



CASE WESTERN RESERVE UNIVERSITY

Report on Federal Awards In Accordance
With OMB Circular A-133 For the Year Ended
June 30, 2008

Entity Identification
Number 1-341018992-A1

CASE WESTERN RESERVE UNIVERSITY

REPORT ON FEDERAL AWARDS IN ACCORDANCE
WITH OMB CIRCULAR A-133

June 30, 2008

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FINANCIAL

**Report of Independent Auditors
on Financial Statements and Supplementary Schedule
of Expenditures of Federal Awards**

To the Board of Trustees,
Case Western Reserve University:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of activities and cash flows present fairly, in all material respects, the financial position of Case Western Reserve University and its affiliated entities (the University) at June 30, 2008, and the consolidated changes in their net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the University's 2007 financial statements, and in our report dated October 19, 2007, we expressed an unqualified opinion on those financial statements. We conducted our audit of these statements 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2008 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2008. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

October 17, 2008
Cleveland, Ohio

CASE WESTERN RESERVE UNIVERSITY
Consolidated Balance Sheet
June 30, 2008 and 2007
(in thousands)

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Assets		
Cash and temporary investments	\$ 53,090	\$ 100,417
Accounts and loans receivable, net	105,555	125,292
Securities pledged under lending agreements	36,346	84,083
Pledges receivable, net	44,326	52,928
Prepaid expenses and other assets	16,963	12,368
Prepaid pension asset	11,418	-
Investments	1,607,277	1,599,556
Property, plant, equipment and books, net	801,064	822,941
Funds held in trust by others	300,719	326,033
Total assets	<u>\$ 2,976,758</u>	<u>\$ 3,123,618</u>
Liabilities		
Accounts payable and accrued expenses	\$ 69,619	\$ 78,378
Deferred income and other liabilities	38,604	27,842
Payable under securities lending agreements	37,655	86,892
Annuities payable	43,796	52,616
Refundable advances	6,057	12,394
Accrued pension liability	-	1,133
Notes and bonds payable	590,998	589,357
Refundable federal student loans	16,153	17,001
Total liabilities	<u>802,882</u>	<u>865,613</u>
Net Assets		
Unrestricted	1,301,680	1,376,105
Temporarily restricted	23,509	27,297
Permanently restricted	848,687	854,603
Total net assets	<u>2,173,876</u>	<u>2,258,005</u>
Total liabilities and net assets	<u>\$ 2,976,758</u>	<u>\$ 3,123,618</u>

The accompanying notes are an integral part of the consolidated financial statements.

CASE WESTERN RESERVE UNIVERSITY

Consolidated Statement of Activities

For the Year Ended June 30, 2008

with summarized financial information for the year ended June 30, 2007

(in thousands)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Year Ended June 30, 2008</u>	<u>Year Ended June 30, 2007</u>
Operating revenues					
Student tuition and fees	\$ 267,554			\$ 267,554	\$ 247,071
Less: Student aid	(105,584)			(105,584)	(96,226)
	<u>161,970</u>			<u>161,970</u>	<u>150,845</u>
Endowment income	77,498			77,498	75,605
Grants and contracts	250,620			250,620	243,860
CCLCM grants and contracts	90,990			90,990	90,680
Gifts and pledges	5,775	\$ 16,168	\$ 25,581	47,524	36,587
State of Ohio appropriation	3,896			3,896	3,911
Facilities and administrative cost recovery	64,948			64,948	66,904
Organized activities	10,654			10,654	10,759
Other sources	45,690		771	46,461	44,880
Auxiliary services	42,964			42,964	39,766
Net assets released from restrictions	22,189	(19,956)	(2,233)	-	-
Total operating revenues	<u>777,194</u>	<u>(3,788)</u>	<u>24,119</u>	<u>797,525</u>	<u>763,797</u>
Operating expenses					
Instructional	236,178			236,178	251,984
Sponsored research and training	244,279			244,279	238,703
Other sponsored projects	25,591			25,591	27,101
CCLCM research and training	90,990			90,990	90,680
Libraries	20,590			20,590	21,134
Student services	18,775			18,775	17,206
University services	79,069			79,069	89,528
Auxiliary enterprises - students	48,882			48,882	43,052
Auxiliary enterprises - others	10,452			10,452	12,262
Total operating expenses	<u>774,806</u>	<u>-</u>	<u>-</u>	<u>774,806</u>	<u>791,650</u>
Net operating (deficit) revenues	<u>2,388</u>	<u>(3,788)</u>	<u>24,119</u>	<u>22,719</u>	<u>(27,853)</u>
Non-operating revenues and expenses					
Investment and other income	50,896		(25,140)	25,756	109,826
Net (depreciation) appreciation in the fair market value of investments	(130,397)		(7,951)	(138,348)	130,929
Actuarial adjustment to annuity payable			3,056	3,056	(4,355)
(Loss) gain on disposal of plant assets	(9,863)			(9,863)	2,166
Pension plan changes other than periodic benefit costs	12,551			12,551	-
Non-operating revenues, net	<u>(76,813)</u>	<u>-</u>	<u>(30,035)</u>	<u>(106,848)</u>	<u>238,566</u>
Increase in net assets before effect of accounting changes	<u>(74,425)</u>	<u>(3,788)</u>	<u>(5,916)</u>	<u>(84,129)</u>	<u>210,713</u>
Cumulative effect of change in accounting principle				-	(2,497)
Increase in net assets	<u>(74,425)</u>	<u>(3,788)</u>	<u>(5,916)</u>	<u>(84,129)</u>	<u>208,216</u>
Beginning net assets	1,376,105	27,297	854,603	2,258,005	2,049,789
Ending net assets	<u>\$ 1,301,680</u>	<u>\$ 23,509</u>	<u>\$ 848,687</u>	<u>\$ 2,173,876</u>	<u>\$ 2,258,005</u>

The accompanying notes are an integral part of the consolidated financial statements.

CASE WESTERN RESERVE UNIVERSITY
Consolidated Statement of Cash Flows
For the Years Ended June 30, 2008 and 2007
(in thousands)

	Year Ended June 30, 2008	Year Ended June 30, 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (84,129)	\$ 208,216
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Cumulative effect - change in accounting principle	-	2,497
Depreciation	60,402	57,477
Amortization of bond issuance costs	44	41
Change in asset retirement obligation related to sale	-	3,239
Loss on debt refinancing	719	3,015
Net unrealized depreciation (appreciation) in the fair market value of investments	138,348	(130,929)
Realized gains on investments	(28,592)	(71,661)
Increase to annuities payable resulting from actuarial adjustments	1,469	4,355
Gifts of property and equipment	(625)	(43)
Receipt of contributed securities	(6,371)	(5,198)
Loss (gain) on disposal of plant assets	9,863	(2,166)
Contributions restricted for long-term investment	(23,498)	(10,898)
Decrease in accounts and notes receivable, net	20,515	7,955
Decrease in pledges receivable, net	8,602	14,344
(Increase) decrease in prepaid expenses and other assets	(3,406)	4,238
(Increase) decrease in prepaid pension assets	(11,418)	2,028
Decrease (increase) in funds held in trust by others	25,314	(30,629)
(Decrease) increase in accounts payable and accrued expenses	(6,734)	21,289
Increase (decrease) in deferred income and other liabilities	10,762	(1,706)
(Decrease) increase in refundable advances	(6,337)	3,971
Decrease in accrued pension liability	(1,133)	(9,364)
Net cash provided by operating activities	103,795	70,071
CASH FLOWS FROM INVESTING ACTIVITIES		
Student loans collected	6,405	6,541
Student loans issued	(7,183)	(9,559)
Proceeds from the sale of investments	1,984,801	1,759,571
Purchase of investments	(2,095,907)	(1,755,709)
Proceeds from the sale of buildings and land	1,771	3,427
Purchase of property, plant, equipment and books	(51,559)	(56,088)
Net cash used for investing activities	(161,672)	(51,817)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in federal advances for student loans	(848)	(270)
Decrease in securities pledged under lending agreements	47,737	7,729
Decrease in payables under securities lending agreements	(49,237)	(6,982)
Contributions restricted for long-term investment	23,498	10,898
Proceeds from bond issues and long-term debt	199,559	115,737
Payment of bond issuance costs	(1,233)	(1,530)
Repayment of debt	(198,637)	(151,902)
Payments on annuities payable	(11,835)	(4,100)
Increase to annuities payable resulting from new gifts	1,546	676
Net cash provided by (used for) financing activities	10,550	(29,744)
Net decrease in cash and cash equivalents	(47,327)	(11,490)
Cash and cash equivalents, beginning of year	100,417	111,907
Cash and cash equivalents, end of year	\$ 53,090	\$ 100,417
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
Construction in progress payments included in accounts payable	\$ 5,817	\$ 7,842

The accompanying notes are an integral part of the consolidated financial statements.

Part 2 – Summary of Significant Accounting Policies and Terms

This part explains the accounting practices the University uses in its consolidated financial statements.

Basis of Accounting Presentation

The consolidated financial statements use the accrual basis of accounting. These statements include the accounts of the University, Triangle Residential LP and Triangle Residential LLC.

Triangle Residential LP is a limited partnership formed in 2005 that owns and operates two apartment buildings, a parking garage and a commercial structure located in the Ford-Euclid-Mayfield Road area. The University is the sole limited partner. The general partner is Triangle Residential LLC, a wholly owned subsidiary of the University, also formed in 2005. The University, through Triangle Residential LP, plans to operate the properties pending finalization of plans to develop an arts, entertainment and residential complex in the area.

Net Asset Categories

The consolidated financial statements present information about the University's financial position and activities using three categories of net assets:

- **Unrestricted net assets** have no donor-imposed restrictions. They are available for any purpose consistent with the University's mission.
- **Temporarily restricted net assets** are subject to specific donor-imposed restrictions that must be met by University actions or through the passage of time.
- **Permanently restricted net assets** are subject to donor-imposed restrictions that the University must honor in perpetuity. Usually, donors allow part or all of the income to be used for a designated purpose.

Cash and Temporary Investments

Investments with a maturity of three months or less when purchased are reported as temporary investments (i.e., cash equivalents) unless they are part of long-term investment pools.

Investments

Investments are stated at fair value. The fair value of all debt and equity securities with readily determinable fair value are based on quotations obtained from national securities exchanges. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The University reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. Realized gains and losses on investments are included in investment income. Average cost is generally used to determine gains or losses on securities sold. Unrealized changes in the fair market value of investments are shown as net unrealized appreciation or depreciation.

Contributions	Contributions (including unconditional pledges) are recognized as either temporarily restricted or permanently restricted net assets when donors' commitments are received. Conditional pledges become revenue when the conditions are substantially met. Gifts whose restrictions are met in the same fiscal year in which they are received are reported with unrestricted contribution revenues.
Grants and Contracts (Government and Private)	Revenues from government and private grants and contracts are recognized as earned in accordance with the terms of the contract. Any government revenue received before it is expended is recorded as a refundable advance. Expenses incurred for government grants before revenue is received are recorded as receivables.
Collections	The University's collections of historically significant artifacts, scientific specimens, and art objects are held for education, research, scientific inquiry, and public exhibition. Therefore, their value is not reflected in the University's financial statements.
Funds Held in Trust by Others	Funds held in trust by others are assets held and administered by outside trustees from which the University derives income or residual interest. Funds held in trust by others are reported at their fair value as of June 30, 2008, which approximates the present value of the future income flows from these funds.
Conditional Asset Retirement Obligations	The University accounts for asset retirement obligations in accordance with Statement of Financial Accounting Standard No. 143, "Accounting for Asset Retirement Obligations," and FAS Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations." The University accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability recorded.
Allocation of Certain Expenses	The statement of activities presents expenses by function. Some expenses – such as depreciation, amortization, and expenses related to the operation of the physical plant – are allocated by square footage. Interest expense is allocated to the functions that derive the greatest benefit from the facilities financed.
Use of Estimates	Financial statements using accounting principles generally accepted in the United States of America rely on estimates. At June 30, management makes certain estimates and assumptions, which affect assets and liabilities, disclosures of contingent assets and liabilities, and reported revenues and expenses during the period. Actual results may differ from these estimates.

Comparative Information	<p>The statement of activities includes prior year summarized comparative information in total, but not by net asset category. Such information does not include enough detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University's financial statements for the year ending June 30, 2007, from which it was derived.</p> <p>Certain reclassifications have been made to the summarized prior year financial information for comparative purposes. Certain allocated expenses in 2007 have been reclassified consistent with an updated 2008 space survey.</p> <p>During fiscal 2008, the University reviewed certain activities related to contributed securities and determined that \$5,198 should have been treated as non-cash activity within the statement of cash flows at June 30, 2007. Additionally, the University corrected the misclassification of \$4,275 in operating cash flows of contributions restricted for long-term investment. The impact of these revisions was a decrease of \$923 in cash flows provided by operating activities, an increase of \$5,198 in cash flows used for investing activities, and a decrease in cash flows used for financing activities of \$4,275.</p> <p>The University also reclassified changes in the asset retirement obligation related to the sale of a plant asset in the 2007 statement of cash flows. Cumulative effect - change in accounting principle was reduced by \$3,239 while the change in asset retirement obligation related to sale increased by \$3,239. The impact of this change had no effect on cash flows provided by operating activities.</p>
Income Taxes	<p>The University is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements. Effective July 1, 2007, the University adopted FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes - An Interpretation of SFAS No. 109, Accounting for Income Taxes." FIN 48 addresses the accounting, classification, measurement and disclosure of uncertainty in income tax recognition. The adoption did not have a material effect on the University's consolidated financial statements.</p>

Part 3 – Notes

These notes clarify and amplify data in the financial statements. Unless otherwise indicated, all dollar values are listed in thousands as of June 30.

NOTE A Accounts and Loans Receivable

Accounts and loans receivable are as follows:

	2008	2007
Accounts receivable, net:		
Grants, contracts and others	\$ 54,817	\$ 74,838
Students	5,557	6,562
Student loans, net	45,181	43,892
	<u>\$ 105,555</u>	<u>\$ 125,292</u>
Allowances for doubtful accounts:		
Accounts receivable	\$ 14,971	\$ 19,907
Loans receivable	\$ 2,835	\$ 2,290

NOTE B Pledges Receivable

Unconditional pledges are expected to be realized in the following periods:

	2008	2007
In one year or less	\$ 6,173	\$ 6,993
Between one year and five years	40,316	38,308
More than five years	3,701	14,593
	<u>50,190</u>	<u>59,894</u>
Less: Discount	(2,789)	(3,633)
Less: Allowance	(3,075)	(3,333)
	<u>\$ 44,326</u>	<u>\$ 52,928</u>

Pledges receivable have been made for the following purposes:

	2008	2007
Department programs and activities	\$ 17,482	\$ 15,246
Endowments for scholarships and department programs and activities	14,349	19,699
Building construction	12,495	17,983
	<u>\$ 44,326</u>	<u>\$ 52,928</u>

The University had conditional pledge commitments totaling \$32,986 (2008) and \$31,071 (2007).

Uncollectible pledges totaling \$5,953 (2008) were written off against the allowance for uncollectible pledges. Uncollectible pledges totaling \$11,904 (2007) were written off against the allowance for uncollectible pledges and University Services expense.

NOTE C
Investments

Investments (except funds held in trust by others) are as follows:

	2008	
	Fair Market	
	Value	Cost
Short-term investments	\$ 140,335	\$ 140,335
Domestic stocks	50,032	52,758
International securities	295,967	273,207
Bonds		
• U.S. Government	49,239	54,249
• Corporate	82,625	83,988
Mutual funds	137,600	122,456
Limited partnerships and other		
• Venture capital	55,691	47,350
• Private equity	261,157	208,921
• Hedge funds	380,421	306,027
• Other	43,402	42,549
Equity real estate	110,808	100,807
Total	<u>\$ 1,607,277</u>	<u>\$ 1,432,647</u>

	2007	
	Fair Market	
	Value	Cost
Short-term investments	\$ 110,762	\$ 110,762
Domestic stocks	124,072	96,322
International securities	281,836	183,711
Bonds		
• U.S. Government	254	253
• Corporate	133,406	134,826
Mutual funds	100,168	89,714
Limited partnerships and other		
• Venture capital	42,878	34,673
• Private equity	242,529	188,531
• Hedge funds	386,597	300,312
• Other	101,440	76,568
Equity real estate	75,614	70,905
Total	<u>\$ 1,599,556</u>	<u>\$ 1,286,577</u>

Included in the University's investments are **unexpended bond proceeds**. These funds are temporarily held by trustees under the bond indenture for future capital expenditures. The proceeds are invested in cash, U.S. government and corporate bonds and mutual funds. The fair value of these assets totaled \$52,638 (2008) and \$65,243 (2007).

The University invested a portion of its **operating cash funds** in variable rate demand bonds that are included in investments. The University chose

NOTE C
Investments
(continued)

to invest in these notes, which are remarketed every seven days, in order to maximize its return. The fair value of these assets totaled \$22,215 (2008).

The University's **spending policy** determines the amount of endowment income to be used as operating revenue and distributed for spending during the year. Distributions in excess or deficit of amounts actually earned are transferred to or from the endowment pool, honoring any donor restrictions. The fiscal 2008 endowment and similar funds distribution of \$2.13 per unit totaled \$65,126, of which \$50,050 was accumulated realized gains. For fiscal 2007, the distribution of \$2.03 per unit totaled \$61,170, of which \$48,751 was accumulated realized gains.

Certain endowment and similar fund assets are pooled for efficient investment purposes. The unit market value for each pool is used to account for **pooled transactions**. The unit market values are \$45.35 (2008) and \$47.70 (2007). Total **investment return** for the pooled and unpooled endowment was 0.47% (2008) and 19.75% (2007).

Investments in stocks, bonds, mutual funds, and other investments are exposed to a variety of uncertainties, including interest rate, market fluctuation, and credit risks. Due to the **level of risk** associated with certain investments, the value of these investments could change. Such changes could materially affect the amounts reported in the financial statements.

Investment strategies employed by outside managers incorporate the use of financial instruments with off-balance sheet risk. These financial instruments include international investment funds with underlying equity interests as well as forward and futures contracts that are subject to foreign currency translation gains and losses. Management does not anticipate that losses, if any, resulting from its off-balance sheet market or credit risks would materially affect the financial position of the University; however, there can be no assurances.

The University is obligated under certain limited partnerships and similar agreements to provide future funding for further investment. The University had **unfunded commitments** of approximately \$233,334 (2008) and \$201,278 (2007) that are likely to be called in the future.

The University has a **securities lending** agency agreement for the purpose of lending securities held or beneficially owned by the University. Under this agreement, the University's agent receives collateral in the form of cash or U.S. government securities in exchange for loaning securities to approved borrowers. The agent invests these funds on behalf of the University until the securities are returned. The amount of collateral required for securities traded principally in the United States is equal to 102% of the market value of the securities borrowed. For equities traded principally outside the United States, the amount of collateral required is 105%. For fixed income securities traded principally outside the United States, the amount of collateral required is 102%. The fair value of securities on loan is \$36,346 (2008) and \$84,083 (2007). The fair value of collateral received is \$37,655 (2008) and \$86,892 (2007). Cash collateral is reflected in the cash and temporary investments balance.

NOTE D
Property,
Plant,
Equipment,
and Books

Property, plant, equipment, and library books are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful life of 28 years for buildings, 5 to 12 years for equipment, and 10 years for books.

Components of property, plant, equipment, and books are as follows:

	2008	2007
Land and land improvements	\$ 39,263	\$ 38,920
Building and building improvements	1,030,473	982,817
Equipment and software	234,674	213,340
Library books	31,687	30,688
Construction-in-progress	35,120	70,479
	<u>1,371,217</u>	<u>1,336,244</u>
Less: accumulated depreciation	(570,153)	(513,303)
	<u>\$ 801,064</u>	<u>\$ 822,941</u>

The above assets include \$453,092 leased from the Ohio Higher Education Facility Commission (OHEFC). The University may purchase each of the leased assets for a nominal amount at the end of the lease period. Therefore, these assets have been capitalized and are included in the above listing. Also included in the University's financial statements is the obligation for related bonds issued by the OHEFC.

NOTE E
Bonds and
Notes
Payable

Bonds and notes payable are as follows:

	Interest	Maturity	2008	2007
Ohio Higher Education Facilities Commission revenue bonds and notes:				
Series 1988	7.85 - 7.90%	2009-2013	\$ 25,051	\$ 23,188
Series 1990	6.50 - 7.15%	2007-2020	11,830	11,968
Series 1994	6.00 - 6.25%	2014-2018	20,000	20,000
Series 1997	4.90 - 6.25%	2009-2014	8,920	8,920
Series 2001	Variable	2007-2022	14,790	16,200
Series 2002	Variable	2023-2031	64,875	64,875
Series 2004	3.625 - 5.00%	2016-2034	78,001	78,158
Series 2004	Variable	2008-2044	-	177,826
Series 2006	3.75 - 5.25%	2012-2044	90,569	90,917
Series 2008	Variable	2030-2044	60,000	-
Series 2008	Variable	2030-2044	67,500	-
Series 2008	4.00 - 5.00%	2014-2033	52,764	-
United States government housing bonds:				
Series 1966	3.00 - 3.50%	2007-2016	990	1,135
Series 1971	3.00%	2006-2016	1,015	1,125
Ohio Higher Education Facilities Commission commercial paper	-Various-	-Various-	63,000	63,000
Ohio Higher Education Facilities Commission capital lease 2006	6.75%	2008-2018	710	710
Ohio Higher Education Facilities Commission capital lease 2006	4.123%	2008-2018	12,880	12,880
Compass Group USA note	-n/a-	2007-2014	938	1,088
Department of Housing and Urban Development mortgages:				
HUD - Part A	4.96%	2007-2041	12,779	12,932
HUD - Part B	5.33%	2007-2041	4,386	4,435
			<u>\$590,998</u>	<u>\$589,357</u>

The housing bonds are collateralized by securities and pledges of net revenues from the University's student housing and dining facilities.

The Ohio Higher Education Facilities Commission (OHEFC) authorized a tax-exempt commercial paper program in February 2000 to provide construction funds for several approved capital projects and to refinance earlier projects. The program authorizes the University to issue up to \$63,000 for as long as 30 years. The amount outstanding under this program as of June 30 is \$63,000, with maturities not exceeding 270 days from the issuance date. Interest rates for this program averaged 2.67% (2008) and 3.59% (2007).

In November 2004, the University opened a line of credit with a financial institution to finance working capital. The line was increased to \$100,000 in

NOTE E
Bonds and
Notes
Payable
(continued)

November 2005, and reduced to \$60,000 in December 2007. There were no amounts outstanding at June 30.

In January 2006, the University borrowed \$17,637 from the Department of Housing and Urban Development (HUD). The proceeds from this loan were used to refund the portion of the commercial note used to acquire the Triangle properties. The balance due for Part A of the HUD loan was \$12,779 (2008) and \$12,932 (2007). The balance due for Part B of the HUD loan was \$4,386 (2008) and \$4,435 (2007).

In December 2006, the OHEFC series 2006 bonds were issued to refinance certain previously issued and outstanding OHEFC bonds. The issues refinanced and amounts defeased are as follows:

OHEFC series 1997A —	\$ 7,245
OHEFC series 1997C —	\$ 15,245
OHEFC series 2002B —	\$ 35,125
OHEFC series 2004A —	\$ 28,260

The unamortized balance of deferred financing fees is included in prepaid expenses and other assets. The balance was \$1,490 (2008) and \$1,530 (2007).

In May 2008, the OHEFC series 2008 bonds were issued to refinance the OHEFC series 2004B bonds. The amount refinanced was \$177,826. The variable portion of the debt is supported by two lines of credit with financial institutions. Deferred financing fees of \$1,233 were paid and are included in prepaid expenses and other assets.

Principal payment requirements for bonds, notes, and capital lease obligations for the next five years, excluding commercial paper, are approximately as follows:

2009 —	\$ 2,173
2010 —	\$ 4,446
2011 —	\$ 4,571
2012 —	\$ 4,960
2013 —	\$ 6,374

Interest payments for fiscal year 2008, including payments for variable rate debt, were \$24,393. Interest payments under interest rate swap agreements during fiscal 2008 totaled \$1,031. See Note J.

Certain borrowing agreements require the University to maintain reserves as additional collateral against its borrowings. These agreements also require that the University comply with certain covenants. The University is in compliance with these provisions.

NOTE F
Fair Value of
Investments

The University's financial instruments consist principally of cash, temporary investments, accounts and pledges receivable, loans receivable, and long-term investments, as well as obligations under bonds and notes payable. Cash and temporary investments, pledges receivable, investments and other assets are recorded at approximate fair value.

Loans receivable are amounts due from students primarily under federally sponsored programs. Since notes receivable under federal student loan programs are not saleable and can be assigned only to the U.S. government or its designee, it is not practical to determine their fair value.

The fair value of the University's bonds and notes payable is approximately \$571,925 (2008) and \$572,037 (2007). These values were estimated utilizing the discounted future cash outflows at rates for similar debt.

NOTE G
Retirement
Plans

In September 2006, the FASB issued Statement of Financial Accounting Standard No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an Amendment of FASB Statements No. 87, 88, 106, and 132(R)" (SFAS 158). SFAS 158 requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its balance sheet in the year in which the change occurs, with an offsetting impact to unrestricted net assets. The University adopted the provisions of SFAS 158 effective June 30, 2007.

The University has both defined benefit and defined contribution pension plans for its employees. In accordance with ERISA requirements, the University has established a trust to hold plan assets for its defined benefit plan.

The funded status of the University's defined benefit plan is as follows:

	2008	2007
Benefit obligation at June 30	\$ 88,378	\$ 89,846
Fair value of plan assets at June 30	99,796	88,713
Funded status at June 30	<u>\$ 11,418</u>	<u>\$ (1,133)</u>
Accumulated benefit obligation	\$ 87,924	\$ 88,976

Benefit plan costs for the defined benefit plan are as follows:

	2008	2007
Net periodic benefit cost	\$ 1,914	\$ 3,108
Employer contributions	7,098	12,941
Benefits paid	3,056	3,276

NOTE G
Retirement
Plans
(continued)

Estimated benefits expected to be paid under the defined benefit plan for the next five years are as follows:

2009 —	\$ 3,525
2010 —	\$ 3,696
2011 —	\$ 3,712
2012 —	\$ 3,765
2013 —	\$ 4,782

Amounts expected to be paid between 2014 and 2018 total \$30,271. The University's **estimated employer contribution** for the defined benefit plan in fiscal 2009 is \$0. This amount may change based on the results of the July 1, 2008 actuarial valuation.

Weighted-average assumptions used to determine the **benefit obligation** and **benefit plan costs** are as follows:

	2008	2007
Benefit obligation:		
Discount rate	7.00%	6.50%
Rate of compensation increase	4.50%	4.50%
Measurement date	6/30/08	6/30/07
Census date	7/1/07	7/1/06
Net periodic benefit cost:		
Discount rate	6.50%	6.50%
Expected return on plan assets	9.00%	9.00%
Rate of compensation increase	4.50%	4.50%

The **expected long-term rate of return** for the defined benefit plan was estimated using market benchmarks for equities and bonds applied to the plan's target asset allocation. The expected return on equities was computed utilizing a valuation framework, which projected future returns based on current equity valuations rather than historical returns. Management estimated the rate by which the plan assets would outperform the market in the future based on historical experience adjusted for changes in asset allocation and expectations for overall lower future returns on equities compared to past periods.

The **investment objective** for the defined benefit plan is to maximize total return with tolerance for slightly above average risk, in order to meet the obligations that the University has to its plan beneficiaries. To accomplish this objective, the University has established a broadly-diversified asset allocation strategy that includes absolute return strategies (50%), equity investments (30%), real estate (10%), and inflation-indexed bonds and cash (10%). The weightings of the investments relative to each other in the total portfolio fluctuate as market conditions vary; they are adjusted regularly to remain within acceptable ranges.

NOTE G
Retirement
Plans
(continued)

The **weighted-average asset allocation** for the defined benefit plan is as follows:

	<u>2008</u>	<u>2007</u>
Equity securities	64.00%	61.00%
Fixed income securities	24.00%	15.00%
Real estate	10.00%	18.00%
Other	2.00%	6.00%
Total	<u>100.00%</u>	<u>100.00%</u>

The amounts recognized in the University's **balance sheet** and in **unrestricted net assets** related to the defined benefit plan are as follows:

	<u>2008</u>	<u>2007</u>
Balance sheet:		
Net balance sheet asset (liability)	\$ 11,418	\$ (1,133)
Prepaid benefit cost recognized in balance sheet	12,029	6,845
Additional liability recognized	<u>\$ 611</u>	<u>\$ 7,978</u>
Unrestricted net assets:		
Prior service costs	1,356	1,693
Actuarial (gains) losses	(745)	6,285
	<u>\$ 611</u>	<u>\$ 7,978</u>

The estimated **amortization of prior year service costs** expected in fiscal 2009 totals \$336.

Components of the **net periodic benefit cost and other changes in plan assets** that are recognized in the statement of activities for fiscal year 2008 are as follows:

Change in actuarial gains	\$ (7,030)
Amortization of prior service cost	(337)
Total gain recognized in unrestricted net assets	<u>\$ (7,367)</u>
Net periodic benefit cost	1,914
Employer contributions	(7,098)
Total gain recognized in statement of activities	<u>\$ (12,551)</u>

Benefit plan costs for the defined contribution plan are \$17,051 (2008) and \$18,897 (2007).

NOTE H
Commitments
and
Contingencies

In its normal operations, the University is subject to various claims and lawsuits. In management's opinion, the resolution of these contingencies will not have a significant adverse effect on the University's financial position, operations, or cash flows.

In April 2006, the Boards of University Hospitals Health System and the University approved a new affiliation agreement between the School of Medicine and University Hospitals of Cleveland (UHC). This agreement significantly strengthened the historical relationship between the entities through the creation of the Case Medical Center, a virtual entity that encompasses certain teaching, research and clinical activities of the School of Medicine and UHC.

In May 2002, the University entered into an agreement with the Cleveland Clinic Foundation (CCF) to form a new medical education and research program, the Cleveland Clinic Lerner College of Medicine (CCLCM). Beginning in 2004, research grants from the National Institutes of Health to support work by CCF-based investigators were awarded to and administered through the University by CCLCM, which operates as an academic unit of the School of Medicine. Expenditures for research conducted under this joint agreement totaled \$90,990 (2008) and \$90,680 (2007).

The University is self-insured for workers compensation and employee and student medical coverage. Property is commercially insured with an aggregate deductible of \$700. The University also carries general liability insurance with a deductible of \$100 per occurrence. The University believes its reserves for self-insured risks and the deductible portion of insured risks are sufficient.

The expected cost to complete construction in progress is approximately \$4,057.

NOTE I
Related Party
Transaction
(Utilities)

In 1998, the University entered into a thirty-year agreement with the Medical Center Company (a cooperative utility company formed by and serving institutions in the University Circle area) to purchase chilled water and other utilities for several University buildings. The amounts purchased were \$19,414 (2008) and \$16,248 (2007). No obligation associated with this agreement is recorded in the accompanying financial statements.

**NOTE J
Derivatives
and Other
Financial
Instruments**

The University uses floating-to-fixed interest rate swap agreements of various durations to manage both its funding cost and the interest rate risk associated with variable rate debt. Under these swap agreements, the University pays a fixed rate and receives from its counterparty a variable rate payment, each calculated by reference to specified notional principal amounts during the agreement period. Operations are charged the variable rate interest on the corresponding bonds; the difference between the fixed and variable interest amounts under the swap agreements is recorded in non-operating revenues and expenses as investment and other income.

Information related to the interest rate swap agreements to which the University is a party, including the associated OHEFC borrowing where applicable and the asset (liability) recognized in the balance sheets are as follows:

Date of Agreement	OHEFC Borrowing	Notional Amount	Fixed Rate	Maturity Date	2008	2007
February 2001	Series 2001	\$ 18,875	4.34%	2022	\$ (1,163)	\$ (388)
May 2002	Series 2002	15,000	4.43%	2022	(1,790)	(764)
September 2002	Series 2002	15,000	3.60%	2022	(494)	516
October 2003	n/a	35,000	3.81%	2034	(2,187)	774
January 2007	n/a	100,000	3.37%	2012	(1,640)	1,544
January 2008	Series 2008	100,000	3.37%	2017	(1,533)	-

Changes in the fair value of derivative instruments are recorded in non-operating revenues and expenses as investment and other income.

**NOTE K
Recently
Issued
Accounting
Pronounce-
ments**

In September 2006, the FASB issued Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" (SFAS 157). The standard defines fair value, outlines a framework for measuring fair value, and details the required disclosures about fair value measurements. The standard is effective for the University as of and for the year ended June 30, 2009 except for certain provisions, which were deferred for an additional year. Management of the University is evaluating the impact of this pronouncement but does not believe the adoption of SFAS 157 will have a material impact on the financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standard No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159). The standard permits entities to choose to measure many financial instruments and certain other items at fair value. The standard is effective for the University as of and for the year ended June 30, 2009. Management of the University is evaluating the impact of this pronouncement but does not believe the adoption of SFAS 159 will have a material impact on the financial statements.

In August 2008, the FASB issued FASB Staff Position 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an

<p>NOTE K Recently Issued Accounting Pronounce- ments (continued)</p>	<p>Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for all Endowment Funds.” The standard provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), and expands disclosures about an organization’s endowment (both donor-restricted and board-designated funds) whether or not the organization is subject to UPMIFA. The standard will be effective for the University as of and for the year ended June 30, 2009. Management is evaluating the impact of this pronouncement.</p>
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<p>NOTE L Subsequent Event</p>	<p>The University invests a portion of its operating cash with the Commonfund Short Term Investment Fund (CSTIF), a bank commingled fund that uses Wachovia Bank N.A as trustee and is sponsored by The Commonfund for Nonprofits. The balance in the CSTIF as of June 30, 2008 was \$1,501. Subsequent to June 30, 2008, the University added to its CSTIF investment. On September 27, the trustee terminated the CSTIF and restricted redemptions pending an orderly liquidation of its assets. As of October 3, 2008, the University has received distributions in the amount of \$7,350; a total of \$12,199 remains in the CSTIF. The timing and amount of future distributions is dependent on the sale or maturity of the CSTIF’s underlying investments and the liquidity of markets into which those investments may be sold. At June 30, 2008, the University classified its investment in the CSTIF as a cash equivalent; subsequent to September 27, 2008, management has reclassified the balance to investments.</p>
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CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
Research and Development and Research Training Cluster - University			
Research and Development - University			
Department of Agriculture			
Direct Programs			
Department of Agriculture	10.000		\$ 4,516
Pass Through Programs			
University of Southern Mississippi	10.206	USM-GR-02557-A10	11,049
University of Wisconsin - Madison	10.206	P631536	65,616
			<hr/> 76,665
Department of Agriculture Subtotal			<hr/> 81,181
Department of Commerce			
Direct Programs			
Research and Evaluation Program	11.000		-18,347
Measurement and Engineering Research and Standards	11.609		42,794
Pass Through Programs			
Northwestern University	11.000	0730 520 W400 434	4,120
Ohio State University Research Foundation	11.417	RF01052994	7
Ohio Aerospace Institute	11.612	R-300-100187-40101	69,846
			<hr/> 116,767
Department of Commerce Subtotal			<hr/> 98,420
Department of Defense			
Direct Programs			
Other Department of Defense Programs	12.000		272,447
Basic and Applied Scientific Research	12.300		1,444,804
Military Medical Research and Development	12.420		549,542
Basic Scientific Research	12.431		1,802,144
Air Force Defense Research Sciences Program	12.800		1,120,333
Research & Technology Development	12.910		485,477
Pass Through Programs			
Advanced Technology Institute	12.000	2006-386	-12,595
Dayton Area Graduate Studies Institute	12.000	SN-2A-05	44,259
Klab Inc.	12.000	KLAB	1,411
Klab Inc.	12.000	FA9302-06-C-0007	42,115
Orbital Research Inc	12.000	FA8651-05-C-0110	-50,025
Physical Sciences Inc.	12.000	30985-1414	-1
Timken Company	12.000	F33615-03-D-2353	2,546
Timken Company	12.000	TIMKEN	328,649
University of California, Berkeley	12.000	4714-10417	150,571
University of Dayton	12.000	RSC04007	30,001
Utility Development Corporation	12.000	FA9550-04-C-0054	506
			<hr/> 537,437
CREE, Inc.	12.300	02-006	2,335
Honeywell	12.300	DAAD19-01-2-0010	234
Ohio Aerospace Institute	12.300	R-300-100197-10000	48,608
Physical Sciences Inc.	12.300	N00014-07-M-0429	23,914
University of California, Berkeley	12.300	KK3115	807
University of Washington	12.300	429159	108,784
			<hr/> 184,682
Ardiem Medical, Inc.	12.420	W81XWH0720044	243,129
Cleveland Clinic Foundation	12.420	W81XWH-07-1-0656	37,505

**CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
Johns Hopkins University	12.431	W911NF-07-C-0053	107,498
University of California, Berkeley	12.431	SA3627	158
University of Virginia	12.431	GG10799-125509	77,428
Powdermet	12.431	N00014-06-M-0183	-450
NEI Corporation	12.800	FA9550-06-C-0108	-17,989
BioRobots LLC	12.800	FA8651-05-C-0097	50,086
Princeton University	12.800	00001440	242,456
Giner, Inc.	12.910	W911NF-07-C-0067	49,997
Oregon State University	12.910	RF020A-B	-1
			<hr/> 789,817
Department of Defense Subtotal			<hr/> 7,186,683
Department of Housing and Urban Development			
Direct Programs			
Department of Housing and Urban Development	14.000		4
General Research and Technology Activity	14.506		77,432
Pass Through Programs			
Chicago Housing Authority	14.246	6007	21,213
Department of Housing and Urban Development Subtotal			<hr/> 98,649
National Institute of Justice			
Direct Programs			
National insitute of Justice	16		504
National Institute of Justice Subtotal			<hr/> 504
Department of Transportation			
Direct Programs			
Ohio Department of Transportation	20.205		4,235
Pass Through Programs			
Ohio Department of Transportation	20.205	20591	-418
Department of Transportation Subtotal			<hr/> 3,817
National Aeronautics and Space Administration			
Direct Programs			
NASA General	43.000		116,043
Aerospace Education Services Program	43.001		556,887
Technology Transfer	43.002		1,564,755
Pass Through Programs			
California Institute of Technology	43.000		107,663
Oregon Health and Sciences University	43	GPEDI0184A1	116,511
Jet Propulsion Laboratory	43.002	1275965	11,440
Jet Propulsion Laboratory	43.002	1264025	1
Makel Engineering Incorporated	43.002	PO-R06151	-51
Pentalim Corporation	43.002	NNC07QA14P	29,028
Universities Space Research Association	43.002	04520-01	1,542,063
Virginia Commonwealth University	43.002	PT090702-SC100220	21,527
Flight Landata, Incorporated	43.002		6
			<hr/> 1,828,188
National Aeronautics and Space Administration Subtotal			<hr/> 4,065,873

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
National Endowment for the Arts			
Direct Programs			
Promotion of the Humanities-Collaborative Research	45.161		26,587
National Endowment for the Arts			26,587
National Science Foundation			
Direct Programs			
NSF General	47		43,477
Engineering Grants	47.041		1,191,488
Mathematical & Physical Sciences	47.049		7,083,126
Geosciences	47.050		109,868
Computer and Information Science & Engineering	47.070		558,294
Biological Sciences	47.074		480,754
Social, Behavioral and Economic Sciences	47.075		445,482
Polar Programs	47.078		74,899
International Science and Engineering	47.079		17,534
Pass Through Programs			
Faraday Technology, Incorporated	47.000	DMI-0232064	147
			147
Scattering Solutions, LLC	47.041	IIP-0740033	12,963
University of Alabama	47.041	06-067	37,108
University of Illinois	47.041	2005-05374-03	57,927
University of Texas Health Science Center	47.041	2610009561	32
Western Robotics	47.041	IIP-064638	13,967
Kent State University	47.049	442216-P070477	-7,892
University of California, Berkeley	47.049	KK4123	923
Yale University School of Medicine	47.049	Y-08-18	52,495
Columbia University	47.049		118,466
			285,989
University of Southern California	47.050	119935	26,776
			26,776
University of California, Berkeley	47.078	SA3862-22394PG	51
University of Chicago	47.078	23132-B	75,289
			75,340
National Science Foundation Subtotal			10,393,174
Department of Veteran Affairs			
Direct Programs			
Other Department of Veteran's Affairs Programs	64.000		131,039
Department of Veteran Affairs Subtotal			131,039
Environmental Protection Agency			
Direct Programs			
Other EPA Programs	66.000		0
Environmental Education Grants	66.951		94,484
Environmental Protection Agency Subtotal			94,484

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Energy			
Direct Programs			
Department of Energy	81		2,736,656
Used Energy-Related Laboratory Equipment Grants	81.022		145,903
Inventions and Innovations	81.036		113,409
University Coal Research	81.057		63,690
Renewable Energy Research and Development	81.087		363,220
Pass Through Programs			
3M Company	81.000	0001105039	97,378
3M Company	81.000	USMMM040W3	240,448
Advanced Technology Institute	81.000	20050521	-9,032
Advanced Technology Institute	81.000	ATI	79,774
Ballard Power Systems Incorporated	81.000	DEFC3603GC13107	-5,457
Brookhaven National Laboratory	81.000	82506	-650
Chemsultants	81.000	DE-FG36-06GO86043	28,606
Los Alamos National Laboratories	81.000	54647-001-02 37	3,077
Swagelok Company	81.000	SWAGELOK	37
Thomas Jefferson University	81.000	100223371	4,626
University of South Carolina	81.000	04-0955	-753
			<hr/> 438,054
Los Alamos National Laboratories	81.036	61008-001-08	34,740
UT-Battelle, LLC	81.036	4000064887	33,118
Stanford University	81.049	DE-FG02-05ER64136	243,301
			<hr/> 4,172,091
Department of Energy Subtotal			
Department of Education			
Direct Programs			
Projects with Industry	84.234		2,318
Research in Special Education	84.324		138,395
Pass Through Programs			
University of Pittsburgh	84.133	H133E070024	3,621
			<hr/> 144,334
Department of Education Subtotal			
Department of Health & Human Services			
Direct Programs			
Other DHHS Programs	93		1,114,434
Food and Drug Administration- Research	93.103		372,250
Maternal & Child Health Federal Consolidated Programs	93.110		163,158
Biological Response to Environmental Health Hazards	93.113		896,757
Project Grant & Cooperative Agreements for TB Control Programs	93.116		367,702
Oral Diseases & Disorder Research	93.121		4,373,714
Grants to Increase Organ Donations	93.134		137,351
Human Genome Research	93.172		3,289,846
Research Related to Deafness & Communications Disorders	93.173		1,077,690
Research and Training in Alternative Medicine	93.213		619,850
Research on Healthcare Costs, Quality and Outcomes	93.226		202,737
National Center on Sleep Disorders Research	93.233		1,569,352

**CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	Catalog of Federal Domestic Assistance <u>Number</u>	Pass Through Entity Identifying <u>Number</u>	<u>Expenditures</u>
Mental Health Research Grants	93.242		2,578,936
Occupational Safety and Health Program	93.262		38,457
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271		199,957
Alcohol Research Programs	93.273		954,100
Drug Abuse and Addiction Research Programs	93.279		1,441,216
Mental Health Research Career/Scientist Development Award	93.281		308,223
Centers for Disease Control and Prevention	93.283		3,845,370
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		5,202,436
National Heart and Lung Research	93.000		0
Minority Health and Health Disparities Research	93.307		398,585
Clinical Research	93.389		10,096,964
Nursing Research	93.361		2,256,646
Cancer Cause & Prevention Research	93.393		4,999,875
Cancer Detection and Diagnosis Research	93.394		2,017,574
Cancer Treatment Research	93.395		4,157,693
Cancer Biology Research	93.396		2,721,071
Cancer Centers Support Grants	93.397		4,391,331
Cancer Research Manpower	93.398		1,592,520
Cancer Control	93.399		1,425,303
Refugee and Entrant Assistance Wilson/Fish Program	93.583		158,780
Heart & Vascular Diseases Research	93.837		8,419,119
Lung Diseases Research	93.838		9,284,614
Blood Diseases & Resources Research	93.839		1,725,005
Arthritis, Musculoskeletal, & Skin Diseases Research	93.846		3,897,225
Diabetes, Endocrinology & Metabolism Research	93.847		12,626,179
Digestive Diseases & Nutrition Research	93.848		2,578,321
Kidney Disease, Urology & Hematology Research	93.849		4,753,957
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		7,936,342
Allergy, Immunology & Transplantation Research	93.855		7,024,406
Microbiology & Infectious Diseases Research	93.856		8,064,747
Biomedical Research and Research Training	93.859		7,917,040
Child Health and Human Development Extramural Research	93.865		10,506,726
Aging Research	93.866		7,302,570
Vision Research	93.867		7,531,539
Medical Library Assistance	93.879		147,605
Health Care and Other Facilities	93.887		580,127
International Research and Research Training	93.989		794,219
Pass Through Programs			
Arteriocyte, Incorporated	93.000		14,833
Biochem Analysis Incorporated	93.000	BIOCHEMANALYSIS CORP	1,563
Biomec, Inc,	93.000	HL068501	0
Mt. Sinai Health Care Foundation	93.000	TACT	8,615
SAIC-Frederick, Inc.	93.000	23XSO87A	-19,808
Tristan Technologies, Incorporated	93.000	DK066736	182,413
University of California, San Francisco	93.000	UCSF	353
Wayne State University	93.000	WSU03035-A4	-3,191
			184,778
University of Florida	93.103	UF06127	15,499
Massachusetts General Hospital	93.103	FD-R-002555-01	5,133
Wayne State University	93.113	WSU07044	26,189
Johns Hopkins University	93.121	8607-62301	18,195
Cleveland Clinic Foundation	93.121	974188820602	21,195
			86,211

**CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	Catalog of Federal Domestic Assistance <u>Number</u>	Pass Through Entity Identifying <u>Number</u>	<u>Expenditures</u>
Boston University	93.172	6203-5	88,871
Howard University	93.172	HG002677	19,811
			<hr/> 108,682
Vanderbilt University	93.173	VUMC32871-R	168,633
Vanderbilt University	93.173	DC008408	13,549
University of Minnesota	93.173	S6426142101	44,618
Baylor College of Medicine	93.184	100400918	77,591
Cleveland Clinic Foundation	93.226	CCF - HS015076	5,628
Rush Presbyterian - St. Luke's Medical Center	93.226	HS015688	13,213
Virginia Commonwealth University	93.226	HS01352	10,079
			<hr/> 333,311
Washington University	93.233	WU-06-76	295,875
			<hr/> 295,875
Cincinnati Children's Hospital	93.242	CHMC 102316-CWRU	215,884
Duke University	93.242	GCID#100528	-1,113
Duke University	93.242	118685 SITE 14	34,055
East Tennessee State University	93.242	5-30230-1	3,068
Emory University	93.242	5-41045-G1	42,413
Neurotez, Inc.	93.242		62,317
University of Mississippi	93.242	MH067996	96,645
University of North Carolina	93.242	5-34528	82,314
Vanderbilt University	93.242	MH078028	222,956
			<hr/> 758,539
Thomas Jefferson University	93.273	080-04000-R82301	106,604
University of Cincinnati	93.279	DA07427-08	580
Research Foundation of State University	93.279	247230	-38,168
Association of American Medical Colleges	93.283	U36/CCU319276	250,718
Hemophilia Foundation of Michigan	93.283	U27/CCU513182-08	3,622
			<hr/> 323,356
Brown University	93.286	EB007401	11,751
Cleveland Clinic Foundation	93.286	R01 EB005822	15,549
Cleveland Clinic Lerner College of Medic	93.286	015330872001	56,004
Massachusetts Institute of Technology	93.286	5710002285	46,589
University of Oklahoma	93.286	OUHSC RS20071006-02	19,776
University of the Virgin Islands	93.307	EXPORT-2007-1	2,872
Massachusetts Institute of Technology	93.389	5710001819	62,915
University of Mississippi	93.389	RR017701	96,278
Nanocomponent, Inc.	93.389	R41 RR022505	51,330
Massachusetts General Hospital	93.390	GM075946	105,423
University of Cincinnati	93.390	P021-040-K106-1119	-456
Ohio State University Research Foundation	93.390	60003197	84,541
			<hr/> 552,572
American College of Radiology	93.393	CA021661	-1,185
Henry Ford Health System	93.393	CA112379	78,030
University of Iowa	93.393	1 11660 00	132
Moffitt Cancer Center	93.393	10-14922-99-01-G5	12,497
National Childhood Cancer Foundation	93.393	15167	6,773
Public Health Television, Inc.	93.393	PUBLIC HEALTH TELEVI	1,771
University of Texas- MD Anderson Cancer	93.393	21686/98012595	19,544
			<hr/> 117,562

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BioloVision, Inc.	93.394	CA124270	66,876
Burnham Institute	93.394	CA071932	78,988
Ohio State University Research Foundation	93.394	60005370	99,428
			<hr/> 245,292
Cleveland Clinic Lerner College of Medicine	93.395	CA122217	23,238
HHS-Health & Human Services- General	93.395	N01-AI-05410	-26,666
National Childhood Cancer Foundation	93.395	98543-1113	43,933
SAIC-Frederick, Incorporated	93.395	24XS011	-16
Medical University of South Carolina	93.395	MUSC07-030	8,111
Wayne State University	93.395	WSU05014	95,397
			<hr/> 143,997
University of Michigan	93.396	3000872527	16,983
Albert Einstein College of Medicine YU	93.397	ALBERT EINSTEIN COLL	7,447
National Surgical Adjuvant Breast & Bowe	93.399	PFED19-IRE-01	32,087
National Surgical Adjuvant Breast & Bowe	93.399	TFED32-#728	95,430
National Surgical Adjuvant Breast & Bowe	93.399	TIND-728	17,937
Southwest Oncology Group	93.399	CA037429	6,159
University of South Carolina	93.399	06-1262	21,671
			<hr/> 197,714
Biomec, Incorporated	93.837	HL065815	31,758
Biomec, Incorporated	93.837	HL-067483-02	29,733
Brigham and Women Hospital	93.837	HL048743	434,726
Cleveland Clinic Lerner College of Medicine	93.837	02736821501	65,989
Cleveland Clinic Lerner College of Medicine	93.837	HL087314	22,210
Cleveland Clinic Foundation	93.837	HL069094	443
Cleveland Medical Devices, Incorporated	93.837	CLEVE. MED. DEVICES	1,512
Constella Group Inc	93.837	328310003	9,026
ICON Interventional Systems, Incorporated	93.837	HL0807610	292
Interventional Imaging, Incorporated	93.837	HL082076	-23,165
Interventional Imaging, Inc.	93.837	HL084822	63,238
Northern California Institute for Research	93.837	2 FRAM 767-01	21,923
University of Maryland	93.837	HL 074237	242,252
University of Pittsburgh	93.837	110146-2	37,754
Volcano Incorporated	93.837	HL069094	11
Wayne State University	93.837	WSU 03066-A2	35,640
			<hr/> 973,342
Arteriocyte, Incorporated	93.838	HL080856	-26,930
Children's Hospital of Philadelphia	93.838	HL062514	4,526
Massachusetts Institute of Technology	93.838	5710002293	3,458
Synaptic Pharmaceutical Incorporated	93.838	SYNAPSE	-7,865
University of North Carolina	93.838	5-51638	104,780
University of Pennsylvania	93.838	00481-05-05	11,691
			<hr/> 89,660
Cleveland Clinic Lerner College of Medicine	93.839	HL081011	253,716
Cleveland Clinic Foundation	93.839	U01 HL087314	47,145
			<hr/> 300,861
Aastrom Biosciences, Incorporated	93.846	DK074201	72,400
Cleveland Clinic Lerner College of Medicine	93.846	NS-043486	391
Drexel University	93.846	232222-3850	109,290
Duke University	93.846	APPLE SITE 16	2,450
Indiana University	93.846	AR053237	7,977
Oklahoma Medical Research Foundation	93.846	AR042460	33,093
University of Utah	93.846	9809032F	5,246
			<hr/> 230,847

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Albert Einstein College of Medicine YU	93.847	9-526-2342	49,247
Cincinnati Children's Hospital	93.847	CHILD.HOSP. CINCINN	12,595
George Washington University	93.847	T2K0506	548,537
Medical College of Georgia	93.847	DK76169	546,081
Mount Sinai School of Medicine	93.847	0255-6301-4609	4,811
University of California, San Francisco	93.847	444947-30884	53,225
			<hr/> 1,214,496
University of Pennsylvania	93.848	544849	11,523
Children's Mercy Hospital	93.849	04-0032	2,890
Cleveland Clinic Lerner College of Medic	93.849	DK030399	32,543
Columbia University	93.849	DK057209	20,279
Los Angeles Biomedical Research Institute	93.849	DK069844	50,360
Tufts University	93.849	DK071675	58,588
University of Alabama, Birmingham	93.849	DK074038	12,252
University of California, San Francisco	93.849	000985	35,261
University of California, San Francisco	93.849	4510SC	50,196
University of Chicago	93.849	TRACS:30004	33,463
University of Pennsylvania	93.849	5-45383-D	10,867
University of Pennsylvania	93.849	5-44131	16,445
			<hr/> 334,667
Children's Hospital and Regional Medical	93.853	CHMC 380	14,951
Children's Hospital Research Foundation	93.853	CHMC #345	151,072
HHS-Health & Human Services- General	93.853	N01-NS-1-2333	-50
Northwestern University	93.853	0600 370 S227 1222	4,700
University of Alabama, Birmingham	93.853	NS042685-71	-21,206
University of Chicago	93.853	24469	5,167
University of Florida	93.853	UF07057	-877
University of Kentucky	93.853	R01NS053470	63,152
University of Medicine & Dentistry-New Jersey	93.853	NS044097	22,616
University of South Florida	93.853	6112-162-LO-C	56,063
University of Texas Health Science Center	93.853	122267-122182	44
University of Utah	93.853	10001299	5,019
University of Washington	93.853	WU-05-70	29,003
Washington University	93.853	WU-06-35	-1,885
Yale University School of Medicine	93.853	A06113	58,304
			<hr/> 386,073
Cleveland Clinic Lerner College of Medicine	93.855	AI057160	3,950
Cleveland Clinic Lerner College of Medicine	93.855	CCLCM	210
Johns Hopkins University	93.855	8609-04401-X	51,297
Mount Sinai School of Medicine	93.855	MT. SINAI	301,719
Mount Sinai School of Medicine of the Ne	93.855	0255-1611-4609	168,076
Rush Presbyterian - St. Luke's Medical Center	93.855	AI055793	98
University of Alabama, Birmingham	93.855	AI067039	323,654
University of Notre Dame	93.855	201046	7,100
University of South Florida	93.855	6408-1009-01-A	107,796
Washington University	93.855	WU-06-211	76,698
Washington University	93.855	WU-07-178	320,321
Washington University	93.855	WU-07-183	21,201
Washington University	93.855	WU-08-191	16,156
			<hr/> 1,398,276
Family Health International	93.856	N01-HD-0-3310-502-2	774,907
Duke University	93.856	303-0990	230,483
Midwest Regional Center of Excellence	93.856	U54AI057160	198,537
Rush Presbyterian - St. Luke's Medical Center	93.856	AI055793	202,957

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Social & Scientific Systems, Incorporated	93.856	SOCIAL N SCIENTIFIC	53
Social & Scientific Systems, Incorporated	93.856	BRS-ACURE-Q-06-00136	872,379
SynVax, Inc	93.856	AI058439	-22,517
University of Alabama	93.856	AI15440	-15,802
University of California, Irvine	93.856	114 VN	29,770
University of Maryland	93.856	AI055710	40,869
University of Minnesota	93.856	SILCAAT	-461
University of Washington	93.856	986628	120,073
University of Washington	93.856	860515	49,904
University of Wisconsin - Madison	93.856	292H143	342,024
University of Wisconsin - Madison	93.856	J033342	352,105
			<hr/> 3,175,281
Exsar Corporation	93.859	GM064318	-2,972
Florida State University	93.859	G15367	-64,477
Structural Genomix Inc	93.859	SGX PHARMACEUTICALS	99,999
Mayo Foundation- Rochester	93.859	GM061388	184,517
Children's Research Institute	93.865	HD039834	-6,760
Cleveland Clinic Lerner College of Medicine	93.865	HD049662	39,959
Kent State University	93.865	445727-P070660	20,699
Magee Woman's Hospital	93.865	26.635.653.3301.1370	5,381
Ohio State University Research Foundation	93.865	RF01076422/60011063	224,389
Pennsylvania State University	93.865	2253-CWRU-DHHS-8075	-806
Pennsylvania State University	93.865	2620-CWRU-DHHS-6167	33,586
University of Alabama, Birmingham	93.865	ATN045A	2,310
University of California, San Diego	93.865	10283438	193,219
University of Michigan	93.865	F015898	2,154
University of Michigan	93.865	3000640016	47,965
Vanderbilt University	93.865	19395-S1	37,525
			<hr/> 816,688
Boston University	93.866	GC159610NGC	245,772
Boston University	93.866	MC-431538-DJW	12,892
California Pacific Medical Center	93.866	2803212-S039	89,260
Research Foundation for Mental Hygiene	93.866	002458	16,866
Rutgers University	93.866	RUTGERS UNIVERSITY	61,953
University of California, San Diego	93.866	ADC-023	87,093
University of California, San Diego	93.866	ADC-027	46,517
University of California, San Diego	93.866	114 HBA	32,679
			<hr/> 593,032
Biomec, Inc,	93.867	EY014302	4,530
Emmes Corporation	93.867	EMMES CORPORATION	-6,600
Jaeb Center for Health Research	93.867	EY012358	126,294
Jaeb Center for Health Research	93.867	DRCR - SITE 4051	33,545
Mayo Foundation- Rochester	93.867	REY017732B	25,542
Ohio State University Research Foundation	93.867	745413	3,296
University of California, Irvine	93.867	10205850-003	31,726
University of Florida	93.867	UF06042	102,667
University of Southern California	93.867	H35637	124
Washington University	93.867	WU-06-180	15,066
			<hr/> 336,190
Cleveland Clinic Lerner College of Medicine	93.879	LM008154	7,263
			<hr/> 7,263
Department of Health & Human Services Subtotal			<hr/> 177,264,184
Total Research and Development - University Only			<hr/> 203,761,020

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Research Training Grants- University			
Department of Defense			
Direct Programs			
Military Medical Research and Development	12.420		63,686
Basic, Applied and Advanced Research in Science and Engineering	12.630		97,799
Pass Through Programs			
Luna Innovations	12.420	946.01-ARM-IS/CASE	17
Department of Defense Subtotal			161,502
Department of Housing and Urban Development			
Direct Programs			
Other Department of Housing and Urban Development	14.000		205,534
Department of Housing and Urban Development Subtotal			205,534
National Institute Of Justice			
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		45,303
National Institute Of Justice Subtotal			45,303
Department of State			
Transportation Planning, Research and Education	20.931		1,503
Pass Through Programs			
University Transportation Centers Program	20.701		13,581
Department of State Subtotal			15,084
National Aeronautics and Space Administration			
Direct Programs			
Aerospace Education Services Program	43.001		27,952
Technology Transfer	43.002		23,560
National Aeronautics and Space Administration Subtotal			51,512
National Science Foundation			
Direct Programs			
Engineering Grants	47.041		135,259
Education and Human Resources	47.076		173,454
Mathematical and Physical Sciences	47.049		75
Pass Through Programs			
City of Cleveland Board of Education	47	47-076	258,796
Ohio State University Research Foundation	47.076	745922	13,530
National Science Foundation Subtotal			581,114
Department of Education			
Direct Programs			
Graduate Assistance in Areas of National Need	84.200		731,561
Special Education Personnel Preparation to Improve Services	84.325		253,822
Department of Education Subtotal			985,383

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Department of Health & Human Services			
Direct Programs			
Maternal and Child Health Federal Consolidated Programs	93.110		142,781
Nurse Anesthetist Traineeships	93.124		26,188
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156		-60,200
Human Genome Research	93.172		17,857
Biological Research Related to Deafness and Communicative Disorders	93.173		18,526
Nursing Workforce Diversity	93.178		5
National Research Service Awards Health Services Research	93.225		280,435
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.233		207,056
Mental Health Research Grants	93.242		143,249
National Center on Sleep Disorders Research	93.243		42,155
Advanced Education Nursing Grant Program	93.247		175,825
Mental Health National Research Service Awards for Research Training	93.282		54,769
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		101,142
Professional Nurse Traineeship	93.358		92,302
Basic Nurse Education and Practice Grants	93.359		48,183
Nursing Research	93.361		406,203
National Center for Research Resources	93.389		1,063,284
Cancer Treatment Research	93.395		26,171
Cancer Biology Research	93.396		257,132
Cancer Centers Support Grants	93.397		8,385
Cancer Research Manpower	93.398		1,401,461
Cancer Control	93.399		20,401
Refugee and Entrant Assistance Voluntary Agency Programs	93.567		74,790
Heart and Vascular Diseases Research	93.837		789,478
Lung Diseases Research	93.838		1,003,531
Blood Diseases and Resources Research	93.839		391,661
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		229,128
Diabetes, Endocrinology and Metabolism Research	93.847		333,270
Digestive Diseases and Nutrition Research	93.848		7,488
Kidney Diseases, Neurology, Hematology Research	93.849		297,514
Extramural Research Programs in the Neurosciences	93.853		113,032
Microbiology and Infectious Diseases Research	93.856		218,233
Biomedical Research and Research Training	93.859		2,222,757
Child Health and Human Development Extramural Research	93.865		1,202,191
Aging Research	93.866		196,478
Vision Research	93.867		406,184
Grants for Training in Primary Care Medicine and Dentistry	93.884		637,464
Grants for Geriatric Education Centers	93.969		166,802
International Research and Research Training	93.989		1,523,762
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925		43,528
Pass through programs			
Miami University	93.243	CG01175-01	13,093
Department of Health & Human Services Subtotal			14,343,694
Total Research Training Grants			16,389,126
Sub Total Research and Development and Research Training Cluster			220,150,146

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Research and Development - Cleveland Clinic Lerner College of Medicine (see Footnote 1)			
Department of Health & Human Services			
Direct Programs			
Oral Diseases & Disorder Research	93.121		-8,157
Research Related to Deafness and Communication Disorders	93.173		476,778
Research and Training in Alternative Medicine	93.213		190,157
Alcohol National Research Service Awards for Research Training	93.272		40,143
Alcohol Research Programs	93.273		1,431,198
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		-3,336
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		1,961,452
Trans-NIH Research Support	93.310		-1,664
National Center for Research Resources	93.389		1,928,293
Cancer Cause & Prevention Research	93.393		4,648,755
Cancer Detection and Diagnosis Research	93.394		236,647
Cancer Treatment Research	93.395		4,614,301
Cancer Biology Research	93.396		3,847,498
Cancer Centers Support Grants	93.397		30,962
Cancer Research Manpower	93.398		1,818,811
Family Violence Prevention and Services/Grants for Battered Women's Shelters_Grants to States and Indian Tribes	93.671		401,455
Heart & Vascular Diseases Research	93.837		16,528,127
Lung Diseases Research	93.838		3,439,909
Blood Diseases & Resources Research	93.839		6,598,540
Arthritis, Musculoskeletal, & Skin Diseases Research	93.846		2,749,738
Diabetes, Endocrinology and Metabolism Research	93.847		1,185,405
Digestive Diseases & Nutrition Research	93.848		1,511,324
Kidney Disease, Urology & Hematology Research	93.849		3,672,071
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		7,671,370
Allergy, Immunology & Transplantation Research	93.855		3,573,719
Microbiology and Infectious Diseases Research	93.856		249,885
Biomedical Research and Research Training	93.859		1,913,082
Child Health and Human Development Extramural Research	93.865		2,990,698
Aging Research	93.866		2,157,342
Vision Research	93.867		1,453,796
Medical Library Assistance	93.879		271,754
Center for Medical Rehabilitation Research	93.929		165,715
Other HHS Programs	93		1,914,698
Pass Through Programs			
Biomec Cardiovascular Inc	93	2 R44 HL067483	156,533
Biomec Cardiovascular Inc	93	5 R44 HL065815-01	130,429
Cleveland Biolabs	93	2R44 CA110885-02A1	41,353
Cleveland Medical Devices	93	5U44NS057969-02	7,074
Duke University	93	1 U01 HL063747-01A2	43,514
Duke University	93	1 U01 HL69015 01	2,144
Great Batch	93	5 R44 NS039716	486
Mc3 Corporation	93	R43HL085986	1,302
Metrohealth Hospital	93	DK077668	9,197
Nanomimetics, Inc.	93	HL082095	13,757
Rutgers University	93	AG024494	71,926
SHOT	93	2 R44 HL074606-01	5,542
University Of Alabama	93	1 N01 HV058198-01	34,463
University of California	93	1 N01 AI015416	494,759
University Of Illinois	93	DK072231	52,657

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University of Pittsburgh	93	5 R01 CA095023-03	52,380
University of Pittsburgh	93	5R01DK070910-02	21,870
			<hr/> 1,139,386
Cleveland Medical Devices	93.113	1 R41 NS054348-01A1	3,667
University Of Louisville	93.121	DE017706	54,745
Baylor College Of Medicine	93.172	HG003083	40,003
Massachusetts Eye And Ear	93.173	U01 DC006296-01	773
			<hr/> 99,188
Cme Development Inc.	93.242	R42MH073197	43,344
Massachusetts General Hosp	93.242	R01MH071762	16,672
University of Nebraska	93.294	5 U01 CA114778	57,915
Ohio State University	93.363	P30 CA16058	-1,352
Cincinnati Child Hosp Rsch Fdn	93.389	RR 19498	124,695
Boston University	93.389	5 U54 R019497	193,667
Cincinnati Child Hosp Rsch	93.389	AR050028	62,396
Beth Israel Deaconess Medical Center	93.393	1 R01 CA095662	4,074
Moffitt Cancer Ctr & Rsch	93.393	1 R01 CA112112-01A1	27,032
University Of California	93.393	5 R01 CA094211-02	20,805
University Of California	93.393	5 R01 CA74799	444,037
University of Hawaii	93.393	5 R01 CA104132	17,613
Brigham and Women's Hospital	93.394	1 R01 CA100833	30,275
Mayo Clinic	93.394	CA122426	39
Nanoprobes Inc	93.394	5 R42 CA083618-03A	15,520
Ohio State University	93.394	3 U01 CA044971	62,055
Univ Of Washington At St L	93.394	CA107209	12,334
Univ Of Washington At St L	93.394	CA068124	32,326
University Of Nebraska	93.394	U01CA114778	1,861
American College Of Radiol	93.395	CA 21661	237,078
Gynecology Oncology Group	93.395	CA 27469	84,304
Johns Hopkins University	93.395	1 R01 CA100904-01A2	5,217
John Wayne Cancer Institut	93.395	1 PO1 CA012582-34	-4,479
Massachusetts General Hospital	93.395	CA084203	106,809
Ohio State University Rsch	93.395	1 R01 CA093871-02	20,842
Southwestern Oncology Grou	93.395	CA 04919	74,667
Southwestern Oncology Grou	93.395	CA 32102	50,368
University of Michigan	93.395	6 U10 CA032102	9,724
University of Pittsburgh	93.395	5 R01 CA114071	83,112
University of Pittsburgh	93.395	CA109688	61,085
Washington University	93.395	5 R01 CA095614-04	48
Ohio State University	93.396	1 P01 CA097189	235,836
Ohio State University	93.396	1 R01 CA097391	164,059
University Of Pittsburgh	93.396	CA 57840-10	29,434
Johns Hopkins University	93.397	5 P50 CA058236-12	57,086
Ohio State University	93.397	5 U54 CA113001	74,148
Ohio State University	93.397	1 U01 CA076576-01	146
Dartmouth College	93.399	5 R01 CA59005-14	22,450
Dartmouth College	93.399	5 R05 CA098286-03	206,532
Fred Hutchinson Cancer Center	93.399	1 R01 CA120582-01	7,672
Moffitt Cancer Ctr & Rsch	93.399	1 R01 CA106414-01A2	-3,276
Southwest Oncology Group-Cancer Therapy And Research Foundation	93.399	CA 37429	204,732
University Of Colorado	93.399	2 R01 CA068099	4,754
			<hr/> 2,897,656
Cornell University	93.837	5 P01 HL046403	34,393
Cornell University	93.837	5 P01 HL067839-05	18,655

**CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	Catalog of Federal Domestic Assistance <u>Number</u>	Pass Through Entity Identifying <u>Number</u>	<u>Expenditures</u>
Cornell University	93.837	HL072942	236,082
Foster Miller	93.837	1 R44 HL075894	-1,937
Ichor Medical Systems	93.837	HL086071	42,883
Johns Hopkins University	93.837	5 P01 HL056091-09	87,496
Medical University of Toledo	93.837	1 U01 HL071556-01	3,517
University of Maryland	93.837	1 R01 HL079134-01	19,556
University of Maryland	93.837	HL085487	10,069
University Of Pittsburgh	93.837	HL 075038	43,207
University Of Texas	93.837	U01HL087318	72
Washington University	93.837	1 R01 HL074283	165,963
Volcano Corporation	93.837	1 R01 HL069094-01	53,909
			<hr/> 713,865
University of Virginia	93.838	1 R01 HL069170-05	-332
Univ Of Washington At St L	93.838	R01HL091762	266
Burke Medical Rsrch Instit	93.839	1 R01 HL082511-01	24,361
Brigham & Women'S Hospital	93.846	R01AR05557	878
Children's Hospital	93.846	AR 049735	43,888
Seattle Children's Hospital	93.846	AR049762	24,258
Synthasone	93.846	R44-R051260	143,666
University of Missouri	93.846	1 R01 AR052775	99,989
Vanderbilt University	93.846	1 R01 AR053684	37,484
Hypermed, Inc.	93.847	DK069871	69,951
Infoscittec	93.847	2 R44 DK061164-02A1	5,670
Neurotron, Inc.	93.847	1 R41 DK074987-01	1,931
Vanderbilt University	93.847	DK072473	96,672
			<hr/> 548,682
Loyola University	93.849	5 K24 DK064044	40,801
Mayo Clinic Rochester	93.849	5 U01 DK062410-05	149,705
New England Medical Center Hospitals	93.849	5 R01 DK053869-06	70,129
University of Pennsylvania	93.849	5 U01 DK060990	-10,384
Cleveland Medical Devices	93.853	2 R44 NS042451-04	143,448
Cleveland Medical Devices	93.853	2 R44 NS046978-02	15,375
Columbia University	93.853	1 U01 NS043975-01	457
Columbia University	93.853	5 R01 NS048212-02	7,283
H-Cubed Inc	93.853	1 R43 NS052939-01	1,938
Mayo Foundation	93.853	NS 42759	1,144
Mount Sinai School Of Medi	93.853	1 U01 NS045719-01	25,859
Ohio University	93.853	1 K01 NS046582-04	4,250
Univ Of Medicine& Dentist	93.853	NS 43975-01	1,792
University of Cincinnati	93.853	NS 39512-01	-1,323
University of Cincinnati	93.853	1 U01 NS052220-02	5,068
University Of Iowa	93.853	R01NS054893	72,928
Washington University	93.853	5 U01 NS42167-05	55,130
Yale University	93.853	5 U01 NS044876-03	16,960
			<hr/> 600,560
Univ Of Medicine& Dentist	93.854	NS 38384-01	27,868
Cleveland Biolabs	93.855	1 R01 AI066497-01	-34,955
Mount Sinai School Of Medi	93.855	AI06359403	652,376
Ohio State University Rsch	93.855	A1056318	68,509
Univ Of Washington At St L	93.855	3U54AI057160	1,521
University Of Indiana	93.855	R01A1056318	24,365
Ucsf - Surgery1	93.855	5 U01 AI052748-05	25,918
Nanoprobes Inc	93.859	5 R44 GM064257-03	53,267
University of Michigan	93.865	2 U01 HD041249	53,681

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	Catalog of Federal Domestic Assistance <u>Number</u>	Pass Through Entity Identifying <u>Number</u>	<u>Expenditures</u>
Institute For Study Of Agi	93.866	AG026146	257,195
Mount Sinai School Of Medi	93.866	R01AG029656	146,090
Univ Of Maryland Baltimore	93.866	2 R01 AG016613-07A1	22,638
Arteriocyte Inc.	93.867	1R41EY018784	974
Emory University	93.867	1 U10 EY013272	4,944
Jaeb Center	93.867	EY 11751	576
Jaeb Center	93.867	EY 12358	744
University Of Southern California	93.867	7 R01 EY013516	39,228
University Of Wisconsin	93.867	EY 14351	2,095
			<u>1,347,034</u>
Department of Health & Human Services Subtotal			<u>87,006,837</u>
Total Research and Development - Cleveland Clinic Lerner College of Medicine			<u>87,006,837</u>
Total Research and Development and Research Training Cluster			<u>307,156,983</u>
Student Financial Aid			
Department of Education			
Direct Programs-Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grants	84.007		1,064,044
Federal Work Study Program	84.033		2,152,241
Federal Pell Grant Program	84.063		2,152,863
			<u>5,369,148</u>
Total Department of Education-SFA Cluster			<u>5,369,148</u>
TRIO			
Department of Education			
Direct Programs			
TRIO Talent Search	84.044		284,419
TRIO Upward Bound	84.047		540,814
			<u>825,233</u>
Department of Education Subtotal			<u>825,233</u>
Total TRIO			<u>825,233</u>
Other Federal Assistance			
<u>Discretionary and Special Programs</u>			
Department of Agriculture			
Agricultural Research Basic and Applied Research	10.000		29
Department of Agriculture Subtotal			<u>29</u>
Department of Defense			
Air Force Defense Research Sciences Program	12.800		6,243
Department of Defense Subtotal			<u>6,243</u>
Department of Housing and Urban Development			
Direct Programs			

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	Catalog of Federal Domestic Assistance <u>Number</u>	Pass Through Entity Identifying <u>Number</u>	<u>Expenditures</u>
Community Development Block Grants/Economic Development	14.246		1,911
Lead Hazard Reduction Demonstration Grant Program	14.905		346,660
			<u>348,571</u>
Department of Labor			
Direct Programs			
Mine Health and Safety Grants	17.600		34
Department of Labor Subtotal			<u>34</u>
National Science Foundation			
Direct Programs			
Engineering Grants	47.041		29,927
Biological Sciences	47.000		814,831
Mathematical and Physical Sciences	47.049		4,195
Biological Sciences	47.074		113,517
Education and Human Resources	47.076		337,101
National Science Foundation Subtotal			<u>1,299,571</u>
Department of Veteran Affairs			
Direct Programs			
Other Department of Veteran's Affairs Programs	64		4,124
Department of Veteran Affairs Subtotal			<u>4,124</u>
Department of Energy			
Direct Programs			
Other Department of Energy Programs	81.000		21,842
Inventions and Innovations	81.036		15,000
Department of Energy Subtotal			<u>36,842</u>
Department of Education			
Direct Programs			
Other Department of Education Programs	84.000		253,095
National Institute on Disability and Rehabilitation Research	84.133		-833
Academic Competitiveness Grants	84.375		286,400
Pass through programs			
Cleveland State University	84.366	CI667-OMAP-08-13	18,173
Department of Education Subtotal			<u>556,835</u>
Department of Health & Human Services			
Direct Programs			
Research Related to Deafness and Communication Disorders	93.000		1,217
Food and Drug Administration- Research	93.103		87,933
Rural Telemedicine Grants	93.211		21,774
Research on Healthcare Costs, Quality and Outcomes	93.226		41,005
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		150
Cancer Detection and Diagnosis Research	93.394		10,000
Community Services Block Grant_Discretionary Awards	93.570		-1,226
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		24,148
Allergy, Immunology & Transplantation Research	93.855		15,766
Aging Research	93.866		16,500

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 2008

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	Catalog of Federal Domestic Assistance <u>Number</u>	Pass Through Entity Identifying <u>Number</u>	<u>Expenditures</u>
Specially Selected Health Projects	93.888		96,663
Pass Through Programs			
Association of American Medical Colleges	93.283	U36/CCU319276	49,221
Great Lakes Science Center	93.389	GLMSET	2,228
Booz Allen Hamilton, Incorporated	93.393	79950CBS10	29,423
Booz Allen Hamilton, Incorporated	93.393	79950CSB10	29,423
Children's Hospital and Regional Medical	93.846	413820230101	5,817
			<hr/> 116,112
Department of Health & Human Services Subtotal			<hr/> 430,042
Total Other Federal Assistance			<hr/> 2,682,291
TOTAL EXPENDITURES OF FEDERAL AWARDS			<hr/> \$ 316,033,655

CASE WESTERN RESERVE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Summary of Significant Accounting Policies

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant transactions of Case Western Reserve University (the "University") recorded on the accrual basis of accounting. Negative amounts represent adjustments or credits to amounts reported as expenditures in prior years.

In May 2002, the University entered into an agreement with the Cleveland Clinic Foundation ("CCF") to form a new medical education and research program, the Cleveland Clinic Lerner College of Medicine ("CCLCM"). This is a collaborative arrangement governed jointly by the University and CCF. The results of operations of the CCLCM are included in the University's accompanying financial statements. Beginning in fiscal 2004, research grants from the National Institutes of Health to support work by CCF-based investigators were awarded to and administered through the University by CCLCM, which operates as an academic unit of the University's School of Medicine.

The CCLCM operates under an affiliation agreement between the University and CCF. The parties have agreed that CCF has administrative responsibility for the CCLCM grants. CCLCM awards are on pages 31-34; however, because the CCF is responsible for the day to day operations, those awards are not included in the scope of the A-133 report. Ernst & Young LLP conducted the audit of CCF's compliance with all the requirements described in the U.S. OMB Circular Compliance Supplement that are applicable to the CCLCM grants. Accordingly, the CCLCM grants are excluded from the scope of the PwC audit. The most recent report of Ernst & Young LLP on compliance and internal controls over compliance of CCF as of December 31, 2007, which is dated August 8, 2008, contains a qualified opinion with regard to compliance applicable to its research and development cluster program and a significant deficiency with regard to internal control over compliance with that same cluster program.

Subrecipients:

Certain funds are passed through to subgrantee organizations by the University and CCLCM. Expenditures incurred by the subgrantees and reimbursed by the University are presented in the Schedule. Under the research and development program, a total of \$18,290,510 was passed through to subgranted organizations from the University and \$7,346,371 from the CCLCM for the year ended June 30, 2008. No funds were passed through under other programs.

2. Catalog of Federal Domestic Assistance Numbers:

Catalog of Federal Domestic Assistance ("CFDA") Numbers and Pass Through Entity Identifying Numbers are presented for those programs for which such numbers are available and were able to be identified by the University. The programs for which CFDA Numbers were not available or identified are reported with the federal agency's 2-digit prefix when known.

3. Indirect Costs:

The University recovers indirect costs by means of final indirect cost rates. The final rates are a result of negotiated agreements with the U.S. Department of Health and Human Services. The final rate effective for the period July 1, 2007 to June 30, 2008 for on-campus research and for the CCLCM is 54.5% of modified total direct costs. The base rates for off-campus research for the same period vary depending upon the location of the research.

CASE WESTERN RESERVE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The base rate for off-campus research at University Hospitals of Cleveland and Cleveland MetroHealth Medical Center for the same period is also 54.5%. The base rate for all other off-campus research for the same period is 26%. The negotiated predetermined indirect cost rates were finalized based on an agreement dated June 1, 2005.

4. Loan Advances:

The following schedule represents total loans advanced to students by the University and balances outstanding for the Perkins, Nursing, Health Profession Student and Disadvantaged Students Loan Programs for the year ended June 30, 2008:

	CFDA Number	Advances	Outstanding Balance
Perkins Loan Program	84.038	\$3,439,366	\$17,456,406
Nursing Student Loan Program	93.364	\$31,500	\$425,082
Health Professional Student Loan Program/PCL	93.342	\$0	\$329,606
Loan for Disadvantaged Students	93.342	\$0	\$81,795

The Perkins Loan administrative cost allowance totalled \$0 for the year ended June 30, 2008.

5. Federal Family Education Loan Program

During the year ended June 30, 2008, the University disbursed the following loan amounts under the Federal Family Education Loan Program (FFELP) (which includes Stafford Loans, unsubsidized Stafford Loans, and Parents Plus Loans for Undergraduate Students):

	CFDA Number	Amounts
Federal Family Education Loan Program	84.032	\$88,780,380

6. Housing and Urban Development (HUD, CFDA #14.) Mortgage Bonds:

During the year ended June 30, 2008, the University made principal and interest payments of \$457,000 and \$941,249 respectively on HUD mortgage bonds. HUD mortgage bonds payable at June 30, 2008 amounted to \$19,170,105. See note E to the financial statements for further information concerning the components of these loans.

**REPORTS ON COMPLIANCE AND ON THE
INTERNAL CONTROL STRUCTURE**

**Report of Independent Auditors 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**

To the Board of Trustees,
Case Western Reserve University:

We have audited the consolidated financial statements of Case Western Reserve University and its affiliated entities, (the "University") as of and for the year ended June 30, 2008, and have issued our report thereon dated October 17, 2008. 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 our 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 consolidated 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 other matters that we reported to management of the University in a separate letter dated October 17, 2008.

This report is intended solely for the information and use of the University's Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

October 17, 2008
Cleveland, Ohio

**Report of Independent Auditors on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over Compliance
in Accordance with OMB Circular A-133**

To the Board of Trustees,
Case Western Reserve University:

In connection with the coordinated audit of Case Western Reserve University (the "University") as provided for in the U.S. Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, PricewaterhouseCoopers LLP and Ernst & Young LLP each performed specific audit requirements and provided the respective audit reports. Responsibilities under the coordinated audit approach were assigned as follows:

1. PricewaterhouseCoopers LLP ("PwC") conducted the audit of the University's compliance and internal controls over compliance with all of the requirements described in the U.S. OMB A133 Circular Compliance Supplement that are applicable to its major federal program, except the requirements applicable to The Cleveland Clinic Lerner College of Medicine ("CCLCM") research and development grants from the Department of Health & Human Services and other agencies (the "CCLCM grants") as indicated on pages 31-34.
2. The CCLCM operates under an affiliation agreement between the University and the Cleveland Clinic Foundation ("CCF"). The parties have agreed that CCF has administrative responsibility for the CCLCM grants. Ernst & Young conducted the audit of CCF's compliance with all the requirements described in the U.S. OMB Circular Compliance Supplement that are applicable to CCLCM grants. Accordingly, the CCLCM grants are excluded from the scope of the PwC audit. The most recent report of Ernst & Young LLP on compliance and internal controls over compliance of CCF as of December 31, 2007, which is dated August 8, 2008, contains a qualified opinion with regard to compliance applicable to its research and development cluster program and a significant deficiency with regard to internal control over compliance with that same cluster program.

Compliance

As part of the aforementioned coordinated audit, we have audited the compliance of the University and its affiliated entities 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 (except for the CCLCM grants) for the year ended June 30, 2008. 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, 2008. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 08-1.

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

The University's response to findings identified in our audit is 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 University's Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

February 20, 2009
Cleveland, Ohio

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

for the year ended June 30, 2008

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

• Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiency (s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiency(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor's 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 OMB Circular A-133?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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Identification of major programs: CFDA Number(s)	Name of Federal Program or Cluster	
*Various	*Research & Development and Research Training	
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

*Excludes the CCLCM amounts included on pages 31-34 totalling \$87,006,837.

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

for the year ended June 30, 2008

Section II - Financial Statement Findings

No current year findings.

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

for the year ended June 30, 2008

Section III - Federal Award Findings and Questioned Costs

Finding #08-1: Enhance Timeliness of Financial Status Reports

Information on the federal program/Condition/Context

Of the 30 financial status reports tested in the Research and Development cluster we noted that 13 reports were submitted after the required 90 day period, with no extension obtained from the Federal agency.

Criteria or specific requirement

OMB Circulars A-110 Section 52 a (1) (iv) requires recipients to file timely financial status reports as well as final reports. The University was required to file final financial forms for those grants that were completed in fiscal 2008 within 90 calendar days of completion. Extensions of reporting due dates may be approved by the Federal awarding agency upon request of the recipient.

Cause/Effect

Delays in the filing of financial status reports are the result of a number of factors, including temporary staffing gaps, work volume and workflow issues. The University is not in compliance with the requirement to file timely financial status reports as a high number of financial reports were not submitted within the prescribed timeframe.

Recommendation

We recommend that management develop and prioritize a work plan to improve the coordination between the respective departments and the restricted funds Sponsored Projects Accounting area in executing a filing calendar utilizing the database tracking system to ensure compliance with the financial status reporting requirement of OMB Circular A-110.

Views of responsible officials and planned corrective actions

The University agrees that 13 financial status reports (FSRs) were not submitted in a timely manner. Sponsored Projects Accounting (SPA) experienced a change in reporting structure in FY2007 which included new management, staff and a reorganization of the area. Process reengineering along with training for SPA staff and University departmental administrators has been completed to ensure that the University is in compliance with the revised procedures to ensure timely submission of FSRs in the future.

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

for the year ended June 30, 2008

Section I - Summary of Prior Year Findings and Questioned Costs

Finding #07-1: Subrecipient Monitoring

Audit Finding

The University was unable to provide evidence for the monitoring of several subrecipient pass-through awards. Specifically we noted exceptions in the following two categories: Award Identification (3 exceptions noted); and Subrecipient Audits (13 exceptions noted).

Status

The University 1) revised its subrecipient monitoring procedure in December 2007 to more clearly describe all elements of the process, the responsible parties, and the documentation requirements and 2) reviewed all new subcontracts and modifications to existing subcontracts issued in FY07 and FY08 to date and took actions, as needed, to ensure that the University was in compliance with the revised procedure. This was not noted in the current year as a finding again.