

*CSULB  
FOUNDATION*



*CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION*

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*Financial Statements  
Internal Control and Compliance Reports  
June 30, 2008*

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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 (the Foundation) as of and for the year ended June 30, 2008, and have issued our report thereon dated September 25, 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 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 Foundation'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 Foundation'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 Foundation'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 black ink that reads "Windes & McCaughey". The signature is written in a cursive, flowing style.

Long Beach, California  
September 25, 2008



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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, 2008. 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, 2008.

## 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.

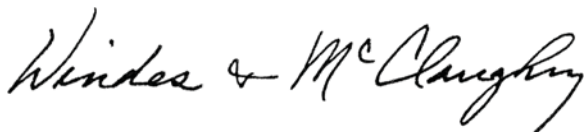
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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, 2008, and have issued our report thereon dated September 25, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended 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 25, 2008

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b>RESEARCH AND DEVELOPMENT - CLUSTER:</b>			
<b>U. S. Department of Agriculture</b>			
Agricultural Research, Special			
Pass Through:			
University of Alabama-Huntsville	10.200	\$ 40,910	
Scientific Cooperation and Research	10.961	14,587	
<b>U.S. Department of Commerce</b>			
Sea Grant Support			
Pass Through:			
University of California - San Diego	11.417	21,468	
University of Southern California	11.417	( 42,675)	
Oregon State University	11.417	31,470	
Coastal Services Center			
Pass Through:			
San Jose State University Foundation	11.473	87,630	
<b>U.S. Department of Defense</b>			
U.S. Army Corps of Engineers	12.199	( 37)	
Basic and Applied Scientific Research	12.300	6,113,687	\$ 3,430,568
Basic Scientific Research	12.431	88,873	
Basic Applied and Advanced Research in Science and Engineering	12.630	87,106	31,000
Pass Through:			
Hyper-Therm HTC, Inc.	12.630	9,679	
Air Force Research	12.800	98,156	
Pass Through:			
Garvey Spacecraft Corporation	12.800	99,520	

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Continued)**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b>RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):</b>			
<b>U.S. Department of the Interior</b>			
MMS Environmental Studies Program	15.423	86,398	
Earthquake Hazards Reduction Program			
Pass Through:			
University of Southern California	15.807	14,977	
Cooperative Research Units Program	15.812	( 1,242)	
<b>U.S. Department of Transportation</b>			
University Transportation Centers			
Program	20.701	27,987	
Pass Through:			
University of Southern California	20.701	715,049	167,050
<b>NASA, AMES Research Center</b>			
Technology Utilization	43.002	784,220	470,576
Pass Through:			
Garvey Spacecraft Corporation	43.002	22,586	
<b>National Science Foundation</b>			
Engineering Grants	47.041	15,378	
Pass Through:			
California Institute of Technology	47.041	14,915	
Mathematical and Physical Sciences	47.049	76,597	
Geosciences	47.050	71,805	
Computer & Information Science			
& Engineering	47.070	12,320	
Biological Sciences	47.074	492,139	
Social, Behavioral, and Economic Sciences	47.075	82,263	
Pass Through:			
Dartmouth College	47.075	15,234	
Education and Human Resources	47.076	29,958	



**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b>RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):</b>			
<b>National Science Foundation (Continued)</b>			
Pass Through:			
California State University - Los Angeles	47.076	11,496	
Chancellor's Office California Community			
College	47.076	109	
International Science and Engineering	47.079	8,311	
<b>U. S. Department of Energy</b>			
Office of Science Financial Assistance			
Program	81.049	19,837	
<b>U. S. Department of Education</b>			
Fund for the Improvement of Postsecondary			
Education			
Pass Through:			
Kennesaw State University	84.116	10,056	
Education Research, Development and			
Dissemination	84.305	844,391	397,365
Pass Through:			
University of Houston	84.305	108,815	
<b>U. S. Department of Health and Human Services</b>			
Mental Health Research Grants	93.242	466,837	
Pass Through:			
Behaviorial Assessment, Inc.	93.242	94,537	
Substance Abuse and Mental Health			
Pass Through:			
Substance Abuse Foundation	93.243	132,702	
Discovery and Applied Research Technology			
Pass Through:			
University of California, Irvine	93.286	31,407	
Women's Health Mentoring Partnership	93.294	79,065	15,825
Academic Research Enhancement Award	93.390	39,616	

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

(Continued)

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b>RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):</b>			
<b>U. S. Department of Health and Human Services (Continued)</b>			
Heart and Vascular Diseases Research	93.837	86,950	
Biomedical Research and Research Training	93.859	2,493,065	
Child Health and Human Development Extramural Research	93.865	326,555	223,700
Aging Research	93.866	223,502	
<b>TOTAL RESEARCH AND DEVELOPMENT</b>		14,088,209	4,736,084
<b>OTHER PROGRAMS:</b>			
<b>U. S. Department of Agriculture</b>			
Hispanic Serving Institutions Education Grants	10.223	110,839	
Summer Food Service Program for Children Pass Through: California Department of Education	10.559	13,242	
<b>U.S. Department of Defense</b>			
Basic Applied & Advanced Research in Science Pass Through: California State University, San Bernardino Foundation	12.630	106,241	
Information Security Grant Program Pass Through: Titan Corporation L3 Communications	12.902	75,193	
National Flagship Language Program Pass Through: Institute of International Education	12.902	109,175	
	12.550	896,264	382,956

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b>OTHER PROGRAMS (CONTINUED):</b>			
<b>U.S. Department of Housing and Urban Development</b>			
Community Outreach Partnership Center Program	14.511	50,624	
Hispanic-Serving Institutions Assisting Communities	14.514	63,596	11,839
<b>U.S. Department of Justice</b>			
Reduce Violence On Campus	16.525	76,059	9,375
<b>U.S. Department of State</b>			
Educational Exchange-University Lectureres (Professors) and Research Scholars	19.401	37,766	
Pass Through: Fullbright, Slovak Republic	19.401	15,983	
<b>U.S. Department of Transportation</b>			
University Transportation Centers Program Pass Through: University of Southern California	20.701	439,565	
<b>National Aeronautics and Space Administration</b>			
Aerospace Education Services Program Pass Through: University of California, San Diego	43.001	2,000	

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b>OTHER PROGRAMS (CONTINUED):</b>			
<b>National Foundation on the Arts and the Humanities</b>			
Promotion of the Arts Grants to Organizations and Individuals	45.024	3,010	
Promotion of the Humanities Division of Preservation and Access Museums for America	45.149	5,000	
Pass Through: Institute of Museum and Library	45.301	42,538	
<b>National Science Foundation</b>			
Mathematical and Physical Sciences	47.049	6,668	
Biological Sciences	47.074	5,000	
Education and Human Resources	47.076	199,874	
Pass Through: University of California, Office of President	47.076	11,875	
University Enterprise Incorporated	47.076	69,424	
Cerritos College	47.076	22,788	
<b>U.S. Department of Veterans Affairs</b>			
Veterans Nursing Home Care			
Pass Through: Long Beach Veterans Administration	64.010	27,933	
<b>U.S. Department of Education</b>			
Strengthening Student Access	84.031	583,019	
Pass Through: Long Beach Community College	84.031	81,361	
Student Support Services	84.042	469,736	
Talent Search	84.044	271,549	
Upward Bound	84.047	799,645	
TRIO-Educational Opportunity Center	84.066	224,988	

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b>OTHER PROGRAMS (CONTINUED):</b>			
<b>U.S. Department of Education (Continued)</b>			
Bilingual Education – Professional Development	84.195	509,009	88,699
McNair Post-Baccalaureate Achievement	84.217	322,228	
Parental Information and Resource Centers Pass Through:			
California Association of Bilingual Education	84.310	20,694	
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	48,289	
Gaining Early Awareness and Readiness for Undergraduate Programs Pass Through:			
Bellflower Unified School District	84.334	50,520	
Long Beach Unified School District	84.334	212,134	
Los Angeles Unified School District	84.334	37,273	
Transition to Teaching Program	84.350	390,156	
English Language Acquisition Grants Pass Through:			
ABC Unified School District	84.365	2,500	
Improving Teacher Quality State Grants Pass Through:			
University of California, Office of President	84.367	49,625	35,503
Postsecondary Education Commission, California	84.367	73,195	62,659
National Writing Project Pass Through:			
University of California - Berkeley	84.928	2,466	

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

(Continued)

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	<b>Amounts Provided to Subrecipients</b>
<b>OTHER PROGRAMS (CONTINUED):</b>			
<b>U.S. Department of Health and Human Services</b>			
Global Aids	93.067	49,089	
Community Programs to Improve Minority Health Grant Program	93.137	181,464	179,724
Mental Health Research Grant	93.242	160,943	
Pass Through:			
Dartmouth College	93.242	8,606	
Mental Health National Research Service Awards for Research Training	93.282	53,640	
Advanced Nurse Education	93.299	104,321	
Foster Care - Title IV-E			
Pass Through:			
Children/Family Services, LA County	93.658	1,740,411	
University of California, Berkeley	93.658	2,247,878	
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	86,928	9,920
Biomedical Research and Research Training	93.859	627,023	
HIV Prevention Activities Health Department Based			
Pass Through:			
Department Health Services, LA County	93.940	543,479	
<b>TOTAL OTHER PROGRAMS</b>		<b>12,342,826</b>	<b>780,675</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 26,431,035</b>	<b>\$ 5,516,759</b>

**CALIFORNIA STATE UNIVERSITY,  
LONG BEACH FOUNDATION**

**NOTE TO THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

**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, 2008**

**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: Trio Cluster; Student Support Services, CFDA # 84.042, Talent Search, CFDA # 84.044, Upward Bound, CFDA # 84.047, Trio Education Opportunity Center, CFDA # 84.066, McNair Post Baccalaureate, CFDA # 84.217.  
National Flagship Language Program, CFDA # 12.550, Foster Care Title IV, CFDA # 93.658.
6. Dollar threshold used to distinguish between type A and type B programs was \$793,000.
7. Auditee qualified as low-risk auditee? – Yes

**SECTION II – FINANCIAL STATEMENTS FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None