

Schedule of expenditures of federal awards and report of independent certified public accountants

University of Oklahoma Norman Campus

June 30, 2007

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Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards

Board of Regents of the University of Oklahoma
University of Oklahoma
Norman, Oklahoma

Compliance

We have audited the compliance of University of Oklahoma Norman Campus (the “University”) with the types of compliance requirements described in the *U.S. Office of Management and Budget (“OMB”) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The University’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University’s management. Our responsibility is to express an opinion on the University’s compliance based on our audit.

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

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the University as of and for the year ended June 30, 2007 and have issued our report thereon dated September 28, 2007, which are presented in the preceding section of this report. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards of the University 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.

This report is intended solely for the information and use of the Audit and Finance Committee, Board of Regents, management, 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.

Grant Thornton LLP

Oklahoma City, Oklahoma
September 28, 2007

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

	FEDERAL CFDA OR IDENTIFYING NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS	TOTAL CASH BASIS EXPENDITURES
RESEARCH-DIRECT PROGRAMS			
Department of Agriculture			
Agricultural Research Service	10.001	\$ -	\$ 38,812
Cooperative State Research Services	10.200		8,486
Forestry Service	10.202		7,841
		-	55,139
Department of Commerce			
National Oceanic and Atmospheric Administration	11.432	293,424	7,266,611
	11.440		37,664
	11.468		29,063
	11.XXX		1,886
National Weather Service	11.XXX		80,501
	12.431	293,424	7,415,725
Department of Defense			
Air Force	12.XXX		4,538
Army Medical Research Acquisition Activity	12.420		833,770
Army	12.431	15,692	131,815
Army Research Office	12.431	102,434	385,340
Corps of Engineers	12.XXX		111,320
Office of Naval Research	12.300		561,193
	12.431		222,955
Office of Scientific Research	12.431		114,285
	12.800		130,140
		118,126	2,495,356
Department of Interior			
Bureau of Reclamation	15.XXX		7,502
Fish and Wildlife	15.615		1,901
	15.XXX		3,221
Geological Survey	15.808	29,571	481,560
	15.809		24,525
	15.810		79,343
National Park Service	15.XXX		6,144
		29,571	604,196
Department of Transportation			
Federal Aviation Administration	20.108		50,507
	20.XXX		670,528
Federal Housing Authority	20.200	13,282	154,525
Federal Transit Administration	20.514	920,938	1,496,996
		934,220	2,372,556
National Aeronautics and Space Administration			
Ames Research Center	43.XXX		69,051
John H Glenn Research Center	43.XXX		156,072
Goddard Space Flight Center	43.001	233,282	542,948
	43.XXX	185,546	943,767
Kennedy Space Center	43.XXX		3,993
Lyndon B Johnson Space Center	43.XXX		224,736
		418,828	1,940,567
Environmental Protection Agency			
	66.XXX		7,247
	66.436		293,091
	66.509		251,729
	66.961		2,454
		-	554,521

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

	FEDERAL CFDA OR IDENTIFYING NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS	TOTAL CASH BASIS EXPENDITURES
Department of Health and Human Services			
Health Resources and Service Administration	93.928	64,805	481,108
National Cancer Institute	93.394	99,306	179,184
National Institute of General Medical Science	93.821		41,311
Public Health Service	93.115	32,007	258,672
	93.121		51,939
	93.172	80,922	316,796
	93.173	110,643	490,977
	93.242		22,326
	93.286	80,953	132,440
	93.394	126,838	363,000
	93.847		2,158
	93.853		163,334
	93.855		248,994
	93.856	192,133	433,642
	93.859		742,822
	93.864	54,581	161,574
	93.865		119,375
	93.880		10,508
		842,188	4,220,160
National Science Foundation			
	47.041	89,414	1,422,356
	47.049	491,326	2,553,823
	47.050	208,293	3,511,669
	47.070	10,285	233,172
	47.074	6,928	1,063,226
	47.075		370,202
	47.076	6,142	1,181,957
	47.079		2,836
	47.XXX		343,302
		812,388	10,682,543
Department of Energy			
	81.049		1,533,521
	81.086	50,041	392,686
	81.089	22,414	125,556
	81.XXX		1,091,553
		72,455	3,143,316
Department of Education			
	84.022		8,826
	84.116		94,206
	84.153		35,842
	84.184		136,007
	84.200		773,781
	84.203		1,904,781
	84.299		172,443
	84.324		194,918
	84.325		202,107
	84.326		120,800
		-	3,643,711
Other Federal Agencies			
Housing and Urban Development	14.511	\$ 25,317	\$ 113,543
Institute of Museum Services	45.301		1,508
	45.313		154,111
	45.3XX		8,892
Library of Congress	42.XXX		22,721
National Endowment for the Humanities	15.904		38,867
	45.149		5,000
	45.163		84,423
Department of State	19.415		2,577
		25,317	431,642
TOTAL RESEARCH DIRECT PROGRAMS		3,546,517	37,559,432

**THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007**

	FEDERAL CFDA OR IDENTIFYING NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS	TOTAL CASH BASIS EXPENDITURES
RESEARCH-FLOW THROUGH PROGRAMS			
State of Oklahoma			
Oklahoma Aeronautics Commission	20.XXX		42,698
Oklahoma Arts Council	05.XXX		1,527
Office of Homeland Security	16.007		49,484
	97.067		81,350
Department of Commerce	81.041	32,827	97,881
	81.117	6,169	15,897
Department of Mental Health	93.243		113,665
Department of Education	84.XXX		273,906
Department of Environmental Quality	12.XXX		57,749
Department of Health	93.238		458
Historical Society	15.XXX		106,023
Health Sciences Center	93.110		9,869
	93.157		6,019
	93.389		158,272
	93.393		45,843
	93.397		24,728
	93.631		4,375
	93.879		13,605
	93.XXX		53,343
Oklahoma State University	10.001		105,472
	10.200		110,717
	10.XXX		92,738
	12.431		15,473
	20.514		28,153
	47.046		772,080
	47.XXX		30,551
	81.XXX		204,255
Oklahoma Water Resources Board	15.XXX		53,834
Oklahoma Highway Safety Office	20.XXX		229,120
Oklahoma Secretary of Energy	81.XXX		36,226
Oklahoma State Regents	84.XXX		11,852
Department of Transportation	20.XXX	2,881,777	4,810,401
Department of Wildlife	15.605		211,738
	15.608		13,642
	15.XXX		356,140
		2,920,773	8,239,084
Commercial and Commercial Related			
Aptima, Inc.	12.XXX		33,686
Automated Sciences Group	12.XXX		(211,929)
Atmospheric Technology Services Company	12.XXX		6,468
Battelle	81.XXX		337,771
Ekips Technologies, Inc	47.041		22,540
Malin Space Science Systems	43.XXX		146,670
Mixon-Hill	20.XXX		170,956
Research and Development Solutions, LLC	81.XXX		(1,786)
TSM Corporation	12.XXX		58,577
University Corporation for Atmospheric Research	11.467		6,813
	47.XXX		(710)
		-	569,056
Foundations			
Research Foundation for Mental Hygiene	93.242		32,270
University of Kentucky Research Foundation	47.074		126,558
		-	158,828

**THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007**

	FEDERAL CFDA OR IDENTIFYING NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS	TOTAL CASH BASIS EXPENDITURES
Not for Profit Organizations			
American Association of Physics Teachers	47.XXX		299,151
Argonne National Laboratory	81.XXX		18,714
Brookhaven National Laboratory	81.XXX		26,239
Council of Graduate Schools	47.XXX		8,464
Fermi National Accelerator Laboratory	81.XXX		46,503
Houston Advanced Research Center	47.XXX		(983)
National Writing Project Corporation	84.928		42,282
Oklahoma Humanities Council	45.129		10,088
Oklahoma City Public Schools	84.XXX		2,159
Petroleum Technology Transfer Council	81.XXX		103,044
Smithsonian Astrophysical Observatory	43.001		32,885
Space Telescope Science Institute	43.XXX		27,672
Tulsa Public Schools	84.363		7,193
Univ Consortium for Geographic Information Scien	47.XXX		24,252
		-	647,663
Universities and Colleges			
University of Alabama	43.XXX		15,445
Carnegie Mellon University	47.041		5,262
Jackson State University	47.041		2,408
James Madison University	11.XXX		24,862
Cornell University	47.074		40,723
University of Illinois	47.041		(20,153)
University of Indiana	47.074		245,954
University of Kansas	47.074		1,969
University of Washington	47.076		10,000
University of California-Los Alamos National Laboratory	81.XXX		39,027
University of Massachusetts	47.041		821,088
University of Minnesota	47.074		1,952,962
Miami University (Ohio)	81.XXX		67,082
University of Missouri	47.076		54,710
University of Texas at Arlington	47.049		74,000
Northern Arizona University	43.XXX		15,065
North Carolina State University	10.200		23,125
	47.074		164,996
Northwestern University	93.853		149,268
Oregon State University	81.049		928
Ohio State University	93.859		11,560
University of Pittsburgh	93.853		24,741
University of Notre Dame	47.XXX		13,940
Purdue University	93.859		73,970
University of Tulsa	12.630		56,996
	66.500		45,185
	66.606		196,902
	81.059		51,650
		-	4,163,665
TOTAL RESEARCH FLOW-THROUGH PROGRAMS		2,920,773	13,778,296
TOTAL RESEARCH		6,467,290	51,337,728

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

	FEDERAL CFDA OR IDENTIFYING NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS	TOTAL CASH BASIS EXPENDITURES
STUDENT FINANCIAL ASSISTANCE			
Department of Education			
ACG	84.375		526,828
Pell	84.063		10,946,558
SEOG	84.007		636,895
SMART	84.376		640,084
College Work-Study	84.033		1,234,660
TOTAL STUDENT FINANCIAL ASSISTANCE			13,985,025
TRIO			
Department of Education			
	84.042		428,781
	84.217		224,734
TOTAL TRIO			653,515
OTHER FEDERAL PROGRAMS			
Department of Transportation			
Federal Transit Administration	20.507		857,145
	20.XXX		2,695,438
Federal Aviation Administration	20.XXX		69,623
			3,622,206
Department of Commerce			
Economic Development Administration	11.300		116,307
			116,307
TOTAL OTHER FEDERAL PROGRAMS			3,738,513
CONTINUING EDUCATION AND PUBLIC SERVICE DIRECT PROGRAMS			
National Science Foundation	47.076	84,758	211,708
Environmental Protection Agency	66.716	-	15,347
Department of Transportation	20.XXX	249,314	18,253,439
Department of Health and Human Services			
Administration for Children and Families	93.556		1,085,066
	93.600		441,231
	93.616		530,143
	93.631		107,752
	93.652		82,143
Substance Abuse and Mental Health Services	93.230		1,431,686
	93.959		499,337
		-	4,177,358
Department of Interior			
Bureau of Indian Affairs	15.XXX		329,649
	93.XXX		49,017
		-	378,666
Other Federal Agencies			
Postal Services	22.XXX	98,491	544,746
Social Security Administration	93.008		165,226
	96.008		136,882
		98,491	846,854
Department of Education			
	84.128		12,651
	84.133		106,732
	84.195		369,362
	84.235		199,440
	84.283	(16,192)	2,425,078
	84.359		1,477,875
		(16,192)	4,591,138
TOTAL CONTINUING EDUCATION AND PUBLIC SERVICE DIRECT PROGRAMS		416,371	28,474,510

**THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007**

	FEDERAL CFDA OR IDENTIFYING NUMBER	AMOUNT PROVIDED TO SUBRECIPIENTS	TOTAL CASH BASIS EXPENDITURES
CONTINUING EDUCATION AND PUBLIC SERVICE FLOW-THROUGH PROGRAMS			
State of Oklahoma			
Department of Commerce	17.268		12,041
Oklahoma Developmental Disabilities Council	93.630		5,000
Department of Health	93.283		108,421
Department of Human Services	93.556		86,310
	93.575		3,506,618
	93.674		1,528,235
	93.778		637,846
	93.XXX		85,499
Department of Mental Health	93.104		348,075
	93.959		55,209
Department of Public Safety	20.600		123,844
Department of Rehabilitation Services	84.126		181,947
	84.XXX		118,550
Employment Security Commission	17.260		234,469
Regents for Higher Education	84.XXX		78,549
University of Oklahoma Health Sciences Center	84.359		515,808
Oklahoma State University	47.XXX		11,749
Oklahoma Highway Safety	20.600		50,614
	20.XXX		6,857
Department of Transportation	20.205		129,250
		-	7,824,891
Universities and Colleges			
University of Montana	84.235		14,211
		-	14,211
Not for Profit Organizations			
Oklahoma Regional Community Policing Institute	16.200		98,912
Southwest Network of Youth Services	93.XXX		31,127
		-	130,039
Other States			
Arkansas	93.959		173,084
Louisiana	93.959		31,279
		-	204,363
Commercial and Commercial Related			
CRP, Inc.	93.959		49,577
Ed Vance Research, Inc	84.XXX		94,447
Lockheed Martin Services Inc.	20.XXX		5,561
MIKO	84.XXX		1,694,875
		-	1,844,460
TOTAL CONTINUING EDUCATION AND PUBLIC SERVICE FLOW-THROUGH PROGRAMS		-	10,017,964
TOTAL CONTINUING EDUCATION AND PUBLIC SERVICE PROGRAMS		416,371	38,492,474
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 6,883,661	\$ 108,207,255

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2007

1. The purpose of the Schedule of Expenditures of Federal Awards (the "schedule") is to present a summary of the activities of The University of Oklahoma Norman Campus (the "University") for the year ended June 30, 2007, which have been financed by the U.S. Government.

For purposes of the schedule, federal awards have been classified into two types:

- Direct federal awards consisting of federal assistance and federal student financial aid, and
- Pass-through funds received from non-federal organizations made under federally sponsored programs conducted by those organizations.

Because the schedule presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in fund balances or the current funds revenues, expenditures or other changes of the University.

The schedule is prepared on the cash basis of accounting. Expenditures are recognized when paid.

Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

2. Complete Catalog of Federal Domestic Assistance ("CFDA") numbers are presented for those programs for which such numbers were available. CFDA prefixes are presented for programs for which a complete CFDA number is not available.
3. Federal direct programs are presented by federal department and, where applicable, the funding agency within the department. Federal pass-through programs are presented by the entity through which the University received the federal award. Amounts provided to subrecipients from each federal program have been separately identified for additional analysis. These pass-through awards are included in total cash basis expenditures.
4. The University of Oklahoma Norman Campus administers Academic Competitiveness Grants, the Pell Grant program, Supplemental Education Opportunity Grants, National Science and Mathematics Access to Retain Talent Grants and College Work-Study student award programs for students attending both the Norman and Health Sciences Center campuses of the University. Grant revenues and expenditures under such programs for students attending these campuses are included in the financial statements of the Norman Campus. Therefore, the Norman Campus Schedule of Expenditures of Federal Awards includes expenditures under such programs for students attending these campuses.

While not listed on the schedule, the University also participates in the Federal Family Education Loan Program ("FFEL"), which includes Stafford Loans, subsidized & unsubsidized, and the Parents' Loans for Undergraduate Students ("PLUS"). The dollar amounts are not listed in the schedule, as the University is not the recipient of the funds. Loan disbursements under the FFEL Program for the year ended June 30, 2007 totaled \$84,019,748.

5. Contracts with the United States Postal Service, the Oklahoma State Department of Human Services' Satellite Training Network ("SATTRN") and IV-E Social Work programs have been excluded from the schedule as it was determined, based upon discussions with the University's federal cognizant agency or by the nature of the contract, that such contracts do not represent auditable federal awards under the provisions of OMB Circular A-133. Also, fixed price and fixed rate programs have been excluded.

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2007

1. Summary of auditors' results:

- a. The report of independent certified public accountants on the financial statements expressed an unqualified opinion.
- b. No significant deficiencies were reported in the report of independent certified public accountants on the internal control over financial reporting.
- c. No instances of noncompliance material to the financial statements of the University were disclosed during the audit.
- d. No significant deficiencies in internal control over compliance with requirements applicable to major federal awards programs were reported in the report of independent certified public accountants on internal control over compliance.
- e. The report of independent certified public accountants on compliance for each of the major Federal awards programs expressed an unqualified opinion.
- f. The audit disclosed no findings required to be reported by OMB Circular A-133.
- g. The Federal awards programs tested as major programs include:

	<u>CFDA Number</u>
Type A Programs:	
Student Financial Aid Cluster	*
Research and Development	*
Department of Education	84.XXX

*See schedule of expenditures of federal awards for identification of CFDA numbers applicable to the major programs. For the Student Financial Aid cluster, expenditures also include loan disbursements under the Federal Family Education Loan Program. See Note 4 to the Notes to the Schedule of Expenditures of Federal Awards.

- h. A threshold of \$3,000,000 was used to distinguish between Type A and Type B programs, as those terms are defined in OMB Circular A-133.
- i. For the year ended June 30, 2007, the University did not qualify as a low-risk auditee, as described in Section 530 of OMB Circular A-133.

2. Findings required to be reported in accordance with *Government Auditing Standards*:

No matters are reportable.

3. Findings required to be reported in accordance with OMB Circular A-133:

No matters are reportable.

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS

SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2007

FINDING:

There were no prior year findings or questioned costs.