

*CSULB
FOUNDATION*



*CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION*

*Internal Control and Compliance Reports
June 30, 2007*

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
California State University,
Long Beach Foundation:

We have audited the financial statements of California State University, Long Beach Foundation as of and for the year ended June 30, 2007, and have issued our report thereon dated September 26, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered California State University, Long Beach Foundation'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 California State University, Long Beach Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization'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 Organization'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 California State University, Long Beach Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, Board of Directors, management, others within the organization, 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.

A handwritten signature in cursive script that reads "Windes & McCaughey".

Long Beach, California
September 26, 2007



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**REPORT 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 Directors of
California State University,
Long Beach Foundation:

Compliance

We have audited the compliance of California State University, Long Beach Foundation with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. California State University, Long Beach Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of California State University, Long Beach Foundation's management. Our responsibility is to express an opinion on California State University, Long Beach Foundation'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 California State University, Long Beach Foundation'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 California State University, Long Beach Foundation's compliance with those requirements.

In our opinion, California State University, Long Beach Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of California State University, Long Beach Foundation 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 California State University, Long Beach Foundation'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 California State University, Long Beach Foundation's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.


A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in 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.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of California State University, Long Beach Foundation as of and for the year ended June 30, 2007, and have issued our report thereon dated September 26, 2007. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, Board of Directors, management, others within the organization, 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.



Long Beach, California
September 26, 2007

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
RESEARCH AND DEVELOPMENT - CLUSTER:		
U.S. Department of Agriculture		
Wildlife Services	10.028	\$ 6,500
Scientific Cooperation and Research Agricultural Research, Special Pass Through:	10.961	14,930
University of Alabama-Huntsville	10.200	17,054
U.S. Department of Commerce		
Sea Grant Support Pass Through:		
University of California - San Diego	11.417	21,954
University of Southern California	11.417	83,835
Coastal Services Center Pass Through:		
San Jose State University Foundation	11.473	201,557
U.S. Department of Defense		
Basic and Applied Scientific Research	12.300	5,372,846
Basic Scientific Research	12.431	240,728
Air Force Research	12.800	62,007
Research and Technology Department	12.910	174,716
U.S. Department of the Interior		
MMS Environmental Studies Program	15.423	86,114
Cooperative Research Units Program	15.812	14,084
DOI - Unknown	15.999	19,148
U.S. Department of Transportation		
University Transportation Centers Program Pass Through:		
University of Southern California	20.701	932,888

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):		
NASA, AMES Research Center		
Technology Utilization	43.002	253,495
National Science Foundation		
Engineering Grants	47.041	9,715
Pass Through:		
California Institute of Technology	47.041	7,813
Mathematical and Physical Sciences	47.049	370,682
Geosciences	47.050	50,422
Computer & Information Science & Engineering	47.070	13,444
Biological Sciences	47.074	182,612
Social, Behavioral and Economic Sciences	47.075	70,707
Education and Human Resources	47.076	43,652
Pass Through:		
California State University - Los Angeles	47.076	23,998
Academic Research Facilities and Instrumentation	47.077	1,450
U.S. Department of Energy		
Office of Science Financial Assistance Program	81.049	55,774
U.S. Department of Education		
Fund for the Improvement of Postsecondary Education	84.116	28,975
Education Research, Development and Dissemination	84.305	308,699
Pass Through:		
University of Houston	84.305	218,255

**CALIFORNIA STATE UNIVERSITY,
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):		
U.S. Department of Health and Human Services		
Mental Health Research Grants	93.242	287,710
Substance Abuse and Mental Health Pass Through:		
Substance Abuse Foundation	93.243	75,043
Drug Abuse Research Programs	93.279	61,357
Center for Disease Control and Prevention Interventions and Technical Assistance	93.283	122,398
Women's Health Mentoring Partnership	93.294	170,797
Heart and Vascular Diseases Research	93.837	37,639
Digestive Diseases and Nutrition Research	93.848	5,395
Microbiology and Infectious Diseases Research	93.856	1,450
Biomedical Research and Research Training	93.859	1,999,681
Child Health and Human Development Extramural Research	93.865	473,390
Aging Research	93.866	124,068
HIV Demonstration, Research, Public and Professional Education Projects		
Pass Through:		
Education Development Center	93.941	77,312
Bioterrorism Training and Curriculum Development Program	93.996	<u>52,889</u>
TOTAL RESEARCH AND DEVELOPMENT - CLUSTER		<u>12,377,183</u>
OTHER PROGRAMS:		
U.S. Department of Agriculture		
Summer Food Service Program for Children Pass Through:		
California Department of Education	10.559	12,910

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS (CONTINUED):		
U.S. Department of Defense		
Basic Applied & Advanced Research in Science Pass Through		
California State University, San Bernardino Foundation	12.630	11,681
Information Security Grant Program	12.902	16,937
Pass Through:		
Titan Corporation L3 Communications	12.902	355,135
National Security Education Program		
Pass Through:		
Institute of International Education	12.900	47,605
U.S. Department of Housing and Urban Development		
Community Outreach Partnership Center Program	14.511	73,186
U.S. Department of Justice		
Reduce Violence on Campus	16.525	53,590
U.S. Department of Transportation		
University Transportation Centers Program		
Pass Through:		
University of Southern California	20.701	412,961
National Foundation on the Arts and the Humanities		
Promotion of the Arts Grants to Organizations and Individuals	45.024	21,818
Promotion of Humanities Division Museums for America	45.167	22,578
Pass Through:		
Institute of Museum and Library	45.301	64,384
National Science Foundation		
Biological Sciences	47.074	5,000
Education and Human Resources	47.076	134,881
Pass Through:		
University of California, Office of the President	47.076	9,375
University Enterprise Incorporated	47.076	50,034

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
OTHER PROGRAMS (CONTINUED):		
U.S. Department of Education		
Strengthening Student Access	84.031	209,664
Pass Through:		
Long Beach Community College	84.031	106,779
Student Support Services	84.042	485,348
Talent Search	84.044	705,289
Upward Bound	84.047	792,912
TRIO - Educational Opportunity Center	84.066	204,105
Migrant Education - College Assistance Migrant Program	84.149	49,853
Bilingual Education - Professional Development	84.195	858,508
McNair Post-Baccalaureate Achievement	84.217	230,862
Education Research, Development and Dissemination		
Pass Through:		
Readingware LLC	84.305	11,577
Parental Information and Resource Centers		
Pass Through:		
California Association of Bilingual Education	84.310	52,509
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	62,383
Gaining Early Awareness and Readiness for Undergraduate Programs		
Pass Through:		
Bellflower Unified School District	84.334	115,281
Long Beach Unified School District	84.334	84,844
Transition to Teaching Program	84.350	314,214
Improving Teacher Quality State Grants		
Pass Through:		
University of California, Office of the President	84.367	87,417
National Writing Project		
Pass Through:		
University of California - Berkeley	84.928	42,393

**CALIFORNIA STATE UNIVERSITY,
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS (CONTINUED):		
U.S. Election Assistance Committee		
Help America Vote College Program	90.400	12,676
Department of Health and Human Services		
Global Aids	93.067	24,731
Community Programs to Improve Minority Health Grant Program	93.137	164,315
Mental Health Research Grant	93.242	30,043
Pass Through:		
Dartmouth College	93.242	7,284
Mental Health National Research Service Awards for Research Training	93.282	192,226
Advanced Nurse Education	93.299	107,600
Advance Education on Nursing Traineeships	93.358	892
Family Preservation and Support Services		
Pass Through:		
County of Orange	93.556	3,871
Foster Care - Title IV-E		
Pass Through:		
Children/Family Services, LA County	93.658	1,768,457
University of California - Berkeley	93.658	2,066,514
Biomedical Research and Research Training	93.859	553,789
HIV Prevention Activities Health Department Based		
Pass Through:		
Department of Health Services, LA County	93.940	<u>496,116</u>
TOTAL OTHER PROGRAMS		<u>11,134,527</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$23,511,710</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**NOTE TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of California State University, Long Beach Foundation, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued – Unqualified

Internal control over financial reporting

1. Material weakness(es) identified? – No
2. Significant deficiencies identified that are not considered to be material weakness(es)?
None reported
3. Noncompliance material to financial statements noted? – No

Federal Awards

Internal control over major programs

1. Material weakness(es) identified? – No
2. Significant deficiencies identified that are not considered to be material weakness(es)?
None reported
3. Type of auditors’ report issued on compliance for major programs? – Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? – No
5. Identification of major programs: Research and Development Cluster, CFDA # - Various, Bilingual Education, CFDA # 84.195, Information Security Grant, CFDA #12.902 and Education and Human Resources CFDA #47.076
6. Dollar threshold used to distinguish between type A and type B programs was \$705,351.
7. Auditee qualified as low-risk auditee? – Yes

SECTION II – FINANCIAL STATEMENTS FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None