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

University of Oklahoma Norman Campus

June 30, 2008 and 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, 2008. 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, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2008-1.

We did not audit the University's compliance with requirements governing student loan repayments specified by the Federal Perkins Loan Program and described in the OMB Circular A-133 compliance Supplement. Those requirements govern functions that are performed by Educational Computer Systems, Inc. ("ECSI"). Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of our work was not sufficient to enable us to express, and we did not express, an opinion on compliance with those requirements.

ECSI's compliance with the requirements governing the functions that it performs for the university was examined by accountants for the servicer whose report has been furnished to us. The report of the accountants for the servicer indicates that the compliance with those requirements was examined in accordance with the Department of Education's Audit Guide, Compliance Audits (Attestation engagements) of Federal Student financial Assistance Programs at Participating Institutions' and Institution servicers.

Based on our review of the service organization accountants' report, we have determined that all of the compliance requirements included in the Compliance Supplement that are applicable to the Student financial Aid Cluster are addressed in either our report or the report of the service organization accountants. Further, based on our review of the service organization accountants' report, we have determined that it does not contain any findings of noncompliance that would have a direct and material effect on the University's Student Financial Aid Cluster

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.

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

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

Our consideration of internal control 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.

Requirements governing Federal Perkins Loan Program repayments are performed by ECSI. Internal control over compliance relating to such functions was reported on by accountants for the servicer in accordance with the Department of Education's Audit Guide, Compliance Audits (Attestation Engagements) of Federal Student Financial Assistance Programs at participating Institutions and Institution Servicers. A copy of the service organization accountants' report has been furnished to us. However, the scope of our work did not extend to internal control maintained at ECSI.

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, 2008 and have issued our report thereon dated October 3, 2008, 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.

The University's response to the findings identified in our audit are 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 it.

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
October 3, 2008

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|--|---|--|-------------------------------------|
| RESEARCH-DIRECT PROGRAMS | | | |
| Department of Agriculture | | | |
| Agricultural Research Service | 10.001 | \$ - | \$ 27,007 |
| Cooperative State Research Services | 10.200 | | 9,514 |
| Cooperative State Research Services | 10.206 | | 42,778 |
| Forestry Service | 15.XXX | | 36,778 |
| | | | 116,077 |
| Department of Commerce | | | |
| National Oceanic and Atmospheric Administration | 11.432 | 73,536 | 8,562,219 |
| National Oceanic and Atmospheric Administration | 11.XXX | | 4,367 |
| | | 73,536 | 8,566,586 |
| Department of Defense | | | |
| Air Force | 12.XXX | | 5,000 |
| Army Medical Research Acquisition Activity | 12.420 | | 1,187,187 |
| Army | 12.431 | 3,284 | 187,212 |
| Army | 12.XXX | | 13,761 |
| Army Research Office | 12.431 | 22,501 | 137,670 |
| Army Research Office | 12.XXX | | 44,384 |
| Corps of Engineers | 12.XXX | | 116,992 |
| Medical Research Acquisition Activity | 12.420 | | 127,738 |
| Office of Naval Research | 12.300 | | 389,006 |
| Office of Naval Research | 12.431 | | 104,578 |
| Air Force Office of Scientific Research | 12.431 | | 91,536 |
| Air Force Office of Scientific Research | 12.800 | | 89,837 |
| | | 25,785 | 2,494,901 |
| Department of Interior | | | |
| Bureau of Land Management | 15.XXX | | 17,893 |
| Bureau of Reclamation | 15.XXX | | 5,359 |
| Fish and Wildlife | 15.615 | | 10,399 |
| Fish and Wildlife | 15.XXX | | 5,090 |
| Geological Survey | 15.808 | | 545,671 |
| Geological Survey | 15.810 | | 65,248 |
| National Park Service | 15.XXX | | 17,856 |
| | | | 667,516 |
| Department of Transportation | | | |
| Federal Aviation Administration | 20.108 | | 64,962 |
| Federal Aviation Administration | 20.XXX | | 950,325 |
| Federal Highway Administration | 20.200 | 193,650 | 490,947 |
| Federal Transit Administration | 20.514 | 453,121 | 839,398 |
| Federal Transit Administration | 20.XXX | | 32,532 |
| | | 646,771 | 2,378,164 |
| National Aeronautics and Space Administration | | | |
| Ames Research Center | 43.XXX | | 72,747 |
| John H Glenn Research Center | 43.XXX | | (2,207) |
| Goddard Space Flight Center | 43.001 | 303,221 | 684,025 |
| Goddard Space Flight Center | 43.XXX | 80,417 | 736,720 |
| Langley Research Center | 43.XXX | 24,642 | 155,902 |
| | | 408,280 | 1,647,187 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|--|---|--|-------------------------------------|
| Environmental Protection Agency | | | |
| Environmental Protection Agency | 66.XXX | | 2,943 |
| Environmental Protection Agency | 66.436 | | 488,870 |
| Environmental Protection Agency | 66.509 | | 174,427 |
| Environmental Protection Agency | 66.961 | | 28,497 |
| | | - | 694,737 |
| Department of Health and Human Services | | | |
| Health Resources and Service Administration | 93.928 | | 196,959 |
| National Cancer Institute | 93.394 | 202,074 | 247,394 |
| Public Health Service | 93.113 | | 34,438 |
| Public Health Service | 93.115 | 5,153 | (737) |
| Public Health Service | 93.121 | | 192,937 |
| Public Health Service | 93.172 | | (1) |
| Public Health Service | 93.173 | 24,067 | 332,337 |
| Public Health Service | 93.242 | | 87,420 |
| Public Health Service | 93.286 | | (2,270) |
| Public Health Service | 93.361 | | 159,334 |
| Public Health Service | 93.394 | 140,129 | 380,427 |
| Public Health Service | 93.837 | | 38,942 |
| Public Health Service | 93.847 | | 144,218 |
| Public Health Service | 93.853 | | 58,383 |
| Public Health Service | 93.855 | | 233,917 |
| Public Health Service | 93.856 | 145,388 | 383,263 |
| Public Health Service | 93.859 | | 980,283 |
| Public Health Service | 93.864 | 29,927 | 153,673 |
| Public Health Service | 93.865 | | 116,609 |
| | | 546,738 | 3,737,526 |
| National Science Foundation | | | |
| National Science Foundation | 47.041 | 85,953 | 1,695,600 |
| National Science Foundation | 47.047 | | 22,320 |
| National Science Foundation | 47.049 | 614,235 | 3,043,353 |
| National Science Foundation | 47.050 | 323,915 | 3,752,223 |
| National Science Foundation | 47.070 | | 188,048 |
| National Science Foundation | 47.074 | 5,534 | 1,046,436 |
| National Science Foundation | 47.075 | 19,946 | 588,119 |
| National Science Foundation | 47.076 | 9,122 | 1,444,180 |
| National Science Foundation | 47.XXX | 1,956 | 174,876 |
| | | 1,060,661 | 11,955,155 |
| Department of Energy | | | |
| Department of Energy | 81.049 | | 1,832,848 |
| Department of Energy | 81.086 | 49,959 | 384,281 |
| Department of Energy | 81.XXX | 20,787 | 997,470 |
| | | 70,746 | 3,214,599 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|---------------------------------------|---|--|-------------------------------------|
| Department of Education | | | |
| Department of Education | 84.021 | | 80,000 |
| Department of Education | 84.022 | | 16,815 |
| Department of Education | 84.047 | | 99,312 |
| Department of Education | 84.116 | | 13,941 |
| Department of Education | 84.153 | | 4,116 |
| Department of Education | 84.184 | | (2,172) |
| Department of Education | 84.200 | | 256,859 |
| Department of Education | 84.203 | | 871,583 |
| Department of Education | 84.299 | | 17,955 |
| Department of Education | 84.324 | | 86,782 |
| Department of Education | 84.325 | | 198,974 |
| Department of Education | 84.326 | | 133,707 |
| | | - | 1,777,872 |
| Other Federal Agencies | | | |
| Central Intelligence Agency | 12.XXX | | 42,669 |
| Housing and Urban Development | 14.511 | 36,112 | 141,236 |
| Institute of Museum Services | 45.301 | | 66,269 |
| Institute of Museum Services | 45.303 | | 37,534 |
| Institute of Museum Services | 45.313 | | 193,914 |
| Institute of Museum Services | 45.3XX | | 54,064 |
| Library of Congress | 42.XXX | | (2,721) |
| National Endowment for the Humanities | 15.904 | | 40,209 |
| National Endowment for the Humanities | 45.160 | | 51,170 |
| National Endowment for the Humanities | 45.163 | | 9,884 |
| Department of State | 19.415 | | 116,562 |
| | | 36,112 | 750,790 |
| TOTAL RESEARCH DIRECT PROGRAMS | | 2,868,629 | 38,001,110 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | 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 | | 47,094 |
| Oklahoma Arts Council | 05.XXX | | 4,346 |
| Department of Commerce | 81.041 | 25,239 | 95,318 |
| Department of Commerce | 81.117 | 6,879 | 20,994 |
| Department of Mental Health | 93.243 | | 49,639 |
| Department of Education | 84.XXX | | 623,406 |
| Department of Environmental Quality | 12.XXX | | 44,255 |
| Department of Health | 93.XXX | | 30,281 |
| Historical Society | 15.XXX | | 128,529 |
| Health Sciences Center | 93.110 | | 9,777 |
| Health Sciences Center | 93.389 | | 350,519 |
| Health Sciences Center | 93.393 | | 128,307 |
| Health Sciences Center | 93.397 | | 2,017 |
| Health Sciences Center | 93.631 | | 4,681 |
| Health Sciences Center | 93.XXX | | 1,500 |
| Oklahoma State University | 10.001 | | 130,012 |
| Oklahoma State University | 10.200 | | 53,026 |
| Oklahoma State University | 12.431 | | 9,146 |
| Oklahoma State University | 12.800 | | 2,643 |
| Oklahoma State University | 20.514 | | 9,200 |
| Oklahoma State University | 47.041 | | 30,746 |
| Oklahoma State University | 47.076 | 44,225 | 664,981 |
| Oklahoma State University | 93.859 | | 28,638 |
| Oklahoma State University | 10.XXX | | 30,395 |
| Oklahoma State University | 15.XXX | | 14,363 |
| Oklahoma State University | 20.XXX | | 15,740 |
| Oklahoma State University | 47.XXX | | 20,449 |
| Oklahoma State University | 81.XXX | | 188,187 |
| Oklahoma Water Resources Board | 15.XXX | | 80,797 |
| Oklahoma Highway Safety Office | 20.XXX | | 189,386 |
| Oklahoma Secretary of Energy | 81.XXX | | 63,774 |
| Oklahoma State Regents | 47.076 | | 4,000 |
| Oklahoma State Regents | 84.XXX | | 69,827 |
| Department of Transportation | 20.XXX | 3,090,090 | 4,807,036 |
| Department of Wildlife | 15.605 | | 454,484 |
| Department of Wildlife | 15.608 | | 19,848 |
| Department of Wildlife | 15.634 | | 14,289 |
| Department of Wildlife | 15.XXX | | 340,448 |
| | | 3,166,433 | 8,782,078 |
| City and County Government | | | |
| City of Oklahoma City | 15.XXX | | 9,038 |
| | | - | 9,038 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|---|---|--|-------------------------------------|
| Commercial and Commercial Related | | | |
| Activity Research Services | 12.XXX | | 102,067 |
| Arcadis US, Inc | 12.XXX | | 115,070 |
| Aunautics, Incorporated | 12.XXX | | 9,387 |
| Atmospheric Technology Services Company | 12.XXX | | 15,883 |
| Battelle | 81.XXX | | 598,464 |
| Boeing Defense and Space Group | 12.XXX | | 2,980 |
| Haskell Lemon Construction Co. | 20.XXX | | 1,757 |
| Impact Computing Corporation | 12.XXX | | 23,312 |
| Incorporated Research Institutions for Seismology | 47.050 | | 17,618 |
| Intelligent Automation, Inc | 12.XXX | | 32,779 |
| Intelligent Automation, Inc | 43.XXX | | 2,490 |
| Jet Propulsion Laboratory | 43.XXX | | 87,183 |
| Knowledge Systems Solutions | 12.XXX | | 53,101 |
| L-3 Communications Corporation | 12.000 | | 110 |
| Malin Space Science Systems | 43.XXX | | 72,302 |
| Mixon-Hill | 20.XXX | | 25,485 |
| Nanolight, Inc | 12.XXX | | 81,112 |
| Sandi National Laboratories | 81.XXX | | 170,413 |
| Skillsnet Corporation | 12.XXX | | 13,761 |
| Tec-Masters, Inc | 12.XXX | | 220,473 |
| TSM Corporation | 12.XXX | | 423,577 |
| Virtual Technology Services | 12.XXX | | 141,519 |
| | | - | 2,210,843 |
| Foundations | | | |
| Research Foundation for Mental Hygiene | 93.242 | | 107,873 |
| Samuel Roberts Noble Foundation | 10.206 | | 38,514 |
| Samuel Roberts Noble Foundation | 47.074 | | 72,610 |
| University of Kentucky Research Foundation | 47.074 | | (1,519) |
| | | - | 217,478 |
| International | | | |
| International Institute of Tropical Agriculture - Narobi, Kenya | 02.XXX | | 17,068 |
| | | - | 17,068 |
| Not for Profit Organizations | | | |
| American Association of Physics Teachers | 47.XXX | | 332,419 |
| Argonne National Laboratory | 81.XXX | | 23,976 |
| Brookhaven National Laboratory | 81.XXX | | 19,328 |
| Council of Graduate Schools | 47.XXX | | 6,536 |
| Fermi National Accelerator Laboratory | 81.XXX | | 7,881 |
| Institute for Neurodegenerative Disorders | 12.XXX | | 8,840 |
| National Association of State Directors of Special Education | 84.XXX | | 4,956 |
| National Writing Project Corporation | 84.928 | | 61,066 |
| Oklahoma Humanities Council | 45.129 | | 8,015 |
| Petroleum Technology Transfer Council | 81.XXX | | (2,348) |
| Space Telescope Science Institute | 43.XXX | | 85,152 |
| Tulsa Public Schools | 84.363 | | 31,529 |
| Winterthur Museum | 45.XXX | | 20,000 |
| | | - | 607,350 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|---|---|--|-------------------------------------|
| Other States | | | |
| New Mexico | 15.XXX | | 325 |
| | | - | 325 |
| Universities and Colleges | | | |
| University of Alabama | 43.XXX | | 107 |
| University of Arkansas | 47.041 | | 1,800 |
| Jackson State University | 47.041 | | 9,917 |
| Cornell University | 47.074 | | 17,451 |
| Dayton University | 12.XXX | | 22,375 |
| Desert Research Institute | 66.509 | | 2,098 |
| University of Illinois at Urbana-Champaign | 47.041 | | 28,785 |
| University of Indiana | 47.074 | | 4,212 |
| University of Kansas | 47.074 | | 3,761 |
| University of Kansas | 81.XXX | | 72,405 |
| University of New Mexico | 81.XXX | | 1,165 |
| University of Massachusetts | 47.041 | | 793,351 |
| University of Minnesota | 47.074 | | 1,404,306 |
| Miami University (Ohio) | 81.XXX | | 160,897 |
| Michigan State University | 81.049 | | 28,949 |
| Michigan Technological University | 81.049 | | 959 |
| University of Missouri | 47.076 | | 23,485 |
| University of Missouri | 47.079 | | 2,778 |
| University of Texas at Arlington | 47.049 | | 85,183 |
| Northern Arizona University | 43.XXX | | 17,474 |
| North Carolina State University | 10.200 | | 11,552 |
| North Carolina State University | 47.074 | | 120,538 |
| Northwestern University | 93.853 | | 165,010 |
| Oregon State University | 81.049 | | 54,402 |
| University of North Carolina Chapel Hill | 11.473 | | 10,488 |
| University of Oregon | 81.049 | | 6,817 |
| University of Pittsburgh | 93.853 | | 43,286 |
| University of Notre Dame | 47.XXX | | 5,418 |
| Purdue University | 93.859 | | 74,000 |
| University of Southern California | 47.050 | | 12,470 |
| University of Tulsa | 12.630 | | 26,015 |
| University of Tulsa | 66.500 | | 8,106 |
| University of Tulsa | 66.606 | | 176,672 |
| University of Tulsa | 81.059 | | 48,033 |
| | | - | 3,444,265 |
| TOTAL RESEARCH FLOW-THROUGH PROGRAMS | | 3,166,433 | 15,288,445 |
| TOTAL RESEARCH | | 6,035,062 | 53,289,555 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|---|---|--|-------------------------------------|
| STUDENT FINANCIAL ASSISTANCE | | | |
| Department of Education | | | |
| ACG | 84.375 | | 642,820 |
| Pell | 84.063 | | 11,566,700 |
| SEOG | 84.007 | | 571,977 |
| SMART | 84.376 | | 686,504 |
| College Work-Study | 84.033 | | 1,389,784 |
| TOTAL STUDENT FINANCIAL ASSISTANCE | | | 14,857,785 |
| TRIO | | | |
| Department of Education | 84.042 | | 408,149 |
| Department of Education | 84.217 | | 223,144 |
| TOTAL TRIO | | | 631,293 |
| OTHER FEDERAL PROGRAMS | | | |
| Department of Transportation | | | |
| Federal Transit Administration | 20.507 | | 1,319,687 |
| Federal Transit Administration | 20.XXX | | 1,571,095 |
| Federal Aviation Administration | 20.XXX | | 198,490 |
| | | | 3,089,272 |
| Department of Commerce | | | |
| Economic Development Administration | 11.300 | | 105,798 |
| | | | 105,798 |
| TOTAL OTHER FEDERAL PROGRAMS | | | 3,195,070 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|--|---|--|-------------------------------------|
| CONTINUING EDUCATION AND PUBLIC SERVICE DIRECT PROGRAMS | | | |
| National Science Foundation | 47.076 | 141,714 | 315,650 |
| Environmental Protection Agency | 66.716 | | 73,198 |
| Department of Transportation | 20.XXX | | 23,712,799 |
| Department of Defense | | | |
| Air Force | 12.XXX | | 535,895 |
| | | - | 535,895 |
| Department of Health and Human Services | | | |
| Administration for Children and Families | 93.556 | | 206,678 |
| Administration for Children and Families | 93.600 | | 431,945 |
| Administration for Children and Families | 93.616 | | 417,609 |
| Administration for Children and Families | 93.623 | | 450,474 |
| Administration for Children and Families | 93.631 | | 89,271 |
| Administration for Children and Families | 93.652 | | 1,264,627 |
| Substance Abuse and Mental Health Services | 93.230 | | 1,296,545 |
| Substance Abuse and Mental Health Services | 93.959 | | 415,295 |
| Bureau of Indian Affairs | 93.XXX | | 33,129 |
| Social Security Administration | 93.008 | | (920) |
| | | - | 4,604,653 |
| Social Security Administration | | | |
| Social Security Administration | 96.008 | | 232,846 |
| | | - | 232,846 |
| Department of Interior | | | |
| Bureau of Indian Affairs | 15.XXX | | 90,707 |
| | | - | 90,707 |
| Other Federal Agencies | | | |
| Postal Services | 22.XXX | | 14,177 |
| | | - | 14,177 |
| Department of Education | | | |
| Department of Education | 84.128 | | (497) |
| Department of Education | 84.195 | | 301,278 |
| Department of Education | 84.235 | | 254,488 |
| Department of Education | 84.283 | | 125,403 |
| Department of Education | 84.359 | | 1,288,908 |
| Department of Education | 84.XXX | | 2,440,487 |
| | | - | 4,410,067 |
| TOTAL CONTINUING EDUCATION AND PUBLIC SERVICE DIRECT PROGRAMS | | 141,714 | 33,989,992 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

| | FEDERAL CFDA OR IDENTIFYING NUMBER | AMOUNT PROVIDED TO SUBRECIPIENTS | TOTAL CASH BASIS EXPENDITURES |
|--|---|--|-------------------------------------|
| CONTINUING EDUCATION AND PUBLIC SERVICE FLOW-THROUGH PROGRAMS | | | |
| Department of Health and Human Services | | | |
| Commission on Children & Youth | 93.658 | | 9,822 |
| Department of Health | 93.283 | | 14,351 |
| Department of Human Services | 93.556 | | 7,033 |
| Department of Human Services | 93.575 | | 3,613,895 |
| Department of Human Services | 93.674 | | 1,595,876 |
| Department of Human Services | 93.778 | | 75,133 |
| Department of Mental Health | 93.104 | | (16,924) |
| Department of Mental Health | 93.242 | | 391,050 |
| Department of Mental Health | 93.959 | | 76,848 |
| Developmental Disabilities Council | 93.630 | | - |
| Choctaw Nation | 93.XXX | | 17,200 |
| Southwest Network of Youth Services | 93.XXX | | 32,978 |
| Arkansas | 93.959 | | 1,385 |
| Louisiana | 93.959 | | 37,251 |
| Ohio | 93.959 | | 3,500 |
| CRP, Inc. | 93.959 | | 119,325 |
| | | - | 5,978,723 |
| National Science Foundation | | | |
| Oklahoma State University | 47.XXX | | 18,573 |
| | | - | 18,573 |
| Department of Labor | | | |
| Department of Commerce | 17.268 | | 71,288 |
| Employment Security Commission | 17.260 | | 106,270 |
| | | - | 177,558 |
| Department of Education | | | |
| Beggs Public Schools | 84.374 | | 69,245 |
| Eagle Ridge Institute | 84.310 | | 84,669 |
| Department of Rehabilitation Services | 84.126 | | 225,104 |
| Department of Rehabilitation Services | 84.XXX | | 17,493 |
| Regents for Higher Education | 84.XXX | | 89,691 |
| Health Science Center | 84.359 | | 2,097 |
| Ed Vance Research, Inc | 84.XXX | 60,716 | 352,432 |
| MIKO | 84.XXX | | 1,729,665 |
| | | 60,716 | 2,570,396 |
| Department of Transportation | | | |
| Department of Public Safety | 20.600 | | 324 |
| Oklahoma Highway Safety | 20.600 | | 51,680 |
| Department of Transportation | 20.205 | | 161,724 |
| | | - | 213,728 |
| Department of Justice | | | |
| Oklahoma Regional Community Policing Institute | 16.200 | | 79,860 |
| Department of Mental Health | 16.XXX | | 146 |
| | | - | 80,006 |
| Department of Defense | | | |
| Bearingpoint, Inc. | 12.XXX | | 341,832 |
| | | - | 341,832 |
| TOTAL CONTINUING EDUCATION AND PUBLIC SERVICE FLOW-THROUGH PROGRAMS | | 60,716 | 9,380,816 |
| TOTAL CONTINUING EDUCATION AND PUBLIC SERVICE PROGRAMS | | 202,430 | 43,370,808 |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | \$ 6,237,492 | \$ 115,344,511 |

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2008

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, 2008, 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, 2008 totaled \$82,899,690.

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, 2008

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 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 Cluster | * |
| 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, 2008, the University qualified as a low-risk auditee, as described in Section 530 of OMB Circular A-133.

2. Financial Statement Findings

No matters are reportable.

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED YEAR ENDED JUNE 30, 2008

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

Finding 2008-1

Federal Programs: Student Financial Aid Cluster

Federal Agency: Department of Education

CFDA: 84.032, 84.038

Federal Award Number(s) Years(s): 2008

Criteria: 34 CFR668 requires that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date.

Condition: We chose a random sample of 40 students to test for compliance with student financial aid cluster requirements as they relate to student withdrawal calculations.

We noted the following:

- A refund calculation was not performed for one student which had withdrawn during the course of a semester. The total amount which should have been returned to the appropriate lender was \$576, which represents 0.2% of the \$174,274 eligible Title IV loans tested.

Known questioned costs: \$576

Cause: Established procedures for timely reporting of student withdrawal to Financial Aid were not followed. Further, upon notification of the withdrawal at the end of the semester, Financial Aid did not perform the required withdrawal calculation.

Effect: Failure to properly calculate Title IV refunds which the University is responsible for returning to the lender.

Recommendation: We recommend that existing procedures relating to timely notification of student withdrawals and performance of required withdrawal calculations be reviewed and enforced consistently to ensure that Title IV refund calculations are completed and refunds are submitted to lenders in a timely manner.

THE UNIVERSITY OF OKLAHOMA NORMAN CAMPUS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED YEAR ENDED JUNE 30, 2008

Finding 2008-1 – continued

View of responsible official(s): Financial Aid Services acknowledges that human error was detected on one of the files that were reviewed by the Grant Thornton auditors. Upon further investigation, we believe it to be an isolated example, but we have engaged the individual who failed to process the refund in a timely manner. We believe that this additional training will prevent this error from occurring in the future. We have also engaged the College of Continuing Education to ensure that the notification of withdrawals occurs accurately and timely. We believe that it is also important to point out that the refund process, although untimely, was completed and funding returned to the lender upon discovery of the omission.

4. Summary of Prior Audit Findings:

There were no prior year findings or questioned costs.



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