



**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

OMB Circular A-133 Audit of Federal Awards

Year ended June 30, 2007

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

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**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Federal Program Expenditures	Payments to Subrecipients
Research and Development Cluster:				
U.S. Department of Agriculture:				
Agricultural Research Basic and Applied Research	10.001		\$ 255,850	—
Grants for Agricultural Research, Special Research Grants – Passed through the University of Arkansas at Fayetteville	10.200	UA AES 90792-03	45,001	—
Total for U.S. Department of Agriculture			<u>300,851</u>	<u>—</u>
U.S. Department of Defense:				
Aquatic Plant Control – Passed through the University of Arkansas at Fayetteville	12.100	UA AES 90792-01	6,135	—
Basic and Applied Scientific Research – Passed through the University of Illinois	12.300	N00014-06-1-0100	81,444	—
Contract # HDTRA1-07-C-0028 from Office of Naval Research	12.XXX		21,249	—
Contract # BC050157 with Department of Defense	12.XXX		476,450	—
Military Medical Research and Development	12.420		7,638	—
Military Medical Research and Development	12.420		3,877	—
Military Medical Research and Development – Passed through New York University	12.420	SPA # 04-0733	6,584	—
Total for Department of Defense			<u>603,377</u>	<u>—</u>
U.S. Department of Justice:				
Juvenile Accountability Incentive Block Grants – Passed through Arkansas Department of Health and Human Service	16.523	460009836	46,978	—
National Institute of Justice Research, Evaluation, and Development Project Grants – Passed through the University of Missouri	16.560	C00005184-2	22,897	—
Total for U.S. Department of Justice			<u>69,875</u>	<u>—</u>
National Aeronautics and Space Administration:				
Federal Contract – Passed through Baylor College of Medicine	43.XXX	NRA 03-OBPR-04/NRA03-OBPR-06	310,489	—
Federal Contract – Passed through University of Arkansas of Little Rock Arkansas Space Grant Consortium	43.XXX	UAMS15102	19,777	—
Technology Transfer	43.002		2,781	—
Total for National Aeronautics and Space Administration			<u>333,047</u>	<u>—</u>
National Science Foundation:				
Engineering Grants	47.041		558	—
Biological Sciences	47.074		180,356	2,841
Total for National Science Foundation			<u>180,914</u>	<u>2,841</u>
U.S. Department of Health and Human Services:				
Federal Contract – Passed through Association of University Centers on Disability	93.XXX	AUCD RT01 2003-02-04	127,742	36,766
Federal Contract – Passed through Cleveland Clinic Foundation	93.XXX	N01-CN-25140	27,819	—
Federal Contract – Passed through EMMS	93.XXX	HHS-N-260-2005-00007-C	12,429	—
Federal Contract – Passed through Houston Academy of Medicine – Texas	93.XXX	N01-LM-6-3505	12,000	—
Federal Contract – Passed through JAEB Center for Health Research	93.XXX	LONS	8,492	—
Federal Contract – Passed through University of Alabama – Birmingham	93.XXX	N01AI30025	296	—
Federal Contract – Passed through University of Medicine & Dentistry of New Jersey	93.XXX	R01 NS38384	3,000	—
Federal Contract #HHSP233200600001T; 233-02-0089 – Passed through Xtria LLC	93.XXX	1053-008-45-01	13,125	—
Innovations in Applied Public Health Research – Passed through Radiation Monitoring Devices, Inc	93.061	RMD # CO7-27	38,497	—
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086		138,738	3,330
Maternal and Child Health Federal Consolidated Programs	93.110		196,566	—
Biological Response to Environmental Health Hazards – Passed through University of Pittsburg	93.113	8R1ES09140A	6,971	—
Biological Response to Environmental Health Hazards	93.113		97,630	—
Applied Toxicological Research and Testing	93.114		244,539	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs – Passed through Arkansas Department of Health and Human Services	93.116	4600010664	9,366	—
Research Related to Deafness and Communication Disorders	93.173		258,758	—
Telehealth Network Grants	93.211		110,090	—
Federal Contract – Passed through Mount Sinai Medical Center	93.213	1 UO1 AT001156	2,598	—

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Federal Program Expenditures	Payments to Subrecipients
Research on Healthcare Costs, Quality and Outcomes	93.226		\$ 95,667	—
Mental Health Research Grants – Passed through University of Washington	93.242	798658	10,640	
Mental Health Research Grants	93.242		939,030	35,354
Substance Abuse and Mental Health Services Projects of Regional and National Significance – Passed through Arkansas Department of Health and Human Services	93.243	6 UD1 TI15360-01-01	254,702	—
Poison Control Stabilization and Enhancement Grants	93.253		161,836	—
Occupational Safety and Health Program – Passed through University of Texas Health Sciences Center at Houston	93.262	5 T42 O008421-02_0004905G	10,577	—
Alcohol Research Programs – Passed through University of Colorado	93.273	1 R01 AA016676-01	23,889	—
Alcohol Research Programs – Passed through University of Miami	93.273		—	—
Alcohol Research Programs	93.273		594,485	—
Drug Abuse and Addiction Research Programs – Passed through Inflexion Therapeutics, LLC	93.279	1 R42 DA017596	107	—
Drug Abuse and Addiction Research Programs – Passed through IntervXion Therapeutics, LLC	93.279	R42 DA 17596	122,590	—
Drug Abuse and Addiction Research Programs – Passed through Washington University	93.279	5 R01 DA22560; #317583	22,156	—
Drug Abuse and Addiction Research Programs – Passed through Yale University	93.279	5 P50 DA01897	251,934	—
Drug Abuse and Addiction Research Programs	93.279		6,243,662	754,364
Mental Health Research Career/Scientist Development Award	93.281		33,796	—
Centers for Disease Control and Prevention Investigations and Technical Assistance – Passed through Arkansas Department of Health and Human Services	93.283	P. O. #4500620762	52,547	—
Centers for Disease Control and Prevention Investigations and Technical Assistance – Passed through University of Alabama – Birmingham	93.283	UARK 2001-31	79	—
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		23,311	—
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		510,611	16,502
Nursing Research	93.361		1,614,353	90,377
National Center for Research Resources – Passed through University of Arkansas at Fayetteville	93.389	2 P20 RR01556906	255,739	—
National Center for Research Resources	93.389		5,601,339	2,392,276
Cancer Cause and Prevention Research – Passed through University of California – San Francisco	93.393	2 R37 CA051323-16	8,349	—
Cancer Cause and Prevention Research	93.393		455,661	—
Cancer Detection and Diagnosis Research – Passed through Washington University	93.394	WU-HT-07-05	9,448	4,581
Cancer Detection and Diagnosis Research	93.394		376,815	—
Cancer Treatment Research – Passed through DCV Technologies	93.395	1 R41 CA108257-01A1	(1,040)	—
Cancer Treatment Research – Passed through National Surgical Adjuvant Breast and Bowel Project	93.395	TFED35-034	62,266	—
Cancer Treatment Research – Passed through National Childhood Cancer Foundation	93.395	U10 CA98543/# 11202	20,645	—
Cancer Treatment Research – Passed through Southwest Oncology Group	93.395	SWOG 05013	51,831	—
Cancer Treatment Research – Passed through University of Pennsylvania	93.395	1 P01 CA089480; 539043-C	(43)	—
Cancer Treatment Research – Passed through Washington University	93.395	5 P01CA104457-03	21,361	—
Cancer Treatment Research	93.395		5,511,262	173,782
Cancer Biology Research – Passed through University of Alabama – Birmingham	93.396	5 R01 CA103054-05S1; OGCA Link 278333	148,748	—
Cancer Biology Research	93.396		701,964	—
Cancer Research Manpower	93.398		25,724	—
Cancer Control – Passed through University of California – San Francisco	93.399	5 R01 CA087905	(3,013)	—
Cancer Control	93.399		(162)	—
Temporary Assistance for Needy Families – Passed through Arkansas Department of Health Human Service	93.558	DWS-01-AC01	354,297	—
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		491,379	—
Medical Assistance Program – Passed through Arkansas Department of Health and Human Service	93.778	DDSCMS-05-01	44	—
Heart and Vascular Diseases Research	93.837		732,393	—
Lung Diseases Research	93.838		710,896	181,716
Blood Diseases and Resources Research – Passed through University of Iowa	93.839	2 P01 HL046925-11	413,082	—
Blood Diseases and Resources Research	93.839		973,657	—
Arthritis, Musculoskeletal and Skin Diseases Research – Passed through Columbia University	93.846	5 R01 AR51187	40,395	—
Arthritis, Musculoskeletal and Skin Diseases Research – Passed through University of Kentucky	93.846	Muscle and Bone	62,491	—
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		1,130,694	81,480
Diabetes, Endocrinology and Metabolism Research – Passed through University of Chicago	93.847	PHS U01 DK58026	1,261	—
Diabetes, Endocrinology and Metabolism Research – Passed through University of Kentucky Research Foundation	93.847	7 R01 DK071349-03	74,741	—
Diabetes, Endocrinology and Metabolism Research – Passed through University of Oxford	93.847	R002692/CN003	40,384	—

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Federal Program Expenditures	Payments to Subrecipients
Diabetes, Endocrinology and Metabolism Research	93.847		\$ 2,085,741	283,783
Digestive Diseases and Nutrition Research – Passed through University of Vermont	93.848	5 R01 DK056746; #17596	274,759	—
Digestive Diseases and Nutrition Research	93.848		330,366	—
Kidney Diseases, Urology and Hematology Research – Passed through University of California – San Francisco	93.849	U01 DK067860; #444947-29030	26,203	—
Kidney Diseases, Urology and Hematology Research – Passed through Wake Forest University	93.849	5 U01 DK57136	29,032	—
Kidney Diseases, Urology and Hematology Research	93.849		996,338	—
Extramural Research Programs in the Neurosciences and Neurological Disorders- Passed through Columbia University	93.853	R01 NS048125 (CTA)	1,683	—
Extramural Research Programs in the Neurosciences and Neurological Disorders – Passed through University of Alabama – Birmingham	93.853	5 U01 NS041588	20,283	—
Extramural Research Programs in the Neurosciences and Neurological Disorders – Passed through Washington University	93.853	1 U01 NS42167	11,519	—
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		3,760,515	251,833
Allergy, Immunology and Transplantation Research – Passed through Duke Clinical Research	93.855	126995	139,960	62,700
Allergy, Immunology and Transplantation Research – Passed through Western Regional Center for Excellence	93.855	5 U54 AI057156-04	49,677	—
Allergy, Immunology and Transplantation Research – Passed through XENOCEPT, INC	93.855	1 R41 AI66577-01	15,403	—
Allergy, Immunology and Transplantation Research	93.855		1,217,697	92,603
Microbiology and Infectious Diseases Research – Passed through University of Medicine/Dental, New Jersey	93.856	5 R01 AI46669-06	55,266	—
Microbiology and Infectious Diseases Research – Passed through University of Maryland	93.856	R01 AI54310	14,148	—
Microbiology and Infectious Diseases Research	93.856		2,342,034	631,423
Biomedical Research and Research Training – Passed through Mayo Clinic	93.859	2U01 GM61388-06	38,452	—
Biomedical Research and Research Training – Passed through University of Texas Medical Branch – Galveston	93.859	07-015	30,001	—
Biomedical Research and Research Training	93.859		1,048,199	—
Child Health and Human Development Extramural Research – Passed through Mathematical Policy	93.865	6279-06-217	19,203	—
Child Health and Human Development Extramural Research – Passed through University of Alabama – Birmingham	93.865	R01 HD40771	5,552	—
Child Health and Human Development Extramural Research – Passed through University of Virginia	93.865	5 R01 HD35523	(77)	—
Child Health and Human Development Extramural Research	93.865		843,996	—
Aging Research – Passed through Duke Clinical Research	93.866	1U19A167798-01	180,498	—
Aging Research – Passed through RTI International	93.866	#6-321-0209825	253,552	75,586
Aging Research – Passed through University of Kentucky	93.866	3048049900-07-141	128,751	—
Aging Research – Passed through University of Washington	93.866	5 U01 AG016976 #253620	27,184	—
Aging Research	93.866		6,651,384	309,636
Vision Research – Passed through POTENTIA	93.867	1 R41 EY017473-01	75,357	—
Vision Research	93.867		1,341,007	—
Medical Library Assistance	93.879		55,619	—
Grants for Training in Primary Care Medicine and Dentistry	93.884		375,601	—
Health Care and Other Facilities	93.887		66,782	—
Resource and Manpower Development in the Environmental Health Sciences	93.894		153,122	—
Block Grants for Prevention and Treatment of Substance Abuse – Passed through Arkansas Department of Health and Human Services	93.959	SA # 33-04	382,026	—
International Research and Research Training	93.989		58,287	—
National Health Promotion	93.990		143,911	—
Bioterrorism Training and Curriculum Development Program	93.996		123,328	—
Contract # 1435-04-04-C7-73980 – Passed through Booz Allen Hamilton, Inc.	93.XXX	1435-04-04-CT-73980/88017CBS17	118,276	—
Contract # NO1-AI-95383 – Passed through Case Western Reserve University	93.XXX	NO1 AI 95383	200,800	—
<b>Total for U.S. Department of Health and Human Services</b>			<b>54,238,671</b>	<b>5,478,092</b>
<b>Total Research and Development Cluster</b>			<b>55,726,735</b>	<b>5,480,933</b>

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Federal Program Expenditures	Payments to Subrecipients
Student Financial Aid Cluster:				
U.S. Department of Education:				
Federal Family Education Loans	84.032		\$ 26,796,738	—
Federal Perkins Loan Program Federal Capital Contributions	84.038		2,453,869	—
Federal Supplemental Educational Opportunity Grants	84.007		50,000	—
Federal Work-Study Program	84.033		26,048	—
Federal Pell Grant Program	84.063		873,134	—
Total for U.S. Department of Education			<u>30,199,789</u>	<u>—</u>
U. S. Department of Health and Human Services:				
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925		75,371	—
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Student	93.342		4,749,692	—
Nursing Student Loans	93.364		250,635	—
Total for U.S. Department of Health and Human Services			<u>5,075,698</u>	<u>—</u>
Total Student Financial Aid Cluster			<u>35,275,487</u>	<u>—</u>
Head Start:				
Head Start (Classroom program)	93.600		7,504,458	53,703
Head Start (Non-classroom program)	93.600		113,539	—
Total for Head Start			<u>7,617,997</u>	<u>53,703</u>
U.S. Department of Agriculture:				
Child and Adult Care Food Program – Passed through AR Div of Child Care & Early Childhood Ed	10.558	D0053	580,899	—
Rural Business Opportunity Grants – Passed through Delta Regional Authority	10.773	RW-0082	59,457	—
Total for U.S. Department of Agriculture			<u>640,356</u>	<u>—</u>
U.S. Department of Defense:				
Collaborative Research and Development	12.114		13,374	—
Federal Contract #W911QY-06-90081 with Department of Defense	12.XXX		50,015	—
Total for Department of Defense			<u>63,389</u>	<u>—</u>
U.S. Department of Housing and Urban Development:				
Emergency Shelter Grants Program – Passed through Arkansas Department of Health and Human Service:	14.231	4600010885 (ESG-06-01)	5,167	—
Total for U.S. Department of Housing and Urban Development			<u>5,167</u>	<u>—</u>
U.S. Department of Justice:				
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	16.203		29,608	—
Education and Training to End Violence Against and Abuse of Women with Disabilities	16.529		8,658	—
Rural Domestic Violence and Child Victimization Enforcement Grant Program	16.589		(17)	—
Edward Byrne Memorial Justice Assistance Grant Program – Passed through Arkansas Departmen				
Finance & Administration	16.738	2005-DJ-BX-0167	4,309	—
Total for U.S. Department of Justice			<u>42,558</u>	<u>—</u>
U.S. Department of Labor:				
WIA Pilots, Demonstrations, and Research Projects – Passed through Little Rock Workforce Investment Boarc	17.261	AH-12616-02-60	70,598	—
Total for U.S. Department of Labor			<u>70,598</u>	<u>—</u>
U.S. Department of Transportation:				
Safety Incentive Grants for Use of Seatbelts – Passed through Arkansas Highway & Transportation Departmen	20.604	J3-0411-1000	158,770	—
Total for U.S. Department of Transportation			<u>158,770</u>	<u>—</u>

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Year ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Federal Program Expenditures	Payments to Subrecipients
National Science Foundation:				
Engineering Grants – Passed through Visible Productions, LLC	47.041	0334384	\$ (22)	—
Total for National Science Foundation			(22)	—
Environmental Protection Agency:				
Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Developmen	66.510		9,211	—
Total for Environmental Protection Agency			9,211	—
U.S. Department of Education:				
Vocational Education Basic Grants to States – Passed through University of Southern Arkansa:	84.048	CARL D PERKINS POST SECONDARY CONSORTIUM	7,134	—
Parental Assistance Centers – Passed through Jones Center for Families:	84.310	S310A020091	303,964	—
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education – Passed through				
University of Arkansas at Little Rock	84.333	P33A050010; #211157	12,706	—
Fund for the Improvement of Postsecondary Education	84.116		617,976	347,261
Total for U.S. Department of Education			941,780	347,261
U.S. Department of Health and Human Services:				
Purchase Order from the Centers for Disease Control and Prevention--Conference Support	93.XXX		1,719	—
Contract – Passed through Arkansas Department of Health and Human Services:	93.XXX	4600008274	103,248	—
Sub-Contract for 1 H79T116616 from Decision Point, Inc.	93.XXX	1 H79 T116616-01	58,649	—
Federal Contract – Passed through University of Kentucky	93.XXX	N02-CO-01241	100,944	—
Model State-Supported Area Health Education Centers	93.107		483,415	—
Maternal and Child Health Federal Consolidated Programs	93.110		122,872	—
Biological Response to Environmental Health Hazards	93.113		8,684	—
Rural Health Research Centers – Passed through Western Interstate Comm. for Higher Ec	93.155	44.00.61	27,428	—
Nursing Workforce Diversity	93.178		313,101	—
Disabilities Prevention	93.184		348,482	—
Health Education and Training Centers	93.189		33,481	5,005
Quentin N. Burdick Program for Rural Interdisciplinary Training	93.192		29,926	8,000
Telehealth Network Grants	93.211		73,027	—
Family Planning Services – Passed through Arkansas Department of Health and Human Service:	93.217	4600010228	31,378	—
State Rural Hospital Flexibility Program – Passed through Arkansas Department of Health and Human Service:	93.241	4600010153	5,966	—
Substance Abuse and Mental Health Services Projects of Regional and National Significanc	93.243		254,137	23,760
Advanced Education Nursing Grant Program	93.247		246,346	—
Healthy Communities Access Program	93.252		(83)	—
State Planning Grants Health Care Access for the Uninsured – Passed through Arkansas Department of				
Health and Human Services	93.256	State Planning Grant; 2 P09 HS00025-02-05	305,916	33,996
Occupational Safety and Health Program – Passed through University of Texas Health Center at Tyle	93.262	1U500H07541; PO # 0000070286	3,380	—
Drug Abuse and Addiction Research Programs	93.279		51,413	—
Mental Health National Research Service Awards for Research Training	93.282		126,926	—
Centers for Disease Control and Prevention Investigations and Technical Assistance – Passed through Arkansa				
Department of Health and Human Services	93.283	4500544463 - "HEALTHY LUNGS"	9,868	—
Advanced Education Nursing Traineeships	93.358		58,888	—
Nurse Education, Practice and Retention Grants	93.359		(35)	—
Nursing Research	93.361		82,942	—
National Center for Research Resources	93.389		79,125	—
Cancer Cause and Prevention Research	93.393		840,342	66,859
Cancer Research Manpower	93.398		2,491	—
Cancer Control – Passed through St. Louis University	93.399	5 P50 CA095815	1,319	—
Low-Income Home Energy Assistance – Passed through Arkansas Department of Workforce Service:	93.568	TANF Block Grant	35,029	—
Child Care and Development Block Grant – Passed through AR Div of Child Care & Early Childhood Ed	93.575	4600008165/ JHS30585	138,489	2,025
Child Care and Development Block Grant – Passed through Arkansas Department of Health and Human Services:	93.575	4600008164	273,708	19,660
Child Care Mandatory and Matching Funds of the Child Care and Development Fund- Passed through AR Div of				
Child Care & Early Childhood Ed	93.596	4600007324	153,538	—
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		3,908	—

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Program Expenditures</u>	<u>Payments to Subrecipients</u>
Children's Justice Grants to States	93.643		\$ 202,805	—
Social Services Block Grant – Passed through Arkansas Department of Health and Human Service:	93.667	4600012840	202,901	—
Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes – Passed through Arkansas Department of Health and Human Services	93.671	4600012440	426,443	290,439
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations – Passed through Arkansas: Department of Health and Human Services	93.779	4600012727	23,692	—
Health Careers Opportunity Program	93.822		208,611	—
Microbiology and Infectious Diseases Research	93.856		(8,623)	—
Child Health and Human Development Extramural Research	93.865		52,553	2,282
Aging Research – Passed through Courtesy Associates	93.866	NTX XXII – Conference	(2,314)	—
Aging Research – Passed through University of Texas at Dallas	93.866	P601701	(254)	—
Grants for Training in Primary Care Medicine and Dentistry	93.884		(869)	—
Rural Health Care Services Outreach and Rural Health Network Development Program – Passed through Mid Delta Community Consortium	93.912	5 D60RH00473-03-00	128,891	—
Block Grants for Prevention and Treatment of Substance Abuse – Passed through Arkansas Department of Health and Human Services	93.959	4600010578	238,513	—
Geriatric Education Centers	93.969		124,758	—
Family Planning Service Delivery Improvement Research Grants – Passed through University of Alabama – Birmingham	93.974	1FPRPA006018-01-00	65,843	—
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems – Passed through Friends of Congressional Glaucoma Caucus	93.988	E11 CCE220462-01	3,872	—
Total for U.S. Department of Health and Human Services			<u>6,076,789</u>	<u>452,026</u>
U.S. Department of Homeland Security:				
Contract from FEMA – Passed through from the Arkansas Department of Health and Human Services	93.XXX	FEMA-1604-DR-MS(AR)	43,102	—
Total for U.S. Department of Homeland Security			<u>43,102</u>	<u>—</u>
Total			\$ <u>106,671,917</u>	<u>6,333,923</u>

See accompanying notes to schedule of expenditures of federal awards.



**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

**(1) Basis of Accounting**

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Expenditures are recognized as they are incurred, except for multi-year services, which are recognized fully in the year paid.

**(2) Relationship to Financial Statements**

The following is a reconciliation of federal financial assistance revenue as reported in the University's financial statements to the schedule of expenditures of federal awards:

Total grants revenue as reported in the financial statements	\$ 80,227,070
Federal Family Education Loan Program	26,796,738
Federal Perkins Loan Program	2,453,869
Health Professions Student Loans	4,749,692
Nursing Student Loans	250,635
Nonfederal grant revenue	<u>(7,806,088)</u>
Federal expenditures per accompanying Schedule	<u><u>\$ 106,671,916</u></u>

**(3) Loans and Loan Guarantees**

Federal awards expended under the following loan programs were determined based on the value of new loans made during the year, plus the balance of loans from previous years, for which the federal government imposes continuing compliance requirements, plus any interest subsidies, cash, or administrative cost allowance received.

Federal Perkins Loan Program	\$ 2,453,869
Health Professions Student Loans	4,749,692
Nursing Student Loans	250,635
Federal Family Education Loan Program	<u>26,796,738</u>
	<u><u>\$ 34,250,934</u></u>

**(4) Units of Service for CFDA 10.558 – Child and Adult Care Food Program (Unaudited)**

As provided by the Head Start Program Office, the units of service (meals served) for the year ended June 30, 2007, are as follows:

	<u>Units of Service</u>
Breakfasts Served	132,313
Lunches Served	148,076
Snacks Served	<u>139,500</u>
Total units of service	<u><u>419,889</u></u>

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2007

**(5) Medicaid Funding (Unaudited)**

Gross Medicaid charges by department for the year ended June 30, 2007, are as follows:

	<u>Amount</u>
Faculty Group	\$ 102,492,651
Arkansas Children's Hospital Outpatients	14,614,187
Area Health Education Centers	12,570,440
The University Hospital of Arkansas	<u>179,631,768</u>
Total charges	<u>\$ 309,309,046</u>



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**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 Trustees  
The University of Arkansas:

We have audited the financial statements of the University of Arkansas for Medical Sciences (the University) as of and for the year ended June 30, 2007, and have issued our report thereon dated October 12, 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'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A 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 entity's financial statements 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 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'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*.

We noted certain matters that we reported to management of the University in a separate letter dated October 12, 2007.

This report is intended solely for the information and use of the Board of Trustees, management, 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.

KPMG LLP

October 12, 2007



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**Independent Auditors' Report on Compliance with Requirements  
Applicable to its Major Program and on Internal Control over  
Compliance in Accordance with OMB Circular A-133**

The Board of Trustees  
The University of Arkansas:

**Compliance**

We have audited the compliance of the University of Arkansas for Medical Sciences (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 its major federal program for the year ended June 30, 2007. The University's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program 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; 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 its major federal program 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 07-01 and 07-02.

## **Internal Control over Compliance**

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

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the University as of and for the year ended June 30, 2007, and have issued our report thereon dated October 12, 2007. Our audit was performed for the purpose of forming an opinion on the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 responses 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 Board of Trustees, management, 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.

**KPMG LLP**

November 15, 2007, except for the paragraph  
related to the Schedule of Expenditures of  
Federal Awards which is dated October 12, 2007.

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

**Section I – Summary of Auditors’ Results**

***Consolidated Financial Statements***

Type of auditors’ report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness identified?  yes  no
- Significant deficiency identified that is not considered to be a material weakness?  yes  none reported

Noncompliance material to consolidated financial statements noted?  yes  no

***Federal Awards***

Internal control over major programs:

- Material weakness identified?  yes  no
- Significant deficiency identified that is not considered to be a material weakness?  yes  no

Type of auditors’ report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  yes  no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
Various	Research and Development – Cluster

Dollar threshold used to distinguish between type A and type B programs: \$2,171,848

Auditee qualified as low-risk auditee?  yes  no

**Section II – Financial Statement Findings**

No matters were reported.

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

**Section III – Federal Award Findings and Questioned Costs**

**Finding #** : 07-01 – Equipment and Real Property Management

**Type of Finding** : Noncompliance and control deficiency

**CFDA Title** : Research and Development Cluster

**CFDA Number** : 93.866, 93.389, 93.395

**Federal Award Number** : N/A

**Federal Award Year** : July 1, 2006 to June 30, 2007

**Federal Agency** : Department of Health and Human Services

**Criteria or Specific Requirement**

Per Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, Subpart C Post-Award Requirements, Sec. 34 Equipment, the recipient's property management standards for equipment acquired with Federal funds and federally owned equipment shall include all of the following.

- (1) Equipment records shall be maintained accurately and shall include the following information.
  - (i) A description of the equipment.
  - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
  - (iii) Source of the equipment, including the award number.
  - (iv) Whether title vests in the recipient or the Federal Government.
  - (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
  - (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
  - (vii) Location and condition of the equipment and the date the information was reported.
  - (viii) Unit acquisition cost.
  - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.



**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

**Condition Found**

During our testwork, we noted five exceptions out of 30 sample items as follows:

One out of the 30 equipment purchases was improperly capitalized. The total amount of the invoice was \$247,004.93, which included two items equaling \$224,647.43 and 22,357.50. However, when one of the items was capitalized, the total amount of the invoice was capitalized, instead of the cost of the item which was \$22,357.50. The amount expensed to the grant was correct.

One out of the 30 equipment purchases had an acquisition date of October 3, 2005; however, the asset was not set up in the fixed asset subledger until July 1, 2006, which was the next fiscal year.

One out of the 30 equipment purchases had an incorrect location. The asset had been moved from the 9th floor to the 4th floor without updating its location within the University's records.

Two out of the 30 equipment purchases did not include shipping charges into the total amounts capitalized.

**Questioned Cost (including how computed)**

None – Costs appropriately charged to grants, exceptions relate to equipment records.

**Possible Asserted Effect**

The Department of Health and Human Services has the right to wholly or partly suspend or terminate the current grant award, condition a future grant or elect not to provide future grant funds, and/or withhold further awards for the program when there is reason to believe through periodic monitoring or review that the University is not in compliance with the requirements established.

**Cause**

These exceptions should have been identified through the fixed asset reconciliation process, physical inventories, and management review of purchases to ensure that all shipping costs are added to the amount capitalized.

**Recommendations**

We recommend that management perform a detailed reconciliation of asset additions on a monthly basis so that corrections are identified and made in a timely manner. Assets not capitalized when acquired will be identified and recorded in the proper period during this process. Shipping costs should be reviewed on a monthly basis to ensure that these charges are added to the asset's total cost. In addition, we recommend that the University implement a policy to identify when assets are moved so that the equipment records can get updated properly.

**Views of Responsible Officials**

For item one, the procedure prior to FY 2008 was to reconcile all asset general ledger accounts (54xxxx) to the purchasing documents as of fiscal year end. The above noted item was identified during interim audit work prior to the reconciliation for the year ended June 30, 2007. Since the reconciliation had not been performed at the time of interim audit, this asset had not been tied to the purchasing document. Beginning with FY 2008, this review will be made quarterly so that any differences can be identified and corrected in a timely manner.

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

For item 2, this was originally capitalized as one asset in FY 2006. During fiscal inventory, Property Services discovered the item was actually two pieces of equipment. This discovery was made after FY 2006 was closed; therefore, the correction was made in FY 2007.

For item 3, the inventory performed in August 2007 located the item and noted the change in location. A review of the process to update location areas in SAP will be undertaken.

For item 4, the vendor involved in these two items provides electronic invoicing which is automatically uploaded into SAP. Shipping charges are not always included in the electronic invoice; therefore, a manual correction must be made to the previously capitalized asset. The Fixed Asset Department will work with Property Services to develop a process to monitor shipping charges.

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

**Finding #** : 07-02 – Activities Allowed or Unallowed and Allowable Costs/Cost Principles  
**Type of Finding** : Noncompliance  
**CFDA Title** : Research and Development Cluster  
**CFDA Number** : 93.279 & 93.242  
**Federal Award Number** : N/A  
**Federal Award Year** : July 1, 2006 to June 30, 2007  
**Federal Agency** : Department of Health and Human Services

**Criteria or Specific Requirement**

OMB Circular A-21 (A-21) establishes principles for determining the costs applicable to research and development, training, and other sponsored work performed by educational institutions under grants, contracts, and other agreements with the Federal Government. These agreements are referred to as sponsored agreements. These principles shall be used in determining the allowable direct and indirect costs under those agreements. At educational institutions, indirect costs are accounted for through Facilities & Administrative (F&A) Cost Proposals. F&A costs, for the purpose of A-21, mean costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with “indirect” costs, as previously used in A-21 and as currently used in Appendices A and B of A-21. As described in A-21, section F.1, the F&A cost categories include: building and equipment depreciation or use allowance; operation and maintenance expenses; interest expenses; general administrative expenses; departmental administration expenses; sponsored project administration expenses; library expenses; and student administration expenses. F&A costs will be referred to as “indirect costs” in this section.

**Condition Found**

During our testwork, we noted that 2 of the 25 indirect costs improperly included rent expense in the calculations.

**Questioned Cost (including how computed)**

None - There were no questioned costs associated with these grants in the current year because the errors were corrected during the grant close-out process.

**Possible Asserted Effect**

The Department of Health and Human Services has the right to wholly or partly suspend or terminate the current grant award, condition a future grant or elect not to provide future grant funds, and/or withhold further awards for the program when there is reason to believe through periodic monitoring or review that the University is not in compliance with the requirements established.

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

**Cause**

The rent expenditures were not properly excluded from direct cost when the IDC rate was applied during the month or during the end of budget period close out.

**Recommendations**

We recommend management consider periodic training for department grant administrators and Grants Accounting personnel responsible for the close out process on the rules and regulations surrounding indirect cost calculations.

**Views of Responsible Officials**

Added emphasis on the specific rules and regulations surrounding the indirect cost calculations will be included in the annual training presented as part of the Grants Management Training Program scheduled for January 2008. This training is provided by the Director of Cost Accounting. In addition, the department specifically involved in this error has been provided individual training to assist in preventing this error from reoccurring.