

UNIVERSITY OF LOUISVILLE

**Single Audit Reports and the
Schedule of Expenditures of Federal Awards
for the Year Ended
June 30, 2011**

UNIVERSITY OF LOUISVILLE

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UNIVERSITY OF LOUISVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
STUDENT FINANCIAL AID CLUSTER			
DEPARTMENT OF EDUCATION			
Federal Supplemental Educational Opportunity Grants	84.007		\$ 648,453
Federal Work Study Program	84.033		994,316
Federal Perkins Loan Program	84.038		10,066,381
Federal Pell Grant Program	84.063		19,895,139
William D. Ford Federal Direct Loan Program	84.268		130,861,205
Academic Competitiveness Grant	84.375		24,819
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376		1,282,179
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		133,500
SUBTOTAL DEPARTMENT OF EDUCATION			<u>163,905,992</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students	93.342		8,601,582
Nursing Student Loans	93.364		366,511
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>8,968,093</u>
TOTAL STUDENT FINANCIAL AID CLUSTER			<u>172,874,085</u>
RESEARCH AND DEVELOPMENT CLUSTER			
DEPARTMENT OF AGRICULTURE			
Department of Agriculture Contracts	10.000		2,807
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Through State of Kentucky	10.561	SCA #58-5438-385	34,940
SUBTOTAL DEPARTMENT OF AGRICULTURE			<u>37,747</u>
DEPARTMENT OF DEFENSE			
Department of Defense Contracts	12.000		19,523
Through EWA Government Systems, Inc.	12.000	EWAGSI-09-LS-0002	1,912
Through Impact Technologies, LLC.	12.000	FA9302-09-C-0024/Prm	84,721
Through InfoBeyond Technology, LLC.	12.000	FA9550-10-C-0153	25,482
Through Paramount Industries, Inc.	12.000	PROPOSAL # R-17451	60,934
Through URS Corporation	12.000	EGG0011378-003	909,471
Through Texas Research Institute Austin, Inc.	12.000	F7919-09-SC1481	103
Basic and Applied Scientific Research	12.300		852,825
Military Medical Research and Development	12.420		2,306,957
Through Christopher & Dana Reeve Foundation	12.420	CTN4-2010(H-H)	116,796
Through Accella Learning, LLC	12.420	W81XWH-10-2-0094	130,341
Through National Foundation to Support Cell Transplant Research	12.420	W81XWH-10-1-0688	314,135
Through Tissue Genesis, Inc.	12.420	P00004 W81XWH0510620	113,529
Through Jewish Hospital & St. Mary's HealthCare, Inc.	12.420	W81XWH-07-1-0185, 09-2-0124	791,702
Basic Scientific Research	12.431		360,111
Through University of Florida Research Foundation	12.431	UF-EIES-0914001-ULR	286,439
Basic, Applied, and Advanced Research in Science and Engineering	12.630		61,338
Air Force Defense Research Sciences Program	12.800		362,740
Mathematical Sciences Grants Program	12.901		12,671
Research and Technology Development	12.910		(25,712)
Through EWA Government Systems, Inc.	12.910	N41786-06-C-4619	2,256
SUBTOTAL DEPARTMENT OF DEFENSE			<u>6,788,274</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Demolition and Revitalization of Severely Distressed Public Housing Through Louisville Housing Authority	14.866	Clarksdale HOPE VI	<u>22,222</u>
DEPARTMENT OF INTERIOR			
Department of Interior Contracts	15.000		31,120
Conservation Grants Private Stewardship for Imperiled Species	15.632		<u>80,521</u>
SUBTOTAL DEPARTMENT OF INTERIOR			<u>111,641</u>
DEPARTMENT OF JUSTICE			
Legal Assistance for Victims through Legal Aid Society	16.524	2010-wl-ax-0050	17,262
Juvenile Justice and Delinquency Prevention - Allocation to State of Kentucky	16.540	2002-JF-FX-0021(DMC)	(2,628)
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		21,048
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		108,011
Public Safety Partnership and Community Policing Grants through University of Chicago at Urbana Champlain	16.710	2009-00413-03	29,690
Criminal and Juvenile Justice and Mental Health Collaboration Program through State of Kentucky	16.745	PON2 02510000007772	43,371
Congressionally Recommended Awards	16.753		<u>116,865</u>
SUBTOTAL DEPARTMENT OF JUSTICE			<u>333,619</u>
DEPARTMENT OF STATE			
Academic Exchange Programs - Scholars	19.401		<u>111,811</u>
DEPARTMENT OF TRANSPORTATION			
Aviation Research Grants	20.108		251,535
Highway Research and Development Program	20.200		71,455
Through State of Kentucky	20.205	P02-628-0700007995	<u>12,053</u>
SUBTOTAL DEPARTMENT OF TRANSPORTATION			<u>335,043</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
NASA Contracts	43.000		1,641,746
Through Kentucky Epscor	43.000	WKURF 596855-08-01	93
Through National Institute of Aerospace	43.000	X09-7059-UOL	72,876
Through Oregon State University	43.000	NS224A-A	41,167
Through Space Telescope Science Institute	43.000	VARIOUS	27,432
Through University of Kentucky Research Foundation	43.000	VARIOUS	74,831
Through Western Kentucky University	43.000	WKURF 516171, 516202	34,928
EPSCoR Aerospace - Education Services Program	43.001		(678)
Technology Transfer	43.002		33,072
Through South Dakota State University	43.002	3TC197	28,322
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			<u>1,953,789</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Promotion of the Humanities - Division of Preservation and Access	45.149		<u>5,400</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
NATIONAL SCIENCE FOUNDATION			
National Science Foundation Contracts	47.000		6,719
Engineering Grants	47.041		454,855
Through Advanced Energy Materials, LLC	47.041	NSF SBIR IIP-1047215	3,778
Through Alabama State University	47.041	ALASU-1100001220	7,415
Through College of Charleston	47.041	NSF-PFI Low Country	16,873
Through NaugaNeedles, LLC	47.041	SBIR II IIP-1058576.0944435	67,023
Through University of New Hampshire	47.041	10-012	6,093
Mathematical and Physical Sciences	47.049		520,633
Through New Mexico State University	47.049	Q01336	18,341
Geosciences	47.050		62,042
Computer and Information Science and Engineering	47.070		111,354
Through University of Kentucky Research Foundation	47.070	304810511309-183,182	880,230
Biological Sciences	47.074		671,985
Through Carnegie Institute	47.074	0629959	5,039
Through Marquette University	47.074	NSF MCB-0951110	33,278
Through Oregon State University	47.074	S0632A-A	(4,284)
Education and Human Resources	47.076		550,540
Through University of Kentucky Research Foundation	47.076	UKRF4-65499-02-354	(2,702)
Office of Cyberinfrastructure			
Through University of Arizona	47.080	Univ. of AZ Y502568	21,561
Office of Experimental Program to Stimulate Competitive Research			
Through University of Kentucky Research Foundation	47.081	3048105113-11-122	6,119
Trans-NSF Recovery Act Research Support - ARRA	47.082		180,318
Through University of Kentucky Research Foundation - ARRA	47.082	3048106819-10-085	30,781
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SUBTOTAL NATIONAL SCIENCE FOUNDATION			3,647,991
DEPARTMENT OF VETERANS AFFAIRS			
Sharing Specialized Medical Resources	64.018		895,496
Veterans Benefits Administration	64.121		(4,525)
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SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS			890,971
ENVIRONMENTAL PROTECTION AGENCY			
Surveys, Studies, Research, Investigations, Demonstrations Relating to the Clean Air Act			
Through Health Effects Institute	66.034	4751-RFA05-2/06-12-3	21,133
Congressionally Mandated Projects	66.202		9,853
Environmental Finance Center Grants	66.203		63,786
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements (Sec 104 (3)(b)) of the Clean Water Act			
Through Tetra Tech, Inc.	66.436	LOPC Grnt #964597060	52,870
Nonpoint Source Implementation Grants			
Through Oldham County Fiscal Court	66.460	Curry's Fork Assess	95,202
Through Pulaski County Conservation District	66.460	Brushy Creek	53,233
Through State of Kentucky	66.460	VARIOUS	261,271
Regional Wetland Program Development Grants	66.461		62,740
Science To Achieve Results (STAR) Research Program through University of Kentucky Research Foundation	66.509	3048104222-08-529	70,096
Science To Achieve Results (STAR) Fellowship Program	66.514		5,080
Surveys, Studies, Investigations and Special Purpose Grants	66.606		13,599
Pollution Prevention Grants Program	66.708		34,982
Source Reduction Assistance	66.717		27,701
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SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY			771,546

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CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
DEPARTMENT OF ENERGY			
Recovery Act State Energy Program through State of Kentucky - ARRA	81.041	VARIOUS	3,020,004
Basic Energy Sciences	81.049		155,853
Through University of Kentucky Research Foundation	81.049	VARIOUS	560,251
Regional Biomass Energy Programs	81.079		783,065
Renewable Energy Research and Development	81.087		1,319,295
Stewardship Science Grant Program	81.112		417,570
Recovery Act State Energy Program Special Projects through State of Kentucky - ARRA	81.119	P02 127 1000003341 1	249,619
Nuclear Energy Research, Development and Demonstration	81.121		(99)
Electricity Delivery and Energy Reliability, Research, Development and Analysis Through Kentucky Public Service Commission	81.122		<u>61,943</u>
SUBTOTAL DEPARTMENT OF ENERGY			<u>6,567,501</u>
DEPARTMENT OF EDUCATION			
Career and Technical Education - National Programs	84.051A		4,603,300
National Institute on Disability and Rehabilitation Research Through University of Michigan	84.133,E	3000631862	181,303
Fund for the Improvement of Education through Ohio Valley Education Cooperative	84.215	0 MOU-OVEC King	7,525
Education Research, Development and Dissemination Through WestEd	84.305K	WesTEd #6073	123,961
Research in Special Education	84.324A		458,519
Through Lehigh University.	84.324A	Sub No. 541821-78006	142,990
Gaining Early Awareness and Readiness for Undergraduate Programs through State of Kentucky	84.334A	PO2 415 0900022444 1	9,671
Gaining Early Awareness and Readiness for Undergraduate Programs through State of Kentucky	84.334S	PO241511000008121	<u>19,652</u>
SUBTOTAL DEPARTMENT OF EDUCATION			<u>5,546,921</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Department of Health and Human Services Contracts	93.000		430,162
Through American College of Radiology	93.000	RTOG 0631	40
Through Corixa Corporation	93.000	HHSN2722009000036C	168,016
Through Duke Clinical Research Institute	93.000	NCCHD-2003-09-LT, 2005-18	26,322
Through EMMES Corporation	93.000	08-CRC-01 (CMTT)	224
Through Enson, Inc.	93.000	HHSN268200448189C	(205)
Through University of Alabama Birmingham	93.000	CASG: NO1 AI 30025	1,479
Biological Response to Environmental Health Hazards	93.113		1,885,742
Oral Disease and Disorders Research	93.121		3,669,371
Through Feinstein Institute of Medical Research	93.121	500447	55,159
Through University of Florida Research Foundation	93.121	UF08023	35,545
Through University of Minnesota	93.121	P001198201	(733)
Through University of Pennsylvania	93.121	555133	18,461
Human Genome Research	93.172	S10-006	95,790
Research Related to Deafness and Communication Disorders	93.173		718,710
Through University of Virginia	93.173	GC11990-136407	24,192
Disabilities Prevention through Christopher & Dana Reeve Foundation	93.184	NRN-2009 (SH),U10/CCU220379	2,103,971
Immunization Research, Demonstration, Public Information and Education -Training and Clinical Skills Improvement	93.185		424,024
Research and Training in Complementary and Alternative Medicine	93.213		459,894
Through Massachusetts General Hospital	93.213	SU01AT00061308	7,343
Policy Research and Evaluation Grants through National Center for Marriage Research	93.239	NCMR-AAMFS-SUBUL09-1	6,626
Mental Health Research Grants	93.242		789,709
Through University of Pittsburgh	93.242	SUB#0005536	6,689
Occupational Safety and Health Research Grants	93.262		204,021
Alcohol Research Programs	93.273		2,102,111
Through Duke University	93.273	303-4612	38,932
Through Emory University	93.273	S323657,S323658	19,173
Drug Abuse Research Programs	93.279		561,054
Through University of Texas at Tyler	93.279	SC08-09	42,615
Through Yale University	93.279	A05599/DKP1089725	(4,312)

See notes to the schedule of expenditures of federal awards

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CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entry #	Fiscal 2011 Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Mental Health National Research Service Awards for Research Training	93.282		32,683
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		(42,746)
Through Kentuckiana Regional Planning and Development Agency	93.283	CDC1U58DP002815-01	110,504
Through State of Kentucky	93.283	PO27281000052371	36,474
Through University of Kentucky Research Foundation	93.283	UKRF 304902401811113	3,263
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		347,982
Through University of Arizona	93.286	Y453041	7,763
Through University of California, Los Angeles	93.286	1R01EB00761501A1	378,658
Minority Health and Health Disparities Research through North Carolina Central University	93.307	5P20MD111175-09	99,784
Trans-NIH Research Support	93.310		10,408
Biomedical Technology through Predictive Physiology and Medicine	93.371		(2,974)
Research Infrastructure	93.389		9,573,214
Through Case Western University	93.389	UL1 RR024989-03S2,S3	18,706
Through University of Kentucky Research Foundation	93.389	3049023052-09-248	485
Cancer Cause and Prevention Research	93.393		2,604,000
Through University of Massachusetts	93.393	6114213/RFS900199	24,309
Cancer Detection and Diagnosis Research	93.394		28,974
Through Children's Hospital Boston	93.394	HHSN268200536179C	3,496
Through Purdue University	93.394	4102-32254	29,366
Cancer Treatment Research	93.395		1,591,331
Through American College of Radiology	93.395	VARIOUS	17,551
Through CureSearch National Research Foundation, Inc.	93.395	COG, 2U10 CA98543-08	143,757
Through Duke Clinical Research Institute	93.395	VARIOUS	17,716
Through Indiana University-Purdue University	93.395	GOG-0210	306
Through Radiation Therapy Oncology Group	93.395	VARIOUS	476
Through Southwest Oncology Group	93.395	VARIOUS	14,547
Through Thermomedical, Inc.	93.395	5R44CA069926	66,052
Through University of North Carolina at Chapel Hill	93.395	5-50398	(651)
Through University of Michigan	93.395	VARIOUS	1,824
Cancer Biology Research	93.396		1,293,266
Cancer Research Manpower	93.398		72,951
Through University of New Mexico	93.398	3A06B,3R010	23,629
Cancer Control Research			
Through NASBP Foundation, Inc.	93.399	STAR	17
Through Purdue University	93.399	4102-38597	23,352
Promoting Safe and Stable Families through State of Kentucky	93.556	PON273610000036331	29,124
Temporary Assistance for Needy Families			
Through Eastern Kentucky University	93.558	EKU 452132-11-172	87,445
Through State of Kentucky	93.558	PON2 736 10000036322	359,386
Social Services Research and Demonstration	93.647		(7,850)
Child Welfare Research Training or Demonstration	93.648		1
Adoption Opportunities through State of Kentucky	93.652	VARIOUS	110,258
Foster Care - Title IV-E through Eastern Kentucky University	93.658	EKU 452127-11-169	139,978
Child Abuse and Neglect Discretionary Activities			
Through University of Kentucky Research Foundation	93.670	ULRF 304810676710278	70,832
TRANS-NIH Recovery Act Research Support - ARRA	93.701		7,266,547
Through Case Western University - ARRA	93.701	RES504529	29,360
Through Duke University - ARRA	93.701	165018	1,311
Through EMMES Corporation - ARRA	93.701	1U01NS026835-01A1	1,151
Through Medical College of Wisconsin - ARRA	93.701	1R01HD061312-01	11,158
Through Ohio State University - ARRA	93.701	ARRA/5RC2CA148099-02	26,708
Through John Wayne Cancer Institute - ARRA	93.701	ARRA 2P01CA029605-2B	961
Through University of Virginia - ARRA	93.701	ZC10138-137454	116,664
ARRA - Prevention and Wellness-State, Territories and Pacific Islands through State of Kentucky	93.723	PON27281000003921 1	44,222
ARRA - Prevention and Wellness-Communities Putting Prevention to Work: Chronic Disease Self-Management	93.724	1U58DP002619-01	107,373
Heart and Vascular Diseases Research	93.837		6,670,830
Through Abiomed, Inc.	93.837	2R44HL092700-02	1,845
Through EndoProtech, Inc.	93.837	2R42HL079855-02A1	81,550
Through Ension Corporation	93.837	Ension 2R44HL059810	(9,035)
Through Indiana University	93.837	IN4688149ULRF	79,131
Through Kentucky Pharmaceuticals, Inc.	93.837	6R42EY017518-04	24,877
Through Mt. Sinai School of Medicine	93.837	7 U01 HL088942	378
Through New York University Medical School	93.837	OAT Study	284
Through Organovo, Inc.	93.837	1R43HL105088-01	30,883
Through S.C.R., Inc.	93.837	VARIOUS	236,045
Through University of Michigan	93.837	U01HL094345	7,871
Through University of Pittsburgh	93.837	0008371	8,612
Through University of Toledo	93.837	CORAL NS 2007-014	2,022
Through University of Utah	93.837	2302004 KY	114,359
Through VitaTech, LLC	93.837	SBIR2 2R44HL07357802	(2,647)
Through Wayne State University	93.837	WSU10044	67,618

See notes to the schedule of expenditures of federal awards

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Lung Diseases Research	93.838		402,277
Through Duke University	93.838	VARIOUS	69,117
Through National Jewish Medical Research Center	93.838	2 P01 HL036577-21A1	85,169
Through West Virginia University	93.838	86-210-ULRF	23,409
Blood Diseases and Resources Research	93.839		160,502
Through American College of Radiology	93.839	RTOG0920	135
Through Drexel University	93.839	1 U10 HL083705-05	2,068
Through Duke University	93.839	146738	45,568
Through New England Research Institute	93.839	PROACTIVE FEASIBILIT	34,667
Through Pharmacogenics Diagnostic Lab	93.839	1 R43 HL090055-01	769
Through Regenerex, Inc.	93.839	5R42HL074579-03	85,907
Arthritis, Musculoskeletal and Skin Diseases Research			
Through Cincinnati Children's Hospital Medical Center	93.846	5P60AR047784-08	277
Through Novera, LLC	93.846	2R44AR052984-02	53,353
Through Washington University	93.846	1 R01 AR055176-01A2	7,542
Diabetes, Endocrinology, and Metabolism Research	93.847		2,293,921
Through ApoVax, Inc.	93.847	1R41DK081296-01A2	75,772
Through Arkansas Children's Hospital Research Institute	93.847	1R01 5R01DK081406-02	12,617
Through Emory University	93.847	1R21DK081847-01A2	3,392
Through Ohio State University	93.847	60026047-01	42,637
Through University of Pittsburgh	93.847	5U01DK075803-03	47,014
Through Research Institute for Children, LSU	93.847	278058	16,677
Digestive Diseases and Nutrition Research	93.848		172,045
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		1,621,500
Through University of Cincinnati	93.853	U01-NS052220	89,640
Through University of Miami	93.853	2 U01 NS40406-04	(4,589)
Through New Jersey Medical School	93.853	CREST TRIAL 99-705	189
Through Weill Medical College	93.853	5 U01 NS50324-03	5,869
Through Westat, Inc.	93.853	8079-S001	2,591
Allergy, Immunology and Transplantation Research	93.855		2,813,311
Through ApoVax, Inc.	93.855	VARIOUS	110,325
Through Children's Hospital Boston	93.855	PICFLU R56	(1,329)
Through Massachusetts General Hospital	93.855	5 U01 AI067693-03	670
Through University of North Carolina at Chapel Hill	93.855	W004489	104,040
Through University of Pennsylvania	93.855	550883	101,750
Through University of Washington	93.855	690143	92,963
Microbiology and Infectious Diseases Research			
Through University of Alabama Birmingham	93.856	06-0046	7,746
Pharmacology, Physiology, and Biological Chemistry Research	93.859		817,624
Through Agennix, Inc.	93.859	LF-0901	76,235
Population Research	93.864		273,212
Center for Research for Mothers and Children	93.865		762,091
Through Duke University	93.865	IND - 76,813	4,286
Through Oregon Research Institute	93.865	First Step: Home/Sch	167,802
Through Rainbow Babies National Medical Center	93.865	HHSN275200403367C	5,571
Aging Research	93.866		1,566,363
Through Trustees of University of Indiana	93.866	IN-468595-UL	21,186
Through University of Cincinnati	93.866	7002	17,814
Through University of Kentucky Research Foundation	93.866	UKRF304801920007089	39,137
Vision Research - Retinal and Choroidal Diseases Research	93.867		3,551,123
Through Children's Hospital of Philadelphia	93.867	1U10EY017014-01A2	43,937
Through Potentia Pharmaceuticals, Inc.	93.867	PH II NANO	(51,510)
Through Stanford University	93.867	23914230-41077-B	330,132
Through University of Pennsylvania	93.867	5-U10-EY-017823-02	17,971
Through Yeshiva University	93.867	9-526-3924	48,610
Health Care and Other Facilities	93.887		1,895,236
HIV Prevention Activities - Non-Governmental Organization Based through University of St. Louis	93.977	StLouis N01-AI-45250	11,026
International Research and Research Training	93.989		15,750
Maternal and Child Health Services Block Grant to the States through State of Kentucky	93.994	PON2 728 10000041061	368,292
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			64,691,249

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Department of Homeland Security Contracts			
Through Murray State University	97.000	OSP#2010-096, Gantt	85,986
Through National Institute for Hometown Security, Inc.	97.000	VARIOUS	3,433,950
Through University of Kentucky Research Foundation	97.000	3048105370-10-018	15,540
Through Western Kentucky University	97.000	WKURF 547103-10-002	109,427
Homeland Security Advanced Research Projects Agency through EWA Government Systems, Inc.	97.065	HSHQDC-11-C-00001	800,552
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY			<u>4,445,455</u>
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			<u>96,261,180</u>
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			
DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction			
Through State of Kentucky	20.205	PO2-628-0700011187	244,222
Through State of Kentucky - ARRA	20.205	PO2-628-1000001840,7062	2,488,327
Through University of Kentucky Research Foundation	20.205	465780-03-010	90,951
SUBTOTAL DEPARTMENT OF TRANSPORTATION			<u>2,823,500</u>
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			<u>2,823,500</u>
STATE FISCAL STABILIZATION FUND CLUSTER			
UNITED STATES DEPARTMENT OF EDUCATION			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act through State of Kentucky - ARRA	84.394		<u>10,077,000</u>
TOTAL STATE FISCAL STABILIZATION FUND CLUSTER			<u>10,077,000</u>
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) CLUSTER			
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Temporary Assistance for Needy Families	93.558	PO2 736 0800017498 1	<u>88</u>
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) CLUSTER			<u>88</u>
HOMELAND SECURITY GRANT PROGRAM CLUSTER			
DEPARTMENT OF HOMELAND SECURITY			
Homeland Security Grant Program through State of Kentucky	97.067	PO2 094 1100002203 1	<u>27,863</u>
TOTAL HOMELAND SECURITY GRANT PROGRAM CLUSTER			<u>27,863</u>
OTHER PROGRAMS			
DEPARTMENT OF AGRICULTURE			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)			
Through State of Kentucky	10.557	W81XWH-07-1-0185	<u>233,964</u>

UNIVERSITY OF LOUISVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
DEPARTMENT OF COMMERCE			
ARRA State Broadband Data and Development Grant Program through Murray State University	11.558	P0001424	<u>116,730</u>
DEPARTMENT OF DEFENSE			
Department of Defense Contracts	12.000		807
Military Medical Research and Development	12.420		61,245
Through Jewish Hospital & St. Mary's HealthCare, Inc.	12.420	2009CKWXK015	338,923
Basic, Applied, and Advanced Research in Science and Engineering			
Through Academy of Applied Science	12.630	EKU 451039-10-131	<u>8,749</u>
SUBTOTAL DEPARTMENT OF DEFENSE			<u>409,724</u>
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		(55)
Public Safety Partnership and Community Policing Grants	16.710		242,268
Through Eastern Kentucky University	16.710	2009-D1-BX-0247	33,818
Through Kentucky State Police	16.710	S-ECAPE-06-GR-164-CS	20,823
Congressionally Recommended Awards	16.753		<u>68,536</u>
SUBTOTAL DEPARTMENT OF JUSTICE			<u>365,390</u>
DEPARTMENT OF STATE			
Congressionally Mandated Projects	19.000		170,738
Congressionally Mandated Projects - Endowment	19.000		5,108,424
Academic Exchange Programs - Scholars	19.401		<u>148,341</u>
SUBTOTAL DEPARTMENT OF STATE			<u>5,427,503</u>
LIBRARY OF CONGRESS			
Library of Congress Contract through Open World Leadership Center, Inc.	42.000	OWLC-0929	<u>5,809</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
NASA Contracts			
Through Northern Kentucky University	43.000	NK 2007-006-4-20602	40,086
Through University of Kentucky Research Foundation	43.000	3049023886-11-016	<u>11,502</u>
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			<u>51,588</u>
NATIONAL SCIENCE FOUNDATION			
Education and Human Resources			
Through Cleveland State University	47.076	DELAT37B	69,351
Through Stevens Institute of Technology	47.076	ENGAGE Project	4,925
Through University of Iowa	47.076	1000747792	10,097
Through University of Kentucky Research Foundation	47.076	3048032200-07-250	43,007
Through University of Tennessee	47.076	Amendment 9 to OR110	55,552
Trans-NSF Recovery Act Research Support - ARRA	47.082		<u>11,472</u>
SUBTOTAL NATIONAL SCIENCE FOUNDATION			<u>101,949</u>
DEPARTMENT OF VETERANS AFFAIRS			
Veterans Administration Medical Hospital Contract	64.000		(24,846)
Procurement of Headstones and Markers and/or Presidential Memorial Certificates	64.202		<u>1,588</u>
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS			<u>(23,258)</u>

See notes to the schedule of expenditures of federal awards

UNIVERSITY OF LOUISVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
ENVIRONMENTAL PROTECTION AGENCY			
Surveys, Studies, Investigations and Special Purpose Grants	66.606		146,244
Pollution Prevention Grants through State of Kentucky	66.708	PO2 129 1000002311 1	9,241
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY			155,485
DEPARTMENT OF ENERGY			
State Energy Program through State of Kentucky - ARRA	81.041	PO2 127 1000001034 2	11,326
Renewable Energy Research and Development	81.087		62,729
SUBTOTAL DEPARTMENT OF ENERGY			74,055
DEPARTMENT OF EDUCATION			
Department of Education Contract through State of Kentucky	84.000	PON2540 1100000698 1	2,893
Special Education through State of Kentucky	84.027	PO2 540 0900024721 1	3,552
Special Education through State of Kentucky	84.027A	PON2 540 10000034071,33851	833,339
TRIO - Student Support Services	84.042A		69,449
TRIO - Upward Bound through the Council for Educational Opportunity	84.047	COE - Upward Bound	52,793
TRIO - Upward Bound	84.047A		582,092
Career and Technical Education - Basic Grants to States through State of Kentucky	84.048	PO2 183 0900025133 1	2,409
Fund for the Improvement of Postsecondary Education	84.116		29,403
Byrd Honors Scholarship Program through State of Kentucky	84.185	KYED - BYRD	61,935
Safe and Drug-Free Schools and Communities - State Grants through State of Kentucky	84.186	PON2 54011000005071	18,925
Fund for the Improvement of Education through Jefferson County Public Schools	84.215	Teaching American History	48,605
Fund for the Improvement of Education	84.215K		(584,164)
Civic Education - Cooperative Education Exchange Program through Center for Civic Education	84.304	Q304D090001	(296)
Special Education - State Program Improvement Grants for Children with Disabilities Through State of Kentucky	84.323A	VARIOUS	132,231
Gaining Early Awareness and Readiness for Undergraduate Programs through State of Kentucky	84.334	VARIOUS	167,474
Gaining Early Awareness and Readiness for Undergraduate Programs through State of Kentucky	84.334S	PO2 415 0800019458 2	36,994
Child Care Access Means Parents in School	84.335		34,120
Improving Teacher Quality State Grants through State of Kentucky	84.367	PON2415110002602	20,372
Improving Teacher Quality State Grants through State of Kentucky	84.367A	PO2 540 1000002138 1	106
Striving Readers through Danville Schools	84.371	Danville Schools	96,735
School Improvement Grants through State of Kentucky	84.377A	PON2 540 10000039621	105,959
Investing in Innovation Fund through Council for Opportunity in Education	84.411	College Access Program	63,878
National Writing Project through National Writing Project Corporation	84.928	92-KY03 Amendment 21	25,031
National Writing Project through National Writing Project Corporation	84.928A	92-KY03 Amendment 22	4,613
SUBTOTAL DEPARTMENT OF EDUCATION			1,808,448
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Department of Health and Human Services Contracts Through Abt Associates, Inc.	93.000	CDC-GS-10F0086K	26,247
Through Batelle Memorial Institute	93.000	FG601918	1,229
Through GlaxoSmithKline	93.000	HHSN272200900008	71,362
Compassion Capital Fund	93.009		398,357
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086		287,172
Model State Supported Area Health Education Centers	93.107		767,697
Maternal and Child Health Federal Consolidated Programs through Michigan Public Health Institute	93.110	K-38818-115-504200	11,361
Biological Response to Environmental Health Hazards	93.113		424,120
Coordinated Services and Access to Research to Women, Infants, Children & Youth	93.153		251,432
Public Health Family Planning Services Through Madison County Health Department	93.217	11-176-389-12	7,326
Through State of Kentucky	93.217	PO2 728 0700007424 1	(656)
Dental Public Health Residency Training through State of Kentucky	93.236	PO2 728 1000004081 1	24,060
Substance Abuse and Mental Health Services Projects of Regional and National Significance Through American Psychiatric Association	93.243	APA/SAMHSA	5,000
Geriatric Academic Career Awards	93.250		74,784

UNIVERSITY OF LOUISVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2011 Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Mental Health National Research Service Awards for Research Training	93.282		40,216
Centers for Disease Control & Prevention: Investigations and Technical Assistance			
Through Meharry Medical College	93.283	080425RZ100S3-01	21,270
Through State of Kentucky	93.283	VARIOUS	188,821
Through University of Kentucky Research Foundation	93.283	VARIOUS	14,941
Teenage Pregnancy Prevention Program	93.297		327,823
Advanced Education Nursing Traineeships	93.358		37,282
Nursing Research	93.361		72,150
Research Infrastructure	93.389		495,530
Cancer Treatment Research	93.395		2,170
Cancer Research Manpower	93.398		180,571
ARRA - Public Health Traineeship Program	93.405		7,934
Head Start	93.643	Mental Health Services	47,336
Children's Justice Grants to States through State of Kentucky	93.643	PON2 736 10000036341	134,425
Child Welfare Services Training Grants	93.648		137,238
Adoption Opportunities	93.652		207,121
Foster Care Title IV-E through Eastern Kentucky University	93.658	248366, ARRA LPPW	408,415
Chafee Foster Care Independence Program	93.674		(1)
Trans-NIH Recovery Act Research Support - ARRA	93.701		18,490
ARRA - National Center for Research Resources, Recovery Act Construction Support	93.702		600,401
ARRA - Prevention and Wellness – Communities Putting Prevention to Work Funding			
Through Jefferson County Metro Government	93.724	VARIOUS	264,327
Heart and Vascular Diseases Research	93.837		72,805
Blood Diseases and Resources Research	93.839		234,571
Diabetes, Endocrinology and Metabolism Research	93.847		185,950
Allergy, Immunology and Transplantation Research	93.855		(13,552)
Microbiology and Infectious Diseases Research	93.856		152,303
Center for Research for Mothers and Children	93.865		376,948
Vision Research	93.867		11,388
Grants for Residency Training in General Internal Medicine and/or Pediatrics	93.884		110,765
Health Care and Other Facilities	93.887		4,602,839
Specialty Selected Health Projects	93.888		589,297
National Bioterrorism Hospital Preparedness Program			
Through University of Kentucky Research Foundation	93.889	3048107483-11-178	99,130
HIV Care Formula Grants through Volunteers of America Kentucky, Inc.	93.917	Letter of Agreement	8,530
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		787,014
Ryan White HIV/AIDS Dental Reimbursements	93.924		680,171
Public Health Traineeships	93.964		5,090
Geriatric Education Centers	93.969		91,382
Preventive Health and Health Services Block Grant through State of Kentucky	93.991	PO2 0900023445 2	5,690
Maternal and Child Health Services Block Grant through State of Kentucky	93.994	VARIOUS	581,694
			<hr/>
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			14,137,966
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Learn and Serve America - Higher Education through Middlesex County College	94.005	Bonner Serve 2.0	1,143
DEPARTMENT OF HOMELAND SECURITY			
Disaster Grants - Public Assistance (Presidentially Declared Disasters) through State of Kentucky	97.036	PON2 095 10000006349 3	58,721
Pre-Disaster Mitigation			
Through Kentucky Community & Technical College System	97.047	PO2 095 10000024 771	108,029
Through State of Kentucky	97.047	PO2 095 0900022153 1	138,754
			<hr/>
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY			305,504
TOTAL OTHER PROGRAMS			<hr/>
			23,366,404
TOTAL EXPENDITURES OF FEDERAL AWARDS			<hr/>
			\$ 305,430,120

See notes to the schedule of expenditures of federal awards

UNIVERSITY OF LOUISVILLE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2011

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) of the University of Louisville (University) has been prepared in the format as set forth in U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The purpose of the Schedule is to present a consolidated summary of those expenditures of the University for the year ended June 30, 2011, which has been financed by the U.S. Government (Federal awards). For purposes of the Schedule, Federal awards include all Federal assistance relationships entered into directly and indirectly between the University and the Federal government and sub-awards from non-federal organizations made under federally sponsored agreements.

The accounting principles followed by the University and used in preparing the Schedule are as follows:

The schedule of expenditures of federal awards includes amounts expended by the University and its affiliated corporation, the University of Louisville Research Foundation, Inc.

Deductions (expenditures) for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general University activities (facilities and administrative costs) which are allocated to awards under negotiated formulas commonly referred to as indirect cost rates.

2. **SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, the University provided federal awards to subrecipients as follows:

FEDERAL FUNDS PROVIDED TO SUBRECIPIENTS	CFDA #	Fiscal 2011 Expenditures
State Broadband Data and Development Grant Program	11.558	\$ 40,000
Military Medical Research and Development	12.420	16,203
Basic Scientific Research	12.431	87,767
Conservation Grants Private Stewardship for Imperiled Species	15.632	15,171
National Aeronautics and Space Administration	43.000	29,792
Mathematical and Physical Sciences	47.049	46,363
Biological Sciences	47.074	29,457
Education and Human Resources	47.076	166,733
Regional Biomass Energy Programs	81.079	124,245
Career and Technical Education -- National Programs	84.051A	1,786,038
Research in Special Education	84.324A	201,044
Model State - Supported Area Health Education Centers	93.107	143,589
Biological Response to Environmental Health Hazards	93.113	35,297
Oral Disease and Disorders Research	93.121	162,786
Disabilites Prevention	93.184	1,174,362
Mental Health Research Grants	93.242	23,842
Drug Abuse and Addiction Research Programs	93.279	21,670
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	110,928
National Center for Research Resources	93.389	1,589,572
Cancer Cause and Prevention Research	93.393	39,895
Cancer Treatment Research	93.395	112,442
Adoption Opportunities	93.652	27,498
Trans-NIH Recovery Act Research Support	93.701	72,353
Heart and Vascular Diseases Research	93.837	297,824
Lung Diseases Research	93.838	41,303
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	4,744
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	19,104
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	118,467
Allergy, Immunology, and Transplantation Research	93.855	162,451
Biomedical Research and Research Training	93.859	232,735
Child Health and Human Development Extramural Research	93.865	22,520
Aging Research	93.866	592,186
Retinal and Choroidal Diseases Research	93.867	237,119
Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership	93.924	31,835
U.S. Dept. of Homeland Security	97.000	722,562
Pre-Disaster Mitigation	97.047	77,635
TOTAL FEDERAL FUNDS PROVIDED TO SUBRECIPIENTS		\$ 8,617,532

3. NON-CASH FINANCIAL ASSISTANCE

Outstanding loan balances at June 30, 2011 were as follows:

	<u>CFDA #</u>	<u>Total</u>
Federal Perkins Loan Program	84.038	\$ 8,656,006
Health Professions Student Loans - Medical	93.342	1,221
Health Professions Primary Care - Medical	93.342	4,391,359
Health Professions Student Loans - Dental	93.342	3,293,179
Nursing Student Loans	93.364	313,869
Loans to Disadvantaged Students - Medical	93.342	143,413
Loans to Disadvantaged Students - Dental	93.342	52,843
		<hr/>
Total Student Loans Outstanding		\$ 16,851,890
		<hr/> <hr/>

Loans received by students for the period ending June 30, 2011 were as follows:

	<u>CFDA #</u>	<u>Total</u>
Federal Family Educational Loan Program (FFELP)	84.032	\$ -
Federal Perkins Loan Program	84.038	1,253,953
William D. Ford Federal Direct Loan Program	84.268	130,861,205
Health Professions Primary Care - Medical	93.342	328,473
Health Professions Student Loans - Medical	93.342	-
Health Professions Student Loans - Dental	93.342	453,000
Nursing Student Loans	93.364	-
Loans to Disadvantaged Students - Medical	93.342	-
Loans to Disadvantaged Students - Dental	93.342	-
		<hr/>
Total Non-Cash Financial Assistance		\$ 132,896,631
		<hr/> <hr/>

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

Board of Trustees
University of Louisville
Louisville, Kentucky

We have audited the financial statements of the University of Louisville and Affiliated Corporations (University) and its discretely presented component unit, collectively, a component unit of the Commonwealth of Kentucky, as of and for the year ended June 30, 2011, which collectively comprise its basic financial statements and have issued our report thereon dated September 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The consolidated financial statements of the University of Louisville Foundation, Inc. and Affiliates, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control 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 University's financial statements will not be prevented or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

BKD, LLP

September 28, 2011

**Independent Accountants' 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 and Schedule of Expenditures of Federal Awards**

Board of Trustees
University of Louisville
Louisville, Kentucky

Compliance

We have audited the compliance of the University of Louisville and Affiliated Corporations (University) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the compliance of the University based on our audit.

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

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 11-01.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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.

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the University, and its discretely presented component unit as of and for the year ended June 30, 2011, and have issued our report thereon dated September 28, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Board of Trustees
University of Louisville
Page 3

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

BKD, LLP

September 28, 2011

University of Louisville
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Summary of Auditor's Results

1. The opinion(s) expressed in the independent accountants' report was:

Unqualified Qualified Adverse Disclaimed

2. The independent accountants' report on internal control over financial reporting described:

Significant deficiency(ies)? Yes No

Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent accountants' report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed:

Significant deficiency(ies)? Yes No

Material weakness(es)? Yes No

5. The opinion(s) expressed in the independent accountants' report on compliance with requirements that could have a direct and material effect on major federal awards was(were):

(Check each description that applies. If any other than unqualified apply, also list the name of each major program by the type of opinion applicable to that program.)

Unqualified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133? Yes No

University of Louisville
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

7. The University's major programs were:

<u>Cluster/Program</u>	<u>CFDA Number</u>
Student Financial Aid Cluster	Various
State Fiscal Stabilization Fund (SFSF) – ARRA	84.394
Center for Asian Democracy	19.000
Health Care and Other Facilities	93.887

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OBM Circular A-133 was \$3,000,000.

9. The University qualified as a low-risk auditee as that term is defined in OBM Circular A-133? Yes No

**University of Louisville
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011**

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
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No matters are reportable.

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
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11-01	Center for Asian Democracy Endowment CFDA# 19.000, Department of State	N/A
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Criteria or specific requirement – Program Income

The endowment funds will be managed by a professional investment officer at the University of Louisville, Kentucky. Based on the \$4,936,000 endowment, it will generate a 5.5% annual return, approximately \$271,480.

Condition – The University placed the federally funded endowment in its professionally managed investment pool which, by policy, distributes as annual income, 5.5% of principal balance based upon a three year rolling average. By following this policy, the endowment did not generate the \$271,480 in annual income as cited in the grant agreement.

Context – Out of the two endowments associated with the Center for Asian Democracy Program, the federally funded endowment and the University’s matching endowment, the federally funded endowment did not generate the annual 5.5% return, approximately \$271,480.

Effect – As such, the program, the Center for Asian Democracy, did not receive an annual spending allowance distribution of 5.5% of principal or approximately \$271,480 per year.

Cause – Due to the severe downturn in the equities markets over the past three years, the federally funded endowment principal balance fell below its book value. According to the University’s investment policy, this endowment was not eligible to distribute 5.5% as annual income since the endowment’s market value fell below the

principal balance granted through the federal award. However, because this endowment was not designated as governed by the University's investment and income distribution policy, it should not have been limited by the University's standard distribution guidelines applicable to other pooled endowments. The award agreement stated that the endowment was expected to generate a 5.5% income distribution or approximately \$271,480 per year.

Recommendation – The University should review grant agreements for federally funded endowments to ensure if the University's standard guidelines will apply or, as noted above, the endowment has specific guidelines the University should follow.

Views of responsible officials and planned corrective action plan – Management concurs with the findings and recommendation. The University of Louisville utilizes a team of investment professionals to ensure that endowments and their related funds are properly treated in accordance with grant agreements and/or University guidelines. University investment managers treated this federally funded endowment consistent with the University's investment policy rather than an endowment which specified a fixed annual distribution of 5.5%.

**University of Louisville
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011**

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Status
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No matters are reportable.