

*CSULB
FOUNDATION*



*CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION*

*Internal Control and Compliance Reports
June 30, 2010*

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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, 2010, and have issued our report thereon dated September 23, 2010. 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.

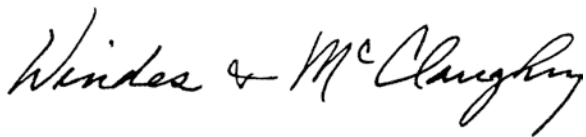
Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs noted as finding 2010-01 to be a material weakness.

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.



Long Beach, California
September 23, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON 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 California State University, Long Beach Foundation's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of California State University, Long Beach Foundation's major federal programs for the year ended June 30, 2010. 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. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

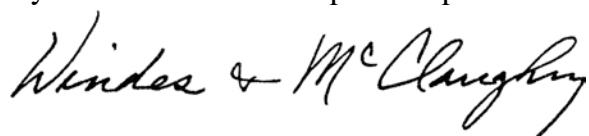
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 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.

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, 2010, and have issued our report thereon dated September 23, 2010. 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 23, 2010

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<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			
Pass Through:			
University of Alabama-Huntsville	10.200	\$ 21,482	
Agricultural Research	10.206	66,240	
Cooperative State Research	10.223	113,441	
U.S. Department of Commerce			
Foreign-Trade Zones in the United States			
Pass Through:			
Battelle Energy Alliance, LLC	11.111	18,974	
Sea Grant Support			
Pass Through:			
University of California - San Diego	11.417	59,961	
University of California - San Diego	11.417	6,096	
Oregon State University	11.417	24,048	
University of Southern California	11.417	7,200	
Habitat Conservation Coastal Services Center			
Pass Through:			
National Fish & Wildlife Foundation	11.463	60,048	
Measurement & Engineering RSRC	11.609	7,815	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010
(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 Defense			
Strategic Mobility	12.unknown	1,488,577	\$ 858,312
Missile Defense Agency			
Han Ignition Characterization	12.HQ000607C009	55,496	373
Pass Through:			
Odgen Enterprises			
Small Thruster Test Stand	12.unknown	70,505	
U.S. Army			
Instructional and Research and Development	12.PO10-04-092	31,019	
Basic and Applied Scientific Research	12.300	2,122,292	948,799
Basic Applied and Advanced Research in Science and Engineering	12.630	76,340	
Air Force Research			
Pass Through:			
Garvey Spacecraft Corporation	12.800	43,473	
Department of the Navy	12.910	6,933	
U.S. Department of the Interior			
MMS Environmental Studies Program	15.423	13,037	
Earthquake Hazards Reduction Program			
Pass Through:			
University of Southern California	15.807	14,887	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010
(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 Transportation			
University Transportation Centers Program	20.200	237,221	80,215
Pass Through:			
University of Southern California	20.701	159,953	
Tides Foundation	20.701	152,144	
University of Southern California	20.701	324,359	
Federal Rail Administration ECCO Manufacturability	20.DTFR53-09-G-0029	138,896	50,000
NASA, AMES Research Center			
Technology Utilization	43.002	1,157,706	477,119
Pass Through:			
Garvey Spacecraft Corporation	43.002	25,135	
National Science Foundation			
Engineering Grants	47.041	25,028	
Pass Through:			
Regents of University of Colorado	47.041	4,069	
Mathematical and Physical Sciences	47.049	586,079	
Geosciences	47.050	349,397	
Computer & Information Science & Engineering	47.070	49,990	
Biological Sciences	47.074	209,871	23,590
Pass Through:			
Pennsylvania State University	47.074	158,425	
University of Missouri, Columbia	47.074	11,104	
Social, Behavioral, and Economic Sciences	47.075	34,481	
Education and Human Resources	47.076	6,376	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

(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)			
Education and Human Resources			
Pass Through:			
Chancellor's Office California			
Community College	47.076	18,554	
International Science and Engineering	47.079	6,420	
NSF ARRA Research Support	47.082	340,118	
Veteran's Administration			
Comprehensive End of Life	64.P0691-C90823	18,081	
Environmental Protection Agency			
White Croaker Along Palos Verde			
	66.P04304-07163.0030	198,431	
Department of Energy			
Office of Science Financial Assistance	81.049	32,752	2,231
Renewable Energy Research and Development - ARRA	81.087	22,156	
Fossil Energy Research & Development - ARRA			
Pass Through:			
Terralog Technologies USA	81.089	22,936	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010
(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 Education			
Fund for the Improvement of Postsecondary Education			
Pass Through:			
North Orange County Community College District	84.031	95,658	
Improvement Postsecondary Education	84.116	88,951	
Pass Through:			
Kennesaw State University	84.116	7,509	
Education Research, Development and Dissemination	84.305	117,824	
Pass Through:			
University of Houston	84.305	111,143	
Improving Teacher Quality State Grants			
Pass Through:			
California Postsecondary Education Commission	84.367	637,940	493,477
National Institutes of Health			
Technological and Logistical Support			
93.CRB-AR500-S1000033		12,553	
Best Practices Planning Committee	93.unknown	26,641	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

(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			
Mental Health Research Grants	93.242	148,475	
Pass Through:			
Behavioral Assessment, Inc.	93.242	12,994	
Substance Abuse and Mental Health			
Pass Through:			
Substance Abuse Foundation	93.243	308,303	
Minority Health & Health Disparities	93.307	597,972	
Academic Research Enhancement Award	93.390	8,418	
Trans-NIH Recovery Act Research Support - ARRA			
Pass Through:			
University of Miami	93.701	21,066	
Biomedical Research and Research Training	93.859	966,369	
Population Research	93.864	248,439	39,034
Pass Through:			
University of California Los Angeles	93.864	26,889	
Child Health and Human Development			
Extramural Research	93.865	169,949	101,355
Aging Research	93.866	246,882	
Family & Community Violence Prevention	93.910	138,266	15,349
HIV Prevention Activities	93.940	137,808	1,740
Scholars and Fellows, and Educational Programs			
Pass Through:			
Oak Ridge Institution - Science & Education	97.062	<u>21,654</u>	<u> </u>
TOTAL RESEARCH AND DEVELOPMENT		<u>12,749,249</u>	<u>3,091,594</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

(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:			
U. S. Department of Agriculture			
Hispanic Serving Institutions Education Grants	10.223	37,491	
Summer Food Service Program for Children Pass Through: California Department of Education	10.559	16,283	
U.S. Department of Defense			
National Flagship Language Program Pass Through: Institute of International Education	12.550	1,223,145	758,724
Basic Applied & Advanced Research in Science Pass Through: California State University, San Bernardino Foundation	12.630	84,430	
U.S. Department of Housing and Urban Development			
Hispanic-Serving Institutions Assisting Communities	14.514	190,132	30,605
U.S. Department of Labor			
Workforce Investment Act Adult Program Pass Through: City of Long Beach	17.258	409,165	
Workforce Investment Act (ACT) - Youth Activities Pass Through: City of Long Beach	17.259	40,249	
Veterans' Employment Program Pass Through: City of Long Beach	17.802	36,057	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

(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 Transportation			
University Transportation Centers Program			
Pass Through:			
University of Southern California	20.701	374,797	
National Aeronautics and Space Administration			
Aerospace Education Services Program			
Pass Through:			
University of California, San Diego	43.001	25,622	
Institute of Museum and Library Services			
Museums for America			
	45.301	46,215	
National Science Foundation			
Education and Human Resources			
Pass Through:			
University of California, Office of President	47.076	18,438	
University Enterprise Incorporated	47.076	56,400	
Cerritos College	47.076	13,719	
Wright State University	47.076	48,375	
NSF ARRA Research Support	47.082	70,823	
U.S. Department of Veterans Affairs			
Veterans Nursing Home Care			
Pass Through:			
Long Beach Veterans Administration	64.010	454,704	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

(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			
Strengthening Student Access	84.031	599,421	
Pass Through:			
Long Beach Community College	84.031	50,951	
Student Support Services	84.042	559,809	
Talent Search	84.044	730,044	
Upward Bound	84.047	1,001,495	
TRIO-Educational Opportunity Center	84.066	247,790	
Migrant Education	84.149	447,866	
Bilingual Education – Professional Development	84.195	388,192	500
McNair Post-Baccalaureate Achievement	84.217	284,142	
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	128,166	
Incarcerated Youth Offenders			
Pass Through:			
California Department of Corrections	84.331	298,118	220,980
Gaining Early Awareness and Readiness for Undergraduate Programs			
Pass Through:			
Bellflower Unified School District	84.334	72,284	
Long Beach Unified School District	84.334	261,811	
Transition to Teaching Program	84.350	393,690	
Improving Teacher Quality State Grants			
Pass Through:			
University of California, Office of President	84.367	59,509	
University of California, Office of President	84.367	6,218	

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

(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)			
College Access Challenge Grant			
Pass Through:			
California Student Aid Commission	84.378	341,598	
U.S. Department of Health and Human Services			
Mental Health Research Grant	93.242	256,904	
Substance Abuse & Mental Health	93.243	96,029	
Mental Health National Research Service			
Awards for Research Training	93.282	63,128	
Advanced Nurse Education	93.358	114,291	
Foster Care - Title IV-E			
Pass Through:			
Children/Family Services, LA County	93.658	1,742,983	
University of California Berkeley	93.658	2,388,528	
Centers for Medicare and Medicaid Services			
Research, Demonstrations and Evaluations	93.779	50,245	6,254
Biomedical Research and Research Training	93.859	462,271	
HIV Prevention Activities	93.879	18,922	
Pass Through:			
Social & Scientific Systems, Inc.	93.879	17,279	
Department of Health Services, LA County	93.940	337,495	
Maternal and Child Health Services Block			
Grant to the States			
Pass Through:			
Department of Health Services, LA County	93.994	<u>296,725</u>	
TOTAL OTHER PROGRAMS		<u>15,122,275</u>	<u>1,017,063</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 27,871,524</u>	<u>\$ 4,108,657</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**NOTE TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued – Unqualified

Internal control over financial reporting

1. Material weakness(es) identified? – Yes
2. Significant deficiencies identified? - 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? – 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: National Flagship Language Program – CFDA# 12.550; TRIO Cluster: Student Support Services – CFDA# 84.042, Talent Search – CFDA# 84.044, Upward Bound – CFDA# 84.047, TRIO – Educational Opportunity Center – CFDA# 84.066, McNair Post-Baccalaureate Achievement – CFDA# 84.217; Foster Care Title IV-E – CFDA# 93.658; NSF ARRA Research Support – CFDA# 47.082
6. Dollar threshold used to distinguish between type A and type B programs was \$836,146.
7. Auditee qualified as low-risk auditee? – Yes

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

SECTION II – FINANCIAL STATEMENTS FINDINGS

2010-01: Inadequate Controls to Review and Monitor Pledge Receivables

During the audit, we noted the Foundation had inadequate controls to review and monitor pledge receivables, which has lead to material errors that required adjustments to the Foundation’s records. Specifically, we noted the following:

- Pledge receivables were overstated by approximately \$1,300,000. These pledges were determined to be grant awards and not outright gifts to the Foundation.
- Approximately \$1,200,000 was removed to reflect a trust that was determined to be revocable and should not have been recorded in the Foundation’s records.
- A \$50,000 donation was accrued in receivables; however the amount was already recognized in a pledge recorded in the previous year.

Pledges and future donations are tracked by the University’s Development offices and schedules are periodically given to the Foundation to record. However, there are inadequate policies and procedures at the Foundation to review the schedules to ensure the schedules are complete and the amounts are valid pledges or gifts. In addition, there are inadequate policies and procedures to follow up on the collection of pledges that are extended out over several years. The audit noted several donors that were delinquent in making their scheduled payment to the Foundation. While there were valid reasons for the delinquencies, these items were not investigated until requested of the auditors.

Recommendation

We recommend the Foundation review and amend, if necessary, their policies and procedures over the recording of pledge receivables to ensure only valid gifts and pledges are recorded and collection of pledges are monitored for timely collection.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None