

THE UNIVERSITY CORPORATION

Single Audit Reports

For the Year Ended June 30, 2005

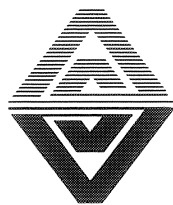
THE UNIVERSITY CORPORATION

SINGLE AUDIT REPORTS

June 30, 2005

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Chairman

ROYCE A. STUTZMAN

Partners

PETER F. GAUTREAU

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Senior Managers

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PHEBE M. McCUTCHEON

SHARI PROSSER

COLLEEN K. TAYLOR

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY
INFORMATION – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Directors
The University Corporation
18111 Nordhoff Street
Northridge, CA 91330-8272

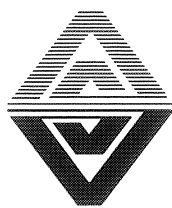
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The University Corporation (the Corporation) as of June 30, 2005, and have issued our report thereon, dated August, 25, 2005.

Our audit was made for the purpose of forming an opinion on the financial statements of the Corporation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, board of directors, management of the Corporation, and federal awarding agencies and pass-through entities and is not intended to be and should not be used for any other purpose.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP

August 25, 2005



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
The University Corporation
18111 Nordhoff Street
Northridge, CA 91330-8272

We have audited the financial statements of The University Corporation (the Corporation) (a California State University auxiliary organization) as of and for the year ended June 30, 2005 and have issued our report thereon dated August 25, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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 the 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 that are required to be reported under *Governmental Auditing Standards*.

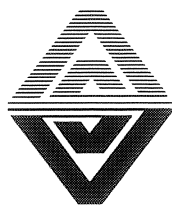
**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

This report is intended solely for the information of the audit committee, board of directors, management of the Corporation, 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.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

August 25, 2005



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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
The University Corporation
18111 Nordhoff Street
Northridge, CA 91330-8272

Compliance

We have audited the compliance of The University Corporation with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The University Corporation's major federal programs are identified in the summary of auditor's 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 Corporation's management. Our responsibility is to express an opinion on The University Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The University Corporation'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 on The University Corporation's compliance with those requirements.

In our opinion, The University Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of The University Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The University Corporation's internal control over compliance with 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 the internal control over compliance in accordance with OMB Circular A-133.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Internal Control Over Compliance (continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, board of directors, management of the Corporation, 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.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

August 25, 2005

THE UNIVERSITY CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2005

Federal Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor	Grant Award or Contract Number	Federal Expenditures
Research and Development Cluster:				
Department of Commerce:				
Global Climate Change and Coral Recruitment: The Interactive Effects of Temperature and Ontogeny	11.430	National Undersea Research Program at UNC-Wilmington	SEGM-2002-18A	\$ 1,530
Total Department of Commerce				1,530
Department of Defense:				
A Climatic Monitoring Program for San Clemente Island, California	12.300		N68711-98-LT-80061	2,737
Enhancing Instruction in Mechanical Engineering Design and Manufacturability	12.300		N00014-03-1-0167	(348)
Support for Transfer Students in Science and Engineering-Raising Interest in Science and Engineering (RISE)	12.300		N00014-99-1-0949	125,981
A Climatic Monitoring Program for San Clemente Island, California	12.300		N68711-04-LT-A0034	1,320
Ab initio, Tight-Binding and Monte Carlo Simulations of Surface Growth of Quantum Dots	12.300		N00173-03-P-0892	(1,444)
Electronic Structure and Mechanical Properties of Metals and Intermetallics	12.431		DAAD-19-00-1-0049	(2,468)
Hyperspectral and Polametric Military Target Detection Using Supervised Learning Systems	12.431		DAAD-19-03-10123	83,066
Dislocation Core and Cross Slip Properties in Metals and Intermetallics: Linking Ab Initio and Continuum	12.431		W911NF-04-1-0058	106,421
The Innovative Development of Avalanche Photodiode/ OPFET Photodetectors for Optical	12.431		W911NF-05-1-0025	69,484
Acquisition of a Parallel Beowulf Cluster for Computational Materials Research and Education	12.630		W911NF-04-1-0015	232,648
The Application of Nuetral Networks to Target Recognition and Tracking Problems	12.800		P101031	9,880
Modeling the Deformation of Engineered Nano-Layered Structures by Computer Simulation	12.800	University of California, Los Angeles	0205GDD417	42,883
Total Department of Defense				670,160
Department of Interior:				
National Wetlands Inventory Mapping Project	15.623	Ventura Public Health	PC47000000084	7,657
Enhanced Digital Wetland Mapping for Ventura County Priority Areas	15.623		10120-4-G002	35,008
Total Department of Interior				42,665
National Aeronautics and Space Administration:				
Modeling of Solar Influences on Atmospheric Dynamics	43.001	Jet Propulsion Laboratory	1246783	18,001
Study of the Power Input to the Solar Corona from Intermittent Magnetic Footprint Motions	43.001		NAG5-10880	53,530
Failure Analysis Prevention and Reliability Modeling for Sub-Micon Electronics Technology	43.001		NCC5-513	455,435
A Study of Solar Variability Using Precise Ground-Based Photometry from Full-Disk Images	43.001		NAG-12905	61,764
Total National Aeronautics and Space Administration				588,730
National Science Foundation:				
RUI: Theoretical Studies of Strongly Correlated Electron Systems	47.049		DMR-0097187	713
RUI: Surfaces and Their Horizon, Geometric Structures and Pseudogroups	47.049		DMS-0205825	36,786
RUI: Novel Transport Properties in Strongly Interacting Electron Systems	47.049		DMR-0307170	92,215
Computational Methods for the Solution of Three Dimensional Inverse Acoustic and Elastoacoustic	47.049		DMS-0406617	84,085
"PUMP: Preparing Undergraduates Through Mentoring Towards Ph.D.'s"	47.049		DMS-0502258	70,000
Supplementary Funding to Continue Development of Atlas of ODP Core Photographs	47.050	Joint Oceanographic Institute	JSC-4-08	6,096
Petrological, Geochemical and Sedimentiological Studies of Late Cenozoic Ash and Cretacepis Sedimentary	47.050	Texas A&M Research Foundation	418920-BA386	538
U.S. Science Support Program	47.050	Texas A&M Research Foundation	418929-BA386	8,831
LEG 210 USSSP Program	47.050	Texas A&M Research Foundation	418921-BA386	11,299

THE UNIVERSITY CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2005

(Continued)

Federal Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor	Grant Award or Contract Number	Federal Expenditures
Provenance and Diagenesis of Oligocene to Albian Sandstone and Grainstone Recovered During ODP Leg	47.050	Texas A&M Research Foundation	418922-BA386	4,268
Coral Reefs in Moorea, French Polynesia	47.050	University of California, Santa Barbara	AGREEMENT	117,432
RUI: (RISE) Observations and Analysis of Solar Irradiance Variations	47.050		ATM-9912132	84,656
Scaling Dynamics of Photospheric Fields and the Problem of Energy Release in the Upper Solar Atmosphere	47.050		ATM-9987305	(136)
OEDG: Mentoring Through Research: Catalyst for Success in the Geosciences	47.050		GEO-0119936	162,786
Scaling of Flow Effects on Coral Reef Primary Production	47.050		OCE-0241885	44,426
Career: Routes and Regulations of Cyanobacterial Carbon Catanolism	47.074		MCB-0093327	118,613
Long Term Coral Reef Dynamics	47.074		DEB-0343470	53,786
Meiotic Silencing by Unpaired DNA	47.074		MCB-0533093	1,864
US-China Workshop: Strategic Management of Technology and Innovation	47.075		INT-224602	8,449
Integrative Approaches - CRI: African American and Latina/o Adolescents' Perceptions of and Responses to Racial Discrimination	47.075		BCS-0126610	106,186
Multinational Corporation Research Investment in China	47.075		BCS-0214042	23,599
A U.S. Brazil Collaboration for Research Experiences in Mathematics	47.075		INT-0306998	34,155
RUI: Scaling Relations and the Intrinsic Dynamics of Cognitive Performance	47.075		BCS-0446813	7,091
Core-Plus Mathematics Revision Project	47.076	Western Michigan University	25-7002520	88,212
Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring	47.076		HRD-0003108	(601)
FERMAT - Fellows Engaged as Resources in Mathematics to Assist Teachers	47.076		BGE-0440547	122
Total National Science Foundation				<u>1,165,471</u>
Department of Energy:				
Electronic Structure and Optical Properties of Point Defects in KH2P04 (KDP)	81.049	Lawrence Livermore National Laboratory	B529380	(47)
Electronic Structure of Defect Reactions in KDP	81.049	Lawrence Livermore National Laboratory	B529194	31,817
An Initio Molecular Dynamics Calculation of Transient Behavior of Defects in KH2P04 Following Laser Irradiation	81.049	Lawrence Livermore National Laboratory	B549589	6,194
US-Slovenia Mathematics Research on Some Varieties Defined	81.049		INT-0222145	5,138
Theoretical Research in Intermediate Energy Nuclear Physics	81.049		DE-FG02-87ER40347	76,482
Total Department of Energy				<u>119,584</u>
United States Institute of Peace:				
Shi'ite Thought in Contemporary Iran	91.002		SG-036-02F	<u>17,160</u>
Total United States Institute of Peace				<u>17,160</u>
Department of Health and Human Services:				
Center for Psychological Study in Urban Diversity	93.242		1R24MH067851-01	16,816
Center for Psychological Study in Urban Diversity	93.242		5R24MH067851-02	113,200
Center for Psychological Study in Urban Diversity	93.242		1R24MH067851-02	147,751
MBRS SCORE Program at California State University Northridge	93.375*		3S06GM48680-09S2	2,053
MBRS SCORE Program at California State University Northridge	93.375*		5S06GM48680-09	(5,902)
MBRS SCORE Program at California State University Northridge	93.375*		5S06GM48680-10	347,157
MBRS SCORE Program at California State University Northridge	93.375*		5S06GM048680-11	1,141,515

THE UNIVERSITY CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2005

(Continued)

Federal Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor	Grant Award or Contract Number	Federal Expenditures
High Fat Diet Alterations in Muscle Insulin Signaling	93.847		2R15DK057625-02	20,212
California Geriatrics Education Center Mental/Behavioral Health Supplement	93.969	University of California, Los Angeles	1558 G FB376	8,817
Total Department of Health and Human Services				<u>1,791,619</u>
National Library of Medicine:				
NLM Databases Across Curriculum at a University	99.UKWN		467-MZ-401660	<u>4,585</u>
Total National Library of Medicine				<u>4,585</u>
Total Research and Development Cluster				<u>4,401,504</u>
Department of Defense:				
Third International Workshop on Electron Correlations and Materials Properties	12.431		W911NF-04-1-0055	<u>22,110</u>
Total Department of Defense				<u>22,110</u>
Department of Housing and Urban Development:				
Growing Opportunities Project	14.514		HSIAC-02-CA-26	<u>324,492</u>
Total Department of Housing and Urban Development				<u>324,492</u>
Department of Justice:				
Valley Trauma Center	16.575	Office of Criminal Justice Planning	RC013171253	91,218
Valley Trauma Center	16.575	Office of Emergency Services	RC04181253	309,774
Valley Trauma Center	16.575	Office of Emergency Services	RC05	2,003
Northwestern Los Angeles County Rape Crisis Center	16.588	Office of Criminal Justice Planning	RC03061253	28,767
Valley Trauma Center/SART	16.588	Office of Criminal Justice Planning	SA03061253	39,318
Northwestern Los Angeles County Rape Crisis Center	16.588	Office of Emergency Services	RC04071253	155,720
Valley Trauma Center/SART	16.588	Office of Emergency Services	SA04071253	44,245
Northwestern Los Angeles County Rape Crisis Center	16.588	Office of Emergency Services	RC05	887
Total Department of Justice				<u>671,932</u>
National Aeronautics and Space Administration:				
Analyzing Data Sets	43.001		NCC5-489	<u>206,353</u>
Total National Aeronautics and Space Administration				<u>206,353</u>
National Science Foundation:				
Engineering/Technology Consortium Project for the Los Angeles Area	47.041	American River College	1020153	116,257
CSU Louis Stokes Alliance for Minority Participation Phase III	47.076	CSU Sacramento Foundation	LS-AMP MOU	116,952
Computer Science, Engineering and Mathematics Scholarship (CSMES) Program	47.076		DUE-9087262	(390)
Total National Science Foundation				<u>232,819</u>
Small Business Administration:				
Small Business Development Center	59.037		3-603001-Z-0062-01	1,626,434
Small Business Development Center	59.037		3-603001-Z-0062-01A-(111,544
Small Business Development Center	59.037		5-603001-Z-0062-03	858,308
Total Small Business Administration				<u>2,596,286</u>
Department of Education:				
2003/2004 Family Focus Resource Center-Family Empowerment Act	84.027	CA Department of Education	02-4301-3063-02	185
2004/2005 Family Focus Resource Center-Family Empowerment Act	84.027	CA Department of Education	03-4301-3063-02	162,272
Family Focus Resource Center - Family Empowerment Act	84.027	CA Department of Education	04-4301-3063-00	49,595
Improving Student Outcome Through Cooperative Efforts	84.031	Glendale Community College	R46841, MB-1001-003	283,236
Strengthening Institutions - Hispanic Serving Institutions	84.031		P031S20022-03	56,629
Strengthening Institutions - Hispanic Serving Institutions	84.031		P031S20022-04	218,541

THE UNIVERSITY CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2005

(Continued)

Federal Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor	Grant Award or Contract Number	Federal Expenditures
North American Mobility Program	84.116	University of Texas at Dallas	SC-01-04	1,746
North American Mobility in Higher Education	84.116		P116N020013-03	50,942
Directed Grants	84.116		P116Z030039	154,668
Work Ability IV Employment Project	84.126	Department of Rehabilitation	24182 (24181 Match)	5,162
Work Ability IV Employment Project	84.126	Department of Rehabilitation	24494	209,785
Family Focus Resource Center	84.181	Northern LA County Regional Center	AGREEMENT	74,762
Family Focus Resource Center, Antelope Valley	84.181		AGREEMENT	53,626
Teachers and Personnel Grants	81.195		T195A010065-03	108,545
Los Angeles Super-Funded Science Leader Initiative at California State University, Northridge	84.281	CA Postsecondary Education Commission	AGREEMENT	87,835
Sustainability and Dissemination in the Development of Teacher/Student Researchers	84.281	CA Postsecondary Education Commission	AGREEMENT	66,487
Special Education Literacy Library	84.323	West End Special Education Local Plan	AGREEMENT	1,208
Validation of Evidenced-Based Assessment Strategies to Promote Achievement in Children	84.324*	Oregon Health and Science University	GCDRC0126AB	16,538
Regional Centers on Postsecondary Education for Individuals Who Are Deaf	84.324*		H324A01001-05	589
Outreach Projects for Children with Disabilities	84.324*		H324R000098-02	43,825
Directed Model Research	84.324*		H324T990025-02	86,381
Regional Centers on Postsecondary Education for Individuals Who Are Deaf	84.324*		H324A010001-03	33,962
Regional Centers on Postsecondary Education for Individuals Who Are Deaf	84.324*		H324A01001-04	1,411,491
Statewide Collaborative Distance Learning for Early Interventionists	84.325	CSU Sacramento Foundation	503004B	2,136
Statewide Collaborative Distance Learning for Early Interventionists	84.325	CSU Sacramento Foundation	503005B	15,129
Professional Development - National Significance	84.325		H325N000055-02	80,322
Minority Institutions	84.325		H325E010055-03	40,913
SMART: Support Through Mentoring, Assistance and Resources for Teachers	84.325		H325E000031-03	70,874
Low Incidence	84.325		H325A000065-03	10,310
Supporting Our Students (SOS)	84.325		H325A000065-04	150,664
Minority Institutions	84.325		H325E010055-04	86,396
Disabilities	84.333		P333A020028-03	65,995
Disabilities	84.333		P333A020028-04	202,294
Gear-Up	84.334		P334A990071-03	472,308
Gear-Up	84.334		P334A990071-04	1,553,990
Gear-Up Project STEPS	84.334		500079	40,663
Teacher Quality Enhancement Grants	84.336*		P336B000021-04	17,584
Teacher Quality Enhancement Grants	84.336*		P336B000021-03	130,201
Transition to Teaching Program - Local	84.350		S350A020022-03	116,378
Transition to Teaching Program - Local	84.350		S350A020022-04	230,195
Total Department of Education				<u>6,464,362</u>
Department of Health and Human Services:				
Promoting HS Minority Advancement in the Social Sciences	93.242		1R25MH070369-01	40,375
Center for Psychological Study in Urban Diversity	93.242		3R24MH06785-02S1	5,962
Facilitating Minority Advancement in the Social Sciences	93.282		5T34MH20023-04	290,107
Facilitating Minority Advancement in the Social Sciences	93.282		5T34MH20023-03	1,104
MBRS Development and Enhancement at California State University Northridge	93.375*		5R25GM063787-03	126,826
MBRS SCORE Program at California State University Northridge	93.375*		5S06GM48680-10	9,314
MBRS SCORE Program at California State University Northridge	93.375*		3S06GM048680-10S1	37,882
MBRS SCORE Program at California State University Northridge	93.375*		49350	12,531
MBRS SCORE Program at California State University Northridge	93.375*		5S06GM048680-11	580,730
MBRS Development and Enhancement at California State University Northridge	93.375*		5R25GM063787-04	462,218

THE UNIVERSITY CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2005

(Continued)

Federal Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor	Grant Award or Contract Number	Federal Expenditures
Community Family Preservation Network Program	93.556	LA Department of Children and Family Services	CONTRACT	300,505
Child Abuse and Neglect Prevention, Intervention and Treatment Program Services	93.556	LA Department of Children and Family Services	AB 1733/AB 2994	45,127
Alternative Response Services	93.556	LA Department of Children and Family Services	AGREEMENT	19,853
Head Start Partnerships with Hispanic Serving Institutions of Higher Education	93.600		90YP0006/04	63,996
California State University Northridge Bridges to the Doctorate	93.859		5R25GM602019-03	156,715
The American Society for Cell Biology Minority Affairs Committee Linkage Program	93.880		AGREEMENT	6,064
MARC U*STAR	93.880		5T34GM008395-14	22,090
MARC U*STAR	93.880		5T34GM008395-14	375,547
Occupational Safety and Ergonomics Training and Intervention Program for the Maquilladora Industry	93.934	University of California, Los Angeles	1930 G DB111	14,044
California State University Northridge Bridges to the Doctorate	93.960		2R25GM062019-02	60,406
Total Department of Health and Human Services				<u>2,631,396</u>
Corporation for National and Community Service:				
Jumpstart for Young Children	94.003	Jumpstart	JS-SITE # 22	42,092
Students Helping in the Naturalization of Elders (SHINE)	94.005	Temple University	31-1894-321	14,701
Project SHINE - Metlife Health Literacy Initiative	94.005	Temple University	27-2462-742	6,466
University/Community Partnership to Reduce Gang Activity	94.005		03LHHCA005	97,334
Urban Education Service Corps - Los Angeles	94.006	Council Great City Schools	01ADNC009	39,042
Institutionalizing Community Service Learning in the California State University, Building a Strong Foundation	94.006	Trustees at California State University	G001037 & G001792	56
Realizing the Civic Mission of Education in the California State University	94.006	Trustees at California State University	31113	16,491
California's Promise Americorps Program	94.006	Sonoma State University	AGREEMENT	9,562
Total Corporation for National and Community Service				<u>225,744</u>
Department of Commerce (Corporation for Public Broadcasting):				
National Program Production and Acquisition Grant	11.999		CGS LEVEL 7	4,647
Radio Community Service Grant	11.999		CGS LEVEL 7	53,922
Total Department of Commerce				<u>58,569</u>
Total expenditures of federal awards				<u>\$ 17,835,567</u>
* Denotes a major federal award program				
Reconciliation to basic financial statements:				
Total expenditures of federal awards				\$ 17,835,567
Reclassification of preliminary grant figures				(529,069)
Amount reported as federal grants and contracts on the basic financial statements				<u>\$ 17,306,498</u>

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

THE UNIVERSITY CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

For the Year Ended June 30, 2005

NOTE 1 – GENERAL:

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of The University Corporation (the Corporation) (a California State University Auxiliary Organization). The Schedule includes federal award programs of The University Corporation received directly from federal agencies as well as federal awards passed through other agencies. The Corporation's reporting entity is defined in Note 1 to the Corporation's financial statements.

NOTE 2 – BASIS OF ACCOUNTING:

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting which is described in Note 2 of The University Corporation's financial statements.

NOTE 3 – RELATIONSHIP TO CONSOLIDATED FINANCIAL STATEMENTS
AND FEDERAL FINANCIAL REPORTS:

Information reported in the accompanying schedule of expenditures of federal awards agrees with the amounts reported in both the financial statements and related federal financial reports for the major federal programs.

NOTE 4 – AMOUNTS PROVIDED TO SUBRECIPIENTS:

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the Corporation provided federal awards to subrecipients as noted on the following page.

THE UNIVERSITY CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

For the Year Ended June 30, 2005

NOTE 4 – AMOUNTS PROVIDED TO SUBRECIPIENTS: (continued)

CFDA	Federal Grantor	Program Title	Amount
43.001	National Aeronautics and Space Administration	Study of the Solar Input to the Solar Corona from Intermittent Magnetic Footprint Motions	\$ 24,180
47.049	National Science Foundation	RUI: Novel Transport Properties in Strongly Interacting Electron Systems	19,101
47.049	Computational Methods for the Solution of Three Dimensional Inverse Acoustic & Elastoacoustic	National Science Fund	17,757
59.037	Small Business Administration	Small Business Development Center	2,313,331
84.031	Improving Student Outcome through Cooperative Efforts	Glendale Community Colleges	179,934
84.116	Department of Education	North American Mobility in Higher Education	11,511
84.126	Work Ability IV Employment Project	Department of Rehabilitation	69
84.324	Department of Education	Regional Centers on Postsecondary Education For Individuals who are Deaf	410,146
84.325	Department of Education	Professional Development – National Significance	20,308
84.334	Department of Education	Gear-up Program	218,074
93.242	National Institute of Health	Center for Psychological Study in Urban Diversity	6,500
93.556	Department of Health and Human Services	Community Family Preservation Network Program	86,592
93.556	Department of Health and Human Services	Child Abuse and Neglect Prevention, Intervention and Treatment Program Services	964
93.934	Occupational Safety & Ergonomics Training & Intervention Program for the Maquilladora Industry	University of California Los Angeles	(929)
94.005	Corporation for National Community Services	University/Community Partnership to Reduce Gang Activity	8,084

THE UNIVERSITY CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR RESULTS
June 30, 2005

SECTION I:

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Reporting condition(s) identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Reporting condition(s) identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with Circular A-133, Section .510(a)?

<u> </u> Yes	<u> X </u> No
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Identification of programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.375	MBRS Score - Research and Development Cluster
93.375	MBRS Score - Support for Continuous Research Excellence
84.324	Department of Education – Oregon Health and Science University – Research in Special Education
84.336	Department of Education – Teacher Quality Enhancement Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$535,067

Auditee qualified as low-risk auditee? X Yes No

THE UNIVERSITY CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

SECTION II:

There were no findings related to the financial statements for the fiscal year ended June 30, 2005.

SECTION III:

There were no findings related to federal awards for the fiscal year ended June 30, 2005.

THE UNIVERSITY CORPORATION

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

Original Finding No.	Finding	CFDA No.	Recommendation	Current Status
2004-01	<p>Small Business Development Center</p> <p>While performing compliance testwork, it was noted that The University Corporation does not have policies and procedures to ensure that the Corporation and its subrecipients are in compliance with the matching requirement.</p>	59.037	<p>We recommend that The University Corporation and California State University implement policies and procedures to ensure proper monitoring of matching in accordance with grant agreements. We further recommend that matching funds are tracked and reported in accordance with such grant agreements.</p>	Corrected
2004-02	<p>Gaining Early Awareness and Readiness for Undergraduate Programs</p> <p>While performing compliance test work, it was noted that The University Corporation does not have a formal procedure for maintaining single audit reports from those subrecipients required to have one performed.</p> <p>A similar situation was included in the 2003 Single Audit Report as Finding No. 03-02.</p>	84.334	<p>We recommend that The University Corporation implement a procedure to obtain single audit reports for those subrecipients required to have one performed. This will help ensure that subrecipients are properly monitored to ensure compliance with federal requirements.</p>	Corrected

THE UNIVERSITY CORPORATION
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

(Continued)

Original Finding No.	Finding	CFDA No.	Recommendation	Current Status
2004-03	Small Business Development Center While performing compliance test work, it was noted that The University Corporation does not have a formal procedure for maintaining single audit reports from those subrecipients required to have one performed. Additionally, The University Corporation did not perform site visits of the subrecipients to ensure compliance with federal requirements.	59.037	We recommend that The University Corporation implement procedures to ensure effective monitoring of subrecipients in accordance with compliance requirements, such as: obtaining single audit reports for those subrecipients required to have one performed and performing site visits throughout the year of all subrecipients. This will help ensure that subrecipients are properly monitored to ensure compliance with federal requirements.	Corrected