAL HLTH MENTAL RETARDATION-DRAP 2010	93.912	<u>9,000</u>
CFDA 93.912 Total			<u>9,000</u>
Department of Health and Human Services Total			<u>893,770</u>
Department of Homeland Security			
Homeland Security Grant Program Department of Homeland Security Pass-through	ALA DEPT OF HOMELAND SECURITY-VIRTUAL AL SAFE SCHOOLS GIP MAPPING	97.067	<u>63,249</u>
CFDA 97.067 Total			<u>63,249</u>
Department of Homeland Security Total			<u>63,249</u>
Other Programs Total			<u>34,033,947</u>
Schedule of Expenditures of Federal Awards Total			<u>\$ 284,331,448</u>

The accompanying notes are an integral part of this schedule.

Auburn University
Notes to Schedules of Expenditures of Federal Awards
Year Ended September 30, 2013

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal expenditures of Auburn University (the "University") under programs of the federal government for the year ended September 30, 2013. This schedule has been prepared using the cash basis of accounting.

The information in this schedule is presented in accordance with the requirements of Office of Management and Budget ("OMB") Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the University. Negative amounts represent adjustments or credits to amounts reported as expenditures in prior years. This results in accurate reporting on a cumulative basis over multiple periods. Catalog of Federal Domestic Assistance ("CFDA") numbers and pass-through numbers are provided when available.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies and departments of the federal government, federal appropriations to land grant universities, and all subawards made to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

2. Summary of Significant Accounting Policies

For purposes of the Schedule, expenditures for federal award programs are recognized on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, Cost Principles for Educational Institutions, wherein certain types of expenditures are not allowable or are limited to reimbursement. Expenditures for federal student financial aid programs include Federal Pell program grants to students, the federal share of students' federal supplemental educational opportunity grants ("FSEOG"), and federal work-study ("FWS") program earnings and administrative cost allowances where applicable.

3. Subrecipients

Certain funds are passed through to subrecipient organizations by the University. Expenditures incurred by the subrecipient and reimbursed by the University are included in the Schedule. The University provided \$7,097,319 of federal awards to subrecipients during the year ended September 30, 2013, as follows:

Agency	Programs				Total
	R&D Cluster	Highway Planning & Construction Cluster	SNAP Cluster	Other Programs	
Department Of Agriculture	\$ 452,031	\$ -	\$ 1,016,984	\$ 200,368	\$ 1,669,382
Department Of Commerce	60,281	-	-	143,975	204,256
Department Of Defense	1,455,178	-	-	658,449	2,113,627
Department Of Energy	143,653	-	-	621,632	765,285
Department Of Health And Human Services	1,246,991	-	-	-	1,246,991
Department Of The Interior	84,884	-	-	-	84,884
Department Of Transportation	32,274	53,162	-	68,920	154,356
Environmental Protection Agency	91,382	-	-	82,484	173,866
National Aeronautics And Space Administration	3,406	-	-	-	3,406
National Science Foundation	656,858	-	-	24,407	681,265
	<u>\$ 4,226,938</u>	<u>\$ 53,162</u>	<u>\$ 1,016,984</u>	<u>\$ 1,800,235</u>	<u>\$ 7,097,319</u>

Auburn University
Notes to Schedules of Expenditures of Federal Awards
Year Ended September 30, 2013

4. Facilities and Administrative Costs

The University operates under predetermined facilities and administrative cost rates, which were effective beginning October 1, 2009 and are effective through September 30, 2014. The base rate for on-campus research is 48%. Base rates for other facilities and administrative cost recoveries range from 40% to 51%.

5. Federal Student Loan Programs

The Federal Perkins Loan Program (“Perkins”) and the Health Professional Student Loan Program (“HPSL”) are administered directly by the University. Balances and transactions relating to these programs are included in the University’s basic financial statements.

The balances of loans outstanding at September 30, 2013, and funds advanced by the University to eligible students during the year ended September 30, 2013, under the Federal student loan programs are summarized as follows:

	Perkins (CFDA#84.038)	Perkins Cancellations (CFDA#84.037)	HPSL (CFDA#93.342)
Funds advanced to students during fiscal year 2013	\$ 1,996,135	\$ -	\$ 277,000
Loan balances outstanding at September 30, 2013	15,360,116	-	1,983,709
Loan cancellations during fiscal year 2013	-	206,762	4

6. Federal Direct Loans (CFDA# 84.268)

The Federal Direct Student Loan Program (“FDSLPL”), CFDA# 84.268, was established under the Higher Education Act of 1965, as amended in the Student Loan Reform Act of 1993. The FDSLPL enables an eligible student or parent to obtain a loan to pay for the student’s cost of attendance directly through the University rather than through private lenders. The University began participation in the FDSLPL on June 1, 2009, except for Auburn University at Montgomery (“AUM”), which began participating in the program July 1, 2010. As a university qualified to originate loans, the University is responsible for handling the complete loan origination process, including funds management and promissory note functions. The University is not responsible for collection of these loans.

During the program year ended June 30, 2013, the University processed the following amount of student loans under FDSLPL:

	CFDA#	Total 2012
Federal Direct Loans	84.268	\$ 150,055,889

7. Administrative Cost Allowance

During the program year ended June 30, 2013, the University charged \$140,641 and AUM charged \$238 to the Federal Work-Study program for administrative cost allowance. In addition, AUM charged \$31,082 and the University charged zero to the Federal Perkins Loan Program. No administrative cost allowance was charged to the FSEOG for either campus.

Part III

Reports on Internal Control and Compliance and Major Programs



**Independent Auditor’s 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***

To the Board of Trustees of Auburn University
and the President of Auburn University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Auburn University (the “University”) and Auburn Research and Technology Foundation, its discretely presented component unit, which comprise the statements of net position as of September 30, 2013, and the related statement of revenues, expenses, and changes in net position and statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2014. Our report includes a reference to other auditors who audited the financial statements of the Tigers Unlimited Foundation (“TUF”), Auburn Alumni Association (the “Association”) and the Auburn University Foundation (the “Foundation”), as described in our report on the University’s financial statements. The financial statements of the University’s discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

January 28, 2014



**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133**

To the Board of Trustees of Auburn University
and the President of Auburn University

Report on Compliance for Each Major Federal Program

We have audited Auburn University's (the "University") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended September 30, 2013. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We did not audit the University's compliance with the requirements governing maintaining repayment records, monitoring the timing and amount of collections, and the performance of due diligence related to campus-based student loans specified by Federal Perkins and Health Professional Student Loan Programs as described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the University's compliance with those requirements, is based solely on the report of the other auditors. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, based on our audit and the report of other auditors, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-001. Our opinion on each major federal program is not modified with respect to these matters.

The University's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, except as noted in the following paragraph, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.



We did not consider internal control over compliance with the compliance requirements governing maintaining repayment records, monitoring the timing and amount of collections and the performance of due diligence related to campus-based student loans, as specified by Federal Perkins and Health Professional Student Loan Programs and described in the OMB Circular A-133 *Compliance Supplement*. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the report of the other auditors.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration and the other auditors' consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. Also, the report of the other auditors did not identify any deficiencies in internal control over compliance that they consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

June 30, 2014

Part IV

Findings

Auburn University
Schedule of Findings and Questioned Costs
Year Ended September 30, 2013

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	<u>X</u> none reported
Noncompliance material to financial statements noted?	___ yes	<u>X</u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	<u>X</u> none reported

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
10.500	Cooperative Extension Service
47.082	National Science Foundation Recovery Act Research Support- ARRA
11.618	National Institute of Standards and Technology Construction Grant- ARRA

Dollar threshold used to distinguish between type A and type B programs? \$ 3,000,000

Auditee qualified as low-risk auditee? X yes ___ no

Auburn University
Schedule of Findings and Questioned Costs
Year Ended September 30, 2013

II – Financial Statements Findings

None.

Auburn University

Schedule of Findings and Questioned Costs

Year Ended September 30, 2013

III – Federal Award Findings

Finding 2013-001: Verification Process

Federal Agency: Department of Education

Program: Student Financial Aid Cluster

CFDA #: Various

Award #: Various

Award year: October 1, 2012 – September 30, 2013

Criteria

34 CFR section 668.53 - "An institution shall establish and use written policies and procedures for verifying information contained in a student aid application in accordance with the provisions of this subpart."

Condition

During student file testing, we tested 40 verification compliance cases out of a population of 6,316 students at the Auburn main campus and we tested 60 verification compliance cases out of a population of 904 students at the Montgomery campus. Of these 100 students, six had verification criteria that were either unverified or verified but not updated within the student's file.

Each of these errors contributed to the calculation of the respective students' Estimated Family Contribution ("EFC"), which determined the level of aid that they were eligible to receive. The change to the appropriate EFC for each student's calculation resulted in an over-award for four of the six students.

Questioned Costs

The condition resulted in the over-award of financial aid in the total amount of \$3,800.

Cause

The University's controls over verification did not result in complete and accurate verification of the information used to calculate the EFC for all verification cases selected. The verification process at the Auburn main campus is performed by one individual with no additional detailed review. The verification process at the Montgomery campus is performed by two employees and reviewed by a third employee. However, the employees of both campuses failed to demonstrate adequate scrutiny to their verification process and review to ensure appropriate awarding, which resulted in the condition described above.

Effect

The effect of these errors is that the University over-awarded federal aid.

Recommendation

We recommend the University examine its controls over student financial aid verification and enhance the process by which the verification worksheets are prepared and reviewed. This includes establishing common policies and procedures at both campuses and increasing coordination between the two campuses.

Management's View and Corrective Action Plan

See Management's view and corrective action plan included at the end of this report.



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AUBURN UNIVERSITY

ASSOCIATE VICE PRESIDENT
FOR BUSINESS AND FINANCE

June 27, 2014

MANAGEMENT VIEWS AND CORRECTIVE ACTION PLAN REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Finding 2013-1: Verification Process

To ensure Auburn University (the University) is in compliance with Department of Education regulations and to improve the controls surrounding the Student Financial Aid verification process, the University implemented the following corrective action plan.

The main campus Student Financial Services (SFS) office began utilizing an additional employee to assist with verification during peak processing and to serve as the verifier's backup. Throughout the year, this backup employee will also review files, on a sample basis, to ensure all criteria are being verified and corrected. In addition, SFS will continue to encourage students and/or parents to complete the IRS Data Retrieval Process when completing the FAFSA, which minimizes the number of items that must be reviewed for verification. The Auburn University Montgomery (AUM) Financial Aid office will continue their training efforts they established during fiscal year 2013. Since the verification process occurs at both campus locations, the University will enhance the communication between the two offices by sharing revisions to the verification processes, training materials as well as discussing outstanding issues as any arise. The offices will also emphasize the importance of adequate scrutiny when verifying student information to ensure appropriate awarding.

The University has reimbursed the Federal Pell Grant program for the over awards of \$3,800. There have not been any additional over awards identified as a result of follow-up reviews performed by SFS or AUM's Financial Aid Office.

Contact: Amy Douglas, Controller
Anticipated implementation date: June 27, 2014

Auburn University
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2013

Condition

As part of our student file testing, we tested a sample of verification compliance cases at Auburn University's main campus and its Montgomery campus ("AUM"). We selected 40 cases from the main campus's total population of 3,013 and 40 cases from AUM's total population of 1,260. We noted no exceptions from the main campus sample. However, of the 40 cases selected for testing at AUM, we noted 35 students who had a Making Work Pay credit reported on their tax return (or the Parent's tax return for dependent students) that was not recorded on the verification worksheet or the information system utilized by AUM. Two of the 35 students had additional unverified criteria.

These errors impacted the calculation of the student's Estimated Family Contribution ("EFC"), which determines the level of aid they are eligible to receive

Status

The University implemented the prior year; however, additional exceptions were noted in the current year for this compliance requirement. Refer to Finding 2013-001.

See Management's status of the prior year finding, and the current year corrective action plan, at the end of this report.