

UNIVERSITY OF ALASKA

Audit in Accordance with OMB A-133

Year ended June 30, 2007

UNIVERSITY OF ALASKA

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Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance and Supplementary Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133

The Board of Regents
The University of Alaska:

Compliance

We have audited the compliance of the University of Alaska 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 of Alaska'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 of Alaska's management. Our responsibility is to express an opinion on the University of Alaska'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; 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 of Alaska'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 of Alaska's compliance with those requirements.

In our opinion, the University of Alaska complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2007. 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 items 2007-1, 2007-2, and 2007-3.

Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the University of Alaska's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-3 to be a significant deficiency.

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. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The University of Alaska'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 of Alaska's response and accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the University of Alaska and its discretely presented component unit as of and for the year ended June 30, 2007, and have issued our report thereon dated November 2, 2007. 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 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 Board of Regents, management, others within the entity, and 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.



November 2, 2007, except for the Student Financial Aid Cluster

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
STUDENT FINANCIAL AID			
Department of Education			
84.007	Federal Supplemental Educational Opportunity Grants		\$ 630,579
84.032	Federal Family Education Loans		42,029,209
84.033	Federal Work - Study Program		689,421
84.063	Federal Pell Grant Program		8,927,307
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants		76,150
TOTAL STUDENT FINANCIAL AID			52,352,666
RESEARCH AND DEVELOPMENT			
Department of Agriculture			
10.000	Miscellaneous		857,146
	Pass-through State of Alaska	1165133	(1,074)
	Pass-through State of Alaska	1175035	73,453
	Pass-through Organic Seed Alliance	CONTRACT SIGNED 1-9-07	192
<u>Agricultural Research Service</u>			
10.001	Agricultural Research - Basic and Applied Research		1,415,803
<u>Cooperative State Research, Education, and Extension Service</u>			
10.200	Grants for Agricultural Research, Special Research Grants		6,162,750
	Pass-through Utah State University	061553007	60,019
	Pass-through Utah State University	041535053	8,298
10.206	Grants for Agricultural Research - Competitive Research Grants		135,626
	Pass-through University of Maryland	Z507223/2005-35605-15388 PENDI	326,723
10.228	Alaska Native Serving and Native Hawaiian Serving Institutions Education Grants		101,281
10.303	Integrated Programs		69,044
10.500	Cooperative Extension Service		293,818
	Pass-through University of California, Davis	K007797-02	26,126
<u>Forest Service</u>			
10.652	Forestry Research		276,677
10.664	Cooperative Forestry Assistance		91,559
10.680	Forest Health Protection		9,901
<u>Rural Business - Cooperative Service</u>			
10.769	Rural Business Enterprise Grants		67,500
<u>Rural Utilities Service</u>			
10.859	Assistance to High Energy Cost - Rural Communities		25,000
Total Department of Agriculture			9,999,842
Department of Commerce			
11.000	Miscellaneous		169,711
	Pass-through State of Alaska	ADN 1145345	43,618
	Pass-through State of Alaska	1175034	2,000
	Pass-through State of Alaska	1175096	21,941
	Pass-through Embry-Riddle Aeronautical University	SC# 1702-61211-01 PO#111222	5,409
	Pass-through North Pacific Marine Science Foundation	NA16FX2629 #13	3,661
	Pass-through North Pacific Research Board	F0401	16,389
	Pass-through North Pacific Research Board	F0407	20,650
	Pass-through North Pacific Research Board	F0410	(1)
	Pass-through North Pacific Research Board	F0413	38,046
	Pass-through North Pacific Research Board	F0418	(2,504)
	Pass-through North Pacific Research Board	F0423	(1,931)
	Pass-through North Pacific Research Board	R0327	61,041
	Pass-through Seward Association for Advancement of Science (SAAMS)	R1991-02	25
	Pass-through Seward Association for Advancement of Science (SAAMS)	R1991-03	47,527
<u>National Oceanic and Atmospheric Administration</u>			
11.417	Sea Grant Support		1,984,892
11.419	Coastal Zone Management Administration Awards		
	Pass-through State of Alaska	RSA EN831612 20GA-148 COMPGRNT	384
11.420	Coastal Zone Management Estuarine Research Reserves		21,098
11.430	Undersea Research		1,417,847
11.431	Climate and Atmospheric Research		138,402

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2007

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
11.432	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		\$ 2,709,833
11.437	Pacific Fisheries Data Program		
	Pass-through State of Alaska	1175091	34,000
	Pass-through State of Alaska	RSA 1175138	52,239
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program		
	Pass-through State of Alaska	ADN# 1145130	320
	Pass-through State of Alaska	ADN#1135269	281
	Pass-through Seward Association for Advancement of Science (SAAMS)	L1300-01	4,804
11.439	Marine Mammal Data Program		1,102,123
	Pass-through State of Alaska	ADN# 1175033	109,971
	Pass-through Aleutians East Borough	AWARD LTR 6/17/03	20,216
	Pass-through North Pacific Marine Science Foundation	NA05NMF4391068	33,177
11.460	Special Oceanic and Atmospheric Projects		1,818,868
	Pass-through State of Alaska	1067068	6,945
National Marine Fisheries Service			
11.452	Unallied Industry Projects		
	Pass-through State of Alaska	ADN 850113 EN 850309	180,470
11.472	Unallied Science Program		
	Pass-through North Pacific Research Board	R0320	74,846
	Pass-through North Pacific Research Board	505	11,400
	Pass-through North Pacific Research Board	#506	77,672
	Pass-through North Pacific Research Board	512 PROJECT NUMBER	47,391
	Pass-through North Pacific Research Board	509	12,046
	Pass-through North Pacific Research Board	511	57,236
	Pass-through North Pacific Research Board	NPRB PROJECT #527	72,981
	Pass-through North Pacific Research Board	PROJECT # 520	395,891
	Pass-through North Pacific Research Board	#507	38,012
	Pass-through North Pacific Research Board	PROJECT 514	59,314
	Pass-through North Pacific Research Board	PROJECT 517	12,670
	Pass-through North Pacific Research Board	#522	12,322
	Pass-through North Pacific Research Board	PROJECT # 607	42,450
	Pass-through North Pacific Research Board	PROJECT # 635	29,365
	Pass-through North Pacific Research Board	PROJECT # 604	80,173
	Pass-through North Pacific Research Board	PROJECT# 627	152,727
	Pass-through North Pacific Research Board	602 NPRB PROJECT#	44,032
	Pass-through North Pacific Research Board	PROJECT #614	34,979
	Pass-through North Pacific Research Board	PROJECT #617	81,920
	Pass-through North Pacific Research Board	PROJECT NO. 632	25,588
	Pass-through North Pacific Research Board	F2631	23,795
	Pass-through University of California, San Diego	PO 10263677	38,810
	Pass-through Woods Hole Oceanographic Institution	A100501	18,831
National Weather Service			
11.467	Meteorologic and Hydrologic Modernization Development		
	Pass-through University Corporation for Atmospheric Research (UCAR) Office of Programs	S07-62784	5,000
National Ocean Service (NOS)			
11.473	Coastal Services Center		
	Pass-through State of Alaska	1165088	(166)
	Pass-through Alaska Ocean Observing System	PFG	4,294
	Pass-through Seward Association for Advancement of Science (SAAMS)	H-2201	710,685
	Pass-through University of Maryland - UMCES	07-5-25535.3734 CA05-22	177,428
11.478	Center for Sponsored Coastal Ocean Research - Coastal Ocean Program		163,866
NOAA Research			
11.481	Educational Partnership Program		
	Pass-through North Carolina Agricultural and Technical State University (NCA&T)	SUB AGREEMENT NO. 270040E	33,280
Total Department of Commerce			<u>12,600,290</u>
Department of Defense			
12.000	Miscellaneous		3,611,694
	Pass-through Johns Hopkins University	885205	17,777
	Pass-through University of Michigan	SUB UNDER CA W56HZV-04-2-0001	138,879

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
Department of the Army			
Office of the Chief of Engineers			
12.114	Collaborative Research and Development		
	Pass-through University of Mississippi	UM02-09-029	\$ 78,194
	Pass-through University of Mississippi	UM 07-11-041	139,690
Army Research and Material Command			
12.420	Military Medical Research and Development		2,385,313
Department of the Navy			
Office of Naval Research			
12.300	Basic and Applied Scientific Research		4,088,140
	Pass-through Florida State University	R00427 FSU#091004-520-015474	24,418
	Pass-through Wayne State University	INDEX# 332520 PO426688	243,034
Army Research Office			
Army Material Command			
12.431	Basic Scientific Research		382,081
Office of the Secretary of Defense			
12.630	Basic, Applied, and Advanced Research in Science and Engineering		34,357
Defense Advanced Research Projects Agency			
12.910	Research and Technology Development		514,382
Total Department of Defense			11,657,959
Department of the Interior			
15.000	Miscellaneous		2,979,819
	Pass-through State of Alaska	ADN#1078006/45-7-0805	86,816
	Pass-through Bering Sea Fisherman's Association	AC-279	29,109
	Pass-through National Fish and Wildlife Foundation	2005-0011-036	1,018
	Pass-through Texas A&M University	SUBCONTRACT TAES 570271	5,383
	Pass-through University of Vermont	20118 INITIAL 2002	9,084
	Pass-through University of Vermont	19758 INITIAL 2006	4,523
15.900	Disposal of Surplus Wildlife		159,682
Bureau of Land Management			
15.224	Cultural Resource Management		
	Pass-through State of Alaska	1070020	4,683
	Pass-through Montana State University	G245-06-W0094	4,963
	Pass-through Montana State University	G251-06-W0094	3,565
15.225	Recreation Resource Management		30,638
15.231	Fish, Wildlife and Plant Conservation Resource Management		21,398
Minerals Management Service			
15.423	Minerals Management Service (MMS) Environmental Studies Program (ESP)		15,099
Fish and Wildlife Service			
15.608	Fish and Wildlife Management Assistance		2,931
15.615	Cooperative Endangered Species Conservation Fund		
	Pass-through State of Alaska	1175191	22,847
15.630	Coastal Program		56,035
15.631	Partners for Fish and Wildlife		8,071
15.634	State Wildlife Grants		
	Pass-through State of Alaska	1165275	9,660
	Pass-through State of Alaska	1175097	19,204
	Pass-through State of Alaska	EN 1175058	26,272
	Pass-through State of Alaska	1175087	7,386
	Pass-through State of Alaska	1165126	2,752
15.642	Challenge Cost Share		15,726
15.643	Alaska Migratory Bird Co-Management Council		8,411
Geological Survey			
15.805	Assistance to State Water Resources Research Institutes		37,444
15.807	Earthquake Hazards Reduction Program		787,459
15.808	U.S. Geological Survey - Research and Data Collection		2,649,412
	Pass-through State of Alaska	ADN # 1056014	7,749
	Pass-through America View, Inc.	AV04-AK01	87,859
15.811	Gap Analysis Program		38,866
15.812	Cooperative Research Units Program		474,785

University of Alaska
Schedule of Expenditures of Federal Awards
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CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
National Park Service			
15.904	Historic Preservation Fund Grants-In-Aid		\$ 33,042
Total Department of the Interior			<u>7,651,691</u>
Department of Justice			
16.000	Miscellaneous		42,076
Office of Juvenile Justice and Delinquency Prevention			
16.542	Part D - Research, Evaluation, Technical Assistance and Training Pass-through Purdue University Indianapolis	AGRMT DTD 5/25/05 PO39607-0169	59,071
Bureau of Justice Statistics			
16.550	State Justice Statistics Program for Statistical Analysis Centers		30,894
Office of Justice Programs			
National Institute of Justice			
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants		319,399
Total Department of Justice			<u>451,440</u>
Department of Transportation			
20.000	Miscellaneous Pass-through University of Washington	166331	53
Federal Aviation Administration			
20.108	Aviation Research Grants Pass-through Embry-Riddle Aeronautical University Pass-through MITRE Corporation	61049- UAF SUBCONTRACT #63778	32,777 42,274
Research and Innovative Technology Administration			
20.762	Research Grants		507,836
Total Department of Transportation			<u>582,940</u>
United States Treasury			
21.000	Miscellaneous		1,184,028
General Services Administration			
39.009	Federal Citizen Information Center Pass-through Northrop Grumman Space Technology	30711 JWE2A/30714JWE2A	13,774,383 14
Total General Services Administration			<u>13,774,397</u>
National Aeronautics and Space Administration			
43.000	Miscellaneous Pass-through Hampton University Pass-through SETI Institute Pass-through SETI Institute Pass-through University of California, Berkeley Pass-through University of California, Los Angeles Pass-through University of Colorado Pass-through University of Maryland Pass-through University of Maryland Pass-through University of Massachusetts, Dartmouth Pass-through University of Pittsburgh	SUBC #03-12 06-CA84A-05-001 SUB NO. NNG06GH12G-06-002 1-0001080910 0965 G FB372 1541927 Z612902 2627201 PO 3012590 PRIME NAG13-03021 0000251 (FORMERLY 402256-1)	10,813,075 28,227 3,493 8,913 398 10,141 4,138 52,732 3,469 48,269 22,815
43.001	Aerospace Education Services Program Pass-through University of Washington	478959	214,905 34,690
Total National Aeronautics and Space Administration			<u>11,245,265</u>
National Foundation on the Arts and the Humanities			
45.000	Miscellaneous		3,242
National Science Foundation			
47.000	Miscellaneous Pass-through Joint Oceanographic Institutes, Inc. Pass-through University of Texas at Austin	JSA 5-09 UTA4-172	1,064,284 3,321 (25)
47.041	Engineering Grants		305,939
47.049	Mathematical and Physical Sciences Pass-through Stanford University Pass-through University of Minnesota	SUBAWARD NO. 30891-A R5286056118	142,938 151,343 35,985

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

<u>CFDA</u> <u>NUMBER</u>	<u>FEDERAL PROGRAM TITLE</u>	<u>PASS-THROUGH ID#</u>	<u>EXPENDITURES</u>
<u>Office of Environmental Management</u>			
81.104	Office of Environmental Cleanup and Acceleration Pass-through Columbia University		

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

<u>CFDA</u> <u>NUMBER</u>	<u>FEDERAL PROGRAM TITLE</u>	<u>PASS-THROUGH ID#</u>	<u>EXPENDITURES</u>	
93.279	Drug Abuse and Addiction Research Programs Pass-through Medical College of Wisconsin	PHS R01 DA013139 PO710841	\$	2,919
				41,708

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

FEDERAL PROGRAM TITLE

PASS-THROUGH ID#

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

<u>CFDA</u> <u>NUMBER</u>	<u>FEDERAL PROGRAM TITLE</u>	<u>PASS-THROUGH ID#</u>	<u>EXPENDITURES</u>
Department of Justice			
16.000	Miscellaneous		\$ 10,042
<u>Office of Juvenile Justice and Delinquency Prevention</u>			

University of Alaska
 Schedule of Expenditures of Federal Awards
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CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
National Science Foundation			
47.000	Miscellaneous		\$ 9,011
	Pass-through Barrow Arctic Science Consortium	TASK ORDER#06-001	30,000
	Pass-through Bristol Bay Native Association	AGREEMENT DATED 7/24/2006	66,768
47.050	Geosciences		481,537
47.070	Computer and Information Science and Engineering		53,143
47.074	Biological Sciences		298,758
47.076	Education and Human Resources		1,580,892
47.078	Polar Programs		485,022
	Pass-through Barrow Arctic Science Consortium	PENDING	79,218
Total National Science Foundation			3,084,349
Small Business Administration			
59.007	Technical Assistance		1,385
59.009	Procurement Assistance to Small Businesses		56,106
59.037	Small Business Development Center		424,160
Total Small Business Administration			481,651
Environmental Protection Agency			
66.000	Miscellaneous		77,769
66.202	Congressionally Mandated Projects		40,306
	Pass-through Alaska Native Tribal Health Consortium	SUB-AWARD	22,418
66.606	Surveys, Studies, Investigations and Special Purpose Grants		309,707
<u>Office of Research and Development</u>			
66.514	Science to Achieve Results (STAR) Fellowship Program		10,331
<u>Region 9</u>			
66.600	Environmental Protection Consolidated Grants - Program Support		
	Pass-through State of Alaska	1870114	28,314
<u>Office of the Administrator</u>			
66.610	Surveys, Studies, Investigations and Special Purpose Grants		
	Within the Office of the Administrator		22,597
<u>Office of Prevention, Pesticides and Toxic Substances</u>			
66.708	Pollution Prevention Grants Program		43,200

University of Alaska
Schedule of Expenditures of Federal Awards
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CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
84.243	Tech - Prep Education		
	Pass-through State of Alaska	RSA EN 0560634	\$ 17,218
	Pass-through State of Alaska	RSA EN# 0550625	(24)
	Pass-through State of Alaska	RSA EN#0570522	330,675
<u>Assistant Secretary for Postsecondary Education</u>			
84.021	Overseas - Group Projects Abroad		35,348
84.031	Higher Education - Institutional Aid		4,581,605
<u>Office of Assistant Secretary for Vocational and Adult Education</u>			
84.048	Vocational Education - Basic Grants to States		
	Pass-through State of Alaska	ADN 0570578 AMEND 1	97,371
	Pass-through State of Alaska	SITKA EL07.163.01	70,664
	Pass-through State of Alaska	0570579, 0570706	137,296
	Pass-through State of Alaska	ADN# 0560737	3,436
<u>Office of the Assistant Secretary for Postsecondary Education</u>			
84.116	Fund for the Improvement of Postsecondary Education		296,221
84.336	Teacher Quality Enhancement Grants		2,077,462
<u>Office of Assistant Secretary for Educational Research and Improvement</u>			
84.215	Fund for the Improvement of Education		840,689
<u>Office of Special Education and Rehabilitative Services</u>			
84.323	Special Education - State Personnel Development		
	Pass-through State of Alaska	EN 0570524	8,000
	Pass-through State of Alaska	FS 07.159.01	45,000
	Pass-through State of Alaska	ADN #0570529	195,659
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		200,378
<u>Office of Postsecondary Education</u>			
84.333	Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education		202,875
<u>Office of Innovation and Improvement</u>			
84.350	Transition to Teaching		180,158
84.363	School Leadership		109,814
<u>Office of Elementary and Secondary Education</u>			
84.356	Alaska Native Educational Programs		4,717,022
	Pass-through Doyon Foundation	MOA 11-30-06	42,544
	Pass-through Project GRAD Kenai Peninsula	MOA DATED 3/27/2006	15,948
84.366	Mathematics and Science Partnerships		
	Pass-through State of Alaska	RSA EN 0560735	(510)
	Pass-through State of Alaska	PM 07.159.01	84,429
	Pass-through State of Alaska	RSA ADN 0570603	487,573
84.367	Improving Teacher Quality State Grants		
	Pass-through State of Alaska	HE07.159.01	107,248
	Pass-through State of Alaska	HE 07.159.02	270,314
Total Department of Education			16,191,721
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants		
	Pass-through Whitworth College	AGREEMENT DATED 08/09/2005	9,267
Denali Commission			
90.100	Denali Commission Program		12,724
	Pass-through State of Alaska	770048	793,470
	Pass-through State of Alaska	0760002	(473)
	Pass-through State of Alaska	0760004	32
	Pass-through State of Alaska	ADN 770084	508,867
	Pass-through State of Alaska	760017	2,746
	Pass-through Alaska Public Broadcasting, Inc.	LETTER DATED 09/15/06	4,526
	Pass-through Corporation for Public Broadcasting	LETTER AWARD 10/31/05	41,683
Total Denali Commission			1,363,575
Department of Health and Human Services			
93.000	Miscellaneous		
	Pass-through Alaska Native Tribal Health Consortium	236-01-0003 SUB.	32

University of Alaska
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CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
<u>Office of the Secretary</u>			
93.100	Health Disparities in Minority Health Pass-through State of Alaska	EN 0673039 AMEND 2	\$ 6,376
<u>Health Resources and Services Administration</u>			
93.110	Maternal and Child Health Federal Consolidated Programs		96,721
93.178	Nursing Workforce Diversity		57,052
93.189	Health Education and Training Centers Pass-through University of Washington	162846	170,591
93.192	Quentin N. Burdick Program for Rural Interdisciplinary Training		84,495
93.358	Advanced Education Nursing Traineeships		35,769
93.822	Health Careers Opportunity Program		51,446
93.824	Basic / Core Area Health Education Centers		880,468
93.888	Specially Selected Health Projects Pass-through University of Washington	SUBCONTRACT 145952	531,350 68,224
93.912	Rural Health Care Services Outreach and Rural Health Network Development Program		113,760
<u>Substance Abuse and Mental Health Services Administration</u>			
93.230	Consolidated Knowledge Development and Application (KD&A) Program Pass-through State of Alaska	EN# 0623029	96
<u>Centers for Disease Control and Prevention</u>			
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance Pass-through South East Alaska Regional Health Consortium	U58/CCU024463	551,524 86
<u>National Institutes of Health</u>			
93.389	National Center for Research Resources		2,432,695
<u>Administration for Children and Families</u>			
93.558	Temporary Assistance for Needy Families Pass-through State of Alaska	604-07-009	39,963
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service		492,849
93.648	Child Welfare Services Training Grants		71,479
93.658	Foster Care - Title IV-E Pass-through State of Alaska	EN 663223 AMEND 2	9,390
	Pass-through State of Alaska	660214	1,993
	Pass-through State of Alaska	EN 673059	574,994
Total Department of Health and Human Services			6,271,353
Corporation for National and Community Service			
94.005	Learn and Serve America - Higher Education		18,899
94.013	Volunteers in Service to America		6,000
Total Corporation for National and Community Service			24,899
Social Security Administration			

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2007

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
WORKFORCE INVESTMENT ACT (WIA)			
<u>Department of Labor</u>			
	Employment and Training Administration		
17.260	WIA Dislocated Workers		
	Pass-through State of Alaska	DBA FILE NO 6-801	\$ 2,368
HIGHWAY PLANNING AND CONSTRUCTION			
<u>Department of Transportation</u>			
	Federal Highway Administration		
20.205	Highway Planning and Construction		
	Pass-through State of Alaska	2571820	35,157
	Pass-through State of Alaska	ADN# 2572052	44,703
	Pass-through State of Alaska	EN.2573008	35,485
TOTAL HIGHWAY PLANNING AND CONSTRUCTION			115,345
HIGHWAY SAFETY			
<u>Department of Transportation</u>			
	National Highway Traffic Safety Administration		
20.600	State and Community Highway Safety		
	Pass-through State of Alaska	2563242	1,854
	Pass-through State of Alaska	2563225	4,782
	Pass-through State of Alaska	RSA EN 2563224	2,582
TOTAL HIGHWAY SAFETY			9,218
SPECIAL EDUCATION			
<u>Department of Education</u>			
	Office of Special Education and Rehabilitative Services		
84.027	Special Education - Grants to States		
	Pass-through State of Alaska	EN 0570525	94,002
	Pass-through State of Alaska	EN 0560819	425
	Pass-through State of Alaska	EN 0560549	(182)
	Pass-through State of Alaska	ADN 0570528	2,435
84.173	Special Education - Preschool Grants		
	Pass-through State of Alaska	RSA EN#0570869	49,300
	Pass-through State of Alaska	EN 0570523	99,193
TOTAL SPECIAL EDUCATION			245,173
TRIO			
<u>Department of Education</u>			
	Office of Assistant Secretary for Postsecondary Education		
84.042	TRIO - Student Support Services		636,799
84.044	TRIO - Talent Search		1,024,755
84.047	TRIO - Upward Bound		1,145,501

UNIVERSITY OF ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the University of Alaska. The University of Alaska is a constitutionally created corporation and a component unit of the State of Alaska. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the economic resources measurement focus and accrual basis of accounting, which is described in note 1 to the University of Alaska's financial statements.

(3) Noncash Federal Awards

The University receives Federal awards under the Perkins Loan Program (CFDA #84.638). The outstanding loan balances under this program totaled \$(5,762) as of June 30, 2007.

(4) Subrecipients

The University of Alaska passed through \$7,609,344 of federal awards to subrecipients for the year ended June 30, 2007. Expenditures incurred by the subrecipients are listed below by federal program. These

UNIVERSITY OF ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

Federal Agency and Program	CFDA#	Expenditures
Department of Commerce (Cont.)		
Coastal Services Center	11.473	\$ 131,590
Educational Partnership Program	11.481	<u>26,667</u>
		<u>1,213,161</u>
Department of Defense		
Basic and Applied Scientific Research	12.300	147,967
Military Medical Research and Development	12.420	5,024
Basic Scientific Research	12.431	<u>30,000</u>
		<u>182,991</u>
Department of the Interior		
Miscellaneous	15.000	<u>194,309</u>
Department of Justice		
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	<u>53,326</u>
General Services Administration		
Federal Citizen Information Center	39.009	<u>265,690</u>
National Aeronautics and Space Administration		
Miscellaneous	43.000	75,278
Aerospace Education Services Program	43.001	<u>75,341</u>
		<u>150,619</u>
National Science Foundation		
Miscellaneous	47.000	11,105
Engineering Grants	47.041	137,500
Geosciences	47.050	46,978
Computer and Information Science and Engineering	47.070	17,697
Biological Sciences	47.074	76,993
Education and Human Resources	47.076	95,032
Polar Programs	47.078	<u>955,333</u>
		<u>1,340,638</u>
Environmental Protection Agency		
Miscellaneous	66.000	34,063
Pollution Prevention Grants Program	66.708	<u>32,798</u>
		<u>66,861</u>

UNIVERSITY OF ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

Federal Agency and Program	CFDA#	Expenditures
Department of Energy		
Miscellaneous	81.000	\$ 239,197
 Department of Education		
Higher Education - Institutional Aid	84.031	93,750
TRIO - Talent Search	84.044	45,935
TRIO - Upward Bound	84.047	85,587
Vocational Education - Basic Grants to States	84.048	43,500
Bilingual Education - Professional Development	84.195	39,000
Fund for the Improvement of Education	84.215	223,752
Tech-Prep Education	84.243	15,958
Teacher Quality Enhancement Grants	84.336	381,577
Alaska Native Educational Programs	84.356	195,063
School Leadership	84.363	55,252
Mathematics and Science Partnerships	84.366	55,339
Improving Teacher Quality State Grants	84.367	64,097
		1,298,810
 Denali Commission		
Denali Commission Program	90.100	26,033
 Department of Health and Human Services		
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects	93.048	15,000
Maternal and Child Health Federal Consolidated Programs	93.110	18,561
Mental Health Research Grants	93.242	9,146

UNIVERSITY OF ALASKA

Schedule of Findings and Questioned Costs, restated

June 30, 2007

(3)

UNIVERSITY OF ALASKA

Schedule of Findings and Questioned Costs, restated

June 30, 2007

(3) Findings and Questioned Costs Related to Federal Awards, Continued

Finding 2007-2, Continued

Context – Isolated to Student Support Services.

Effect – The University provided student support services to a population that did not meet the program's earmarking requirement.

Recommendation – The University should make every effort to serve the number of Student Support Services participants required by the program.

Views of Responsible Officials – Please refer to management's corrective action plan attached.

Finding 2007-3

Department of Education (DOE), Student Financial Assistance (SFA) Programs Cluster, Federal Family Education Loans (FFEL) (CFDA #84.032) and Federal Pell Grant Program (CFDA #84.063)

Criteria or Specific Requirements – According to the Code of Federal Regulations (CFR), Title 34, Section 668-22, when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period in which the recipient began attendance, the institution must determine the amount of Title IV assistance to be repaid. The

UNIVERSITY OF ALASKA

Schedule of Findings and Questioned Costs, restated

June 30, 2007

The University of Alaska Southeast returned Title IV funds untimely for 7 students that withdrew from the institution. The untimeliness of the returns ranged from 1 to 3 months.

Recommendation

**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***

The Board of Regents
The University of Alaska:

We have audited the financial statements of the University of Alaska and its discretely presented component unit as of and for the year ended June 30, 2007, and have issued our report thereon dated November 2, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University of Alaska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.