

**GRAMBLING STATE UNIVERSITY**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 23 2012

***Sean M. Bruno***  
**Certified Public Accountants**

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**Sean M. Bruno**  
**Certified Public Accountants**

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Member  
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**INDEPENDENT AUDITOR'S REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Dr. Frank G. Pogue, President  
Grambling State University  
Grambling, Louisiana 71245

I have audited the accompanying Schedule of Expenditures of Federal Awards of Grambling State University (the University) for the year ended June 30, 2011. The Schedule of Expenditures of Federal Awards is the responsibility of the management of the University. My responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on my audit. The accompanying Schedule of Expenditures of Federal Awards is not a part of the University's component unit financial statements for the year ended June 30, 2011. The component unit financial statements which are included as a component unit of the financial statements of the University of Louisiana System were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of this report issuance date.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Those standards and the provisions of OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Expenditures of Federal Awards are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Expenditures of Federal Awards. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Expenditures of Federal Awards. I believe that my audit provides a reasonable basis for my opinion.

**INDEPENDENT AUDITOR'S REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(CONTINUED)**

Dr. Frank G. Pogue, President  
Grambling State University  
Grambling, Louisiana 71245  
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In my opinion, the accompanying Schedule of Expenditures of Federal Awards of Grambling State University presents fairly, in all material respects, the expenditures of federal awards for the year ended June 30, 2011 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 30, 2011 on my consideration of the University's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of my audit.

My audit was performed for the purpose of forming an opinion on the Schedule of Expenditures of Federal Awards taken as a whole. The supplementary data included in this report is presented for the purpose of additional analysis and is not a required part of the Schedule of Expenditures of Federal Awards. Such information has been subjected to the auditing procedures applied in the audit of the Schedule of Expenditures of Federal Awards and, in my opinion is fairly stated in all material respects in relation to the Schedule of Expenditures of Federal Awards taken as a whole.



SEAN M. BRUNO  
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2011

***Sean M. Bruno***  
**Certified Public Accountants**

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<b><u>U.S. Department of Defense</u></b>			
<i>Research and Development</i>			
<i>Awards from a Pass-Through Entity:</i>			
Through: <u>Clarkson Aerospace Corp</u> Airforce Defense Research Sciences Program	12.800	050-1912	\$ <u>167,079</u>
<b>Total U.S. Department of Defense</b>			<u>167,079</u>
<b><u>U.S. Department of Justice</u></b>			
<i>Direct Awards</i>			
Congressionally Recommended Awards	16.753	N/A	<u>133,073</u>
<b>Total U.S. Department of Justice</b>			<u>133,073</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>National Aeronautics and Space Administration</u>			
<i>Research and Development</i>			
<i>Direct Awards:</i>			
Minority University Research and Education Program	43.Unknown	N/A	\$ <u>109,056</u>
Total National Aeronautics and Space Administrations			
<u>National Science Foundation</u>			
<i>Research and Development</i>			
<i>Direct Awards</i>			
Education and Human Resources	47.076	N/A	632,709
<i>Awards From a Pass-Through Entity</i>			
Through: <u>University of Alabama-Birmingham</u>			
Education and Human Resources	47.076	ESI-0353440	<u>246,312</u>
Total National Science Foundation			
			<u>879,021</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Small Business Administration</u>			
<i>Research and Development</i>			
<i>Direct Awards</i>	59.Unknown	N/A	\$ <u>193,224</u>
			<u>193,224</u>
<b>Total U.S. Small Business Administration</b>			
<u>U.S. Department of Energy</u>			
<i>Research and Development</i>			
<i>Direct Awards</i>	81.089	N/A	<u>24,443</u>
Fossil Energy Research and Development			<u>24,443</u>
<b>Total U.S. Department of Energy</b>			

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Department of Education</u>			
<i>Direct Awards</i>			
Higher Education - Institutional Aid	84.031	N/A	\$ 5,625,852
TRIO-Student Support Services	84.042	N/A	398,066
Expanding and Strengthening the MSN Program	84.382G	N/A	383,660
<u>Student Financial Assistance Cluster</u>			
<i>Direct Awards</i>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	550,143
Federal Work-Study Program	84.033	N/A	932,352
Federal PELL Grant Program	84.063	N/A	16,627,551
Academic Competitiveness Grants	84.375	N/A	259,139
National Science and Mathematics Access to Retain Talent Grants	84.376	N/A	120,862
Teacher Education Assistance for College and Higher Education Grants	84.379	N/A	<u>61,799</u>
<b>Subtotal - Student Financial Assistance Cluster</b>			<u>18,551,846</u>
<b>Total U.S. Department of Education</b>			<u>24,959,424</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA OR OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Research and Development</i>			
<i>Direct Awards</i>			
Biomedical Research and Research Training	93.859	N/A	\$ 547,662
<i>Awards from a Pass-Through Entity</i>			
Through: <u>Center for Health Training</u> HIV Prevention Programs for Women	93.015	942289908	6,808
Through: <u>Morehouse School of Medicine</u> Substance Abuse and Mental Health Services Project of Regional and National Significance	93.243	TI-17165	2,378
Through: <u>McHarry Medical School</u> Substance Abuse and Mental Health Services Project of Regional and National Significance	93.243	D34HP16299	3,463
<b>Total U.S. Department of Health and Human Services</b>			<u>560,311</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 27,025,631</u>

The accompanying notes are an integral part of this Schedule.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**NOTE 1 - GENERAL:**

**Grambling State University (the University)** located in Grambling, Louisiana is an institution of higher education founded in 1901.

**The University** is a multi-purpose state supported co-education institution with degree-granting academic units which include the following:

- College of Business;
- College of Education;
- School of Social Work;
- School of Nursing;
- College of Science Technology; and
- College of Liberal Arts.

As defined by Government Accounting Standards Board Statement Number 14, **the University** is a component unit of the State of Louisiana (the Financial Reporting Entity) within the executive branch of government and is governed by the Board of Supervisors for the University of Louisiana System.

**The University** has an enrollment of approximately 4,994 students and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.

**Grambling State University** is the recipient of various Federal grants, subgrants and awards from the U.S. Department of Education, the U.S. Department of Health and Human Services, the State of Louisiana and other agencies to assist in achieving a higher level of learning for its student body. Total direct federal and federal awards passed through other agencies amounted to more than \$27,025,631 for the fiscal year July 1, 2010 through June 30, 2011. Included in this amount is funding for the Student Financial Aid Program Cluster which totaled \$18,551,846.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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**NOTE 1 - GENERAL, CONTINUED:**

**Student Financial Aid**

**Grambling State University** was approved during January 1959 by the then Office of Education for participation in the Student Financial Aid Programs. These programs include the Federal Nursing Student Loan Program, Federal Work Study Program (FWS), Federal Supplemental Education Opportunity Grant Program (FSEOG), Federal PELL Grant and the Federal Direct Student Loan Program (FFEL). Listed below is a brief description of the Student Aid Programs administered by the University.

o **Nursing Student Loan Program (NSL)**

The University entered into an agreement with the U.S. Department of Health and Human Services to establish a Nursing Student Loan Program. The records of the institution indicate that loans aggregating \$364,849 have been made to students. The University's participation in the Nursing Student Loan Program was terminated due to the high default rate.

o **Federal Work-Study Program (FWS)**

The University established the FWS Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2011, federal expenditures totaled \$932,352, of which \$49,691 was for administrative costs and \$882,661 for wages.

The University elected and received approval from the U.S. Department of Education to waive the institutional matching requirement for the Federal Work Study program's approved funding level for the fiscal year ended June 30, 2011. The University was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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**NOTE 1 - GENERAL, CONTINUED:**

o **FSEOG Program**

The FSEOG Program was established at the University in 1965 under Title IV, Part A of the Higher Education Act of 1965, as amended. During the year ended June 30, 2011, federal expenditures totaled \$550,143, of which \$26,197 was for administrative costs and \$523,946 for direct awards to students. The University received approval from the U.S. Department of Education to waive the institutional matching requirement for the FSEOG program.

o **Federal PELL Grant Program**

The Institution entered into an agreement with the Office of Education to participate in the Federal PELL Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post secondary education. During the year \$16,627,551 was expended for Federal PELL Grant awards to full-time and part-time students. The University received an administrative cost reimbursement of \$18,560.

o **Federal Direct Student Loan Program**

The Federal Direct Student Loan Program enables eligible undergraduate students to borrow directly from the federal government. During the current year, approximately \$44,889,222 was disbursed to students under the Federal Direct Student Loan Program. The Federal Family Education Loan Program's Cohort default rate is 14.5 percent.

The Student Financial Aid programs are administered by the University's Financial Aid Department. All accounting for the Student Financial Aid programs is performed by the University's Accounting Department. Accounting is under the control of the Vice-President for Finance, and Financial Aid reports to the Vice-President for Enrollment Management and Academic Services.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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**NOTE 2 - BASIS OF PRESENTATION AND ACCOUNTING:**

The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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.

The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of those activities of **Grambling State University** for the year ended June 30, 2011 which have been financed principally by the U. S. Government (federal awards). For purposes of the Schedule, federal awards include all Federal assistance and procurement relationships entered into directly between the University and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in net assets or the current fund's revenues, expenditures, and other changes of the University.

The Schedule of Expenditures of Federal Awards is presented on the modified accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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**NOTE 3 - PROGRAM ORGANIZATION AND FINANCING-**  
**(NURSING STUDENT LOAN PROGRAMS):**

The Nursing Student Loan Program is operated by the University under an agreement with the Department of Health and Human Services. The accounts of the program are included among the Loan Funds of the University.

The University did not make any loans to students for the year ended June 30, 2011.

The program was financed by contributions from the U.S. Department of Health and Human Services, which were matched, at a ratio of one-to-nine by contributions from the University. However, during the year ended June 30, 1997, the University was notified by the Department of Health and Human Services that the program was terminated due to the high default rate. The contributions made to the program, repayments to the federal government and loans receivables are as follows:

Analysis of Nursing Student Loan Contributions

<u>Funding Source</u>	<u>Period from Inception to June 30, 2011</u>	<u>For the Year Ended June 30, 2011</u>
Federal	\$ 318,176	\$ -0-
University	<u>35,353</u>	<u>-0-</u>
Total	\$ <u>353,529</u>	\$ <u>-0-</u>

Analysis of Repayments

Funding Source

Federal	\$ 292,580	\$ -0-
University	<u>7,835</u>	<u>-0-</u>
Total	\$ <u>300,415</u>	\$ <u>-0-</u>

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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**NOTE 3 - PROGRAM ORGANIZATION AND FINANCING-  
(NURSING STUDENT LOAN PROGRAMS), CONTINUED:**

**Analysis of Nursing Student Loan Receivable**

	<u>Period from Inception to June 30, 2011</u>	<u>For the Year Ended June 30, 2011</u>
Balance, beginning of period/year	\$ -0-	\$ 1,123
Funds advanced/adjustments	<u>364,849</u>	<u>-0-</u>
 Total	 <u>364,849</u>	 <u>1,123</u>
Less: Collections	261,337	-0-
Adjustments	24	-0-
Cancellations	2,128	-0-
Allowance for bad debts	<u>100,237</u>	<u>-0-</u>
 <u>Total credits</u>	 <u>363,726</u>	 <u>-0-</u>
 Balance, June 30, 2011	 <u>\$ 1,123</u>	 <u>\$ 1,123</u>

**NOTE 4 - DEPARTMENT OF EDUCATION LOAN:**

The University of Louisiana System Board of Trustees has signed a loan agreement, on behalf of the University, with the U.S. Secretary of Education in the amount of \$3,500,000. These funds are to be used for financing the construction of four new dormitories pursuant to Title IV of the Housing Act of 1950. The loan shall bear interest at the rate of 3% per annum on the unpaid balance. The principal and interest shall be payable in semi-annual installments of \$88,877 over a term of 30 years.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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**NOTE 4 - DEPARTMENT OF EDUCATION LOAN, CONTINUED:**

As of June 30, 2011, the outstanding loan balance totaled \$1,841,497. Principal and interest payments totaling \$177,754 were made during the year. This balance is disclosed in the Schedule of Disclosures for Federally Assisted Loans.

**NOTE 5 - SUPPLEMENTARY FINANCIAL INFORMATION:**

The Schedule of Disclosures for Federally Assisted Loans summarizes the amount of loans made or disbursed during the year for the Federal Direct Student Loan Program, College Housing Facilities Loans, the Nursing Student Loan Programs and the U.S. Department of Education.

The Schedule of Fixed Price Contracts summarizes the total amount of revenues received under fixed-price contracts.

The Schedule of Secondary Sub-recipients of Major Federal Programs represents disbursements of major program funds to non-state of Louisiana sub-recipients.

The Schedule of State Agency/University Sub-recipients of Federal programs represents disbursements of federal funds to State of Louisiana agencies.

The Schedule of Inter-Agency Expenditures of Federal Awards summarizes federal expenditures financed by the State of Louisiana with funds received from the federal government.

**GRAMBLING STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

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**NOTE 6 - CONTINGENCIES:**

**Participation in Grant Programs**

**The University administers and participates in certain federal and state programs as disclosed in the Schedule of Expenditures of Federal Awards. In connection with the administration and operations of these grants, the University is to expend grant funds and allocations in accordance with program guidelines and regulations. However, should the University have operated/administered the programs and/or grants in a manner which would be in non-compliance with the guidelines and regulations, the University may be required by the funding sources to repay some portion or all of the grant award.**

**NOTE 7 - MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS:**

**Grambling State University's major federal financial assistance programs for the year ended June 30, 2011 were determined based on federal expenditures incurred by the University during the year. Such programs are the Student Financial Assistance Cluster, the TRIO-Student Support Services, Research and Development Cluster, and State Fiscal Stabilization Fund-Education State Grants, American Reinvestment & Recovery Act.**

**SUPPLEMENTARY DATA**

**SCHEDULE I**

**GRAMBLING STATE UNIVERSITY  
 SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS  
 FOR THE YEAR ENDED JUNE 30, 2011**

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<u>Program Name/Title</u>	<u>Federal CFDA NO.</u>	<u>Loans Made or Disbursed During Year</u>	<u>Outstanding Loan Balance</u>	<u>Principal and Interest Cancelled</u>
Federal Direct Student Loan Program	84.268	<u>\$44,889,222</u>	N/A	N/A
Perkins Loan Program	84.038	<u>\$ -0-</u>	<u>\$ -0-</u>	N/A
Nursing Student Loan Program	93.364	<u>\$ -0-</u>	<u>\$ 1,123</u>	N/A
College Housing and Other Facilities Loans	84.142	N/A	<u>\$ -0-</u>	N/A
U.S. Department of Education - Housing Act of 1950	N/A	N/A	<u>\$ 1,841,497</u>	N/A

See the Independent Auditor's Report on Supplementary Information.

**SCHEDULE II**

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF FIXED PRICE CONTRACTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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<u>Program Name</u>	<u>CFDA No.</u>	<u>Grantor</u>	<u>Period</u>	<u>Revenues</u>
(1)	(1)	(1)	(1)	(1)

- (1) Grambling State University did not receive any revenues under the terms of fixed-priced contracts during the year ended June 30, 2011.

See the Independent Auditor's Report on Supplementary Information.

**SCHEDULE III**

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF SECONDARY SUB-RECIPIENTS  
OF MAJOR FEDERAL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2011**

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<u>Federal Grantor</u>	<u>CFDA or Other Number</u>	<u>Program Name</u>	<u>Activity</u>	<u>Secondary Sub-recipient</u>
(1)	(1)	(1)	(1)	(1)

- (1) Grambling State University did not disburse any funds to secondary sub-recipients of major federal programs during the year ended June 30, 2011.

See the Independent Auditor's Report on Supplementary Information.

**SCHEDULE IV**

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF STATE AGENCY/UNIVERSITY SUB-RECIPIENTS  
FOR FEDERAL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2011**

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<u>Federal Grantor</u>	<u>CFDA or Other Number</u>	<u>Program Name</u>	<u>Activity</u>	<u>Secondary Sub-recipient</u>
U.S. Department of Energy	81.089	Fossil Energy Research and Development	\$ 15,480	Louisiana Tech
National Aeronautics and Space Administration	43.unknown	CIPAIR Curriculum Improvement	<u>4,620</u>	Southern University at Shreveport
	<b>Total</b>		<b>\$ <u>20,100</u></b>	

See the Independent Auditor's Report on Supplementary Information.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF INTER-AGENCY EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
<b>U.S. Department of Defense-</b>				
Basic and Applied Scientific Research	12.300		Louisiana State University	\$ 27,292
Basic and Applied Scientific Research	12.300		Louisiana Tech University	9,093
<b>U.S. Department of Labor-</b>				
Workforce Investment Act/Youth Activities	17.259		Coordinating and Development Co.	147,291
<b>National Aeronautics and Space Administration-</b>				
Aeronautics	43.001		Louisiana Tech University	16,900
<b>National Science Foundation-</b>				
Mathematical and Physical Sciences	47.049		Louisiana Tech University	8,903
Mathematical and Physical Sciences	47.049		Louisiana Board of Regents	697
Mathematical and Physical Sciences	47.049		Louisiana State University	2,500
Education and Human Resources	47.076		Louisiana Board of Regents	100,174
<b>U.S. Department of Energy</b>				
Office of Science Financial Assistance Program	81.049		Louisiana State University	16,372

See the Independent Auditor's Report on Supplementary Information.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF INTER-AGENCY EXPENDITURES OF FEDERAL AWARDS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR/ PROGRAM NAME	FEDERAL		PRIMARY STATE AGENCY	CURRENT YEAR EXPENDITURES
	CFDA OR OTHER NUMBER			
<b>U.S. Department of Education</b>				
Safe and Drug Free Schools	84.186		Louisiana Public Health Institute	\$ 1,496
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		Louisiana Board of Regents	32,139
Teacher Quality Partnership Grants	84.336		Louisiana Board of Regents	29,463
State Fiscal Stabilization Fund - Education				
State Grants Recovery Act - ARRA Funds	84.394		University of Louisiana System	6,498,928
Louisiana Board of Regents	84.unknown		Louisiana Board of Regents	1,353
<b>U.S. Department of Health and Human Services</b>				
Foster Care Title IV-E	93.658		Louisiana Board of Regents	6,999
Foster Care Title IV-E	93.658		Louisiana Dept. of Social Services	18,000
Foster Care Title IV-E	93.658		Northwestern State University	146,571
Foster Care Title IV-E	93.658		Louisiana State University	2,622
<b>Corporation for National and Community Service</b>				
Learn and Serve America	94.005		University of Louisiana System	<u>2,593</u>
<b>Total</b>				<b>\$ 7,069,386</b>

See the Independent Auditor's Report on Supplementary Information.

**Sean M. Bruno**  
**Certified Public Accountants**

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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**Dr. Frank G. Pogue, President**  
**Grambling State University**  
**Grambling, Louisiana 71245**

I have audited the Schedule of Expenditures of Federal Awards of Grambling State University (the University) as of and for the year ended June 30, 2011, and have issued my report thereon dated December 30, 2011. I conducted my 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. The component unit financial statements which are included as a component unit of the financial statements of the University of Louisiana System were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of this report issuance date.

**Internal Control Over Financial Reporting**

In planning and performing my audit, except for the functions performed at the University's Service Bureau in connection with processing transactions for the NDSL/Perkins program and Nursing Student Loan Program, I considered the University's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the Schedule of Expenditures of Federal Awards, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the University's internal control over financial reporting.

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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**(CONTINUED)**

**Internal Control Over Financial Reporting, Continued**

For the information system internal control categories at the Service Bureau, another accountant performed procedures to obtain reasonable assurance about whether (1) the description of controls related to the System III Loan Servicing System application of Campus Partners' present fairly, in all material respects, the aspects of Campus Partners' controls that may be relevant to a user organization's internal control structure as it relates to an audit of the financial statements, (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily, and (3) such controls had been placed in operation as of June 30, 2011. The other accountants' report has been furnished to me as of my report issuance date in which an unqualified opinion was expressed regarding the previous noted controls.

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 University's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

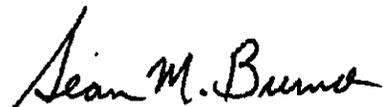
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(CONTINUED)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's Schedule of Expenditures of Federal Awards is free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of Schedule of Expenditures of Federal Awards amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the President, management 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. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.



SEAN M. BRUNO  
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2011

**Sean M. Bruno**  
**Certified Public Accountants**

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

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

Dr. Frank G. Pogue, President  
**Grambling State University**  
Grambling, Louisiana 71245

**Compliance**

I have audited the compliance of **Grambling State University (the University)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The component unit financial statements were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of my report issuance date. **The University's** major federal programs are identified in the summary of independent 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's** management. My responsibility is to express an opinion on **the University's** compliance based on my audit.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)**

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to 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 I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the University's compliance with those requirements.

In my opinion, the University complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of my 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 2011-01 and 2011-02.

I did not audit the University's compliance with certain regulations governing the processing of student loans for the Nursing Student Loan Programs as set forth therein relative to participation in the Federal Student Financial Assistance Program. Those administrative requirements govern functions performed by the Service Bureau. Since I did not apply auditing procedures to satisfy myself regarding compliance with those requirements, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on compliance with those requirements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)**

The Service Bureau's compliance assertions with respect to its servicing of the Nursing Student Loan Programs for the University was examined by another accountant, whose report was furnished to me as of my report issuance date. Based on my review of the other accountants' report, I have determined that all of the compliance requirements included in the OMB Circular A-133 Compliance Supplement that are applicable to the programs in which the University participates are addressed in either my report or the report of the other accountant. The independent accountant indicated that no findings or questioned costs were noted as a result of the compliance attestation examination on the service bureau.

**Internal Control Over Compliance**

The management of the University 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 my audit, except for the functions performed at the University's Service Bureau in connection with processing transactions for the Nursing Student Loan Programs, I considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my 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 my opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the University's internal control over compliance.

For the internal control over compliance categories at the Service Bureau, another accountant examined management's assertions with respect to establishing internal control systems that assured compliance with reporting, Nursing Student Loan collections and due diligence, and servicer eligibility. The other accountants' report has been furnished to me as of my report issuance date. I noted that other accountants' for the Service Bureau indicated that their were no findings or questioned costs noted during the current year's attestation examination.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

**Internal Control Over Compliance, Continued**

A deficiency in the University's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. Therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. I did not identify any deficiencies in internal control over compliance that I consider to material weaknesses, as defined above. However, I identified a certain deficiency in internal control over compliance that I consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 2011-01.

*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.

The University's response to the findings identified in my audit are described in the accompanying Schedule of Findings and Questioned Costs. I did not audit The University's response and, accordingly, I express no opinion on it.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

This report is intended solely for the information and use of the President, management, federal awarding agencies and pass-through entities, and the legislative auditor's office and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

  
SEAN M. BRUNO  
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 2011

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE I - Summary of the Independent Auditor's Results**

- |    |   |                    |
|----|---|--------------------|
| 1. | Type of report issued on the Schedule of Expenditures of Federal Awards:  | <u>Unqualified</u> |
| 2. | Did the audit disclose any material weaknesses in internal control over financial reporting?  | <u>No</u>          |
| 3. | Did the audit disclose any significant deficiencies in internal control over financial reporting?                                       | <u>No</u>          |
| 4. | Did the audit disclose any non-compliance which is material to the financial statements of the organization?                            | <u>No</u>          |
| 5. | Did the audit disclose any material weaknesses in internal control over major federal programs?   | <u>No</u>          |
| 6. | Did the audit disclose any significant deficiencies in internal control over major programs?  | <u>Yes</u>         |
| 7. | Type of report issued on compliance for major programs:   | <u>Unqualified</u> |
| 8. | Did the audit disclose any audit findings which the independent auditor is required to report under OMB Circular A-133, Section 510(a)? | <u>Yes</u>         |

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE I - Summary of the Independent Auditor's Results, Continued**

9. The following is an identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
<b><u>Student Financial Aid Cluster</u></b>	
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.375	Academic Competitiveness Grant
84.376	National Science and Mathematics Access to Retain Talent
84.379	Teacher Education Assistance for College and Higher Education Grants
<b><u>Research and Development Cluster</u></b>	
12.800	Air Force Defense Research Sciences Program
47.076	Education and Human Resources
93.859	Biomedical Research Training
84.394	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
84.042	TRIO Cluster - Student Support Services

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) is as follows:

<u>Program</u>	<u>Amount</u>
Type A	\$465,979

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 530:     No    

12. Were management letter comments issued:     No

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE II - Financial Statement Findings**

None noted.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE**

**Audit Finding Reference Number**

2011- 01 Return of Title IV Funds

**Federal Program and Specific Federal Award Identification**

**CFDA Title and Number**

84.063 Federal Pell Grant Program  
84.268 Federal Direct Student Loan (Direct Loan)

**Federal Award Year**

June 30, 2011

**Federal Agencies**

U. S. Department of Education

**Pass-Through Entity**

Not applicable

**Criteria**

OMB Circular A-133 Compliance Supplement, Part 5 Section (N) (4) specifies that when a student receives Title IV assistance and withdraws from an institution, the institution must determine the amount of Title IV aid earned by the student as of the withdrawal date. The difference between any amounts earned that is less than the amount disbursed must be returned to the Title IV program within the prescribed time frame.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED**

**Audit Finding Reference Number**

2011- 01 Return of Title IV Funds, Continued

**Condition and Perspective**

During our audit, I noted the following conditions during our audit:

- Seven (7) out of twenty (20) students tested whose Return of Title IV Funds calculations were not done as a result not having any documentation of the student engaging in any academic related activity. The twenty (20) students tested represented a sample of the total population of sixty-six (66) students who unofficially withdrew from the University for the Fall 10 and Spring 11 semesters and received Title IV aid. Prior to the issuance of the audit report, management prepared the return calculations using the 50% point as the withdrawal date. The total amount of Title IV funds required to be returned totaled \$12,469. Prior to issuance of the report, the University returned the required funds

**Cause**

The University failed to adhere to established procedures in processing certain refunds.

**Questioned Costs**

For purposes of this condition, I have not questioned any costs.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED**

**Audit Finding Reference Number**

2011- 01 - Return of Title IV Funds, Continued

**Effect**

The University has not complied with Title IV regulations that specify if a student withdraws from school within a certain time frame a refund must be processed, calculated properly and remitted to the Title IV program in accordance with established time frames.

**Recommendation**

I recommend that management immediately make the necessary determination as to whether or not the students unofficially withdrew from the University, ensure that the last date of academic related activity was correct, prepare the Return of Title IV Funds calculation, and return the funds to the Department of Education.

**Management's Response**

The current administration recognizes that the control environment over unofficial withdraws (all F's) must be strengthened. The university will establish controls to ensure that the amount of Title IV funds to be returned is calculated correctly and returned. Implementation of actions outlined in this response will provide assurance that all withdrawals are accurate. The Bursar will recalculate all information based on the documentation of the last date of attendance in the calendar and will conduct a full scope review and correct all calculations if applicable:

- The Registrar worked with the IT team to identify a different grade code for earned and unearned grades of "F".
- The Provost will request that the instructors update the banner system accurately with the students last date of attendance.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED**

**Audit Finding Reference Number**

2011- 01 - Return of Title IV Funds, Continued

**Management's Response, Continued**

- The student accounts office will generate a report to calculate the Return of Title IV Funds.
- The University will utilize the data in banner as the official documentation of the last date of attendance and utilize the R2T4 module in banner finance/student to electronically calculate all returns.

**GRAMBLING STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED**

**Audit Finding Reference Number**

**Questioned Costs**

2011-02 - Ineligible TEACH Grant Recipient

\$ 4,000

**Federal Program and Specific Federal Award identification**

**CFDA Title and Number**

84.379 Teacher Education Assistance for College and Higher Education  
Grants (TEACH)

**Federal Award Year**

June 30, 2011

**Federal Agencies**

U. S. Department of Education

**Pass-Through Entity**

Not applicable

**Criteria**

34CFR 686.11(a)(v)(A)(1) states that in order for a student to receive a TEACH Grant, the student must have a final cumulative secondary school grade point average (GPA) upon graduation of at least 3.25 on a 4.0 scale, if the student is in the first year of a program of undergraduate education as determined by the institution.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED**

**Audit Finding Reference Number, Continued**

2011-02 - Ineligible TEACH Grant Recipient

**Condition and Perspectives**

During our audit we noted that one (1) student out of five (5) tested received a TEACH Grant with a cumulative grade point average of less than a 3.25.

**Cause**

The University did not properly administer the TEACH Grant to eligible recipients. The University did not adhere to established University procedures which require the University to administer Title IV aid to eligible recipients.

**Questioned Costs**

For purposes of this condition, we have questioned costs totaling \$ 4,000.

**Effect**

The University disbursed financial aid to an ineligible student.

**Recommendation**

We recommend that management of the University adhere to established procedures to ensure that all federal funds are disbursed to eligible students.

**GRAMBLING STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**SCHEDULE III - Federal Award Findings and Questioned Costs**

**INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED**

**Audit Finding Reference Number, Continued**

2011-02 - Ineligible TEACH Grant Recipient

**Management's Response**

Management concurs. All future teach grant recipients will have a transcript attached to the teach agreement form prior to awarding the student. The financial aid office will review the transcript upon receipt while also reviewing the data in the banner system. By doing this we will make sure that all awards are accurate based on eligibility.

- The financial aid team has reviewed all teach grant recipients for the 2010-2011 aid year to assure accurate awards and confirm that eligibility requirements were met.
- The financial aid team will cancel the teach grant for the recipient in question and return the funds via the federal COD system.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

Schedule 8-3 Form

Entity's Name: Grambling State University  
Finding Title: Allowable Cost  
"Pass-Through Entity Name," if applicable: Clarkson Aerospace Corporation

Reference Number(s): (F-10-CC-GSU-1)  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2010

Initial Year of Finding: 2008

Amount of Questioned Costs in Finding (if applicable): \$ N/A

Page Number (from Single Audit Report): 47

Program Name(s): Air Force Defense Research Sciences, Foster Care - Title IV-E, Biomedical Research Training

Federal Grantor Agency: U. S. Department of Defense, U. S. Department of Health and Human Services

CFDA Number(s): 12.800, 93.658, 93.859

Status of Questioned Costs (check one):  
Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
\_\_\_\_\_  
\_\_\_\_\_

Status of Finding (check one):  
Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  (See OMB A-133, Section 315(b)(4))

Description of Status: (If not corrected or partially corrected describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Morline Washington *M Washington* Phone Number: (318) 274-8408  
Preparer's E-mail Address: washingtonm@gram.edu

Schedule 8-3 Form

Entity's Name: Grambling State University

Finding Title: Allowable Cost

"Pass-Through Entity Name," if applicable: Clarkson Aerospace Corporation

Reference Number(s): F-09-CC-GSU-1  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2009

Initial Year of Finding: 2008

Amount of Questioned Costs in Finding (if applicable): \$ 6,647

Page Number (from Single Audit Report): 87

Program Name(s): Air Force Defense Research Sciences, Foster Care - Title IV-E

Federal Grantor Agency: U. S. Department of Defense, U. S. Department of Health and Human Services

CFDA Number(s): 12.800, 83.658

Status of Questioned Costs (check one):  
Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

The expenditures were allowed and invoices were corrected.

Status of Finding (check one):

Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  {See OMB A-133, Section 315(b)(4)}

Description of Status: (if not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Moroline Washington

Phone Number: (318) 274-6409

Preparer's E-mail Address: washingtonm@gram.edu

Schedule 8-3 Form

Entity's Name: Grambling State University  
 Finding Title: Grant Management Procedures  
 "Pass-Through Entity Name," if applicable: N/A

Reference Number(s): F-10-CC-GSU-2  
 (from attached schedule of findings, may include more than one)

Single Audit Report Year: 2010

Initial Year of Finding: 2009

Amount of Questioned Costs In Finding (if applicable): \$ N/A

Page Number (from Single Audit Report): 48

Program Name(s): Federal Supplemental Educational Opportunity Program, Federal Work Study, Federal Family Education Loan Program, Federal Pell Grant Program, Academic Competitiveness Grants, National Science and Mathematics Access to Retain Talent (SMART) Grants, Foster Care Title IV-E, Workforce Investment Act-Youth Activities, Air Force Defense Research Sciences Program, Biomedical Research Training

Federal Grantor Agency: U.S. Department of Education, U.S. Department of Health and Human Services, U.S. Department of Labor, U.S. Department of Defense

CFDA Number(s): 84.007, 84.033, 84.032, 84.063, 84.375, 84.376, 93.658, 17.259, 12.800, 93.859

Status of Questioned Costs (check one):  
 Resolved:  Unresolved:  No Further Action Needed:   
 Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
N/A

Status of Finding (check one):  
 Fully Corrected  Not Corrected   
 Partially Corrected  No Further Action Needed   
 Change of Corrective Action  {See OMB A-133, Section 315(b)(4)}

Description of Status: (If not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Moroline Washington Phone Number: (318) 274-6409

Preparer's E-mail Address: washingtonm@gram.edu

Schedule 8-3 Form

Entity's Name: Grambling State University  
Finding Title: Matching  
"Pass-Through Entity Name," if applicable: Coordinating and Development Corporation

Reference Number(s): 2010-03 (F-10-CC-GSU-3)  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2010

Initial Year of Finding: 2007

Amount of Questioned Costs in Finding (if applicable): \$ N/A

Page Number (from Single Audit Report): 49

Program Name(s): Workforce Investment Act - Youth Activities, Foster Care Title IV-E

Federal Grantor Agency: U.S. Department of Labor, U.S. Department of Health and Human Services

CFDA Number(s): 17.259, 93.658

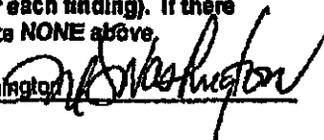
Status of Questioned Costs (check one):  
Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
N/A

Status of Finding (check one):  
Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  (See OMB A-133, Section 315(b)(4))

Description of Status: (if not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)  
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NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Moroline Washington  Phone Number: (318) 274-6409

Preparer's E-mail Address: washingtonm@gram.edu

**Schedule B-3 Form**

Entity's Name: Grambling State University  
 Finding Title: Return of Title IV Funds  
 "Pass-Through Entity Name," if applicable: N/A

Reference Number(s): (F-10-ED-GSU-4)  
 (from attached schedule of findings, may include more than one)

Single Audit Report Year: 2010

Initial Year of Finding: 2009

Amount of Questioned Costs in Finding (if applicable): \$ Unable to Determine

Page Number (from Single Audit Report): 91

Program Name(s): Federal PELL Grant Program; Federal Family Education Loan Program (FFEL)

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.063; 84.032

Status of Questioned Costs (check one):  
 Resolved:  Unresolved:  No Further Action Needed:   
 Not Applicable:

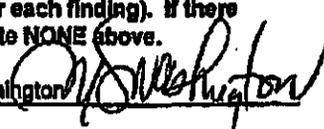
Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
N/A

Status of Finding (check one):  
 Fully Corrected  Not Corrected   
 Partially Corrected  No Further Action Needed   
 Change of Corrective Action  (See OMB A-133, Section 315(b)(4))

Description of Status: (if not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.

The University changed its corrective action plan, dated 2/15/2011, to include two new policies (Unearned Grade "FN" and Earned Grade "F") to distinguish unofficial and official withdrawals. These two policies were implemented in the Spring 2011 and Summer I Semesters. Faculty members are required to attend training on the new policy and importance of taking class attendance. The Provost and VP for Academic Affairs, VP for Finance, Registrar, Controller and Student Financial Aid Director will continue to seek ways to fully correct and resolve this finding. The amount of federal funds returned to the U. S. Department of Education decreased tremendously, as a result of this partially implemented plan.

**NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.**

Preparer's Name: Moroline Washington  Phone Number: (318) 274-6409

Preparer's E-mail Address: washingtonm@gram.edu

Schedule 8-3 Form

Entity's Name: Grambling State University  
 Finding Title: Return of Title IV Funds  
 "Pass-Through Entity Name," if applicable: N/A

Reference Number(s): (F-09-ED-GSU-11)  
 (from attached schedule of findings, may include more than one)

Single Audit Report Year: 2009

Initial Year of Finding: 2009

Amount of Questioned Costs in Finding (if applicable): \$ Unable to Determine

Page Number (from Single Audit Report): 130

Program Name(s): Federal PELL Grant Program; Federal Family Education Loan Program (FFEL)

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.063; 84.032

Status of Questioned Costs (check one):

Resolved:  Unresolved:  No Further Action Needed:   
 Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
N/A

Status of Finding (check one):

Fully Corrected  Not Corrected   
 Partially Corrected  No Further Action Needed   
 Change of Corrective Action  (See OMB A-133, Section 315(b)(4))

Description of Status: (if not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.

The University changed its corrective action plan, dated 2/15/2011, to include two new policies (Unearned Grade "FN" and Earned Grade "F") to distinguish unofficial and official withdrawals. These two policies were implemented in the Spring 2011 and Summer I Semesters. Faculty members are required to attend training on the new policy and importance of taking class attendance. The Provost and VP for Academic Affairs, VP for Finance, Registrar, Controller and Student Financial Aid Director will continue to seek ways to fully correct and resolve this finding. The amount of federal funds returned to the U. S. Department of Education decreased tremendously, as a result of this partially implemented plan.

**NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.**

Preparer's Name: Moroline Washington Phone Number: (318) 274-6409

Preparer's E-mail Address: washingtonm@gram.edu

Schedule B-3 Form

Entity's Name: Grambling State University  
Finding Title: Entrance Counseling  
"Pass-Through Entity Name," if applicable: N/A

Reference Number(s): (F-09-ED-GSU-8)  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2009

Initial Year of Finding: 2009

Amount of Questioned Costs in Finding (if applicable): \$ 14,860

Page Number (from Single Audit Report): 127

Program Name(s): Federal Family Education Loan Program (FFEL)

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.032

Status of Questioned Costs (check one):

Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
Unresolved still in negotiation.

Status of Finding (check one):

Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  (See OMB A-133, Section 315(b)(4))

Description of Status: (If not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)

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NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Albert Tezeno Phone Number: (318) 274-8190

Preparer's E-mail Address: Tezenoa@gram.edu

Schedule 8-3 Form

Entity's Name: Grambling State University  
Finding Title: Student Eligibility  
"Pass-Through Entity Name," if applicable: N/A

Reference Number(s): F-09-ED-GSU-13  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2009

Initial Year of Finding: 2009

Amount of Questioned Costs in Finding (if applicable): \$ 13,981

Page Number (from Single Audit Report): 131

Program Name(s): Federal PELL Grant, Federal Family Education Loan Program (FFEL)

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.063, 84.032

Status of Questioned Costs (check one):  
Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
The finding is being negotiated with the Department of Education.

Status of Finding (check one):  
Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  (See OMB A-133, Section 315(b)(4))

Description of Status: (if not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)  
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NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Albert Tezeno Phone Number: (318) 274-6190

Preparer's E-mail Address: Tezenoa@gram.edu

Schedule 8-3 Form

Entity's Name: Grambling State University

Finding Title: Verification

"Pass-Through Entity Name," if applicable: N/A

Reference Number(s): F-09-ED-GSU-14  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2009

Initial Year of Finding: 2008

Amount of Questioned Costs in Finding (if applicable): \$ 44,808

Page Number (from Single Audit Report): 132

Program Name(s): Federal PELL Grant, Federal Supplemental Education Opportunity Grant, Federal Work Study Grant, and Federal Family Education Loan Program

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 64.063, 84.007, 84.033, 84.032

Status of Questioned Costs (check one):

Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
The finding is being negotiated with the Department of Education.

Status of Finding (check one):

Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  (See OMB A-133, Section 315(b)(4))

Description of Status: (if not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)  
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NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Albert Tezeno Phone Number: (318) 274-6190

Preparer's E-mail Address: Tezenoa@gram.edu

Schedule B-3 Form

Entity's Name: Grambling State University  
Finding Title: Verification  
"Pass-Through Entity Name," if applicable: N/A

Reference Number(s): F-08-ED-GSU-7  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2008

Initial Year of Finding: 2008

Amount of Questioned Costs in Finding (if applicable): \$ 24,860

Page Number (from Single Audit Report): 92

Program Name(s): Federal PELL Grant and Federal Family Education Loan Program

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.063, 84.032

Status of Questioned Costs (check one):

Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?  
The finding is being negotiated with the Department of Education.

Status of Finding (check one):

Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  {See OMB A-133, Section 315(b)(4)}

Description of Status: (If not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)  
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NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per form. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Name: Albert Tezeno Phone Number: (318) 274-6190

Preparer's E-mail Address: Tezenoa@gram.edu

Schedule 8-3 Form

Entity's Name: Grambling State University  
Finding Title: Federal Work Study  
"Pass-Through Entity Name," if applicable: N/A

Reference Number(s): F-08-ED-GSU-5  
(from attached schedule of findings, may include more than one)

Single Audit Report Year: 2008

Initial Year of Finding: 2007

Amount of Questioned Costs in Finding (if applicable): \$ 3,058

Page Number (from Single Audit Report): 89

Program Name(s): Federal Work Study

Federal Grantor Agency: U.S. Department of Education

CFDA Number(s): 84.033

Status of Questioned Costs (check one):

Resolved:  Unresolved:  No Further Action Needed:   
Not Applicable:

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

The finding is being negotiated with the Department of Education.

Status of Finding (check one):

Fully Corrected  Not Corrected   
Partially Corrected  No Further Action Needed   
Change of Corrective Action  {See OMB A-133, Section 315(b)(4)}

Description of Status: (if not corrected or partially corrected, describe the planned corrective action and any partial corrective action taken. Include the anticipated completion date, if applicable. If the corrective action has changed since previously reported plan, provide an explanation.)

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Preparer's Name: Albert Tezeno Phone Number: (318) 274-6190

Preparer's E-mail Address: Tezenoa@gram.edu

**GRAMBLING STATE UNIVERSITY  
AUDIT INFORMATION SCHEDULE**

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Lead Auditor: SEAN M. BRUNO, Certified Public Accountants  
Sean M. Bruno, CPA, Owner  
Denise Small, CPA, Manager

License Number: L 4730

Telephone Number: (504) 241-3411

The audit field work was performed between October 3, 2011 and December 30, 2011 at the institution's facilities as follows:

<u>LOCATION</u>	<u>DESCRIPTION OF FACILITY (ADMIN. OR SFA OFFICES, MAIN CAMPUSES, ETC)</u>
Grambling State University (main campus)	Office of Student Financial Aid and Federal Grant office (main campus)

Institution's Accrediting Organization: Commission on Colleges of the Southern Association of Colleges and Schools.

The institution utilizes a SFA Servicer.  
Campus Partners  
2400 Reynolda Road  
Winston-Salem, North Carolina 27106

The following functions are provided by this SFA Servicer:

1. Billing Students - Nursing Student Loans
2. Processing of cancellations and deferments - Nursing Student Loans

A review of the Servicer's compliance with Title IV Regulations was performed by the Service Bureau's independent public accountant.