

**UNIVERSITY OF LOUISVILLE
AND AFFILIATED CORPORATIONS**
Louisville, Kentucky

**SINGLE AUDIT REPORTS AND THE
SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**
Year Ended June 30, 2018

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
Louisville, Kentucky

**SINGLE AUDIT REPORTS AND THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
Year Ended June 30, 2018

Table of Contents

	Page
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	15
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	17
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	19
Schedule of Findings and Questioned Costs	22
Summary Schedule of Prior Audit Findings	26

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
STUDENT FINANCIAL AID CLUSTER				
UNITED STATES DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity Grant:	84.007		\$ 21,273,407	\$ -
Federal Work Study Program	84.033		(69)	-
Federal Perkins Loan Program	84.038		8,684,842	-
Federal Pell Grant Program	84.063		106,168	-
William D. Ford Federal Direct Loan Program	84.268		142,876,666	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		107,251	-
			<u>173,048,265</u>	<u>-</u>
N				
SUBTOTAL UNITED STATES DEPARTMENT OF EDUCATION				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Health Professions Student Loans, Including Primary Care Loan: and Loans for Disadvantaged Student s	93.342		9,791,097	-
Nursing Student Loans	93.364		37,834	-
			<u>9,828,931</u>	<u>-</u>
S				
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICE				
TOTAL STUDENT FINANCIAL AID CLUSTER			<u>182,877,196</u>	<u>-</u>
RESEARCH AND DEVELOPMENT CLUSTER				
DEPARTMENT OF AGRICULTURE				
Agricultural Research-Basic and Applied Research	10.206		(1,123)	-
Agriculture and Food Research Initiative (AFRI)	10.310		8,432	-
Wood Education and Resource Center (WERK)	10.681		73,572	-
			<u>80,881</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF AGRICULTURE				
DEPARTMENT OF COMMERCE				
ARRA - Measurements and Engineering Research and Standards	11.609		97,367	-
DEPARTMENT OF DEFENSE				
Department of Defense Contracts				
Through 3DSIM, LLC	12.000	N6833517C0624	39,966	-
Through Ceramics Composites and Coatings Company	12.000	W912HZ-16-C-0015-P00001	52,561	-
Through Corvid Technologies	12.000	STTR N11A-T028	6,955	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Through InfoBeyond Technology LLC	12.000	Estreaming: Dynamic	59,529	-
Through NexGen Aeronautics	12.000	SMART MATERIALS PO# 17-07	30,973	-
Through Orbital ATK, Inc	12.000	3021700145	62,230	-
Through QuesTek Innovations LLC	12.000	PO 1400, 1675	60,006	-
Through Raytheon Company	12.000	PO 4201376716	57,468	-
Through Spectral Sciences, Inc.	12.000	SVIBRATION DETECTION	61,496	-
Through Spectral Sciences, Inc.	12.000	3442-001-47 COMPOSITEBOND	42,371	-
Through University of Pittsburgh Basic and Applied Scientific Research	12.000	0055964-7	66,572	26,383
Basic Scientific Research - Combating Weapons of Mass Destruction	12.300		106,569	98,329
Military Medical Research and Development	12.351		296,183	164,438
Through Christine Kleinert Institute	12.420	W81XWH-13-2-0057	1,274,787	3,080
Through Christopher & Dana Reeve Foundation	12.420	CTN1,5,10,11	55,150	-
Through Clinical Research Foundation	12.420	MSRC-FY18-01	121,073	-
Through Feinstein Institute of Medical Research	12.420	500717UL	19,414	-
Through Jewish Hospital	12.420	CTA-09	13,773	-
Through Kessler Med Rehab Research and Edu Corp	12.420	435-01	(34,324)	-
Through University of Pittsburgh Basic Scientific Research	12.420	0027150 (408007-2)	48,763	-
Information Security Grant Program	12.431		8,120	-
	12.902		214,366	-
			<u>314,294</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF DEFENSE			<u>2,978,295</u>	<u>292,230</u>
DEPARTMENT OF INTERIOR				
Conservation Grants Private Stewardship for Imperiled Species	15.632		15	-
Research Grants	15.650		14,899	6,300
Assistance to State Water Resources Research Institutes				
Through University of Kentucky	15.805	3200000437-18-003	6,184	-
SUBTOTAL DEPARTMENT OF INTERIOR			<u>21,098</u>	<u>6,300</u>
DEPARTMENT OF JUSTICE				
Juvenile Justice and Delinquency Prevention Allocation to States	16.540		7,956	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		369,244	31,316
Through State of Kentucky	16.560	PON2 527 18000009391	55,422	-
Through University of Maryland	16.560	0000018580	85,959	-
Through Vanderbilt University National Sexual Assault Kit Initiative - Department of Justice Bureau of Justice Assistance B - Cooperative Agreements	16.560	UNIV59385	28,660	-
Through State of Kentucky Comprehensive Opioid Abuse Site-Based Program Bureau of Justice Assistance B - Cooperative Agreements, B - Project Grants	16.833	PON2 040 18000010891	11,815	-
Through Louisville/Jefferson Cty Metro Government	16.838	Louisville Law Enforcement	28,706	-
SUBTOTAL DEPARTMENT OF JUSTICE			<u>587,762</u>	<u>31,316</u>

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
DEPARTMENT OF TRANSPORTATION				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Through University of Kentucky Research Foundation	20.505	3049025467-15-041	100,776	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
NASA Contracts	43.000		3,325	-
Through CFD Research Corporation	43.000	20160274 SLM Inconel 718	23,341	-
Through Kentucky EPScoR	43.000	3048112736-16-199	26,946	-
Through Space Telescope Science Institute	43.000	HST-AR-15008.008-A	6,160	-
Through Universal Technology Corporation	43.000	18-7623-03-C1	28,383	-
Through University of Kentucky Research Foundation	43.000	3210000183-16-119	95	-
Through University of Kentucky Research Foundation	43.000	3200000161-18-205	10,066	-
Aerospace Education Services Program	43.001		324,832	138,136
Through Columbia University	43.001	1(GG013215)	4,259	-
Through University of Kentucky Research Foundation Cooperative Agreements	43.001	3049025881-18-287	6,339	-
Through Baylor College of Medicine	43.003	NNX16A069A	85,080	-
Through University of Kentucky Research Foundation	43.008	3048111831-15-029	74,951	1,250
Through University of Kentucky Research Foundation	43.008	3200001466-18-042	5,165	-
Through University of Kentucky Research Foundation	43.008	320000161-16-230	6,764	1,788
Through University of Kentucky Research Foundation	43.008	3210000163-17-139	30,278	-
Through University of Kentucky Research Foundation	43.008	3210000183-17-138	21,972	-
Through University of Kentucky Research Foundation	43.008	3210000183-18-196	18,281	-
Cross Agency Support	43.009		61,086	-
			<u>737,323</u>	<u>141,174</u>
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
NATIONAL SCIENCE FOUNDATION				
National Science Foundation Contract	47.000		126,981	-
Engineering Grants	47.041		2,513,156	628,538
Through Tactile Anologies, LLC	47.041	Haptic Tactile Display	75,576	-
Through University of Michigan Mathematical and Physical Sciences	47.041	3004865092	29,997	-
	47.049		707,279	145,255
Through Ball State University	47.049	G1108-UL	40,506	-
Through Eastern Illinois University Geosciences	47.049	FY2017-02	(255)	-
	47.050		62,799	-
Computer and Information Science and Engineering	47.070		374,051	120,405
Biological Sciences	47.074		819,015	34,980
Social, Behavioral, and Economic Sciences	47.075		278,848	35,266
Education and Human Resources	47.076		357,403	-
Through Biological Sciences Curriculum Study	47.076	1503280	36,805	-
Through Tennessee Tech University	47.076	5-31289	48,121	-
Through University of Kentucky Research Foundation Office of International Science and Engineering	47.076	3048111054-14-127	67,655	-
Through University of Kentucky Research Foundation	47.079	3048111570-15-016	(2)	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Through University of Kentucky Research Foundation Office of Integrative Activities	47.079	3200000271-18-282	4,346	-
Through Kentucky EPScoR	47.083	3200000271-17-025	1,026	-
Through University of Kentucky Research Foundation	47.083	3200000271-16	<u>712,999</u>	<u>-</u>
			6,256,306	964,444
SUBTOTAL NATIONAL SCIENCE FOUNDATION				
DEPARTMENT OF VETERANS AFFAIRS				
Sharing Specialized Medical Resources	64.018		<u>463,660</u>	<u>-</u>
ENVIRONMENTAL PROTECTION AGENCY				
Regional Wetland Program Development Grants	66.461		1,319	2,709
Brownfields Training	66.814		<u>207,645</u>	<u>66,650</u>
			208,964	69,359
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				
DEPARTMENT OF ENERGY				
U.S. Department of Energy Contract				
Through Lawrence Berkeley National Laboratory	81.000	740019	7,817	-
Through Los Alamos National Laboratory	81.000	420099	45,715	-
Through Los Alamos National Laboratory	81.000	484668	4,199	-
Through U.S. ATLAS Management Office Renewable Energy Research and Development	81.000	338637	6,909	-
Through Electric Power Research Institute	81.087	4700002595	<u>3,254</u>	<u>-</u>
			67,894	-
SUBTOTAL DEPARTMENT OF ENERGY				
DEPARTMENT OF EDUCATION				
Education Research				
Through State of Kentucky	84.206	PON2 540	74,544	-
Through University of Connecticut Education Research, Development and Dissemination	84.206	RSA# 68614 KFS# 5631600	62,730	-
Through Development Services Group, Inc.	84.305	2015-01 ED-IES-15-D-0003	17,444	-
Through Virginia Commonwealth University Research in Special Education	84.305	FP00002959_SA002	22,105	-
	84.324		670,989	227,561
Through Oregon Research Institute	84.324	R324A150221	<u>284,001</u>	<u>-</u>
			1,131,813	227,561
SUBTOTAL DEPARTMENT OF EDUCATION				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Department of Health and Human Services Contracts	93.000		346,311	-
Through AtoxBio Ltd.	93.000	ATB-202	508	-
Through Christopher and Dana Reeve Foundation	93.000	NRN-2017	1,147,028	839,481
Through Duke Clinical Research Institute	93.000	CE 01-120	1,094	-
Through Duke Clinical Research Institute	93.000	NICHD-2011-POPS	699	-
Through Duke Clinical Research Institute	93.000	NICHD-2011-POP01	43	-
Through Duke Clinical Research Institute	93.000	NICHD-2015-REP01	30,240	-
Through Duke Clinical Research Institute	93.000	218092	1,029	-
Through Duke Clinical Research Institute	93.000	203-8391	12,732	-
Through Duke Clinical Research Institute	93.000	NICHD-2012-CLIN01	959	-
Through Espira, Inc.	93.000	Exosome and Oncosome	4,985	-
Through NRG Oncology Foundation, Inc.	93.000	NRG HN002	126	-
Through NRG Oncology Foundation, Inc.	93.000	EAY131 MATCH	116	-
Through NRG Oncology Foundation, Inc.	93.000	EA5142	233	-
Through NRG Oncology Foundation, Inc.	93.000	GOG-0281	268	-
Through NRG Oncology Foundation, Inc.	93.000	RTOG 0631	392	-
Through University of Maryland	93.000	1701881	69,057	-
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		1,475,972	-
Through Johns Hopkins University	93.077	2003783180	12,258	-
Through National American Heart Association Blood Disorder Program: Prevention, Surveillance, and Research	93.077	FX-ATRAC-UL1	1,876,770	-
Through University of North Carolina	93.080	5103566	3,740	-
Through University of North Carolina Healthy Marriage Promotion and Responsible Fatherhood Grants	93.080	5109318	2,278	-
Through Fatherhood Research & Practice Network Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.086	GB170637	22,241	-
Through Eastern Kentucky University Food and Drug Administration Research	93.087	453243-17-130	211	-
Through Duke University Maternal and Child Health Federal Consolidated Programs	93.103	CTTI-001	20,628	-
Adolescent Family Life Research Grants through Texas Health Institute	93.110	Evaluation Services	43,346	-
Biological Response to Environmental Health Hazards	93.111	THI-2016-01	(4,152)	-
Through University of Kentucky Research Foundation Oral Disease and Disorders Research	93.113	3048111486-14-173	3,338,891	265,059
Through Research Foundation for SUNY at Buffalo	93.121	1R21DE027201-01	28,117	-
Through University of Bristol	93.121	ORCA 61045	4,345,222	148,771
Through University of Texas at Austin Injury Prevention and Control Research and State and Community Based Programs	93.121	UTA13-000775	30,930	-
NIEHS Hazardous Waste Worker Health and Safety Training	93.121	93.121	30,593	-
Through Duke University	93.136	93.136	17,850	-
Through Emory University NIEHS Superfund Hazardous Substances_Basic Research and Education	93.136	93.136	1,164,746	569,366
Human Genome Research	93.142	2035908	18,124	-
Through HudsonAlpha Institute for Biotechnology	93.142	T953523	24,069	-
Through HudsonAlpha Institute for Biotechnology	93.143	20000.001.04-02	581,647	-
Through Vanderbilt University Research Related to Deafness and Communication Disorders	93.172	20000.044.01-01	592,634	265,620
Through University of Virginia Research and Training in Complementary and Alternative Medicine	93.172	VUMC59997	30,637	-
	93.172	93.172	31,164	-
	93.173	93.173	6,764	-
	93.173	93.173	725,100	-
	93.213	93.213	(1,843)	-
	93.213	93.213	424,611	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Research on Healthcare Costs	93.226		235,109	29,340
Mental Health Research Grants	93.242		141,625	70,046
Through University of California, San Francisco	93.242	8491SC	1,097	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		297,450	35,488
Occupational Safety and Health Research Grants	93.262		53,543	15,590
Alcohol Research Programs	93.273		3,912,748	54,400
Through Cleveland Clinic Lerner College of Medicine	93.273	728-SUB	51,892	-
Through EndoProtech Inc.	93.273	LIVER DIS R44AA021331	193,110	-
Through University of California, San Diego	93.273	56449095 / S90000837	124,330	-
Through Vanderbilt University Drug Abuse Research Programs	93.273	VUMC 64149	60,086	-
Through University of North Carolina	93.279	20150048.1	99,582	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		342,833	42,306
Through Bionic Eye Technologies, Inc.	93.286	5U01EB018873-03	24,465	-
Through Wake Forest University Trans-NIH Research Support	93.286	WFUHS 115350	10,398	-
Through Massachusetts General Hospital	93.310		1,318,830	151,752
Through Ohio State University	93.310	229365	119,548	-
Through University of Florida Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.310	60059325	25,559	-
Through State of Kentucky	93.310	UFDSP00011499,11913	43,576	-
Through State of Kentucky Paralysis Resource Center B - Cooperative Agreements (Discretionary Grants)	93.314	PO2 767 17000048521	22,511	-
Through Christopher and Dana Reeve Foundation Nursing Research	93.314	PO2 767 1700004852 2	48,512	-
Through University of Kentucky Research Foundation Research Infrastructure	93.325	NRN-2015,2016(SH)	854,455	258,655
Cancer Cause and Prevention Research	93.361		49,340	-
Through Baylor College of Medicine	93.361	3200001034-18-191	8,520	-
Through Georgia Regents Augusta State University	93.389		(1,860)	-
Through University of Kansas Medical Center Cancer Detection and Diagnosis Research	93.393		1,033,201	285,417
Through University of Massachusetts	93.393	CA187143	44,193	-
Through Wake Forest University Cancer Treatment Research	93.393	Educational Program	500	-
Through 3P Biotechnologies, Inc.	93.393	QU866910	28,406	-
Through Alliance for Clinical Trials in Oncology	93.394		13,459	613
Through Alliance for Clinical Trials in Oncology	93.394	OSP2016157	30,815	-
Through Brigham & Women's Hospital	93.394	WFUHS 113201	3,400	-
Through Children's Hospital of Philadelphia	93.395		1,603,642	118,786
Through Children's Hospital of Philadelphia	93.395	1R44CA221487-01	14,107	-
Through Children's Hospital of Philadelphia	93.395	Z11102	8	-
Through Children's Hospital of Philadelphia	93.395	A011202	1,283	-
Through Children's Hospital of Philadelphia	93.395	Alliance A151216	166	-
Through Children's Hospital of Philadelphia	93.395	COG AHOD1331	1,428	-
Through Children's Hospital of Philadelphia	93.395	COG AALL1331	7,026	-
Through Children's Hospital of Philadelphia	93.395	NIH COG CHAIR WK INT	(3,066)	-
Through Children's Hospital of Philadelphia	93.395	U10CA180886	27,691	-
Through Children's Hospital of Philadelphia	93.395	1UG1CA189955-01	7,278	-
Through FasCure Therapeutics LLC	93.395	NOVEL ADJUVANT SYSTE	11,658	-
Through NRG Oncology Foundation, Inc.	93.395	RTOG0920	160	-
Through Southwest Oncology Group	93.395	ECOG E5103	1	-
Through Wake Forest University Cancer Biology Research	93.395	WFUHS 113942	5,389	-
Through University of Kentucky Research Foundation	93.396		1,246,195	60,518
	93.396	3049025772-15-059	264,103	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Through University of Nebraska Medical Center	93.396	34-5140-2063-001	61,800	-
Cancer Research Manpower	93.398		478,741	-
Refugee and Entrant Assistance_State Administered Programs	93.566		20,879	-
Head Start through Jefferson County Public Schools	93.600	(FED)JCPS Early Childhood	34,679	-
Child Welfare Services Training Grants				
Through University of Nebraska-Lincoln	93.648	24-0520-0227-004, 0249-003	280,072	-
Foster Care_Title IV-E				
Through Eastern Kentucky University	93.658	PON2 736 1700002784	139,475	-
Trans-NIH Recovery Act Research Support				
Through EMMES Corporation, EPP (NCI)	93.701	1U01NS026835-01A1	378	-
Heart and Vascular Diseases Research	93.837		6,131,989	299,599
Through Brigham & Women's Hospital	93.837	5U01HL101422-03	81	-
Through Children's Hospital Boston	93.837	GENFD0001310440	77,479	-
Through Children's Hospital of Philadelphia	93.837	FP11498A1-SUB16-07	9	-
Through EndoProtech, Inc.	93.837	A NOVEL LIPO THERAPY	(1,354)	-
Through Enson, Inc.	93.837	PED LIFE SUPPORT	(7,978)	-
Through HeartWare, Inc.	93.837	5R44HL103014-03	28,152	-
Through Massachusetts General Hospital	93.837	5U01HL123336-02	6,706	-
Through New York University Medical School	93.837	PV-10-EA-02	4,198	-
Through SCR, Inc.	93.837	2R44HL102981-02A1	271	-
Through University of Alabama at Birmingham	93.837	000514985-002	30,410	-
Through University of Florida	93.837	UFDSP00011610	17,643	-
Through University of Texas at Houston	93.837	CONCERT-HF	128,743	-
Through University of Texas at Houston	93.837	5UM1HL087318-09	14,019	-
Through University of Texas Medical Branch	93.837	17-064 / PO 1526	61,485	-
Through University of Utah	93.837	10041797 - LOUISVILLE	86,819	-
Through Yale University	93.837	EXERCISE IN GENETIC	150	-
Lung Diseases Research	93.838		534,151	-
Through Children's Hospital Boston	93.838	5U01HL107681-04	15,958	-
Through Johns Hopkins University	93.838	2003043501	28,255	-
Through University of Florida	93.838	UFDSP00011610	9,098	-
Blood Diseases and Resources Research	93.839		180,136	-
Through All Children's Research Institute, Inc.	93.839	ACRI 38-001 DOTT Trial	660	-
Through Rutgers University	93.839	SUB00000047	71,575	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		1,487,315	-
Through Cincinnati Children's Hospital Medical Center	93.846	138708	5,681	-
Through Oklahoma Medical Research Foundation	93.846	0246-05LOUI/S1610478	31,283	-
Through University of Chicago	93.846	FP050821	31,220	-
Diabetes, Endocrinology, and Metabolism Research	93.847		1,733,405	-
Through Exscien Corporation	93.847	INSULIN RESIST TREAT	51,463	-
Through Fascure Therapeutics, LLC	93.847	1R41DK111314-01A1	37,470	-
Through Johns Hopkins University	93.847	JHU 2003172574	504	-
Through Nationwide Children's Hospital	93.847	700043-0518-00	15,100	-
Through Nationwide Children's Hospital	93.847	82137416	210,582	-
Through Noveratech, LLC	93.847	DIABETIC FOOT ULCERS	(16,311)	-
Through Noveratech, LLC	93.847	2R44DK105692-02	248,900	-
Through Ohio State University	93.847	60056720 / RF01466576	42,810	-
Through Rush University Medical Center	93.847	13032902-Sub3	20,152	-
Through University of South Florida	93.847	TN-18	423	-
Through University of South Florida	93.847	TN-20	18	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Through University of South Florida	93.847	TN01 TYPE 1 UDK097835A	1,897	-
Through University of South Florida Extramural Research Programs in the Neurosciences and Neurological Disorders	93.847	nbvgv TYPE 1 TN-16	669	-
Through Massachusetts General Hospital	93.853	INO-PD-P3-2014	2,580,819	96,387
Through Mayo Clinic	93.853	5U01NS080168-03	12,392	-
Through University of Washington Allergy, Immunology and Transplantation Research	93.853	UWSC7771	3,499	-
Through Brigham & Women's Hospital	93.855	SUM1AI068636-09 - REVISED	74,208	-
Through Children's Hospital Boston	93.855	SR01AI084011-04	6,780,674	1,488,407
Through Dana Farber Cancer Institute	93.855	1261703	14,517	-
Through Duke University	93.855	203 8238	2,016	-
Through Duke University	93.855	203-8452	3,568	-
Through FasCure Therapeutics, LLC	93.855	VACC PLAGUE R41A1120353	10,417	-
Through Indiana University	93.855	BL-4624260-ULRF	14,744	-
Through Massachusetts General Hospital	93.855	225488	3,917	-
Through Massachusetts General Hospital	93.855	229712	69,415	-
Through Medigen, Inc.	93.855	2R44AI094863-03A1	13,472	-
Through Rosalind Franklin University of Medicine	93.855	212221UL	5,861	-
Through University of California-Berkeley	93.855	00009352	71,730	-
Through University of Minnesota Microbiology and Infectious Diseases Research	93.855	N004761501	31,539	-
Pharmacology, Physiology, and Biological Chemistry Research	93.856		18,065	-
Through Research Foundation for SUNY at Buffalo	93.856		294,251	-
Through University of Kentucky Research Foundation	93.859	R1059229	9,725,994	1,500,264
Through University of Utah Center for Research for Mothers and Children	93.859	3200000086-16-014	94,859	-
Through Ann & Robert Lurie Children's Memorial Hospital	93.859	10030565-LOU	31,908	-
Through Stanford University	93.865	901461-Louisville	12,842	-
Through University of Arkansas Aging Research	93.865	61281978-105015	551,691	-
Through University of Kentucky Research Foundation Vision Research - Retinal and Choroidal Diseases Research	93.865	ACT NOW	9,843	-
Through Children's Hospital of Philadelphia	93.866	320000011-14-174	5,547	-
Through Johns Hopkins University	93.866		1,220,099	97,840
Through Ohio State University	93.866		20,863	-
Through University of Idaho	93.867	3209850815	3,693,861	309,813
Through Virginia Tech Carilion	93.867	MERIT Trial PO 2003556348	4,861	-
Through Washington University St. Louis School of Medicine Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.867	60047172	1,569	-
Maternal and Child Health Services Block Grant to the States	93.867	ABK809-SB-001	146,069	-
Through State of Kentucky	93.867	432007-19111	42,850	-
	93.867	WU-16-123	26,844	-
	93.918		30,911	-
	93.918		75,131	-
	93.994	PO2 728 1600004752 1	256,126	-
			<u>67,261,478</u>	<u>7,003,518</u>
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
United States Agency for International Development Contract				
Through National Academy of Sciences	98.000	2000007145	70,690	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			<u>80,064,307</u>	<u>8,735,902</u>
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Through State of Kentucky	20.205	PO2-628-0700011187	<u>(5,933)</u>	<u>-</u>
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			<u>(5,933)</u>	<u>-</u>
SPECIAL EDUCATION (IDEA) CLUSTER				
DEPARTMENT OF EDUCATION				
Special Education_Grants to States Through Jefferson County Public Schools	84.027	JCPS Disproportionality	119,853	-
Through State of Kentucky	84.027	PON2 540 1500001985 1	46,999	-
Through State of Kentucky	84.027	PON2 540 1600002615 1	90,607	83,361
Through State of Kentucky	84.027	PON2 540 1600002548 1	24,585	35,397
Through State of Kentucky	84.027	PON2 540 1700002158 1	21,354	-
Through State of Kentucky	84.027	PON2 540 1700001845 1	313,470	165,370
Through State of Kentucky	84.027	PON2 540 1700002720 1	<u>781,022</u>	<u>256,430</u>
SUBTOTAL DEPARTMENT OF EDUCATION			<u>1,397,890</u>	<u>540,558</u>
TOTAL SPECIAL EDUCATION (IDEA) CLUSTER			<u>1,397,890</u>	<u>540,558</u>
TRIO CLUSTER				
DEPARTMENT OF EDUCATION				
TRIO - Student Support Services	84.042		212,541	-
TRIO - Talent Search	84.044		232,066	-
TRIO - Upward Bound	84.047		<u>733,212</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF EDUCATION			<u>1,177,819</u>	<u>-</u>
TOTAL TRIO CLUSTER			<u>1,177,819</u>	<u>-</u>

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
MEDICAID CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Medical Assistance Program Through Eastern Kentucky University	93.778	PON2 736 1700002784	104,517	-
			<u>104,517</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				
TOTAL MEDICAID CLUSTER			<u>104,517</u>	<u>-</u>
TOTAL SPECIAL CLUSTERS			<u>2,674,293</u>	<u>540,558</u>
OTHER PROGRAMS				
DEPARTMENT OF AGRICULTURE				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) through State of Kentucky	10.557	PO2 728 1600004675 1	294,708	-
			<u>294,708</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF AGRICULTURE				
DEPARTMENT OF DEFENSE				
Department of Defense Contracts Through GE Global Research	12.000		95,984	-
Through Techshot	12.000	PO # 401004534	3	-
ROTC Language and Culture Training Grants	12.357	TISSUE ENG VASCULAR	(84,544)	-
Basic	12.630		6,017	-
			<u>7,787</u>	<u>-</u>
			<u>25,247</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF DEFENSE				
DEPARTMENT OF JUSTICE				
Department of Justice Contract through DB Consulting Group, Inc. Legal Assistance for Victims	16.000	PO2 736 1600004590 1	(11,854)	-
Through Legal Aid Society, Inc.	16.524	2010-wl-ax-0050	(635)	-
Through Legal Aid Society, Inc.	16.524	OVW LAV 2014-2017	24,006	-
			<u>11,517</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF JUSTICE				

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
DEPARTMENT OF STATE				
Academic Exchange Programs - Scholars	19.401		23,063	-
B - Cooperative Agreements, B - Project Grants	19.703		<u>197,894</u>	<u>-</u>
			<u>220,957</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF STATE				
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Education				
Through University of Kentucky Res. Fdn.	43.008	3200000722-17-004	<u>64,050</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE ARTS				
Promotion of the Arts_Grants to Organizations and Individuals	45.024		<u>10,000</u>	<u>-</u>
ENVIRONMENTAL PROTECTION AGENCY				
Pollution Prevention Grants Program	66.708		78,617	-
Through State of Kentucky	66.708	PON2 129 1600001930 1	60	-
Through State of Kentucky	66.708	PON2 129 1700001134 1	14,111	-
Through State of Kentucky	66.708	PON2 129 1800000875 2	37,807	-
Source Reduction Assistance	66.717		<u>62,130</u>	<u>-</u>
			<u>192,725</u>	<u>-</u>
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				
DEPARTMENT OF ENERGY				
State Energy Program				
Through State of Kentucky	81.041	PON2 127 1700002151 1	(599)	-
Through State of Kentucky	81.041	PON2 127 1700002151 1	<u>58,677</u>	<u>-</u>
			<u>58,078</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF ENERGY				
DEPARTMENT OF EDUCATION				
Department of Education Contracts				
Through Jefferson County Public Schools	84.000	JCPS Instructional Coding	156,438	-
Through University of Florida	84.000	1700517025, 1800563663	60,070	-
Career and Technical Education-Basic Grants to States				
Through Education Professional Standards Board	84.048	PO2 183 1800000310 1	3,319	-
Through State of Kentucky	84.048	PON2 540 1600002696 1	235	-
Through State of Kentucky	84.048	PON2 540 1700002917 1	12,950	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Through State of Kentucky Special Education Grants for Infants and Families with Disabilities	84.048	PON2 540 1800000574 1	38,547	-
Through State of Kentucky Special Education - State Program Improvement Grants for Children with Disabilities For Children with Disabilities	84.181	PO2 748 1600005840 1	194,980	-
Through State of Kentucky	84.323	PON2 540 1600000488 1	128	-
Through State of Kentucky	84.323	PON2 540 1700000388 1	257,547	-
Through State of Kentucky Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.323	PON2 540 1800000815 1	279,466	-
Through State of Kentucky Gaining Early Awareness and Readiness for Undergraduate Programs	84.325		317,942	-
Through State of Kentucky Mathematics and Science Partnerships	84.334	PO2 41517000037391	100,162	-
Through Carroll County Schools	84.366	All in for Algebra	23,846	-
Through Jefferson County Public Schools	84.366	RM 10-27-14	(36)	-
Through Jefferson County Public Schools	84.366	Math Science Partnership	65,758	-
Through State of Kentucky	84.366	PON2 540 1700000622 1	54,821	17,563
Through State of Kentucky Improving Teacher Quality State Grants	84.366	PON2 540 1800000884 1	175,203	9,579
Through National Writing Project	84.367	92-KY03-SEED2016	11	-
Through National Writing Project	84.367	92-KY03-SEED2016-ILI	160	-
Through National Writing Project	84.367	92-KY03-SEED2016-HNEval	1,156	-
Through National Writing Project ARRA - Investing in Innovation (i3) Fund	84.367	92-KY03-SEED2016-HNE	11,434	-
Through National Writing Project	84.411	92-KY03-2017i3AI	15,576	-
Through National Writing Project	84.411	92-KY03-2018i3C3WP	2,925	-
			1,772,638	27,142
SUBTOTAL DEPARTMENT OF EDUCATION				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Department of Health and Human Services Contracts				
Through Duke University	93.000	DMID 14-0079	5,651	-
Through National Fragile X Foundation Sexual Risk Avoidance Education	93.000	FORWARD REGISTRY	3,780	-
Public Health Emergency Preparedness through State of Kentucky	93.060		245,547	-
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.069	PO2 728 160000050531	121,312	-
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.086		831,440	-
Through Eastern Kentucky University	93.087	PON2 736 1700002784	62,742	-
Through University of Maine Model State Supported Area Health Education Centers	93.087	UMS-1091	12,993	-
Maternal and Child Health Federal Consolidated Programs	93.107		720,389	554,599
Emergency Medical Services for Children	93.110	HHSF223201510636P	4,804	-
Coordinated Services and Access to Research for Women, Infants, Children & Youth	93.127		14,955	-
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.153		409,350	-
Through Volunteers of America Centers for Disease Control & Prevention: Investigations and Technical Assistance	93.243	1H79TI025542-01	115,496	22,592
Through Catholic Charities	93.243		39,419	-
Through Catholic Charities	93.283	261-10-8080-2017	45,109	-

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2018 Expenditures	Amount Provided to Subrecipients
Through State of Kentucky	93.283	PON2 728 1600002294 1	52,334	-
Through State of Kentucky	93.283	PO2 728 1600005012 1	63,788	-
Through State of Kentucky	93.283	PO2 728 1600005011 1	128,542	6,481
Through University of Kentucky Research Foundation	93.283	3200001003-17-126	2,170	-
Through University of Kentucky Research Foundation	93.283	3200001340-18-074	45,713	-
Through University of Kentucky Research Foundation	93.283	3200001587-18-239	3,218	-
National State Based Tobacco Control Programs through State of Kentucky	93.305	PON2 7281600002074 1	29,795	-
Affordable Care Act (ACA) Public Health Training Centers Program				
Through Emory University Refugee and Entrant Assistance_Discretionary Grants	93.516	T657440,T846278	39,409	-
Through Catholic Charities, Inc. Family Violence Prevention and Services Head Start	93.576	252-10-8080-2016_2017	(1,049)	-
	93.592		67,372	38,148
Through Ohio Valley Education Cooperative	93.600	FY18 OVEC - UofL Early	(5)	-
Through Ohio Valley Education Cooperative	93.600	FY18 OVEC - UofL Early	123,934	-
Assistance for Torture Victims	93.604		248,822	-
Children's Justice Grants to States				
Through State of Kentucky	93.643	PO2 736 1600004590 1	198,913	-
Through State of Kentucky	93.643	PO2 736 1400004127 1	(4,044)	-
Adoption Opportunities	93.652		557,314	161,012
Foster Care Title IV-E				
Through Eastern Kentucky University	93.658	453224-17-122	(659)	-
Through Eastern Kentucky University	93.658	453227-17-121	4,985	-
Through Eastern Kentucky University	93.658	453226-17-131	(32)	-
Through Eastern Kentucky University	93.658	453234-17-128	(46)	-
Through Eastern Kentucky University	93.658	PON2 736 1700002784	163,521	-
Through Eastern Kentucky University	93.658	PON2 736 1700002784	140,528	-
Through Eastern Kentucky University	93.658	PON2 736 1700002784	212,960	-
Through Eastern Kentucky University Mental and Behavioral Health Education and Training Grants	93.732		98,984	-
Organized Approaches to Increase Colorectal Cancer Screening				
Through State of Kentucky Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.800	1 M01HP31363-01-00	26,806	-
Through State of Kentucky HIV Care Formula Grants	93.815	PO2 728 1600006176 1	54,560	-
Through State of Kentucky	93.917	PON2 728 1600002326 1	997,317	-
Through State of Kentucky	93.917	PO2 728 1600005009 1	979,373	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		692,055	-
Ryan White HIV/AIDS Dental Reimbursements	93.924		357,514	-
Geriatric Education Centers	93.969		781,853	107,211
Maternal and Child Health Services Block Grant				
Through State of Kentucky	93.994	PO2 728 1600004738 1	46,596	-
Through State of Kentucky	93.994	PO2 767 1600005577 1	16,369	-
Through State of Kentucky	93.994	PO2 728 1600004795 1	324,111	-
Through State of Kentucky	93.994	PO2 728 1600004432 1	16,754	-
			<u>9,102,762</u>	<u>890,043</u>
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				
TOTAL OTHER PROGRAMS			<u>11,752,682</u>	<u>917,185</u>

UNIVERSITY OF LOUISVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grant or Program Title	<u>CFDA #</u>	<u>Pass Through Entity #</u>	<u>Fiscal 2018 Expenditures</u>	<u>Amount Provided to Subrecipients</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 277,368,478</u>	<u>\$ 10,193,645</u>

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2018

NOTE 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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, 2018, which has been financed by the U.S. Government (Federal awards). For purposes of the Schedule, Federal awards include all Federal assistance and procurement 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 cash method of accounting and the cost accounting principles contained in Uniform Guidance. 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. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2018

NOTE 2 – NON-CASH FINANCIAL ASSISTANCE

Outstanding loan balances at June 30, 2018 were as follows:

	<u>CFDA #</u>	<u>Total</u>
Federal Perkins Loan Program	84.038	\$ 7,642,078
Health Professions Student - Medical	93.342	(34)
Health Professions Primary Care - Medical	93.342	3,936,337
Health Professions Student Loans - Dental	93.342	4,015,985
Nursing Student Loans	93.364	30,111
Loans to Disadvantaged Students - Medical	93.342	775,733
Loans to Disadvantaged Students - Dental	93.342	5,364
		<hr/>
Total student loans outstanding		\$ 16,405,574

Loans received by students for the period ending June 30, 2018 were as follows:

	<u>CFDA #</u>	<u>Total</u>
Federal Perkins Loan Program	84.038	\$ 1,139,433
William D. Ford Federal Direct Loan Program	84.268	142,876,666
Health Professions Primary Care - Medical	93.342	276,747
Health Professions Student Loans - Dental	93.342	590,000
Loans to Disadvantaged Students - Medical	93.342	283,578
		<hr/>
Total non-cash financial assistance		\$ 145,166,424



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
University of Louisville
Louisville, Kentucky

We have audited, in accordance with the 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 University of Louisville, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 25, 2018.

Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the University's financial statements. Other auditors audited the financial statements of the University Medical Center (a discretely presented component unit) in accordance with *Government Auditing Standards*, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the University of Louisville Foundation, Inc. and Affiliates, University of Louisville Real Estate Foundation, Inc., University of Louisville Physicians, Inc. (discretely presented component units), were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance with those entities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered University of Louisville'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of University of Louisville's internal control. Accordingly, we do not express an opinion on the effectiveness of University of Louisville'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether University of Louisville'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002.

University of Louisville's Response to Findings

University of Louisville's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. University of Louisville's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



CliftonLarsonAllen LLP

St. Louis, Missouri
October 25, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
University of Louisville
Louisville, Kentucky

Report on Compliance for Each Major Federal Program

We have audited University of Louisville's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of University of Louisville's major federal programs for the year ended June 30, 2018. University of Louisville's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of University of Louisville's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 University of Louisville'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 University of Louisville's compliance.

Opinion on Each Major Federal Program

In our opinion, University of Louisville 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 June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

University of Louisville's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. University of Louisville'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 University of Louisville 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, we considered University of Louisville'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 the Uniform Guidance, 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 University of Louisville'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 a 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-003 that we consider to be significant deficiencies.

University of Louisville's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. University of Louisville's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of University of Louisville as of and for the year ended June 30, 2018, and have issued our report thereon dated October 25, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

St. Louis, Missouri
October 25, 2018

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes _____ none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes _____ 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 Uniform Guidance x yes _____ no

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development Cluster

* See the Schedule of Expenditures of Federal Awards for identification of CFDA numbers applicable to the major programs.

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000/ \$750,000

Auditee qualified as low-risk auditee? x yes _____ no

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section II – Financial Statement Findings

2018-001 Inadequate Controls over Approved Timesheet Report

Type of Finding: Significant Deficiency in Internal Control

Condition: During the testing of payroll disbursements for 60 employees (32 hourly and 28 salary), the auditors noted 8 instances where the employee's time sheet was not reviewed and approved by their supervisor. Additionally, one instance was noted where an employee received a performance award, but supporting documentation could not be provided to the auditors.

Criteria: Internal controls should be in place to provide reasonable assurance that the financial statements are prepared accurately and that significant balances have been reviewed. Per University policies, hourly employee's timesheets must be approved by the individual employee and the individual's immediate supervisor. Pay rates and performance increases must be approved by the Vice President and Dean.

Cause: The University's payroll system allows employers to be paid without noted approval of their timesheets, however, control are not in place to ensure those timesheets are reviewed after the payroll has been processed.

Effect: Failure to properly review and approve timesheets and performance awards could result in erroneous or fraudulent transactions and/or payroll disbursements recorded in the general ledger system.

Recommendation: The University should enforce controls that are currently in place to ensure timesheets are reviewed prior to processing payroll.

Management's Response: The University's policy is for timesheets to be reviewed by a supervisor prior to being processed for payment by the Payroll department. In the event a timesheet is not reviewed in the timeframe needed for payroll processing, the worked time is processed and paid without the supervisors review. In these cases, the supervisor is to review the timesheet after the fact. Follow-up of the timesheets to be approved will be enhanced with a report to the Director of Disbursements giving the processed timesheets that lack approvals. This report will be developed and put into service as soon as possible.

To further strengthen the controls around payroll processing, the Director of Disbursements will work with Human Resources to establish a protocol where all documentation and approvals for pay increases or one-time payments are retained centrally and accessible to the Director of Disbursements.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

2018-002 Lack of Supporting Audit Documentation

Type of Finding: Significant Deficiency in Internal Control

Condition: Throughout the audit process, the auditors noted supporting schedules for several of the University's major account balances in the statement of net position had large unreconciled differences to the trial balance. After further investigation by University personnel, it was discovered that several of these differences pertain to balances recorded in previous years for which there is no support.

Criteria: Reconciliation of transactions and accounts and creation of supporting schedules are essential for accurate financial record keeping, financial statements, and disclosures. These supporting documents substantiate balances represented in the financial statements.

Cause: The University's decentralized accounting environment allows for transactions to be initiated and approved at the department level, including asset and liability accruals. The justification and support for the transactions are retained at the department level which does not allow for an efficient way to review University balances and compile them into one single schedule or reconciliation.

Effect: Lack of supporting schedules and reconciliations may result in the preparation of Financial Statements that inaccurately reflect the financial position of the University.

Recommendation: The University should implement policies and procedures throughout the different departments to ensure transactions and balances representing assets, liabilities, revenues and expenses are being reconciled and reviewed on a monthly basis.

Management's Response: The diversity, size and scope of the University's operations results in decentralized recordkeeping and accounting. Departments have financial personnel that are responsible for monitoring fiscal activities, budgets and reconciling transactions. At the University-wide level, the Controller's Office provides oversight of activities that are over-arching, such as treasury, debt and capital assets, disbursements, and overall financial reporting. The University is in agreement that overall review of asset and liability accounts needs to be performed periodically throughout the fiscal year in addition to the monthly reconciliation of revenue and expense transactions that occur at the department level. Personnel in Finance and Budget will work with the departments in conjunction with budget setting to review balances and accounts that are unsupported and determine the corrections needed.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section III – Findings and Questioned Costs – Major Federal Programs

FINDING 2018-003 – Perkins Exit Counseling (Significant Deficiency/No questioned costs)

Federal Program: CFDA No. 84.038 Department of Education Federal Perkins Loan Program

Award Period: July 1, 2017 to June 30, 2018

Criteria: 34 CFR 674.42(b) - Exit counseling - An institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution. As an alternative, in the case of a student enrolled in a correspondence program or a study-abroad program that the institution approves for credit, the borrower may be provided with written counseling material by mail within 30 days after the borrower completes the program. If a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required.

Condition: Students who entered repayment during the fall semester of 2017 did not receive exit counseling communications within the 30-day timeframe required.

Cause: University management has indicated that staff turnover in the Bursar's office contributed to the noncompliance.

Effect: Exit counseling communications with students entering Perkins repayment were not conducted timely.

Repeat Finding: 2017-001

Recommendation: We recommend that the Bursar's office implement internal control improvements in order to ensure compliance with this requirement. Separation dates must be updated in a timely manner to allow for communication to occur with the students within 30 days.

Views of Responsible Officials: The deterioration of controls over exit counseling for students was identified during audit procedures performed for the June 30, 2017 fiscal year audit. The control weakness was mitigated after the issuance of the management comments letter for the June 30, 2017 audit, which occurred mid-year during the fiscal year ending June 30, 2018. The correction implemented was the assignment of an individual in the Bursar's office the responsibilities of loan monitoring, including ensuring exit counseling materials are provided to students in the appropriate manner and time frame. The sample of students tested for the June 30, 2018 audit were in the time period prior to assigning loan monitoring duties, therefore the deficiency in the control structure still existed. The University has addressed the issue and continues to monitor student loan activities.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section IV – Prior Year Findings

2017-001

During our testing, it was noted that students who entered repayment during the fiscal year selected for testing did not receive exit counseling communications within the 30 day timeframe required.

Status: Issue repeated in FY18 as finding 2018-003.