



CASE WESTERN RESERVE UNIVERSITY

**Report on Federal Awards in Accordance
With OMB Circular A-133 for the Year Ended
June 30, 2011**

**Entity Identification
Number 1-341018992-A1**

CASE WESTERN RESERVE UNIVERSITY
REPORT ON FEDERAL AWARDS IN ACCORDANCE
WITH OMB CIRCULAR A-133

June 30, 2011

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FINANCIAL

30, 2010

	2011			2010		
OPERATING REVENUES						
	\$ 30,4			\$ 309,499	\$ 2,312,4	
	(121,421)			(121,421)	(11,1)	
	1,0			188,078	1,4,2	
	5,56		\$ 1	59,934	66,6	
	12,00	\$ 532		12,602	12,23	
	32,652			32,652	,6	
	26,0			268,909	260,45	
	100,0			100,098	,530	
	6,341	46,5	24,4	77,878	54,62	
	3,262			3,262	3,253	
	,42			79,742	5,05	
	11,35			11,395	11,10	
	34,4		5	35,789	2,351	
	3,42			38,742	3,04	
	10,0			10,707	,13	
	23,020	(20,)	(2,032)	-	-	
TOTAL OPERATING REVENUES	\$ 869,666	\$ 26,133	\$ 23,989	\$ 919,788	\$ 833,037	
OPERATING EXPENSES						
	261,461			261,461	253,5	
	26,6			267,767	25,420	
	2,00			27,090	2,11	
	100,0			100,098	,530	
	22,122			22,122	21,416	
	21,6			21,886	20,356	
	0,52			90,572	,53	
	50,42			50,482	45,2	
	11,32			11,932	13,052	
TOTAL OPERATING EXPENSES	\$ 853,410	-	-	\$ 853,410	\$ 817,855	
NET OPERATING ACTIVITY	\$ 16,256	\$ 26,133	\$ 23,989	\$ 66,378	\$ 15,182	
NON-OPERATING ACTIVITIES						
	\$ 4,03	24,320	1	\$ 71,590	\$ 3,024	
	2,0	112,44	4,154	161,987	3,344	
	4,12	13,064	4,3	-2.62 (\$)	10.025.462 -24(5)-	

1.

Retirement Plans

15

Income Taxes

501(c)(3)

Use of Estimates

30

Comparative Information

4. LONG TERM INVESTMENTS

Long term investments consist of investments in equity securities of other companies, which are classified as long term investments because they are held for more than one year. These investments are measured at fair value, and any changes in fair value are recorded in earnings. The following table provides a reconciliation of the beginning and ending balances of long term investments for the periods ended December 31, 2011 and 2010.

The following table provides a reconciliation of the beginning and ending balances of long term investments for the periods ended December 31, 2011 and 2010.

	2011	2010
Long term investments at beginning of period	\$ 64,205	\$ 64,205
Long term investments at end of period	1,321,42	1,161,5 6
TOTAL INVESTMENTS	\$ 1,399,342	\$ 1,225,801

Long term investments consist of investments in equity securities of other companies, which are classified as long term investments because they are held for more than one year. These investments are measured at fair value, and any changes in fair value are recorded in earnings. The following table provides a reconciliation of the beginning and ending balances of long term investments for the periods ended December 31, 2011 and 2010.

5. ENDOWMENT AND SIMILAR FUNDS

Endowment Funds

Endowment funds are funds that are established to provide a permanent source of income for a specific purpose. They are typically established by a donor and are managed by a board of trustees or a similar governing body. The principal of the fund is usually invested, and the income generated is used to support the designated purpose. Endowment funds can be established for a wide variety of purposes, including education, research, and the support of charitable organizations. They are an important part of the financial resources of many institutions and organizations.

Spending Policy

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1. The first part of the document is a list of items, including a \$2,000 amount.

10.

**Catalog of
Federal
Domestic**

Pass Through

CASE WESTERN RESERVE UNIVERSITY
 Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
Pass Through Programs			
University of Akron	20.701	DTRT06-G-0037	33,828
Department of Transportation Subtotal			51,671
National Aeronautics and Space Administration			
Direct Programs			
Aerospace Education Services Program	43.001		771,598
Technology Transfer	43.002		546,667
Pass Through Programs			
California Institute of Technology	43	44E-1083742	336,242
Ohio Aerospace Institute	43.001	WE-500077	197,831
University of Michigan	43.001	3001229609	22,521
National Aeronautics and Space Administration Subtotal			1,874,859
National Endowment for the Arts			
Direct Programs			
Promotion of the Humanities Fellowships and Stipends	45.160		78,399
American Antiquarian Society	45.161		45,642
National Endowment for the Arts Subtotal			124,041
National Science Foundation			
Direct Programs			
Engineering Grants	47.041		1,598,978
Mathematical & Physical Sciences	47.049		8,029,737
Geosciences	47.050		309,262
Computer and Information Science & Engineering	47.070		1,208,712
Biological Sciences	47.074		1,042,429
Social, Behavioral and Economic Sciences	47.075		314,208
Education and Human Resources	47.076		347,658
Polar Programs	47.078		60,659
International Science and Engineering (OISE)	47.079		(1,386)
Trans-NSF Recovery Act Research Support-ARRA	47.082		1,699,359
Pass Through Programs			
Precision Made Parts, LLC	47.041		14,434
Scattering Solutions, LLC	47.041	IIP-0740033	(500)
University of Alabama	47.041	06-067	6,763
University of Iowa	47.041	420-60-44A	119,042
University of Texas Health Science Cente	47.041	2610009561	39,717
University of Utah	47.041	10012597-CWRU	76,770
Yale University School of Medicine	47.049	Y-08-18	352

CASE WESTERN RESERVE UNIVERSITY
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
Advanced Research and Projects Agency Energy Financial Assistance Program	81.135		923,464
Pass Through Programs			
Advanced Technology Institute	81.000	ATI 2005-301	73,061
3M Company	81.049	USMMM040W3	166,533
Stanford University-ARRA			

CASE WESTERN RESERVE UNIVERSITY
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
Brigham and Women Hospital	93.846	105543	15,870
Burnham Institute	93.846	AR056273	90,171
Cornell University	93.846	AR057362	12,069
Drexel University	93.846	232222-3850/11012367	47,144
Duke University	93.846	APPLE SITE 16	9,685
Mount Sinai School of Medicine of the NE	93.846	0255-6334-4609	3,266
University of Rochester	93.846	5-29797	20,953
Weill Medical College of Cornell University	93.846		34,665
Cincinnati Children's Hospital	93.847	102243	25,507

CASE WESTERN RESERVE UNIVERSITY
 Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
University of California, San Francisco	93.855	6167SC	73,156
University of Iowa	93.855	430-23-20A	68,144
University of Maryland	93.855	SR00000593	(9)
University of South Florida	93.855	6408-1009-01-A	55,700
University of Texas Medical Branch	93.855	0007207A	241,415
University of Washington	93.855	698819	297,584
University of Washington	93.855	AI070090	141,667
Washington University	93.855	WU-11-250	5,157
Washington University	93.855	WU-11-251	426,723
University of Wisconsin - Madison	93.856	292H143	108

CASE WESTERN RESERVE UNIVERSITY
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
Department of Homeland Security			
Pass Through Programs			
University of Texas Medical Branch	97.061	10-045	32,292
University of Iowa	97.077	428-20-01	132,137
Department of Homeland Security Subtotal			164,429
Total Research and Development - University Only			225,031,001
Department of Defense			
Direct Programs			
Basic and Applied Scientific Research	12.300		140,263
Military Medical Research and Development	12.420		321,576
Department of Defense Subtotal			461,839
National Aeronautics and Space Administration			
Direct Programs			
Aerospace Education Services Program	43.001		83,174
National Aeronautics and Space Administration Subtotal			83,174
National Endowment for the Arts			
Direct Programs			
Promotion of the Humanities Fellowships and Stipends	45.160		37,800
National Endowment for the Arts Subtotal			37,800
National Science Foundation			
Direct Programs			
Engineering Grants	47.041		103,646
Biological Sciences	47.074		48,767
Education and Human Resources	47.076		228,866
Trans-NSF Recovery Act Research Support-ARRA	47.082		93,697
Pass Through Programs			
Jackson State University-ARRA	47.082	633108	9,750
National Science Foundation Subtotal			484,726
Department of Education			
Direct Programs			
Overseas Programs - Doctoral Dissertation Research Abroad	84.022		49,772
Graduate Assistance in Areas of National Need	84.200		533,559
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		(33)
Department of Education Subtotal			583,298
Department of Health & Human Services			
Direct Programs			
Maternal and Child Health Federal Consolidated Programs	93.110		195,840
Oral Diseases & Disorder Research	93.121		86,434
Nurse Anesthetist Traineeships	93.124		16,026
Research Related to Deafness and Communication Disorders	93.173		19,365
National Research Service Awards Health Services Research Training	93.225		296,930
National Center on Sleep Disorders Research	93.233		114,479
Mental Health Research Grants	93.242		150,275
Advanced Nursing Education Grant Program	93.273		22,524
Mental Health National Research Service Awards for Research Training	93.282		69,503
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		488,829
Advanced Nursing Education Traineeships	93.358		64,922
Nursing Research	93.361		234,389
National Center for Research Resources	93.389		2,593,976
Cancer Biology Research	93.396		24,789

CASE WESTERN RESERVE UNIVERSITY
 Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
Cancer Research Manpower	93.398		2,224,914
Grants for Training in Primary Care Medicine and Dentistry Training and Enhancement-ARRA	93.403		159,536
Cancer Research Manpower-ARRA	93.407		16,569
Affordable Care Act (ACA) Advanced Nursing Education Expansion Initiative	93.513		95,040
Cancer Research Manpower-ARRA	93.701		217,722
Cardiovascular Diseases Research	93.837		335,655
Lung Diseases Research	93.838		387,153
Blood Diseases and Resources Research	93.839		243,202
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		360,124
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		565,765
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		405,515

CASE WESTERN RESERVE UNIVERSITY
 Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
Child Health and Human Development Extramural Research	93.865		1,777,399
Aging Research	93.866		1,733,164
Vision Research	93.867		1,904,617
Pass Through Programs			
Social & Scientific Syste	93.113	N01-ES-55546	237,054
University Of Louisville	93.121	R21DE017706	(43,022)
Massachusetts General Hospital	93.213	U01AT000613	19,574
Butler Hospital	93.242	U01MH076179	49,587
Massachusetts General Hospital	93.242	R01MH071762	5,189
Massachusetts General Hospital	93.286	R01EB009048	85,207
Source Signal Imaging Inc	93.286	R44EB000614	714
Univ Of California At San	93.286	R01EB008049	24,577
Univ Of Southern California	93.286	R01EB010197	12,277
Cincinnati Child Hosp Rsc	93.389	U54RR019498	(40,269)
Princeton University	93.389	R21RR026231	13,113
University Of Washington	93.389	UL1RR025014	10,992
Beth Israel Deconess Med	93.393	R01CA95662	5
Dartmouth University	93.393	R01CA098286	21,982
Moffitt Cancer Ctr & Rsch	93.393	R01CA112112	(109)
Univ Of N Carolina Chapel	93.393	R01CA059005	37,840
Univ Of N Carolina Chapel	93.393	R01CA098286	134,306
Univ Of Southern California	93.393	U24CA074799	83,497
Univ Of Southern California	93.393	U24CA074799	332,906
Ohio State University Rsc	93.394	R01CA134451	18,527
Oncoscope Inc	93.394	R44CA128163	23,258
Prism Clinical Imaging, Inc.	93.394	R42CA113186	1,678
Univ Of Washington At St. Louis	93.394	R01CA068124	19,438
University Of Miami	93.394	R01CA122105	1,143
University Of Washington	93.394	R01CA107209	3,697
American College Of Radiology	93.395	U10CA021661	72,754
Duke University	93.395	U10CA076001	6,414
Gynecological Oncology Group	93.395	U10CA027469	227,369
Johns Hopkins University	93.395	U01CA137443	50,615
Massachusetts General Hospital	93.395	P01CA084203	211,579
Moffitt Cancer Ctr & Rsch	93.395	R01CA131076	83,950
National Childhood Cancer	93.395	U10CA098543	117,732
Ohio State University Rsc	93.395	U01CA04497 TJET EMC /P &MCID 136/t6/Lang (x-non	

CASE WESTERN RESERVE UNIVERSITY
 Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
University Of Cincinnati-ARRA	93.701	R01NS039512Z	17,866
University Of Illinois-ARRA	93.701	R56DK072231Z	30,393
University Of Michigan-ARRA	93.701	RC2HL101740Z	100,072
University Of Minnesota-ARRA	93.701	R01NS057371Z	51,638
University Of Minnesota-ARRA	93.701	RC1NS068231Z	38,585
University Of Pittsburgh-ARRA	93.701	RC1HL102429Z	2,987
University Of Washington-ARRA	93.701	R01DK081368Z	91,029
Wake Forest University-ARRA	93.701	R01GM048085Z	104,132
Wake Forest University-ARRA	93.701	RC2HL101487Z	65,252
Washington Univ School Of-ARRA	93.701	R01HL056643Z	43,646
Accord Biomaterials, Inc.	93.837	R44HL095181	125,225
Biomec Cardiovascular Inc	93.837	R44HL065815	(351)

CASE WESTERN RESERVE UNIVERSITY
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2011

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
The University Of Akron	93.853	R15NS071455	24,646
Univ North Tx Health Science	93.853	R01NS048837	49,307
Univ North Tx Health Science	93.853	R01NS048837	12,208
Univ Of California At L A	93.853	P50NS044378	11,630
Univ Of California At San Francisco	93.853	R01NS062820	16,282
Univ Of California At San Francisco	93.853	U01NS053998	81,670
Univ Of N Carolina Chapel Hill	93.853	5U01NS42167	2,776

CASE WESTERN RESERVE UNIVERSITY
Schedule of Expenditures of Federal Awards

FEDERAL GRANTOR/PROGRAM TITLE	Catalog of Federal Domestic Assistance Number	Pass Through Entity Identifying Number	Expenditures
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CASE WESTERN RESERVE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

1. Summary of Significant Accounting Policies

Basis of Presentation:

CASE WESTERN RESERVE UNIVERSITY
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

3. Facilities and Administrative Cost Rates:

The University recovers facilities and administrative costs by means of final facilities and administrative 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, 2010 to June 30, 2011 for on-campus research and for the CCLCM is 57% of modified total direct costs. The base rates for off-campus research for the same period vary depending upon the location of the research.

4. Loan Advances:

The following schedule represents total loans advanced to students by the University and balances outstanding for the Perkins, Nursing, Health Professional Student and Disadvantaged Students Loan Programs for the year ended June 30, 2011:

	CFDA Number	Advances	Outstanding Balance
Perkins Loan Program	84.038	\$ 1,081,049	\$ 15,958,792
Nursing Student Loan Program	93.364	77,441	297,228
Health Professional Student Loan Program/PCL	93.342	363,150	2,052,102
Loan for Disadvantaged Students	93.342	-	38,357

The Perkins Loan administrative cost allowance totaled \$0 for the year ended June 30, 2011.

The amount of Perkins loan principal cancelled totaled \$200,580 for the year ended June 30, 2011.

5. Federal Direct Loan Program

During the year ended June 30, 2011, the University disbursed the following loan amounts under the Federal Direct Loan Program (FDLP) (which includes Stafford Loans, unsubsidized Stafford Loans, and Parents Plus Loans for Undergraduate Students):

	CFDA Number	Amounts
Federal Direct Loan Program	84.268	\$ 104,154,056

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

During the year ended June 30, 2011, the University made principal and interest payments of \$510,452 and \$882,100

REPORTS ON COMPLIANCE AND ON THE
INTERN



**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, 2011, and have issued our report thereon dated October 15, 2011. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of operations, to prevent or detect a misstatement of a financial statement assertion that is more than inconsequential.



A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 the findings identified in our audit is described in the accompanying schedule of findings and questn-(7f)-9achedo (tn-7c)-heanhevquti it heraldeer city

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2011

Section I

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2011

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, 2011

Section III Federal Award Findings and Questioned Costs

Finding #2011-1: Monitoring of CCLCM Award Activity

Research and Development Cluster

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2011

Recommendation

We recommend that the University continue to enhance its monitoring of CCF compliance activities associated with CCLCM awards by building upon the newly installed monitoring procedures over draw-downs and reporting and identifying other compliance activities that can be monitored, performing monitoring activities at a more detailed level along with the higher level governance oversight currently in place. In addition, the periodic review of CCLCM documentation to support draw-downs and requisite cash management procedures performed by CCF and related financial status reports prepared by CCF on behalf of CCLCM should continue and be supported by documentation of the review and related results.

Views of responsible officials and planned corrective actions

Management's response is reported in the "Management's Views and Corrective Action Plan" and considered as part of this report.

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2010

CASE WESTERN RESERVE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2010

Finding #2010-2: Monitoring of CCLCM Award Activity

Research and Development Cluster

Sponsoring Agency: Department of Health and Human Services

CFDA #'s: Various - CCLCM Awards

Award Year: FY2010

Audit Finding

For the research grants that are awarded through Cleveland Clinic Lerner College of Medicine of Case Western Reserve University ("CCLCM") and administered by Cleveland Clinic Foundation ("CCF"), the University utilizes the CCF A-133 report as the primary means of monitoring how CCF complies with the various federal compliance requirements of research and development awards. However, as CCF reports on a December 31st year end and the University is on a June 30th fiscal year end, there is a six month lag in A-133 reporting and, therefore, in what is available for the University to review. In addition, although the operations of CCLCM are overseen jointly by the University and CCF many of the post-award administrative functions are performed only by CCF in accordance with an affiliation agreement and jointly designed operating procedures. The University does not routinely perform detailed monitoring procedures of the day-to-day monitoring performed by CCF on behalf of CCLCM. For instance, cash draw-downs are performed by CCF using CCLCM drawdown accounts and federal status reports are signed by a CCF official on behalf of CCLCM; however, the University does not perform a detailed review of the support behind these draw reports which are compiled by CCF employees on behalf of CCLCM.

These specific awards are in the name of the Case Western Reserve University or CCLCM and, therefore, the University is the prime recipient. As the prime recipient, the University is required to monitor the activity of all subrecipients within the guidance developed by OMB. As such, the University may not be performing sufficient monitoring of activities of CCF on behalf of CCLCM.

Status

Due to the timing of when the finding was identified, management was in the process of implementing its corrective action plan. As such, it has been noted as a repeat comment for FY2011. See finding #04.85h5(hen)9(t)6(he f

