



CALIFORNIA STATE UNIVERSITY

Single Audit Reports

Year ended June 30, 2011

CALIFORNIA STATE UNIVERSITY

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**Independent Auditors' 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***

The Board of Trustees
California State University:

We have audited the financial statements of the California State University (the University), an agency of the State of California, and its aggregate discretely presented component units, as of and for the year ended June 30, 2011, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 16, 2011. Our report was modified to include a reference to other auditors who audited 91 of the 94 aggregate discretely presented component units, which statements reflect total assets constituting 92% and total revenues constituting 98% of the aggregate discretely presented totals. The reports of the other auditors have been furnished to us, and our opinions, insofar as they relate to the amounts included for the 91 aggregate discretely presented component units, are based solely on the reports of the other auditors. 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*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters in accordance with *Government Auditing Standards* that are reported on separately by those auditors.

Internal Control over Financial Reporting

Management of the University is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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.

Our consideration of internal control over financial reporting 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 financial reporting 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. However, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency and that is described in the accompanying schedule of findings and questioned costs as item 2011-01. A significant deficiency is a deficiency, or combination of



deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University'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 Board of Trustees, management, federal awarding agencies, pass-through entities, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Orange County, California
December 16, 2011



KPMG LLP
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20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' 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

The Board of Trustees
California State University:

Compliance

We have audited the California State University's (the University), an agency of the State of California, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* (Compliance Supplement) that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2011, except the requirements discussed in the third paragraph of this report. The University'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 the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

The University's basic financial statements include the operations of the University's related auxiliary organizations (component units), which are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2011. Our audit, described below, did not include the operations of the component units because the component units engaged other auditors to perform audits in accordance with OMB Circular A-133.

We did not audit the University's compliance with the requirements governing maintaining contact with and billing borrowers and processing deferment and cancellation requests and payments in accordance with the requirements of the Student Financial Assistance Cluster: Federal Perkins Loan Program as described in the Compliance Supplement. Those requirements govern functions performed by Educational Computer System, Inc. (ECSI). Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements. ECSI's compliance with the requirements governing the functions that it performs for the University for the year ended June 30, 2011 was examined by other accountants in accordance with the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Our report does not include the results of the other accountants' examination of ECSI's compliance with such requirements.

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 the



University'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 the University's compliance with those requirements.

In our opinion, the California State University complied, in all material respects, with the requirements referred to in the first paragraph above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs as items 2011-03 through 2011-06.

Internal Control over Compliance

Management of the University 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 the University'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 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 the University's internal control over compliance.

Requirements governing maintaining contact with and billing borrowers and processing deferment and cancellation requests and payments in the Student Financial Assistance Cluster: Federal Perkins Loan Program as described in the Compliance Supplement are performed by ECSI. Internal control over compliance related to such functions for the year ended June 30, 2011 was reported on by other accountants in accordance with the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Our report does not include the results of the other accountants' testing of ECSI's internal control over compliance related to such functions.

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-02. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the University as of and for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. Our report was modified to include a reference to other auditors who audited 91 of the 94 aggregate discretely presented component units. The reports of the other auditors have been furnished to us, and our opinions, insofar as they relate to the amounts included for the 91 discretely presented component units, are based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions 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.

The University's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, and 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.

KPMG LLP

Orange County, California
December 16, 2011

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
Student Financial Assistance Cluster:			
U.S. Department of Education:			
Direct programs:			
Federal Supplemental Educational Opportunity Grant Program	84.007		\$ 11,241,204
Federal Work-Study Program	84.033		16,259,912
Federal Perkins Loan Program	84.038		10,575,119
Federal Pell Grant Program	84.063		686,881,333
William D. Ford Direct Loan Program	84.268		1,394,950,887
Academic Competitiveness Grant	84.375		21,249,428
National Science and Mathematics Access to Retain Talent Grants	84.376		16,643,051
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		1,199,318
Postsecondary Education Scholarships for Veteran's Dependents	84.408		5,550
Total U.S. Department of Education			<u>2,159,005,802</u>
U.S. Department of Health and Human Services:			
Direct programs:			
Nursing Student Loan Program	93.364		402,803
ARRA – Scholarships for Disadvantaged Students	93.407		91,144
Scholarships for Disadvantaged Students	93.925		178,322
Total U.S. Department of Health and Human Services			<u>672,269</u>
Total Student Financial Assistance Cluster			<u>2,159,678,071</u>
Other program and clusters:			
U.S. Department of Agriculture:			
Child Nutrition Cluster:			
Passed through California Department of Education:			
Summer Food Service Program for Children	10.559	37-7806-8V	11,895
Total Child Nutrition Cluster			<u>11,895</u>
Direct program:			
Hispanic Serving Institutions Education Grants	10.223		88,435
Passed through California Department of Education:			
Child and Adult Care Food Program	10.558	1221-0-A	24,254
Child and Adult Care Food Program	10.558	38-2927-I-J	636,316
Subtotal CFDA 10.558			<u>660,570</u>
Direct program:			
Forestry Research	10.652		9,355
Total U.S. Department of Agriculture			<u>770,255</u>
U.S. Department of Commerce:			
Passed through Glostens Associates, Incorporated:			
Sea Grant Support	11.417	NA08OAR4170917	4,351
Passed through Consortium for Oceanographic Research and Education:			
Congressionally Identified Awards and Projects	11.469	NA07SEC4690001	321
Congressionally Identified Awards and Projects	11.469	SA#10-29	14,973
Subtotal CFDA 11.469			<u>15,294</u>
Passed through Humboldt State University, Sponsored Programs Foundation:			
Coastal Services Center	11.473	0009730606-HMSPF	4,178
Coastal Services Center	11.473	0007100135	30,103
Subtotal CFDA 11.473			<u>34,281</u>
Passed through City of Santa Ana:			
Public Safety Interoperable Communications Grant (PSIC)	11.555	2007-GS-H7-0008	27,550
Total U.S. Department of Commerce			<u>81,476</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal domestic assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
U.S. Department of Defense:			
Passed through California State University, Long Beach:			
The Language Flagship Grants to Institutions of Higher Education	12.550	S07-325109-SFSU	\$ 54,401
The Language Flagship Grants to Institutions of Higher Education	12.550	S07-373110-SFSUM	105,263
Passed through Institute of International Education Incorporated:			
The Language Flagship Grants to Institutions of Higher Education	12.550	NSEP-U631033-SFSU-CHN-10-CI-01A	24,477
The Language Flagship Grants to Institutions of Higher Education	12.550	NSEP-U631043-SFSU-2011-AM	16,425
The Language Flagship Grants to Institutions of Higher Education	12.550	2011 Leveraging-U631040-3-SFU	22,137
The Language Flagship Grants to Institutions of Higher Education	12.550	NSEP-U631033-SFSU-CHN-09-D08	305,071
Subtotal CFDA 12.550			<u>527,774</u>
Passed through California State University, Long Beach:			
Congressionally Directed Assistance	12.599	95-6106694	69,325
Congressionally Directed Assistance	12.599	47822	89,982
Subtotal CFDA 12.599			<u>159,307</u>
Passed through California State University, San Bernardino Foundation:			
ARRA – Basic, Applied, and Advanced Research in Science and Engineering – Intelligence Community	12.630	GT10209	59,378
Direct programs:			
Language Grant Program	12.900		5,928
Mathematical Sciences Grants Program	12.901		179,419
Passed through University of Maryland:			
Mathematical Sciences Grants Program	12.901	H98230-08-1-0253	394
Subtotal CFDA 12.901			<u>179,813</u>
Total U.S. Department of Defense			<u>932,200</u>
U.S. Department of the Interior:			
Direct programs:			
Department of Interior (not classified elsewhere)	15.000		249,239
Cultural Resource Management	15.224		12,320
Challenge Cost Share	15.238		4,394
Minerals Management Service (MMS)			
Environmental Studies Program (ESP)	15.423		851
Passed through California Department of Fish and Game:			
Cooperative Endangered Species Conservation Fund	15.615	P0882012	41,493
Challenge Cost Share	15.642	816508J027/ 816508J030/816508J037	3,499
Passed through University Enterprises, Incorporated:			
National Cooperative Geologic Mapping Program	15.810	191337638A4	17,499
Direct program:			
Historic Preservation Fund Grants-in-Aid	15.904		128,407
Passed through California Department of Parks and Recreation:			
Historic Preservation Fund Grants-in-Aid	15.904	C8950518	6,000
Passed through California State Historic Preservation Office:			
Historic Preservation Fund Grants-in-Aid	15.904	C8952517	6,000
Subtotal CFDA 15.904			<u>140,407</u>
Direct programs:			
National Register of Historic Places	15.914		520
Native American Graves Protection and Repatriation Act	15.922		40,145
Total U.S. Department of the Interior			<u>510,367</u>
U.S. Department of Justice:			
Passed through San Diego State University:			
ARRA – Discretionary Grant Program Recovery	16.807	56029A-7802-SPV	16,677
Total U.S. Department of Justice			<u>16,677</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
U.S. Department of Labor:			
Workforce Investment Act Cluster:			
Passed through California Employment Development			
Department Labor and Workforce Development Agency:			
WIA Adult Program – Nursing Expansion Project	17.258	R974333	\$ 60,536
WIA Adult Program	17.258	K078125	113,119
ARRA – WIA Adult Program	17.258	K078125	125,500
Subtotal CFDA 17.258			<u>299,155</u>
Passed through Employers' Training Resources:			
WIA Youth Activities – Migrant Book Assistance Program	17.259	878-2010	13,233
WIA Youth Activities – ISY Career Beginnings	17.259	878-2010	94,767
WIA Youth Activities – OSY Career Beginnings	17.259	961-2009	52,313
Subtotal CFDA 17.259			<u>160,313</u>
Total Workforce Investment Act Cluster			<u>459,468</u>
Total U.S. Department of Labor			<u>459,468</u>
U.S. Department of State:			
Direct program:			
Academic Exchange Programs – Scholars	19.401		33,538
Total U.S. Department of State			<u>33,538</u>
U.S. Department of Transportation:			
Passed through California Department of Transportation:			
Department of Transportation (not classified elsewhere)	20.000	C C07E0014	66,781
Department of Transportation (not classified elsewhere)	20.000	04A3355	197,268
Subtotal CFDA 20.000			<u>264,049</u>
Total U.S. Department of Transportation			<u>264,049</u>
National Aeronautics and Space Administration:			
Direct program:			
Science	43.001		625,645
Passed through Stanford University:			
Science	43.001	PY04430-22727-C	515,014
Passed through CalTech University:			
Science	43.001	44A-1085525	36,436
Passed through University of California, San Diego:			
Science	43.001	NNX10AT93H	1,316
Subtotal CFDA 43.001			<u>1,178,411</u>
Passed through Alameda County Office of Education:			
Education	43.008	ACOE-X0030	17,863
Total National Aeronautics and Space Administration			<u>1,196,274</u>
National Endowment for the Arts:			
Direct program:			
Promotion of the Arts Grants to Organizations and Individuals	45.024		40,364
Total National Endowment for the Arts			<u>40,364</u>
National Endowment for the Humanities:			
Direct program:			
Promotion of the Humanities Division of Preservation and Access	45.149		2,985
Total National Endowment for the Humanities			<u>2,985</u>
Institute of Museum and Library Services:			
Passed through California State Library:			
Grants to States	45.310	40-7360	24
Total Institute of Museum and Library Services			<u>24</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
National Science Foundation:			
Passed through Georgia Institute of Technology:			
Engineering Grants	47.041	R8017-G1	\$ 4,923
Direct programs:			
Social, Behavioral, and Economic Sciences	47.075		68,522
Education and Human Resources	47.076		917,438
Passed through University Enterprises, Incorporated:			
California State University, Sacramento:			
Education and Human Resources – Alliance for Minority Partnerships	47.076	HRD-0802628	57,168
Education and Human Resources – California State University Louis Stokes Alliance for Minority Partnership Scholars Program	47.076	HRD-0802628	5,840
Education and Human Resources	47.076	MOU HRD 0802628 5154	522
Education and Human Resources	47.076	HRD-0802628-515443	32,034
Education and Human Resources	47.076	HRD-0802628-518721	4,000
Passed through Foundation for California State University, San Bernardino:			
Education and Human Resources	47.076	SA GT 10184	14,909
Passed through Humboldt State University Sponsored Programs Foundation:			
Education and Human Resources	47.076	94-6050071	42,090
Passed through The Regents of the University of California:			
Education and Human Resources	47.076	DUE0422499-10	8,642
Passed through University of California, Santa Cruz:			
Education and Human Resources	47.076	SC080682-A	147,259
Passed through California State University, Sacramento:			
Education and Human Resources	47.076	MOU HRD-0802628-518691	2,000
Education and Human Resources	47.076	MOU HRD-0802628-515401	50,615
Education and Human Resources	47.076	HRD-0802628-5154	64,383
Passed through Stanford Research Institute International:			
Education and Human Resources	47.076	43 000002	62,283
Passed through California State University, Chancellor's Office:			
Education and Human Resources	47.076	10-024-51621	6,180
Subtotal CFDA 47.076			<u>1,415,363</u>
Direct program:			
ARRA – Trans – NSF Recovery Act Research Support	47.082		632,658
Total National Science Foundation			<u>2,121,466</u>
Small Business Administration:			
Direct program:			
Special Initiatives	59.000		56,449
Total Small Business Administration			<u>56,449</u>
Environmental Protection Agency:			
Passed through Environmental Quality Management, Incorporated:			
Environmental Protection Agency (not classified elsewhere)	66.000	PO-017583	11,837
Total Environmental Protection Agency			<u>11,837</u>
U.S. Department of Energy:			
Direct program:			
Conservation Research and Development	81.086		99,051
Passed through The Regents of the University of California/Lawrence Berkeley National Laboratory:			
Conservation Research and Development	81.086	6956533	600
Subtotal CFDA 81.086			<u>99,651</u>
Passed through Sacramento Municipal Utility District:			
ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis (SMART GRID)	81.122	DE-OE0000214	209,305
Total U.S. Department of Energy			<u>308,956</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
U.S. Department of Education:			
TRIO Cluster:			
Direct program:			
Student Support Services	84.042		\$ 1,421,632
Passed through The California State University, Chico			
Research Foundation:			
Student Support Services	84.042	P042A100854	30,989
Subtotal CFDA 84.042			<u>1,452,621</u>
Direct programs:			
Talent Search Program	84.044		1,008,280
Upward Bound Program	84.047		1,280,930
McNair Post-Baccalaureate Achievement Program	84.217		378,654
Passed through University of California, Merced:			
McNair Post-Baccalaureate Achievement Program	84.217	PO#E103-G-NA05100	19,786
Subtotal CFDA 84.217			<u>398,440</u>
Total TRIO Cluster			<u>4,140,271</u>
Vocational Rehabilitation Cluster:			
Passed through California Department of Rehabilitation:			
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126	27421	136,957
ARRA – Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act	84.390	27470A	14,701
Total Vocational Rehabilitation Cluster			<u>151,658</u>
State Fiscal Stabilization Fund Cluster:			
Passed through State of California, Governor’s Office of Planning and Research:			
ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act	84.394	OPR08109-A2	106,552,869
Total State Fiscal Stabilization Fund Cluster			<u>106,552,869</u>
Teacher Quality Partnership Grants Cluster:			
Passed through California State University Bakersfield Auxiliary for Sponsored Programs Administration:			
Teacher Quality Partnership Grants	84.336	SA GRA1677	45,949
Passed through The California State University, Chico			
Research Foundation:			
Teacher Quality Partnership Grants	84.336	11-019	7,327
Teacher Quality Partnership Grants	84.336	SA 10-012	29,408
Subtotal CFDA 84.336			<u>82,684</u>
Total Teacher Quality Partnership Grants Cluster			<u>82,684</u>
Direct programs:			
International Research and Studies	84.017		21,512
Higher Education Institutional Aid	84.031		1,279,530
Higher Education Institutional Aid – College Cost Reduction and Access Act – Hispanic Service Institution Stem	84.031		1,656,234
Higher Education Institutional Aid – Title V	84.031		415,675
Passed through Ventura County Community College District:			
Higher Education Institutional Aid	84.031	95-2224338	263,763
Subtotal CFDA 84.031			<u>3,615,202</u>
Direct programs:			
Women’s Educational Equity Program	84.083		221,469
TRIO Staff Training Program	84.103		251,865
Fund for the Improvement of Postsecondary Education	84.116		812,348
Rehabilitation Long-Term Training	84.129		386,604
Passed through State of Hawaii:			
Rehabilitation Long-Term Training	84.129	DHS-07-VR-4197	3,600
Subtotal CFDA 84.129			<u>390,204</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
Direct programs:			
National Institute on Disability and Rehabilitation Research	84.133		\$ 628,878
College Assistance Migrant Program	84.149		300,258
Javits Fellowships	84.170		124,789
Fund for the Improvement of Education	84.215		335,006
Passed through West Contra County Unified School District:			
Fund for the Improvement of Education	84.215	C1130193	78,720
Passed through Mendocino County Office of Education:			
Fund for the Improvement of Education	84.215	TAHMENDO 090110 YR 1	69,193
Passed through Petaluma City Schools:			
Fund for the Improvement of Education	84.215	20110135-00	110,701
Fund for the Improvement of Education	84.215	20100586	15,869
Subtotal CFDA 84.215			<u>609,489</u>
Passed through University of Southern California:			
Centers for International Business Education	84.220	95-1642394	1,500
Passed through San Joaquin County Office of Education:			
Education Research, Development and Dissemination	84.305	MOU-EUSD/RISE	12,322
Direct program:			
Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325		1,165,120
Passed through The California State University, Chico Research Foundation:			
Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325	08-028-AMT1	300
Passed through California State University, Los Angeles Auxiliary Services, Incorporated:			
Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325	SFSU-Hannan 230545	77,440
Subtotal CFDA 84.325			<u>1,242,860</u>
Direct program:			
Special Education – Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		583,106
Passed through Stanislaus County Office of Education:			
Advanced Placement Incentive	84.330	PO#100768	17,552
Direct program:			
Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities	84.333		350,209
Passed through Sonoma State University:			
Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities	84.333	P333A080027-09/SA 105059	26,871
Passed through California State University, Chancellor's Office:			
Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities	84.333	P33A080027-09/SA 105747	7,907
Subtotal CFDA 84.333			<u>384,987</u>
Passed through San Francisco Unified School District:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	108-10K17	35,960
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	SFSU 2010-2011	181,324
Subtotal CFDA 84.334			<u>217,284</u>
Direct program:			
Child Care Access Means Parents in School	84.335		208,057
Passed through Bellevue School District:			
Mathematics and Science Partnerships	84.366	P11-00159	92,240

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
Passed through The Regents of the University of California, Los Angeles:			
Improving Teacher Quality State Grants	84.367	1010 G HC099	\$ 63,314
Passed through University of California, Berkeley:			
Improving Teacher Quality State Grants	84.367	NCLB4-CWP-TURLOCK	76,066
Passed through The Regents of the University of California, Office of the President:			
Improving Teacher Quality State Grants	84.367	09CSMP CMP- BAKERSFIELD	6,086
Improving Teacher Quality State Grants	84.367	09CSMP CFLP- BAKERSFIELD	23,028
Improving Teacher Quality State Grants	84.367	NCLB7-CRLP- SAN FRANCISCO	77,843
Improving Teacher Quality State Grants	84.367	NCLB6 CISP SONOMA	694
Improving Teacher Quality State Grants	84.367	NCLB6-CMP-SONOMA	5,954
Improving Teacher Quality State Grants	84.367	NCLB7-CISP-SONOMA	45,859
Improving Teacher Quality State Grants	84.367	NCLB7 CMP SONOMA	33,388
Subtotal CFDA 84.367			<u>332,232</u>
Passed through University of California, Berkeley:			
National Writing Project	84.928	SA5289	47,266
Total U.S. Department of Education			<u>121,042,902</u>
U.S. Department of Health and Human Services:			
Temporary Assistance for Needy Families Cluster:			
Passed through Owens Valley Career Development Center:			
Temporary Assistance for Needy Families – Career Beginnings – Owens Valley Career Beginnings	93.558	10-11-55	70,536
Temporary Assistance for Needy Families – Career Beginnings – Owens Valley Career Lake Isabella	93.558	10-11-55	49,757
Subtotal CFDA 93.558			<u>120,293</u>
Total Temporary Assistance for Needy Families Cluster			<u>120,293</u>
Head Start Cluster:			
Direct programs:			
Head Start (San Francisco State University)	93.600		12,925,790
Head Start (Sonoma State University)	93.600		1,033,185
Head Start (California State University, Bakersfield)	93.600		57,857
Subtotal CFDA 93.600			<u>14,016,832</u>
Direct program:			
ARRA – Head Start	93.708		240,731
Total Head Start Cluster			<u>14,257,563</u>
Child Care and Development Fund Cluster:			
Passed through California Department of Education:			
ARRA – Child Care and Development Block Grant	93.713	CRPM-9117	25
Total Child Care and Development Fund Cluster			<u>25</u>
Direct programs:			
Mental Health Research Grants	93.242		193,204
Advanced Nursing Education Grant Program	93.247		81,439
Mental Health National Research Service Awards for Research Training	93.282		11,457
Passed through University of California, San Francisco:			
Nurse Education Practice and Retention Grants	93.359	5D11HP00510-03-00	128
Passed through The Regents of the University of California, Berkeley:			
ARRA – Foster Care Title IV-E	93.658	10-2031	1,057,470
Passed through University of California, Berkeley:			
ARRA – Foster Care Title IV-E	93.658	2010/11 10-2031	1,087,944
ARRA – Foster Care Title IV-E	93.658	2009/10 09-2008	12,226
Subtotal CFDA 93.658			<u>2,157,640</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

Federal grantor/pass-through agency/program title	Catalog of federal assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures
Direct program:			
ARRA – Trans – NIH Recovery Act Research Support	93.701		\$ 54,500
Passed through County of San Diego:			
ARRA – Prevention and Wellness – Communities Putting Prevention to Work Funding Opportunities Announcement	93.724	532636	455,439
Passed through Stanford University:			
Health Careers Opportunity Program	93.822	26676210-49878-A	98,703
Direct programs:			
Biomedical Research and Research Training	93.859		2,340,393
Health Care and Other Facilities	93.887		134,842
Specially Selected Health Projects	93.888		315,329
Passed through The Regents of the University of California, Los Angeles:			
Geriatric Education Centers	93.969	1558 G NA589	5,569
Total U.S. Department of Health and Human Services			<u>20,226,524</u>
Corporation for National and Community Service:			
Direct program:			
Learn and Serve America Higher Education	94.005		586,902
Passed through California State University, Chancellor's Office:			
Learn and Serve America Higher Education	94.005	X0026110 SO000	17,283
Learn and Serve America Higher Education	94.005	X0026110-02537	3,997
Subtotal CFDA 94.005			<u>608,182</u>
Direct program:			
Americorps	94.006		87,236
Passed through Western Washington University:			
Americorps	94.006	54558-A09	18,826
Americorps	94.006	54570-A	44,815
Passed through Jumpstart for Young Children, Incorporated:			
Americorps	94.006	Grant #100200	26,996
ARRA – Americorps	94.006	JS-SITE #10	29,287
Subtotal CFDA 94.006			<u>207,160</u>
Total Corporation for National and Community Service			<u>815,342</u>
U.S. Department of Homeland Security:			
Homeland Security Cluster:			
Passed through California Emergency Management Agency:			
Homeland Security Grant Program	97.067	2007-0008	14,933
Homeland Security Grant Program	97.067	2008-0006	600,000
Homeland Security Grant Program	97.067	2009-SST9-0019	114,819
Passed through City of Anaheim:			
Homeland Security Grant Program	97.067	2008-0006	735
Passed through State of California Homeland Security:			
Homeland Security Grant Program	97.067	09-14381	32,654
Passed through California State University, San Luis Obispo:			
Homeland Security Grant Program	97.067	00-3000-92010	38,270
Subtotal CFDA 97.067			<u>801,411</u>
Total Homeland Security Cluster			<u>801,411</u>
Passed through California Emergency Management Agency:			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	000-92269	21,937
Emergency Management Performance Grants	97.042	6108-9	368,663
Direct program:			
State Homeland Security Program (SHSP)	97.073		25,000
Passed through Trustees of the California State University:			
State Homeland Security Program (SHSP)	97.073	94-6001347	30,571
State Homeland Security Program (SHSP)	97.073	X0004108-SM000	30,239
Passed through California State University, Chancellor's Office:			
State Homeland Security Program (SHSP)	97.073	Grant #2008-0006	70,806
State Homeland Security Program (SHSP)	97.073	X0023108-S0000	20,272
Subtotal CFDA 97.073			<u>176,888</u>
Total U.S. Department of Homeland Security			<u>1,368,899</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
Agency for International Development:			
Passed through World Institute on Disability:			
USAID Foreign Assistance for Programs Overseas	98.001	SPANS-004	\$ 128,871
Total Agency for International Development			<u>128,871</u>
Research and Development Cluster:			
U.S. Department of Agriculture:			
Direct programs:			
Agricultural Research – Basic and Applied Research	10.001		5,828
Forestry Research	10.652		<u>5,957</u>
Total U.S. Department of Agriculture			<u>11,785</u>
U.S. Department of Commerce:			
Direct programs:			
Coastal Zone Management Estuarine Research Reserves	11.420		678,623
Marine Sanctuary Program	11.429		42,588
Passed through Marin Rod and Gun Club:			
Habitat Conservation	11.463	MRGC 0001	9,402
Passed through the Nature Conservancy:			
Habitat Conservation	11.463	GMT-SFSU-091507	<u>13,981</u>
Subtotal CFDA 11.463			<u>23,383</u>
Passed through Monterey Bay Aquarium Research Institute:			
Coastal Services Center	11.473	81140	101,642
Direct program:			
Center for Sponsored Coastal Ocean Research – Coastal Ocean Program	11.478		<u>2,463</u>
Total U.S. Department of Commerce			<u>848,699</u>
U.S. Department of Defense:			
Direct programs:			
Basic and Applied Scientific Research	12.300		135,730
Air Force Defense Research Sciences Program	12.800		431,954
Mathematical Sciences Grants Program	12.901		<u>16,797</u>
Total U.S. Department of Defense			<u>584,481</u>
U.S. Department of the Interior:			
Direct program:			
Central Valley Project Improvement Act, Title XXXIV	15.512		800,152
Passed through California Bay Delta Authority:			
Research Grants (Generic)	15.650	1039	319,229
Research Grants (Generic)	15.650	1037	<u>212,726</u>
Subtotal CFDA 15.650			<u>531,955</u>
Direct programs:			
Earthquake Hazards Reduction Program	15.807		36,598
U.S. Geological Survey – Research and Data Collection	15.808		13,322
Cooperative Research Units Training Program	15.813		10,185
ARRA – National Geospatial Program: Building the National Map	15.817		99,913
Cooperative Research and Training Programs – Resources of the National Park System	15.945		<u>2,319</u>
Total U.S. Department of the Interior			<u>1,494,444</u>
U.S. Department of Transportation:			
Passed through Georgia Institute of Technology:			
Aviation Research Grants	20.108	RA932-S1	58,727
Passed through The Foundation for California State University, San Bernardino:			
University Transportation Centers Program	20.701	Subaward No. GT10160	<u>2,712</u>
Total U.S. Department of Transportation			<u>61,439</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

Federal grantor/pass-through agency/program title	Catalog of federal assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures
National Aeronautics and Space Administration:			
Direct program:			
Science	43.001		\$ 214,769
Passed through Information and Emerging Technologies Trust:			
Science	43.001	NNA06CB14H	72,981
Passed through Jet Propulsion Laboratory:			
Science	43.001	RSA No. NexSci ID #15/Keck ID No38HR	2,069
Passed through San Mateo County Community College District:			
Science	43.001	MOU	50,245
Passed through Smithsonian Astrophysical Observatory:			
Science	43.001	AR0-11016A	45,332
Passed through Space Telescope Science Institute:			
Science	43.001	HST-GO-10257.03-A	8,458
Passed through United Negro College Fund Special Program Corporation:			
Science	43.001	NAFP 2008-09	34,395
Passed through Wheaton College:			
Science	43.001	NNX07AL26G	19,675
Subtotal CFDA 43.001			447,924
Total National Aeronautics and Space Administration			447,924
National Science Foundation:			
Direct program:			
Engineering Grants	47.041		262,634
Passed through Rochester Institute of Technology:			
Engineering Grants	47.041	30812-01	17,429
Passed through University of North Texas:			
Engineering Grants	47.041	GF1571-1	13,583
Subtotal CFDA 47.041			293,646
Direct programs:			
Mathematical and Physical Sciences	47.049		785,897
Geosciences	47.050		1,202,344
Computer and Information Science and Engineering	47.070		97,516
Passed through United States Army:			
Computer and Information Science and Engineering	47.070	10-04-091	77,063
Subtotal CFDA 47.070			174,579
Direct program:			
Biological Sciences	47.074		1,353,333
Passed through Los Angeles County Museum/ National Science Foundation:			
Biological Sciences	47.074	DEB-1025922	4,776
Passed through University of California, Santa Barbara:			
Biological Sciences	47.074	KK8149	41,546
Subtotal CFDA 47.074			1,399,655
Direct program:			
Social, Behavioral, and Economic Sciences	47.075		5,289
Passed through The Regents of the University of California:			
Social, Behavioral, and Economic Sciences	47.075	6793	9,741
Subtotal CFDA 47.075			15,030
Direct program:			
Education and Human Resources	47.076		963,838
Passed through University Enterprises, Incorporated California State University, Sacramento:			
Education and Human Resources	47.076	94-1337638	26,731
Passed through Stanford Research Institute International:			
Education and Human Resources	47.076	43-000202	45,159
Passed through University of California, Berkeley:			
Education and Human Resources	47.076	#00006229	32,485
Subtotal CFDA 47.076			1,068,213

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

<u>Federal grantor/pass-through agency/program title</u>	<u>Catalog of federal assistance (CFDA) number</u>	<u>Pass-through entity identifying number</u>	<u>Federal disbursements/ expenditures</u>
Direct program: Polar Programs	47.078		\$ 16,784
Passed through University of Nevada, Las Vegas: International Science and Engineering (OISE)	47.079	#11-707D-F	27,496
Direct program: ARRA – Trans – NSF Recovery Act Research Support	47.082		1,367,406
Passed through Pomona College: ARRA – Trans – NSF Recovery Act Research Support	47.082	AST-0960343- AGREEMENT 1	35,379
Subtotal CFDA 47.082			<u>1,402,785</u>
Total National Science Foundation			<u>6,386,429</u>
Environmental Protection Agency: Passed through California Coastal Conservancy: The San Francisco Bay Water Quality Improvement Fund	66.126	10-030	15,980
Direct program: Office of Research and Development Consolidated Research/Training/Fellowships	66.511		53,313
Total Environmental Protection Agency			<u>69,293</u>
U.S. Department of Energy: Direct programs: ARRA – Office of Science Financial Assistance Program	81.049		9,980
Office of Science Financial Assistance Program	81.049		73,170
Passed through Tulane University: Office of Science Financial Assistance Program	81.049	TUL-560-07/08	67,508
Subtotal CFDA 81.049			<u>150,658</u>
Direct program: Renewable Energy Research and Development	81.087		61,625
Passed through The Regents of the University of California, Berkeley: Renewable Energy Research and Development	81.087	Subaward No. 000007104	97,787
Subtotal CFDA 81.087			<u>159,412</u>
Total U.S. Department of Energy			<u>310,070</u>
U.S. Department of Education: Direct program: Fund for the Improvement of Postsecondary Education	84.116		52,355
Passed through Canada College: Minority Science and Engineering Improvement	84.120	P120A080080	58,686
Direct programs: Business and International Education Projects	84.153		87,460
Javits Fellowships	84.170		8,331
Total U.S. Department of Education			<u>206,832</u>
U.S. Department of Health and Human Services: Passed through University of California, San Francisco: Human Genome Research	93.172	6825700	675
Research on Healthcare Costs, Quality and Outcomes	93.226	115514	12,883
Direct program: Mental Health Research Grants	93.242		1,000,409
Passed through Arizona State University: Mental Health Research Grants	93.242	10-262	24,287
Passed through Columbia University: Mental Health Research Grants	93.242	Three (Account Number 5-28561)	4,290
Passed through University of California, San Francisco: Mental Health Research Grants	93.242	6117SC	29,379
Subtotal CFDA 93.242			<u>1,058,365</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

Federal grantor/pass-through agency/program title	Catalog of federal domestic assistance (CFDA) number	Pass-through entity identifying number	Federal disbursements/ expenditures
Passed through Pacific Institute Research and Evaluation: Alcohol Research Programs	93.273	R01 AA016969-01	\$ 8,388
Passed through University of California, Berkeley: Alcohol Research Programs	93.273	7430	<u>88,912</u>
Subtotal CFDA 93.273			<u>97,300</u>
Passed through Research Triangle Institute International: Drug Abuse and Addiction Research Programs	93.279	Subgrant #2-312-0212248	34,382
Direct programs: Minority Health and Health Disparities Research	93.307		920,237
Advanced Nursing Education Traineeships	93.358		47,300
Passed through University of California, San Francisco: Cancer Cause and Prevention Research	93.393	5647SC	49,868
Cancer Treatment Research	93.395	BRU 10177-OOSC, 1R01 CA112042-01A1	15,043
Direct program: ARRA – Trans – NIH Recovery Act Research Support	93.701		418,879
Passed through National Institute of Health: ARRA – Trans – NIH Recovery Act Research Support	93.701	1R15HD066397	35,656
Passed through Sage Fox Consulting Group, LLC: ARRA – Trans – NIH Recovery Act Research Support	93.701	MOU SageFox230676	6,304
Subtotal CFDA 93.701			<u>460,839</u>
Direct program: Cardiovascular Diseases Research	93.837		10,700
Passed through Medical College of Georgia Research Institute: Cardiovascular Diseases Research	93.837	Subaward No. 22411-2	2,512
Passed through University of California, Merced: Cardiovascular Diseases Research	93.837	1R01HL09176701A1SSU	76,250
Subtotal CFDA 93.837			<u>89,462</u>
Direct program: Allergy, Immunology and Transplantation Research	93.855		109,910
Passed through The Regents of the University of California: Allergy, Immunology and Transplantation Research	93.855	1R01AI089896	138,177
Subtotal CFDA 93.855			<u>248,087</u>
Direct program: Biomedical Research and Research Training	93.859		2,106,533
Passed through University of California, San Francisco: Biomedical Research and Research Training	93.859	4862SC	158,145
Subtotal CFDA 93.859			<u>2,264,678</u>
Direct programs: Child Health and Human Development Extramural Research	93.865		187,763
Aging Research	93.866		11,016
Passed through University of California, San Francisco: Aging Research	93.866	5588SC	235
Passed through University of Utah: Aging Research	93.866	2310134	1,705
Subtotal CFDA 93.866			<u>12,956</u>
Passed through Stanford University: Medical Library Assistance	93.879	Subaward No. 24024890-12656A	30,576
Total U.S. Department of Health and Human Services			<u>5,530,414</u>
Total Research and Development Cluster			<u>15,951,810</u>
Total Expenditures of Federal Awards			<u>\$ 2,326,018,804</u>

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.

CALIFORNIA STATE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

(1) General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the California State University (the University). The University generally does not consider itself a subrecipient of federal funds when those funds are received from individual campus foundations. Rather, the University considers amounts received from foundations as payments for services rendered, even though such amounts may have originated from federal agencies. Accordingly, these amounts are not reflected in the accompanying Schedule.

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the University and agencies and departments of the federal government and pass-through agencies. The awards are classified into major program categories in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

(2) Basis of Accounting

The information in the accompanying Schedule is prepared on the accrual basis of accounting and is also 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.

(3) Loan Programs

Total loans outstanding under the Federal Perkins Loan Program and the Nursing Student Loan Program were \$98,217,615 and \$1,952,797, respectively, at June 30, 2011. The amounts included in the accompanying Schedule consist of loans advanced to students and the administrative cost allowance for the year ended June 30, 2011.

(4) Administrative Cost Allowances

Administrative cost allowances included in the accompanying Schedule are summarized as follows:

Federal Perkins Loan Program	\$	1,116,037
Federal Pell Grant Program		521,681
Federal Supplemental Educational Opportunity Grant Program		256,171
Federal Work-Study Program		608,515
	\$	<u>2,502,404</u>

CALIFORNIA STATE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

(5) Amounts Provided to Subrecipients

Included in the Schedule are the following amounts passed through to subrecipients:

<u>Program title</u>	<u>CFDA No.</u>	<u>Amount</u>
WIA Adult Program	17.258	\$ 98,221
Science	43.001	65,032
Education and Human Resources	47.076	92,158
Rehabilitation Long-Term Training	84.129	3,600
National Institute on Disability and Rehabilitation Research	84.133	25,571
Demonstration Projects to Support Postsecondary Faculty, Staff, and Administration in Educating Students with Disabilities	84.333	109,002
Improving Teacher Quality State Grants	84.367	14,144
Advanced Nursing Education Grant Program	93.247	2,000
Head Start	93.600	4,235,570
ARRA – Head Start	93.708	49,858
ARRA – Prevention and Wellness – Communities Putting Prevention to Work Funding Opportunities Announcement	93.724	361,628
Biomedical Research and Research Training	93.859	20,000
Learn and Serve America Higher Education	94.005	223,907
Emergency Management Performance Grants	97.042	357,925
Homeland Security Grant Program	97.067	581,945
USAID Foreign Assistance for Programs Overseas	98.001	34,928
Research and Development Cluster:		
Central Valley Project Improvement Act, Title XXXIV	15.512	83,134
Research Grants (Generic)	15.650	7,040
Science	43.001	30,492
Geosciences	47.050	63,356
ARRA – Trans-NSF Recovery Act Research Support	47.082	219,439
Office of Science Financial Assistance Program	81.049	14,783
Mental Health Research Grants	93.242	178,255
ARRA – Trans-NIH Recovery Act Research Support	93.701	41,580
Total Research and Development Cluster		<u>638,079</u>
		<u>\$ 6,913,568</u>

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2011

(1) Summary of Auditors' Results

Financial Statements

- (a) Type of auditors' report issued on financial statements: We have issued **unqualified opinions**, modified to include a reference to other auditors who audited 91 of 94 aggregate discretely presented component units, which statements reflect total assets constituting 92% and total revenues constituting 98% of the aggregate discretely presented totals.
- (b) Internal control over financial reporting:
- Material weakness(es) identified: **No**.
 - Significant deficiencies identified that are not considered to be material weaknesses: **Yes. See item 2011-01.**
- (c) Noncompliance material to the financial statements noted: **No**.

Federal Awards

- (d) Internal control over major programs:
- Material weakness(es) identified: **No**.
 - Significant deficiencies identified that are not considered to be material weaknesses: **Yes. See item 2011-02.**
- (e) Type of auditors' report issued on compliance for major programs: We have issued an **unqualified opinion** on compliance related to major programs, other than the compliance requirements governing maintaining contact with and billing borrowers and processing deferment and cancellation requests and payments in the Student Financial Assistance Cluster: Federal Perkins Loan Program, which are processed by Educational Computer System Inc., upon which we issue no opinion.
- (f) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133: **Yes. See items 2011-03 through 2011-06.**
- (g) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000.**
- (h) Identification of major programs:
- Student Financial Assistance Cluster (CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 84.408, 93.364, 93.407, and 93.925)
 - State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (CFDA Number 84.394)
 - College Cost Reduction and Access Act – Hispanic Service Institutions (CFDA Number 84.031)
 - Foster Care Title IV-E (CFDA Number 93.658)
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **Yes.**

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2011

(2) **Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

2011-01

Incomplete Controls over the Review of the Outstanding Receivable Balance

Condition and Context

The University's financial reporting process over accounts receivable involves review of current activities during the year. The University's processes did not include a complete review of an inventory of outstanding receivables at year-end. This resulted in an undetected error relating to a duplicate recording of a receivable in the amount of \$130.8 million. This error was subsequently corrected and is reflected accurately in the June 30, 2011 financial statements.

Criteria

A significant deficiency in internal control is the result of a deficiency in internal controls, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements will not be prevented or detected.

Potential Cause and Effect

Due to the incomplete controls over the review process on outstanding receivable balances at year-end, the University had inadvertently recorded state capital appropriations receivable twice – once in fiscal year 2008/09 and once in fiscal year 2009/10. The net effect of this error has been corrected in fiscal year 2010/2011.

Recommendation

We recommend that the University revisits its policies and procedures and take the necessary action to improve its control over the review of accounts receivable.

View of Responsible Officials and Planned Corrective Action

The University concurs with the recommendation. The existing internal controls did not discover duplicate recording of the state capital appropriations receivable in a more timely manner, which was caused by exceptions to the normal process of recording state appropriations on certain capital projects as a result of delays in funding due to the state economic difficulty. We have strengthened the internal control process to review the makeup of the receivable balance at yearend including balances carried forward from prior year as well as balances from current year activity in more detail to remedy the problem.

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(3) Findings and Questioned Costs Relating to Federal Awards

2011-02

Federal program: Student Financial Assistance Cluster
CFDA numbers: 84.007, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 84.408, 93.364, 93.407, and 93.925
Federal agency: U.S. Department of Education
Passed through: Not applicable
Award year: Fiscal year ended June 30, 2011
Compliance requirements: Cash Management, Eligibility, Reporting (Pell Payment Data Reporting), and Special Tests and Provisions (Verification, Student Status Changes, Borrower Data Transmission, Return of Title IV Funds)

Condition Found

In performing tests over student financial aid control procedures, we selected 8 of 23 campuses to test specific controls over Eligibility, Reporting (Pell Payment Data Reporting), and Special Tests and Provisions (Verification, Student Status Changes, Borrower Data Transmission, Return of Title IV Funds).

While no specific compliance issues were identified in our testwork other than the issues noted in items 2011-02 through 2011-04, we noted situations where the documentation of the control procedures was missing or incomplete. We noted, for example, that there are certain system controls in place, which do not allow financial aid to be packaged until all open items are cleared. However, formal documentation evidencing that a review of eligibility determination requirements by someone other than the person that packaged the aid was at times missing or incomplete.

Similarly, we noted missing documentation evidencing the review/approval by someone other than the preparer of reconciliations supporting compliance with cash management requirements, verification follow-up procedures performed over student information, return of Title IV funds calculations, submissions to the clearinghouse regarding student status changes, disbursements being made in accordance with required time frames, including Pell disbursement data, and the monthly reconciliation of student account services (SAS) data files to campus records.

Criteria

A deficiency in internal controls 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 on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Cause and Effect

Limitations in staffing in some financial aid departments have sometimes led to independent reviews not being performed, which increases the risk of inaccurate information being reported. In other cases, we noted the process of preparing required reports/reconciliations (i.e., cash reconciliations, verification

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procedures, return of Title IV calculations, direct loan monthly reconciliations, and loan disbursement details) was being performed by campus personnel on a timely basis. In addition, we were also able to corroborate with separate staff within the department that the required reviews/reconciliations were being performed and reviewed. However, we were not able to review physical evidence the work was reviewed and approved by someone other than the preparer.

Questioned Costs

None noted.

Recommendation

We recommend that management establish formal procedures to document review and approval by someone other than the preparer knowledgeable of the process.

Views of Responsible Officials

The University concurs with the recommendation. Although corrective actions were taken in response to last year's finding, the events causing the audit finding had already occurred prior to the implementation of the corrective action in the latter part of the fiscal year. Another meeting and training will be hosted by the Chancellor's Office and is scheduled for January 2012.

2011-03

Campuses:	California State Universities: Channel Islands, Sacramento and Pomona
Cluster name/program:	Student Financial Aid Cluster – William D. Ford Direct Loan Program
CFDA number:	84.268
Federal agency:	U.S. Department of Education
Passed through entity:	Not applicable
Award year:	July 1, 2010 through June 30, 2011
Compliance requirement:	Special Tests and Provisions – Student Status Changes

Criteria

Title 34 – Education, Chapter VI – Office of Postsecondary Education, Department of Education, Part 685 – William D. Ford Federal Direct Loan Program, Subpart C – Requirements, Standards, and Payments for Direct Loan Program Schools, Section 685.309 Administrative and fiscal control and fund accounting requirements for schools participating in the Direct Loan Program.

Student status confirmation reports

A school shall:

- (1) Upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and

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- (2) Unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who:
- (i) Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
 - (ii) Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
 - (iii) Has changed his or her permanent address.

Condition Found

During our student financial aid procedures performed over the California State University (the University), we selected 8 of 23 campuses using a sample size of 200 to perform procedures over student status changes. We noted 3 of the 8 campuses sampled had student status changes that were not being timely reported as follows:

Channel Islands – During procedures performed over the reporting of student status changes, we noted 12 of the 25 students sampled with changes in status that occurred during the fiscal year, were not reported to the National Student Loan Data System (NSLDS) within the federal time requirements. These student status changes had been reported to the NSLDS between 108 and 157 days after the status change effective date, instead of within the required 60 days of receipt of the Student Status Confirmation Report (SSCR) for schools that are utilizing batch reporting. Additionally, we noted 3 students that had withdrawn from the University where the status change had not been reflected within NSLDS and 5 students where the change in status was not reported until four months after graduation.

Sacramento – During procedures performed over the reporting of student status changes, we noted 2 of the 25 students sampled with changes in status that occurred during the fiscal year were not reported to the NSLDS within the federal time requirements. These student status changes had been reported to the NSLDS between 142 and 149 days after the status change effective date, instead of within the required 60 days of receipt of the SSCR for schools that are utilizing batch reporting.

Pomona – During procedures performed over the reporting of student status changes, we noted 11 of the 25 students sampled with changes in status that occurred during the fiscal year were not reported to the NSLDS within the federal time requirements. These student status changes had been reported to the NSLDS between 85 and 190 days after the status change effective date, instead of within the required 60 days of receipt of the SSCR for schools that are utilizing batch reporting. Additionally, we noted 13 instances where campus records regarding enrollment status did not match the NSLDS records.

Cause and Effect

We noted management did not have adequate processes in place to determine that changes in student status are being timely and accurately reported. The current processes related to student status changes may lead to certain instances of noncompliance with the reporting requirements as described in the OMB Circular A-133 *Compliance Supplement*.

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Questioned Costs

None noted.

Recommendation

We recommend the University enhance its policies and review procedures to ensure that changes in student status are being timely and accurately reported.

Views of Responsible Officials

The University concurs with the recommendation. Campuses are reviewing and revising operational processes and procedures in conjunction with other campus departments (e.g., Registrar), to ensure timely updates to the enrollment system and subsequent reporting to either the Secretary or guarantee agency within the required timelines.

2011-04

Campus:	California State Universities: Channel Islands, Sacramento and Fresno
Cluster name/program:	Student Financial Assistance Cluster
CFDA number:	84.007, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 84.408, 93.364, 93.407, and 93.925
Federal agency:	U.S. Department of Education
Passed through entity:	Not applicable
Award year:	July 1, 2010 through June 30, 2011
Compliance requirement:	Special Tests and Provisions – Return of Title IV Funds

Criteria

Title 34 – Education, Chapter VI – Office of Postsecondary Education, Department of Education, Part 668 – Student Assistance General Provisions, Subpart L – Financial Responsibility Section 668.173(b) Timely Return of Title IV Funds.

- (a) In accordance with procedures established by the Secretary, an institution returns unearned Title IV, Higher Education Act of 1965 (HEA) funds timely if:
- (1) The institution deposits or transfers the funds into the bank account it maintains under Section 668.163 no later than 30 days after the date it determines that the student withdrew;
 - (2) The institution initiates an electronic funds transfer (EFT) no later than 30 days after the date it determines that the student withdrew;
 - (3) The institution initiates an electronic transaction, no later than 30 days after the date it determines that the student withdrew, that informs the lender to adjust the borrower's loan account for the amount returned; or

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- (4) The institution issues a check no later than 30 days after the date it determines that the student withdrew. However, the Secretary considers that the institution did not satisfy this requirement if:
 - (i) The institution's records show that the check was issued more than 30 days after the date the institution determined that the student withdrew; or
 - (ii) The date on the canceled check shows that the bank used by the Secretary endorsed that check more than 45 days after the date the institution determined that the student withdrew.
- (b) The institution must return those funds for which it is responsible under paragraph (a) of this section to the respective Title IV, HEA program as soon as possible, but no later than 30 days after the date that the institution becomes aware that the student will not or has not begun attendance.

Condition Found

During our student financial aid procedures performed over the California State University (the University), we selected 8 of 23 campuses using a sample size of 200 to perform procedures over the return of Title IV funds. We noted 3 of the 8 campuses sampled did not have processes in place to ensure the return of Title IV funds as follows:

Channel Islands – During procedures performed over the return of Title IV funds, we noted 6 exceptions related to the 25 students sampled. We noted 3 instances where no return of Title IV funds calculation was processed and 3 instances where the University utilized 60% completion of term requirements when it appeared to be more appropriate to utilize 50% due to the student's unofficial withdrawal from the University.

Sacramento – During procedures performed over the return of Title IV funds, we noted 2 of the 25 students sampled with the requirement to return Title IV funds were processed later than the required time frame. Additionally, we noted that the return of Title IV funds calculation did not agree with the amount returned for 1 student.

Fresno – During procedures performed over the return of Title IV funds, we noted 3 of the 25 students sampled with the requirement to return Title IV funds were processed later than the required time frame.

Cause and Effect

We noted management did not have adequate processes in place to determine that the return of Title IV funds are being timely and accurately reported. The current processes in place related to the return of the Title IV funds may lead to certain instances of noncompliance with the reporting requirements as described in the OMB Circular A-133 *Compliance Supplement*.

Questioned Costs

None noted.

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Recommendation

We recommend the University enhance its policies and review procedures to ensure that the return of the Title IV funds are timely processed and accurately reported.

Views of Responsible Officials

The University concurs with the recommendation. Campuses are strengthening coordination with other campus departments to monitor student withdrawals. Review and revision of procedures to ensure the proper identification and timely processing of withdrawn students will be done as well.

2011-05

Campuses:	California State University, Fullerton
Cluster name/program:	Student Financial Aid Cluster – Federal Pell Grant Program
CFDA number:	84.063
Federal agency:	U.S. Department of Education
Passed through entity:	Not applicable
Award year:	July 1, 2010 through June 30, 2011
Compliance requirement:	Reporting – Pell Payment Data Reporting

Criteria

Title 34 – Education, Chapter VI – Office of Postsecondary Education, Department of Education, Part 690 – Federal Pell Grant Program, Subpart G – Administration of Grant Payments, Section 690.83 Submission of reports.

- (a) (1) An institution may receive either a payment from the Secretary for an award to a Federal Pell Grant recipient, or a corresponding reduction in the amount of federal funds received in advance for which it is accountable, if:
 - (i) The institution submits to the Secretary the student’s Payment Data for that award year in the manner and form prescribed in paragraph (a)(2) of this section by September 30 following the end of the award year in which the grant is made, or, if September 30 falls on a weekend, on the first weekday following September 30; and
 - (ii) The Secretary accepts the student’s Payment Data.
- (2) The Secretary accepts a student’s Payment Data that is submitted in accordance with procedures established through publication in the Federal Register, and that contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution.
- (3) An institution that does not comply with the requirements of this paragraph may receive a payment or reduction in accountability.
- (b) (1) An institution shall report to the Secretary any change in the amount of a grant for which a student qualifies including any related Payment Data changes by submitting to the Secretary the student’s Payment Data that discloses the basis and result of the change in award for each

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student. The institution shall submit the student's Payment Data reporting any change to the Secretary by the reporting deadlines published by the Secretary in the Federal Register.

- (2) An institution shall submit, in accordance with deadline dates established by the Secretary, through publication in the Federal Register, other reports and information the Secretary requires and shall comply with the procedures the Secretary finds necessary to ensure that the reports are correct.
- (3) An institution that timely submits, and has accepted by the Secretary, the Payment Data for a student in accordance with this section shall report a reduction in the amount of a Federal Pell Grant award that the student received when it determines that an overpayment has occurred, unless that overpayment is one for which the institution is not liable under Section 690.79(a).

Condition Found

During our student financial aid procedures performed over the California State University (the University), we selected 8 of 23 campuses using a sample size of 200 to perform procedures over Pell payment data reporting. We noted 1 of the 8 campuses sampled did not have processes in place to ensure cost of attendance information was updated as follows:

Fullerton – During procedures performed over reporting pell payment data to the Common Origination and Disbursement (COD) System, we noted 3 exceptions related to the 25 students sampled where information was not submitted to the COD System within the required time frame.

Cause and Effect

Information in the COD System was not updated, which resulted in reporting discrepancies between amounts reported and campus records.

Questioned Costs

None noted.

Recommendation

We recommend the University enhance policies and procedures to ensure that the campus updates the information reported in the COD System in a timely manner.

Views of Responsible Officials

The University concurs with the recommendation. In the case of the students sampled, the Pell Grant payments were found to have been submitted within the required timeframe. However, a change in the Pell Grant cost of attendance in the case of three students was not reported within the required timeframe. Although the change in cost of attendance had no material impact to the amount of the Pell Grant award for any of the students, the campus will ensure that procedures are in place to report changes to the cost of attendance within the required timeframes.

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2011-06

Campus: California State Universities: Channel Islands and Sacramento
Cluster name/program: Student Financial Assistance Cluster
CFDA number: 84.007, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 84.408, 93.364, 93.407, and 93.925
Federal agency: U.S. Department of Education
Passed through entity: Not applicable
Award year: July 1, 2010 through June 30, 2011
Compliance requirement: Special Tests and Provisions – Verification

Criteria

Title 34 Education. Chapter VI – Office of Postsecondary Education, Department of Education. Part 668 Student Assistance General Provisions. Subpart E Verification of Student Aid Application Information. Sec. 668.56 Items to be verified. (a) Except as provided in paragraphs (b), (c), (d), and (e) of this section, an institution shall require an applicant selected for verification under Sec. 668.54(a)(2) or (3) to submit acceptable documentation described in Sec. 668.57 that will verify or update the following information used to determine the applicant’s Expected Family Contributions (EFC): (2) U.S. income tax paid for the base year data was used in determining eligibility.

Condition Found

During our student financial aid procedures performed over the California State University (the University), we selected 8 of 23 campuses using a sample size of 200 to perform procedures over verification. We noted 2 of the 8 campuses sampled did not have processes in place to ensure that verification of information was updated as follows:

Channel Islands – During procedures performed over verification, we noted 3 exceptions related to the 25 students sampled. Each of the instances related to student/parent information reported on the campus verification worksheet did not match the information reported on the Institutional Student Information Report (ISIR).

Sacramento – During procedures performed over verification, we noted 2 exceptions related to the 25 students sampled. Each of the instances related to student/parent information reported on the campus verification worksheet did not match the information reported on the ISIR.

Cause and Effect

Information reported on the campus verification worksheet did not match the information reported on the ISIR, which could result in reporting discrepancies between amounts used to determine financial aid awards and campus records.

Questioned Costs

None noted.

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Recommendation

We recommend that the internal control procedures be implemented to ensure that applicant data is properly verified. In addition, any discrepancies in student data reported in the ISIR should be properly resolved and reported to the Department of Education.

Views of Responsible Officials

The University agrees with the recommendation. The campuses are reviewing and strengthening internal controls for verified files to ensure that applicant data is reviewed correctly. The Financial Aid Office will provide additional staff training on the verification procedures.