



CALIFORNIA STATE UNIVERSITY
LONG BEACH
RESEARCH FOUNDATION

Internal Control and Compliance Reports
June 30, 2021

CONTENTS

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 <i>Government Auditing Standards</i>	1-2
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	3-5
Schedule of Expenditures of Federal Awards	6-12
Notes to the Schedule of Expenditures of Federal Awards	13
Schedule of Findings and Questioned Costs.....	14

**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***

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

We have audited, in accordance with the 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, the financial statements of California State University, Long Beach Research Foundation (a nonprofit organization), which comprise the statement of net position as of June 30, 2021, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Long Beach Research Foundation's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Long Beach Research Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Long Beach Research Foundation's internal control.

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 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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether California State University, Long Beach Research 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 financial statement. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
September 14, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited California State University, Long Beach Research Foundation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of California State University, Long Beach Research Foundation's major federal programs for the year ended June 30, 2021. California State University, Long Beach Research Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of California State University, Long Beach Research Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Research 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 on compliance for each major federal program. However, our audit does not provide a legal determination of California State University, Long Beach Research Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, California State University, Long Beach Research Foundation complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of California State University, Long Beach Research Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered California State University, Long Beach Research Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Research 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. *A significant deficiency in internal control over compliance* is a deficiency, or a 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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of California State University, Long Beach Research Foundation as of and for the year ended June 30, 2021, and have issued our report thereon dated September 14, 2021 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Long Beach, California
September 14, 2021

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<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			
Agriculture and Food Research Initiative	10.310	\$ 213,508	\$ 11,880
U.S. Department of Commerce			
Sea Grant Support			
Pass Through:			
University of Southern California	11.417	22,870	-
U.S. Department of Defense			
Basic Scientific Research - U.S. Navy	12.300	460,827	21,607
Pass Through:			
University of California, Los Angeles	12.300	64,119	-
Basic, Applied, and Advanced Scientific Research - U.S. Army	12.630	487,681	-
		<u>1,012,627</u>	<u>21,607</u>
U.S. Department of Interior			
Water Conservation Field Services Program			
Pass Through:			
Metropolitan Water District of Southern California	15.530	935	-
U.S. Department of Justice			
National Institute of Justice Research, Evaluation and Development Project	16.560	219,512	64,691
U.S. Department of Transportation			
University Transportation Centers Program			
Pass Through:			
University of Southern California	20.701	414,700	-
U.S. Department of the Treasury			
Coronavirus Relief Funds			
Pass Through:			
City of Long Beach	21.019	63,384	-

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(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 Aeronautics and Space Administration			
Education			
Pass Through:			
Los Angeles Pierce College	43.008	14,810	-
National Science Foundation			
Engineering Grants	47.041	32,543	16,599
Mathematical and Physical Sciences	47.049	209,844	-
Pass Through:			
San Jose State University Research Foundation	47.049	11,443	-
Valparaiso University	47.049	18,326	-
Geosciences	47.050	306,563	-
Pass Through:			
California State University, Northridge	47.050	20,932	-
Biological Sciences	47.074	98,803	-
Social, Behavioral, and Economic Sciences	47.075	32,852	-
Education and Human Resources	47.076	414,353	26,872
Pass Through:			
California State University, Dominguez Hills	47.076	37,665	-
California State University, East Bay	47.076	30,464	-
University of Richmond	47.076	8,224	-
International Science and Engineering (OISE)	47.079	335,240	-
Pass Through:			
Harvey Mudd College	47.079	4,260	-
		<u>1,561,512</u>	<u>43,471</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(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 Energy			
Office of Science Financial Assistance Program	81.049	68,711	-
Nuclear Waste Disposal Siting			
Pass Through:			
Department of Toxic Substances	81.065	9,196	-
National Aeronautics and Space Administration	81.065	9,932	-
Nuclear Research, Development and Demonstration			
Pass Through:			
University of California, Irvine	81.121	79,626	-
		<u>167,465</u>	<u>-</u>
U. S. Department of Education			
Higher Education Institutional Aid	84.031	169,074	-
Research in Special Education			
Pass Through:			
University of Virginia	84.324	24,833	-
		<u>193,907</u>	<u>-</u>
U. S. Department of Health and Human Services			
Community Programs to Improve Minority Health Grant Program	93.137	158,217	31,246
Pass Through:			
Vietnamese American Cancer Foundation	93.137	2,571	-
National Center on Sleep Disorders Research	93.233	142,599	-
Substance Abuse and Mental Health Services			
Pass Through:			
Arizona State University	93.243	32,107	-
Drug Abuse and Addiction Research Programs	93.279	141,117	18,894
Trans-NIH Research Support	93.310	3,751,035	-
Biomedical Research and Research Training	93.859	2,364,792	1,429
Aging Research			
Pass Through:			
California State University, East Bay	93.866	4,500	-
Michigan Center for Contextual Factors in Alzheimer's Disease	93.866	11,793	-
		<u>6,608,731</u>	<u>51,569</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(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):			
Undeterminable Federal Agency			
Cal Poly Pomona - Flight Demo	99.G23732010A	71,708	64,208
USC-LTAPIMP & VTHP: RHRPAPS	99.G23732010B	231,437	223,933
HiSpeedTempMeasurMetalMeltPool	99.G23732010C	108,185	-
Interfacial Physics Propellant	99.G23732010D	107,281	-
Propulsion Research 2019	99.G227619100	8,394	-
Center for Excellence Director	99.G238520100	133,877	-
QIRC Support Palliative Care19	99.G211619300	4	-
CALPAR FEM Analysis	99.G233719100	14,611	-
Thermal In-Situ SustainblRemed	99.G246521100	9,530	-
Automation Boeing Lab	99.G236019100	(11,160)	-
HiPAS UAV	99.G244820100	9,998	-
		<u>683,865</u>	<u>288,141</u>
TOTAL RESEARCH AND DEVELOPMENT		<u>11,177,826</u>	<u>481,359</u>
OTHER PROGRAMS:			
U. S. Department of Agriculture			
Supplemental Nutrition Assistance Program			
Pass Through:			
California State University Chico Research Foundation	10.561	204,013	-
		<u>204,013</u>	<u>-</u>
U.S. Department of Commerce			
Educational Partnership Program			
Pass Through:			
University of California, Office of the President	11.481	6,474	-
		<u>6,474</u>	<u>-</u>
U.S. Department of Defense			
ROTC Language and Culture Training Grants			
Pass Through:			
Institute of International Education	12.357	(2,684)	-
		<u>436,220</u>	<u>-</u>
		<u>433,536</u>	<u>-</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(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 Housing and Urban Development			
Community Development Block Grants/Entitlement Grants			
Pass Through:			
City of Long Beach	14.218	4,762	-
U.S. Department of Justice			
Violence Against Women Formula Grants			
Pass Through:			
California Governor's Office of Emergency Services	16.588	228,847	-
U.S. Department of Transportation			
University Transportation Centers Program			
Pass Through:			
University of Southern California	20.701	323,104	-
Surface Transportation Infrastructure Discretionary Grant for Capital Investments II	20.933	63,108	-
		<u>386,212</u>	<u>-</u>
U.S. Department of the Treasury			
Coronavirus Relief Funds			
Pass Through:			
City of Long Beach	21.019	14,502	-
National Endowment for the Humanities			
Promotion of the Humanities - Fellowships and Stipends	45.160	29,908	-
National Science Foundation			
Social, Behavioral, and Economic Sciences	47.075	11,332	-
Education and Human Resources			
Pass Through:			
California State University, Sacramento-University Enterprises, Inc.	47.076	15,310	-
		<u>26,642</u>	<u>-</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(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			
Higher Educational Institutional Aid	84.031	1,430,299	-
Pass Through:			
Antelope Valley College	84.031	105,811	-
TRIO Cluster-Student Support Services	84.042	1,207,051	-
TRIO Cluster-Talent Search	84.044	1,051,450	-
TRIO Cluster-Upward Bound	84.047	875,295	-
TRIO Cluster-Educational Opportunity Center	84.066	241,686	-
Rehabilitation Services Vocational Rehabilitation Grants to States			
Pass Through:			
California Department of Rehabilitations	84.126	257,187	-
Migrant Education-High School Equivalency Program	84.141	36,498	-
Migrant Education-College Assistant Migrant Program	84.149	315,412	-
TRIO McNair Post-Baccalaureate Achievement	84.217	330,747	-
Special Education - Personnel Development	84.325	1,164,395	-
Improving Teach Quality State Grants			
Pass Through:			
University California Office of the President	84.367	32,420	-
		<u>7,048,251</u>	<u>-</u>
U.S. Department of Health and Human Services			
Foster Care - Title IV-E			
Pass Through:			
University of California, Berkeley	93.658	2,695,511	-
University of California, Los Angeles	93.658	1,154,942	-
Biomedical Research and Research Training	93.859	677	-
Grants to States for Operation of Offices of Rural Health			
Pass Through:			
California Department of Health Care Services	93.913	43,521	-
		<u>3,894,651</u>	<u>-</u>

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures	Amounts Provided to Subrecipients
OTHER PROGRAMS (CONTINUED):			
U.S. Department of Homeland Security			
Boating Safety Financial Assistance			
Pass Through:			
California Department of Parks and Recreation	97.012	23,761	-
Undeterminable Federal Agency			
CeSSA Road Conditions and Safety	99.G242320100	57,776	-
Peace Corps Recruitment	99.G242220100	16,104	-
		73,880	-
TOTAL OTHER PROGRAMS		12,375,439	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 23,553,265	\$ 481,359

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of California State University, Long Beach Research Foundation, under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of California State University, Long Beach Research Foundation, it is not intended to and does not present the net position, changes in revenue, expenses and net position, or cash flows of California State University, Long Beach Research Foundation.

NOTE 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts reflected in the Schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – Indirect Cost Rate

California State University, Long Beach Research Foundation has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**CALIFORNIA STATE UNIVERSITY,
LONG BEACH RESEARCH FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

The auditors express an unmodified opinion on whether the financial statements of California State University, Long Beach Research Foundation were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – No
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 – Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? – No
5. Identification of major programs: Higher Education Institutional Aid (CFDA 84.031), and Foster Care Title IV (CFDA 93.658)
6. Dollar threshold used to distinguish between type A and type B programs was \$750,000.
7. Auditee qualified as low-risk auditee? – Yes

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT

None

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None