



UNIVERSITY OF ALASKA

Audit in Accordance with OMB A-133

Year ended June 30, 2005

UNIVERSITY OF ALASKA
Audit in Accordance with OMB A-133

Table of Contents

	Page
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	1
Schedule of Expenditures of Federal Awards	3
Notes to Schedule of Expenditures of Federal Awards	18
Schedule of Findings and Questioned Costs	21
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 <i>Government Auditing Standards</i>	23

**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, 2005. The University



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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, 2005, and have issued our report thereon dated September 30, 2005. 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 for the information of the Board of Regents, 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.



September 30, 2005, except for
compliance with requirements applicable
to each major program and internal control
over compliance which is as of
February 3, 2006

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
<u>National Oceanic and Atmospheric Administration</u>			
11.400	Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)		
	Pass-through State of Alaska	1135300	\$ (4,500)
11.419			

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
<u>Department of the Army</u>			
Office of the Chief of Engineers			
12.114	Collaborative Research and Development		
	Pass-through Chenega Technology Services Corporation	UAF-03-01	\$ 2,425
	Pass-through University of Mississippi	UM02-09-029	279,874
Army Research and Material Command			
12.420	Military Medical Research and Development		369,839
<u>Department of the Navy</u>			
Office of Naval Research			
12.300	Basic and Applied Scientific Research		5,613,626
	Pass-through John Hopkins University	885010	790,337
	Pass-through Wayne State University	INDEX# 332520 PO426688	124,552
<u>Office of the Secretary of Defense</u>			
12.630	Basic, Applied, and Advanced Research in Science and Engineering		94,170
<u>Department of the Air Force</u>			
12.800	Air Force Defense Research Sciences Program		

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

FEDERAL PROGRAM TITLE

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
47.049	Mathematical and Physical Sciences		

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
<u>Office of Prevention, Pesticides, and Toxic Substances</u>			
66.708	Pollution Prevention Grants Program		\$ 41,591
Total Environmental Protection Agency			403,466
 Department of Energy			
81.000	Miscellaneous		2,947,333
	Pass-through Alaska State Dist. Council of Laborers	DE-FC02-02EH02039 AMEND 6	41,695
	Pass-through Colorado State University	G-3928-1 SUBAWARD AMEND #1	20,509
	Pass-through Battelle Pacific Northwest Lab	NO. 9064	82,705
	Pass-through Institute for Responsible Management, Inc.	CRESP II	204,876
	Pass-through University of California	65520-001-03 97	62,998
	Pass-through University of Oregon	AGREEMENT 234041A	25,841
	Pass-through University of Oregon	234042A	45,464
<u>Office of Science</u>			
81.049	Office of Science Financial Assistance Program		68,306
	Pass-through University of Wyoming	DOELOC2284::2285AKUNV	42,201
<u>Office of Fossil Energy</u>			
81.089	Fossil Energy Research and Development		82,736
	Pass-through Sandia National Laboratories	17839	147,228
<u>Office of Environmental Management (EM)</u>			
81.104	Office of Environmental Cleanup and Acceleration		
	Pass-through Columbia University	SUB1 UCD-W/GEC 03-019 PO542760	30,594
<u>Nuclear Security Administration</u>			
81.113	Defense Nuclear Nonproliferation Research		
	Pass-through University of Mississippi	UM03-02-074	232,383
	Pass-through Weston Geophysical Corporation	SUBC GI04-88	1,086
Total Department of Energy			4,035,955
 Department of Education			
84.000	Miscellaneous		
	Pass-through State of Alaska	ADN0620252	(36)
<u>Office of Elementary and Secondary Education</u>			
84.297	Native Hawaiian Curriculum Development, Teacher Training and Recruitment		31,591
84.356	Alaska Native Educational Programs		289,307
	Pass-through Alaska Humanities Forum	AGREEMENT DTD 1/21/2005	24,539
	Pass-through Copper River Native Association	SUBAWARD DTD 4/9/05	66,263
84.362	Native Hawaiian Education		
	Pass-through ALU LIKE, Inc.	S362A030013	221,047
<u>Office of Education Research and Improvement</u>			
84.306	National Institute on the Education of At-Risk Students		483,138
<u>Office of Special Education and Rehabilitative Services</u>			
84.325	Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities		
	Pass-through 2001 Special Olympics World Winter Games AK	SUBCONTRACT H325S99003	(1)
<u>Office of the Assistant Secretary for Postsecondary Education</u>			
84.342	Preparing Tomorrow's Teachers to Use Technology		
	Pass-through International Society for Technology in Education	CONTRACT DTD 07/2003	45,815
Total Department of Education			1,161,663
 Department of Health and Human Services			
93.000	Miscellaneous		39,070
	Pass-through State of Alaska	ADN# 640361 / EN643185	(486)
	Pass-through Cook Inlet Council on Alcohol and Drug Abuse	# 1 H79 TI15381-01-1	15
	Pass-through University of Washington	#701901	(2,411)
	Pass-through University of Washington	SUBCONTRACT 786601	26,418
93.375	Minority Biomedical Research Support		321,709
93.854	Biological Basis Research in the Neurosciences		1,356,669

University of Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA	<u>NUMBER</u>	<u>FEDERAL PROGRAM TITLE</u>	<u>PASS-THROUGH ID#</u>	<u>EXPENDITURES</u>
------	---------------	------------------------------	-------------------------	---------------------

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
National Marine Fisheries Service			
11.472	Unallied Science Program		
	Pass-through North Pacific Research Board	R0326	\$ 29,663
National Ocean Service (NOS)			
11.473	Coastal Services Center		
	Pass-through Alaska Ocean Observing System	UA/AOOS MOA	72,471
11.480	National Ocean Service Intern Program		39,990
<u>National Telecommunications and Information Administration</u>			
11.550	Public Telecommunications Facilities Planning and Construction		(68,069)
11.552	Technology Opportunities Program		27,305
Total Department of Commerce			2,720,755
Department of Defense			
12.000	Miscellaneous		6,477
	Pass-through State of Alaska	ADN 1155101	12,177
	Pass-through Oklahoma State University	CATT03-UAA-03	(1,172)
<u>Defense Logistics Agency</u>			
12.002	Procurement Technical Assistance for Business Firms		298,418
<u>Department of the Army</u>			
Office of the Chief of Engineers			
12.106	Flood Control Projects		949
12.114	Collaborative Research and Development		
	Pass-through Research Foundation SUNY	270 1031743 28459 PO# R316894	13,248
<u>Department of the Navy</u>			
Office of Naval Research			
12.300	Basic and Applied Scientific Research		91,686
<u>Department of the Army, Army Research and Materiel Command</u>			
12.420	Military Medical Research and Development		48,793
12.431	Basic Scientific Research		29,203
Total Department of Defense			499,779
Department of Housing and Urban Development			
14.000	Miscellaneous		19,669
<u>Community Planning and Development Department</u>			
14.246	Community Development Block Grants / Brownfields Economic Development Initiative		593,328
<u>Policy Development and Research</u>			
14.515	Alaska Native / Native Hawaiian Institutions Assisting Communities		1,620,490
<u>Public and Indian Housing</u>			
14.872	Public Housing Capital Fund		
	Pass-through State of Alaska	AHFC/UAA-EOC 2004.1	(1,602)
	Pass-through State of Alaska	RS 450048	30,297
Total Department of Housing and Urban Development			2,262,182
Department of the Interior			
15.000	Miscellaneous		1,318,871
	Pass-through Association of Village Council Presidents	MEMORANDUM OF AGREEMENT 3/1/04	46,929
	Pass-through MBC Applied Environmental Sciences	02TO85279 01100B	2,452
15.600	Anadromous Fish Conservation		1,332
15.900	Disposal of Surplus Wildlife		7,329
<u>Bureau of Indian Affairs</u>			
15.034	Agriculture on Indian Lands		2,959
<u>Bureau of Land Management</u>			

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
45.310	State Library Program		
	Pass-through State of Alaska	AGRMT 8-26-03	\$ (611)
	Pass-through State of Alaska	ILC LETTER DATED 5 AUG 04	20,455
	Pass-through State of Alaska	AGREEMENT 06/21/04	4,698
	Pass-through State of Alaska	AGREEMENT 5/2005	4,106
	Pass-through State of Alaska	EN0550664	10,314
Total National Foundation on the Arts and the Humanities			340,135
National Science Foundation			
47.000	Miscellaneous		85,491
	Pass-through Alaska Federation of Natives Inc.	AGREEMENT 7/1/02	(134)
	Pass-through Bristol Bay Native Association	MOA 3-10-05	48,379
	Pass-through National Academy of Sciences	AGREEMENT AVDONIN 2003	4,464
	Pass-through Joint Oceanographic Institutes, Inc.	JSA 5-05	6,454
47.041	Engineering Grants		240,860
47.050	Geosciences		157,119
47.070	Computer and Information Science and Engineering		101,500
	Pass-through EDUCAUSE	EDUCAUSE AGREEMENT	58,080
47.074	Biological Sciences		77,366
47.076	Education and Human Resources		2,029,347
	Pass-through Northeastern Illinois University	40257-00-01N	4,329
47.078	Polar Programs		1,564,951
	Pass-through Arctic Research Consortium of the U.S.	CONTRACT 7/29/03	3,666
Total National Science Foundation			4,381,872
Small Business Administration			
59.007	Technical Assistance		55,180
59.037	Small Business Development Center		447,654
Total Small Business Administration			502,834
Environmental Protection Agency			
66.000	Miscellaneous		62,571
66.606	Surveys, Studies, Investigations and Special Purpose Grants		427,646
6607,G-1t.125 07-11-07	Pass-through State of Alaska	EN-1800408	(9,4-86.7(7T4 1 Tf7u60llan
	udies, Investigations and Special Purpose Grants		

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
Department of Education			
84.000	Miscellaneous		
	Pass-through Association of American Colleges and Universities	LETTER DATED APRIL 28,02	\$ 267
	Pass-through State of Alaska	0520731	(3,959)
	Pass-through Public Broadcasting Service	LETTER NOV. 2004	11,244
	Pass-through Chugach School District	R303A980236-01	12,753
	Pass-through National Writing Project Corporation	92 -AK01	69,737
84.024	Early Education for Children with Disabilities		(9,630)
84.195	Bilingual Education - Professional Development		268,032
84.299	Indian Education-Special Programs		272,052
84.303	Technology Innovation Challenge Grants		
	Pass-through State of Alaska	EN0540617	70
84.320	Alaska Native Educational Planning, Curriculum Development, Teacher Training, and Recruitment Program		(9,109)
84.342	Preparing Tomorrow's Teachers to Use Technology		435,461
84.811A	Employment Opportunity for Mental or Physical Disabled		
	Pass-through State of Alaska	EN 653114	25
	Pass-through State of Alaska	EN 643128	767
	Pass-through State of Alaska	EN 653210	57,534
Office of Vocational and Adult Education			
84.002	Adult Education-State Grant Program		
	Pass-through State of Alaska	RSA EN #740003 (2004-08)	(224)
	Pass-through State of Alaska	EN 720008/2002-15	(125)
	Pass-through State of Alaska	RSA EN 730005 (FC#7563118)	(17)
	Pass-through State of Alaska	RSA EN 740061	742
	Pass-through State of Alaska	AC9516701 EN0550056	1,241
	Pass-through State of Alaska	RSA EN ADN#750008	33,563
	Pass-through State of Alaska	RSA EN 750091	81,057
	Pass-through State of Alaska	RSA EN#750003	153,143
	Pass-through State of Alaska	ADN 0730004,0740043ough d01799206u	

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
84.366	Mathematics and Science Partnerships		
	Pass-through State of Alaska	RSA EN 0540899	\$ 1,536
	Pass-through State of Alaska	RSA EN#550552	348,328
<u>Office of Assistant Secretary for Educational Research and Improvement</u>			
84.215	Fund for the Improvement of Education		2,129,632
	Pass-through State of Alaska	RSA EN 0530553	110
	Pass-through State of Alaska	ADN # 0540615	7,661
	Pass-through State of Alaska	0530765	10
	Pass-through Anchorage School District	PO 4P15661	2,500
<u>Assistant Secretary for Innovation and Improvement</u>			
84.295	Ready-to-Learn Television		
	Pass-through Public Broadcasting Service	AGREEMENT 8/2003	3,431
<u>Office of Innovation and Improvement</u>			
84.350	Transition to Teaching		455,712
84.363	School Leadership		698,236
Total Department of Education			15,981,432
 National Archives and Records Administration			
89.003	National Historical Publications and Records Grants		54,224
 Denali Commission			
90.100	Denali Commission Program		751,625
	Pass-through State of Alaska	075006	886,906
Total Denali Commission			1,638,531
 Department of Health and Human Services			
93.000	Miscellaneous		85,355
	Pass-through AK Native Tribal Health Consortium	236-01-0003 SUB.	672,936
	Pass-through Fairbanks Native Association	CONTRACT 12/16/02	76,358
	Pass-through Fairbanks Native Association	5-U79-SM54481-03	79,943
	Pass-through Fairbanks Native Association	1H79 TI 15948-01	215,287
<u>Health Resources and Services Administration</u>			
93.110	Maternal and Child Health Federal Consolidated Programs		14,863
93.130	Primary Care Services Resource Coordination and Development		
	Pass-through State of Alaska	RSA EN 643170	171
93.189	Health Education and Training Centers		
	Pass-through University of Washington	NO. 749428	(70,666)
	Pass-through University of Washington	NO. 600134	(11,273)
	Pass-through University of Washington	919477	111,252
93.211	Telehealth Network Grants		
	Pass-through AK Native Tribal Health Consortium	ANTHC-03-C-5239	39,195
93.247	Advanced Education Nursing Grant Program		
	Pass-through Oregon Health & Science University	SUBAWARD GSON00130A B	37,667
93.358	Advanced Education Nursing Traineeships		60,747
93.822	Health Careers Opportunity Program		252,833
	Pass-through University of Washington	SUBCONTRACT 933805	38,353
	Pass-through University of Washington	739980	36,633
93.912	Rural Health Care Services Outreach and Rural Health		
	Network Development Program		1,045,090
	Pass-through State of Alaska	0640194	(784)
	Pass-through University of Washington	CONTRACT #737711	11,986
<u>Substance Abuse and Mental Health Services Administration</u>			
93.230	Consolidated Knowledge Development and Application (KD&A) Prog		
	Pass-through Fairbanks Native Association	CONTRACT 11-27-01	1,428
	Pass-through State of Alaska	RSA EN 643059	798
	Pass-through State of Alaska	EN 653062	137,455
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance		
	Pass-through Fairbanks Native Association	CONTRACT FOR SVCS DTD 3/24/05	22,285

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
Centers for Disease Control and Prevention			
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance		
	Pass-through State of Alaska	RSA EN 633078 ADN 630121	\$ (195)
	Pass-through State of Alaska	EN 643055	195
	Pass-through State of Alaska	EN 653047	62,038
Administration for Children and Families			
93.558	Temporary Assistance for Needy Families		
	Pass-through State of Alaska	RSA EN 643039	(4,041)
	Pass-through State of Alaska	ADN0630108	(143)
93.570	Community Services Block Grant - Discretionary Awards		
	Pass-through National Youth Sports Program	NYSPF: 03-298	(1,078)
	Pass-through National Youth Sports Program	NYSPF# 04-1004	15,077
	Pass-through National Youth Sports Program	NYSPF 05 1148	23,906
93.631	Developmental Disabilities Projects of National Significance		
	Pass-through State of Alaska	RSA EN 6233296	(3)
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service		486,694
93.648	Child Welfare Services Training Grants		55,204
93.658	Foster Care - Title IV-E		
	Pass-through State of Alaska	650043 (EN653030)	73,008
	Pass-through State of Alaska	RSA EN 0607001	(2,252)
	Pass-through State of Alaska	EN# 623115	6,744
	Pass-through State of Alaska	EN# 0613202	7,189
	Pass-through State of Alaska	RSA EN 643052	20,049
	Pass-through State of Alaska	EN653031	80,672
	Pass-through State of Alaska	EN 653033	204,397
	Pass-through State of Alaska	EN# 653029	9,519
93.674	Chafee Foster Care Independence Program		
	Pass-through State of Alaska	RSA EN 0623096	(1)
	Pass-through State of Alaska	RSA EN 643064	1,129
Centers for Medicare and Medicaid Services			
93.768	Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities		
	Pass-through State of Alaska	EN653190	133,700
93.785	Pilot Program for National and State Background Checks - Direct Patient Access for Long-term Care		
	Pass-through State of Alaska	RSA EN 653253	59,260
Total Department of Health and Human Services			4,088,980
Corporation for National and Community Service			
94.005	Learn and Serve America - Higher Education		14,766
Social Security Administration			
96.008	Social Security - Benefits Planning, Assistance, and Outreach Program		59,272
Department of Homeland Security			
97.021	Hazardous Materials Assistance Program		(127)
US Agency for International Development			
USAID	Alaska Chukotka Development Project		1,002,860
TOTAL OTHER PROGRAMS			43,899,157
FOOD STAMPS			
Department of Agriculture			
10.551	Food Stamps		
	Pass-through State of Alaska	ADN 650119, 0650390	87,905

University of Alaska
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA NUMBER	FEDERAL PROGRAM TITLE	PASS-THROUGH ID#	EXPENDITURES
PUBLIC WORKS AND ECONOMIC DEVELOPMENT			
<u>Department of Commerce</u>			
11.300	Grants for Public Works and Economic Development Facilities		
	Pass-through North Pacific Research Board	F0414	\$ 60,559
11.307	Economic Adjustment Assistance		113,810
TOTAL PUBLIC WORKS AND ECONOMIC DEVELOPMENT			174,369
FISH AND WILDLIFE			
<u>Department of the Interior</u>			
15.611	Wildlife Restoration		
	Pass-through State of Alaska	1135067	(686)
WORKFORCE INVESTMENT ACT (WIA)			
<u>Department of Labor</u>			
Employment and Training Administration			
17.259	WIA Youth Activities		
	Pass-through State of Alaska	0740078	(1,131)
	Pass-through State of Alaska	EN 750042	68,722
17.260	WIA Dislocated Workers		267
	Pass-through State of Alaska	EN 750000	3,266
	Pass-through State of Alaska	RSA EN 730001	(8,144)
TOTAL WORKFORCE INVESTMENT ACT (WIA)			62,980
HIGHWAY PLANNING AND CONSTRUCTION			
<u>Department of Transportation</u>			
Federal Highway Administration			
20.205	Highway Planning and Construction		
	Pass-through State of Alaska	RSA# 2523436	11,655
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	RSA EN 540572	4,000
	Pass-through State of Alaska	RSA EN 0530777	5,121
	Pass-through State of Alaska	RSA EN #0550788	15,000
	Pass-through State of Alaska	RSA EN 550547	16,507
84.173	Special Education - Preschool Grants		
	Pass-through State of Alaska	RSA EN 540573	1,499
	Pass-through State of Alaska	RSA EN 550549	86,059
	Pass-through State of Alaska	RSA EN 0550548	87,596
	Pass-through State of Alaska	EN 0550624	65,104
	Pass-through State of Alaska	RSA EN# 0550623	71,594
TOTAL SPECIAL EDUCATION			352,480
TRIO			
84.042	TRIO - Student Support Services		207,834
84.044	TRIO - Talent Search		975,995
84.047	TRIO - Upward Bound		1,319,101
84.066	TRIO - Educational Opportunity Centers		543,535
TOTAL TRIO			3,046,465
GRAND TOTAL			\$ 194,698,480

UNIVERSITY OF ALASKA

Notes to Schedule of Expenditures of Federal Awards

June 30, 2005

(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) Non-Cash Federal Awards

The University receives Federal awards under the Perkins Loan Program (CFDA #84.638). The outstanding loan balances under this program totaled \$37,675 as of June 30, 2005.

(4) Subrecipients

The University of Alaska passed through \$8,320,235 of federal awards to subrecipients for the year ended June 30, 2005. Expenditures incurred by the subrecipients are listed below by federal program. These amounts are included in the Schedule of Expenditures of Federal Awards.

Federal Agency and Program	CFDA#	Expenditures
Department of Agriculture		
Agricultural Research - Basic and Applied Research	10.001	\$ 637,758
Grants for Agricultural Research, Special Research Grants	10.200	529,700
Alaska Native Serving and Native Hawaiian		
Serving Institutions Education Grants	10.228	100,038
Cooperative Extension Service	10.500	105,865
		<hr style="width: 100%; border: 0.5px solid black;"/>
		1,373,361
Department of Commerce		
Miscellaneous	11.000	131,897
Sea Grant Support	11.417	15,964
Undersea Research	11.430	636,218
Office of Oceanic and Atmospheric		
Research Joint and Coop Institutes	11.432	397,616
		<hr style="width: 100%; border: 0.5px solid black;"/>
		1,181,695
		<hr style="width: 100%; border: 0.5px solid black;"/>

UNIVERSITY OF ALASKA

Notes to Schedule of Expenditures of Federal Awards

June 30, 2005

Department of Defense		
Miscellaneous	12.000	\$ 1,207,698
Basic and Applied Scientific Research	12.300	54,556
		<hr/> 1,262,254 <hr/>
Department of Housing and Urban Development		
Community Development Block Grants / Brownsfields Economic Development Initiative	14.246	41,713
Alaska Native / Native Hawaiian Institutions Assisting Communities	14.515	58,862
		<hr/> 100,575 <hr/>
Department of the Interior		
Miscellaneous	15.000	18,009
General Services Administration		
Federal Citizen Information Center	39.009	139,012
National Aeronautics and Space Administration		
Miscellaneous	43.000	138,592
Aerospace Education Services Program	43.001	84,729
		<hr/> 223,321 <hr/>
National Science Foundation		
Engineering Grants	47.041	38,012
Computer and Information Science and Engineering	47.070	34,948
Biological Sciences	47.074	82,814
Education and Human Resources	47.076	236,499
Polar Programs	47.078	808,485
		<hr/> 1,200,758 <hr/>
Environmental Protection Agency		
Miscellaneous	66.000	15,000
Surveys, Studies, Investigations and Special Purpose Grants	66.606	46,507
Pollution Prevention Grants Program	66.708	37,677
		<hr/> 99,184 <hr/>
Department of Energy		
Miscellaneous	81.000	294,360
Fossil Energy Research and Development	81.089	42,819
		<hr/> 337,179 <hr/>

UNIVERSITY OF ALASKA

Notes to Schedule of Expenditures of Federal Awards

June 30, 2005

Department of Education

TRIO - Talent Search	84.044	\$	83,852
TRIO - Upward Bound	84.047		90,160

UNIVERSITY OF ALASKA

Schedule of Findings and Questioned Costs

June 30, 2005

(1) Summary of Auditor's Results

- a. An unqualified independent auditors' report was issued on the financial statements of the University of Alaska.
- b. No reportable conditions or material weaknesses were disclosed in the report on compliance and on internal control based on an audit of the financial statements.
- c. There was no noncompliance which is material to the financial statements.
- d. No reportable conditions or material weaknesses were disclosed in the report on compliance with requirements applicable to each major program and internal control over compliance.
- e. An unqualified independent auditors' report was issued on compliance for major programs.
- f. The audit disclosed a finding required to be reported by OMB Circular A – 133.
- g. The following were identified as major programs:
 - Research and Development Cluster
 - Department of Education, Alaska Native Education Grants (CFDA # 84.356)
- h. Programs with federal expenditures greater than \$3,000,000 were identified as Type A programs. Programs with federal expenditures \$3,000,000 or less were identified as Type B programs.
- i. The University of Alaska qualified as a low-risk auditee under Section 530 of OMB Circular A-133.

(2) Findings Relating to General Purpose Financial Statements Reported in Accordance with Government Auditing Standards

None

(3) Findings and Questioned Costs Related to Federal Award

Finding 2005 – 1

Department of Education, Alaska Native Education Grants (CFDA # 84.356)

Criteria or Specific Requirement – According to Section 7304(b) of the Alaska Native Educational Equity, Support and Assistance Act, facilities and administrative cost rates include a five percent limit on the administrative component of the rate.

Condition – For grant award #S356AO30018, the University applied a facilities and administrative cost rate which included an administrative component that exceeded the Department of Education's Alaska Native Education program statute five percent administrative limit.

UNIVERSITY OF ALASKA
Schedule of Findings and Questioned Costs
June 30, 2005

Questioned Costs – \$92,931. Computed by applying the facilities and administrative cost rate variance to



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

**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, 2005, and have issued our report thereon dated September 30, 2005. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.