

*CSULB
FOUNDATION*



*CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION*

*Internal Control and Compliance Reports
June 30, 2009*

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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, 2009, and have issued our report thereon dated September 22, 2009. 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 California State University, Long Beach Foundation's financial statements that is more than inconsequential will not be prevented or detected by the California State University, Long Beach Foundation's internal control.

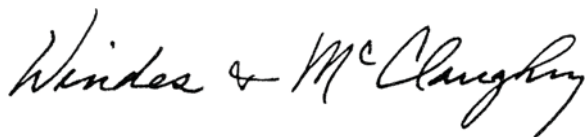
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the California State University, Long Beach Foundation's internal 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 California State University, Long Beach Foundation, 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 22, 2009



**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, 2009. 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, 2009.

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.

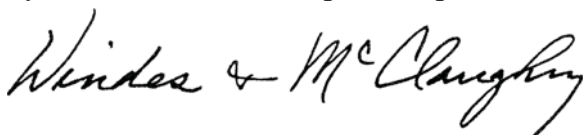
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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, 2009, and have issued our report thereon dated September 22, 2009. 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 California State University, Long Beach Foundation, 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 22, 2009

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<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>
RESEARCH AND DEVELOPMENT - CLUSTER:			
U. S. Department of Agriculture			
Agricultural Research, Special	10.206	\$ 20,391	
Pass Through:			
University of Alabama-Huntsville	10.200	23,445	
Scientific Cooperation and Research	10.961	4,500	
U.S. Department of Commerce			
Sea Grant Support			
Pass Through:			
University of California - San Diego	11.417	56,560	
Oregon State University	11.417	10,306	
Coastal Services Center			
Pass Through:			
San Jose State University Foundation	11.473	11,710	
National Fish & Wildlife Foundation	11.463	1,628	
U.S. Department of Defense			
Strategic Mobility Project	12.999	2,437,952	
Basic and Applied Scientific Research	12.300	1,919,024	\$ 1,133,514
Basic Scientific Research	12.431	6,096	661,894
Basic Applied and Advanced Research in Science and Engineering	12.630	13,000	13,000
Pass Through:			
Hyper-Therm HTC, Inc.	12.630	20,805	
Air Force Research	12.800	(2,572)	
Pass Through:			
Garvey Spacecraft Corporation	12.800	12,296	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(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>
RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):			
U.S. Department of the Interior			
MMS Environmental Studies Program	15.423	3,885	
Earthquake Hazards Reduction Program			
Pass Through:			
University of Southern California	15.807	14,199	
U.S. Department of Transportation			
University Transportation Centers			
Program	20.200	245,164	76,558
Pass Through:			
University of Southern California	20.701	520,304	
NASA, AMES Research Center			
Technology Utilization	43.002	621,767	367,670
Pass Through:			
Garvey Spacecraft Corporation	43.002	5,176	
National Science Foundation			
Engineering Grants	47.041	13,128	
Pass Through:			
California Institute of Technology	47.041	1,679	
Mathematical and Physical Sciences	47.049	65,492	
Geosciences	47.050	437,682	
Computer & Information Science			
& Engineering	47.070	21,520	
Biological Sciences	47.074	177,347	9,430
Pass Through:			
Pennsylvania State University	47.074	63,918	
Social, Behavioral, and Economic Sciences	47.075	11,526	
Education and Human Resources			

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(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>
RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):			
National Science Foundation (Continued)			
Pass Through:			
California State University - Los Angeles	47.076	17,583	
Chancellor's Office California Community College	47.076	6,189	
International Science and Engineering	47.079	13,927	
U. S. Department of Education			
Fund for the Improvement of Postsecondary Education			
Pass Through:			
North Orange County Community College District	84.031	25,473	
Kennesaw State University	84.116	13,530	
Education Research, Development and Dissemination	84.305	206,578	13,873
Pass Through:			
University of Houston	84.305	83,159	
Improving Teacher Quality State Grants			
Pass Through:			
California Postsecondary Education Commission	84.367	331,333	246,503
U. S. Department of Health and Human Services			
Mental Health Research Grants	93.242	369,635	
Pass Through:			
Behaviorial Assessment, Inc.	93.242	137,189	
Substance Abuse and Mental Health			
Pass Through:			
Substance Abuse Foundation	93.243	231,582	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(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>
RESEARCH AND DEVELOPMENT - CLUSTER (CONTINUED):			
U. S. Department of Health and Human Services (Continued)			
Discovery and Applied Research Technology			
Pass Through:			
University of California, Irvine	93.286	40,764	
Academic Research Enhancement Award	93.390	40,373	
Heart and Vascular Diseases Research	93.837	314	
Biomedical Research and Research Training	93.859	1,943,007	
Child Health and Human Development			
Extramural Research	93.865	280,176	184,757
Population Research	93.864	26,352	
Aging Research	93.866	<u>211,268</u>	
TOTAL RESEARCH AND DEVELOPMENT		<u>10,716,360</u>	<u>2,707,199</u>
OTHER PROGRAMS:			
U. S. Department of Agriculture			
Hispanic Serving Institutions Education			
Grants	10.223	143,780	
Summer Food Service Program for Children			
Pass Through:			
California Department of Education	10.559	14,985	
U.S. Department of Defense			
National Flagship Language Program			
Pass Through:			
Institute of International Education	12.550	435,094	155,625
Basic Applied & Advanced Research in Science			
Pass Through:			
California State University, San Bernardino Foundation	12.630	60,326	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(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>
OTHER PROGRAMS (CONTINUED):			
U.S. Department of Defense (Continued)			
Information Security Grant Program	12.902	1,997	
Pass Through:			
Titan Corporation L3 Communications	12.902	10,033	
National Flagship Language Program			
Pass Through:			
Institute of International Education	12.550	864,575	696,020
U.S. Department of Housing and Urban Development			
Hispanic-Serving Institutions Assisting Communities	14.514	154,472	25,472
U.S. Department of Justice			
Reduce Violence On Campus	16.525	69,842	37,500
U.S. Department of Labor			
Workforce Investment Act (ACT) – Youth Activities			
Pass Through:			
City of Long Beach	17.259	244,448	
Veterans’ Employment Program			
Pass Through:			
City of Long Beach	17.802	13,008	
U.S. Department of State			
Educational Exchange-University Lectureres (Professors) and Research Scholars	19.401	11,800	
U.S. Department of Transportation			
University Transportation Centers Program			
Pass Through:			
University of Southern California	20.701	438,838	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(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>
OTHER PROGRAMS (CONTINUED):			
National Aeronautics and Space Administration			
Aerospace Education Services Program			
Pass Through:			
University of California, San Diego	43.001	19,900	
National Foundation on the Arts and the Humanities			
Promotion of the Arts Grants to Organizations and Individuals			
	45.024	11,587	
National Science Foundation			
Education and Human Resources			
	47.076	173,129	
Pass Through:			
University of California, Office of President	47.076	23,875	
University Enterprise Incorporated	47.076	79,413	
Cerritos College	47.076	24,702	
Wright State University	47.076	21,184	
U.S. Department of Veterans Affairs			
Veterans Nursing Home Care			
Pass Through:			
Long Beach Veterans Administration	64.010	343,870	
U.S. Department of Education			
Strengthening Student Access			
	84.031	484,140	
Pass Through:			
Long Beach Community College	84.031	160,615	
Student Support Services	84.042	552,686	
Talent Search	84.044	721,396	
Upward Bound	84.047	860,284	
TRIO-Educational Opportunity Center	84.066	218,536	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

(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>
OTHER PROGRAMS (CONTINUED):			
U.S. Department of Education (Continued)			
Migrant Education	84.149	433,362	
Bilingual Education – Professional Development	84.195	467,521	2,792
McNair Post-Baccalaureate Achievement	84.217	230,334	
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	57,554	
Incarcerated Youth Offenders Pass Through:			
California Department of Corrections	84.331	251,771	178,060
Gaining Early Awareness and Readiness for Undergraduate Programs Pass Through:			
Bellflower Unified School District	84.334	79,572	
Long Beach Unified School District	84.334	351,685	
Los Angeles Unified School District	84.334	1,086	
Transition to Teaching Program	84.350	382,783	
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	110,551	20,781
Postsecondary Education Commission, California	84.367	116,948	113,086
College Access Challenge Grant Pass Through:			
California Student Aid Commission	84.378	246,769	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures	Amounts Provided to Subrecipients
OTHER PROGRAMS (CONTINUED):			
U.S. Department of Health and Human Services			
Global Aids	93.067	15,332	
Mental Health Research Grant	93.242	136,110	
Pass Through:			
Dartmouth College	93.242	5,622	
Substance Abuse & Mental Health	93.243	25,069	
Mental Health National Research Service			
Awards for Research Training	93.282	58,039	
Advanced Nurse Education	93.299	103,099	
Foster Care - Title IV-E			
Pass Through:			
Children/Family Services, LA County	93.658	3,854,135	
Centers for Medicare and Medicaid Services			
Research, Demonstrations and Evaluations	93.779	77,410	7,261
Biomedical Research and Research Training	93.859	411,328	
Medical Library Assistance	93.879	41,076	
HIV Prevention Activities Health Department Based			
Pass Through:			
Department Health Services, LA County	93.940	521,304	
U.S. Department of Homeland Security			
State Homeland Security			
Pass Through:			
California State University, Chancellor's Office	97.073	24,327	
TOTAL OTHER PROGRAMS		14,163,802	1,236,597
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 24,880,162	\$ 3,943,796

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**NOTE TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

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, 2009**

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 – various
CFDA#
6. Dollar threshold used to distinguish between type A and type B programs was \$746,405.
7. Auditee qualified as low-risk auditee? – Yes

SECTION II – FINANCIAL STATEMENTS FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None