

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE
(A Component Unit of
Georgia State University)**

**Financial Statements
for the Year Ended
June 30, 2010**

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Table of Contents

	<u>Page</u>
Report of Independent Auditors	2
Management's Discussion and Analysis.....	3
Statement of Net Assets	7
Statement of Changes in Revenues, Expenses and Net Assets	9
Statement of Cash Flows.....	10
Notes to Financial Statements	12
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30
Report on Compliance with Requirements That Could Have a Direct And Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	32
Schedule of Expenditures of Federal Awards	34
Notes to the Schedule of Expenditures of Federal Awards	35
Schedule of Findings and Questioned Costs.....	36
Summary Schedule of Prior Audit Findings	42
Supplemental Schedule of Expenditures of Federal Awards.....	Exhibit I
Supplemental Schedule of Federal Awards Provided to Subrecipients.....	Exhibit II



Report of Independent Auditors

Board of Directors
Georgia State University Research
Foundation, Inc. and Affiliate
Atlanta, Georgia

We have audited the accompanying statement of net assets of Georgia State University Research Foundation, Inc., a discretely presented component unit of Georgia State University, and its Affiliate, Science Park, LLC, (collectively the "Research Foundation") as of June 30, 2010 and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the management of the Research Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2010, and the results of its operations, the changes in net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis listed in the Table of Contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This information is the responsibility of the Research Foundation's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit such information and we do not express an opinion on it.

Cherry, Bekaert & Holland, LLP

Atlanta, Georgia
September 29, 2010

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Management's Discussion and Analysis
June 30, 2010**

Introduction

Georgia State University Research Foundation, Inc. ("Research Foundation") is a non-profit corporation created to support the research activities of Georgia State University ("University"). The Research Foundation supports such research activities by accepting and administering grants/contracts received in support of research proposals submitted by University employees through the Research Foundation. The University is one of the 35 institutions of the University System of Georgia. The University, located in Atlanta, Georgia, was founded in 1913. The University offers baccalaureate, masters and doctoral degrees in a wide variety of subjects.

The following discussion and analysis is of the Research Foundation's financial performance only. The Research Foundation's affiliate, Science Park LLC's discussion and analysis is included in their separately issued financial statements.

A comparison of grant award funding for a three year period follows:

Georgia State University Grant Award Funding

FY2010	\$61,060,312
FY2009	\$64,083,000
FY2008	\$62,214,000

The Board of Directors of the Research Foundation consists of ten voting members. The following six directors hold office by virtue of their responsibilities at the University (even if they are serving in an acting capacity): the Vice President for Research, President, Provost, Vice President for Finance and Administration, Chief Legal Officer and the Associate Vice President for Research. The following four directors are elected annually: one college dean elected by the Dean's Group of Georgia State University; two members of the Georgia State University Senate Research Committee elected by that committee; a member of the faculty of Georgia State University, elected by the Senate Research Committee. Other members of the Board may be elected at any time by the affirmative vote of a majority of Board members, or as authorized by resolution of the Board. The directors serve on the Board for unlimited terms as long as they hold their positions in good standing at Georgia State University.

Overview of the Financial Statements and Financial Analysis

The Research Foundation is pleased to present its financial statements for fiscal year 2010. The emphasis of discussions about these statements will be on comparative year data. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. This discussion and analysis of the Research Foundation's financial statements provides an overview of its financial activities for the year.

Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities and net assets of the Research Foundation as of the end of the fiscal year. The Statement of Net Assets is a point of time financial statement. The purpose of the Statement of Net Assets is to present to readers of the financial statements a fiscal snapshot of the Research Foundation. The Statement of Net Assets presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Assets (Assets minus Liabilities). From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operations of the Research Foundation.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Management's Discussion and Analysis – Continued
June 30, 2010**

The Statement of Net Assets provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the Research Foundation. Net assets are divided into three major categories. The first category, invested in capital assets, net, provides the Research Foundation's equity in property, plant and equipment which they own. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the Research Foundation but must be spent for purposes as determined by external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets are available for expenditure by the Research Foundation for any lawful purpose.

Statements of Net Assets, Condensed

	<u>June 30,</u>	<u>June 30,</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 22,192,655	\$ 17,459,641	\$ 4,733,014	27.1%
Capital assets, net	5,272,328	7,461,627	(2,189,299)	-29.3%
Other assets	5,519,931	4,976,134	543,797	10.9%
Total assets	<u>32,984,914</u>	<u>29,897,402</u>	<u>3,087,512</u>	<u>10.3%</u>
Liabilities:				
Current liabilities	<u>15,748,943</u>	<u>13,090,755</u>	<u>2,658,188</u>	<u>20.3%</u>
Total liabilities	15,748,943	13,090,755	2,658,188	20.3%
Net assets:				
Invested in capital assets, net of	5,272,328	7,461,627	(2,189,299)	-29.3%
Restricted – nonexpendable	2,000,000	2,000,000	-	0.0%
Restricted – expendable	624,130	666,905	(42,775)	-6.4%
Unrestricted	<u>9,339,513</u>	<u>6,678,115</u>	<u>2,661,398</u>	<u>39.9%</u>
Total net assets	<u>\$ 17,235,971</u>	<u>\$ 16,806,647</u>	<u>\$ 429,324</u>	<u>2.6%</u>

During fiscal year 2010, the total assets of the Research Foundation increased by 10.3% or \$3,087,512. A review of the Statement of Net Assets will reveal that this increase was due to increases of \$4,733,014 in current assets and \$543,797 in other assets and a \$2,189,299 decrease in capital assets, net. More specifically, the increase in current assets is made up of a decrease of \$1,717,532 in advance payments to Georgia State University and increases of \$4,701,502 in cash and cash equivalents and \$1,749,044 in accounts receivable and unbilled project costs. Capital assets, net decreased due to the sale in fiscal year 2010 of 92 Piedmont, which had a net book value of \$1,302,099 and current year depreciation of \$887,200. Other assets increased primarily due to a positive year in the stock market with investments increasing \$567,203.

During fiscal year 2010, the total liabilities of the Research Foundation increased by 20.3% or \$2,658,188. A review of the Statement of Net Assets will reveal that this increase was due to a decrease of \$1,717,533 in deferred revenue for sponsored projects and increases in accounts payable to Georgia State University for reimbursable grant expenses of \$3,624,763 and \$750,958 in other accounts payable to the Georgia State University Foundation primarily due to the new Eminent Scholar expense.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Management's Discussion and Analysis – Continued
June 30, 2010**

The total net assets increased by 2.6% or \$429,324 during fiscal year 2010 from \$16,806,647 at June 30, 2009. This increase was due primarily to the decrease in Investment in capital assets, net of debt, which stemmed from the property sale of 92 Piedmont valued at \$1,302,099 to Georgia State University and increases in Unrestricted Net Assets unallocated of \$2,503,060 and residual department allocations of \$158,336.

Statement of Revenues, Expenses and Changes in Net Assets

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of this statement is to present the revenues received by the Research Foundation, both operating and non-operating, and the expenses paid by the Research Foundation, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the Research Foundation. Generally speaking, operating revenues are received for providing goods and services for the activities of the Research Foundation. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the Research Foundation. Non-operating revenues are revenues received for which goods and services are not provided. Depreciation is provided for capital assets, and there are required subtotals for net operating income or loss and net income or loss before additions to nonexpendable funds.

Statements of Revenues, Expenses and Changes in Net Assets, Condensed

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>Change</u>	<u>% Change</u>
Operating revenues	\$ 48,012,953	\$ 50,251,189	\$ (2,238,236)	-4.5%
Operating expenses	<u>48,715,413</u>	<u>52,262,290</u>	<u>(3,546,877)</u>	<u>-6.8%</u>
Operating loss	(702,460)	(2,011,101)	1,308,641	65.1%
Nonoperating revenues (expenses)	<u>1,131,784</u>	<u>(273,638)</u>	<u>1,405,422</u>	<u>513.6%</u>
Increase (decrease) in net assets	429,324	(2,284,739)	2,714,063	118.8%
Net assets at beginning of year	<u>16,806,647</u>	<u>19,091,386</u>	<u>(2,284,739)</u>	<u>-12.0%</u>
Net assets at end of year	<u>\$ 17,235,971</u>	<u>\$ 16,806,647</u>	<u>\$ 429,324</u>	<u>2.6%</u>

The Statement of Revenues, Expenses, and Changes in Net Assets reflects a positive year with an increase in the net assets at the end of the year. Some highlights of the information presented on the Statement of Revenues, Expenses, and Changes in Net Assets are as follows:

Operating revenues in fiscal year 2010 decreased by 4.5% or \$2,238,236. This reflects decreases in federal grants of \$2,105,589 and private grants of \$473,966 and increases in state grants of \$284,444 and local grants of \$56,875.

Operating expenses in fiscal year 2010 decreased by 6.8% or \$3,546,877. This reflects decreases in payments to and on the behalf of Georgia State University of \$2,176,879, residual expenses of \$601,883 and other operating expenses of \$276,315 along with increases in auditing services of \$20,638, legal fees of \$20,347, eminent scholar of \$750,000 and depreciation of \$211,182. This also reflects the decrease in the fiscal year 2009 property transferred to GSU in the amount of \$1,493,967.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Management's Discussion and Analysis – Continued
June 30, 2010**

Nonoperating revenues increased by 513.6% or \$1,405,422. This reflects increases in net gain on investments of \$1,412,147, tech commercialization income of \$243,593 and parking revenue of \$9,433 along with decreases in dividends and interest income of \$80,254, and other non-operating revenue of \$179,497.

Statement of Cash Flows

The final statement presented by the Research Foundation is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Research Foundation during the year. The statement is divided into four parts. The first section reflects operating cash flows and shows the net cash provided by the operating activities of the Research Foundation. The second section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The third section reflects the capital and related financing activities of the Research Foundation and presents the cash used in capital and related financing activities. The fourth section reconciles the net cash used to the operating income reflected on the Statement of Revenues, Expenses, and Changes in Net Assets.

Capital Assets

In fiscal year 2010, the Research Foundation, Inc. sold the 92 Piedmont property for \$1,234,137 to the University resulting in a net loss of \$67,962.

At June 30, 2010 and 2009 capital assets consisted of the following:

	<u>2010</u>	<u>2009</u>
Capital assets, not being depreciated:		
Land	\$ 631,185	\$ 1,933,284
Total capital assets, not being depreciated	<u>631,185</u>	<u>1,933,284</u>
Capital assets, being depreciated:		
Buildings and improvements	4,615,951	5,501,773
Land improvements	25,192	26,570
Total capital assets being depreciated, net	<u>4,641,143</u>	<u>5,528,343</u>
Capital assets, net	<u>\$ 5,272,328</u>	<u>\$ 7,461,627</u>

Economic Outlook

The Research Foundation is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations. The Research Foundation's overall financial position is strong. The Research Foundation anticipates the current fiscal year will be much like last and will maintain a close watch over resources to maintain the Research Foundation's ability to react to unknown internal and external issues.

Contacting the Research Foundation's Management

This financial report is designed to provide a general overview of Georgia State University Research Foundation, Inc.'s finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Gary Brennaman, Business Manager, P.O. Box 3999, Atlanta, Georgia 30302-3999. Separately issued financial statements for Science Park, LLC may also be obtained from Gary Brennaman at the previously stated address.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Statement of Net Assets

June 30, 2010

ASSETS

	<u>Georgia State University Research Foundation, Inc.</u>	<u>Discretely Presented Component Unit Science Park, LLC</u>
Current assets		
Cash and cash equivalents	\$ 8,733,350	\$ 220,541
Cash and cash equivalents - restricted	369,393	18,657,729
Accounts receivable:		
Research project contracts	4,759,365	-
Georgia State University	826,775	-
Georgia State University Research	-	20,000
Other receivable	500,000	-
Interest receivable	-	97
Net investment in direct financing lease	-	4,446,565
Unbilled project costs	1,639,091	-
Advance payments to Georgia State University	<u>5,364,681</u>	<u>-</u>
Total current assets	<u>22,192,655</u>	<u>23,344,932</u>
Noncurrent assets		
Cash and cash equivalents - restricted	1,988,538	-
Net investment in direct financing lease	-	69,816,088
Investments - unrestricted	3,241,788	-
Investments - restricted	289,605	-
Cost of bond issuance, net of accumulated amortization of \$95,886	-	1,112,325
Capital assets, net	<u>5,272,328</u>	<u>-</u>
Total noncurrent assets	<u>10,792,259</u>	<u>70,928,413</u>
TOTAL ASSETS	<u>\$ 32,984,914</u>	<u>\$ 94,273,345</u>

See notes to financial statements.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Statement of Net Assets

June 30, 2010

LIABILITIES AND NET ASSETS

	<u>Georgia State University Research Foundation, Inc.</u>	<u>Discretely Presented Component Unit Science Park, LLC</u>
Current liabilities		
Accounts payable:		
Georgia State University	\$ 3,116,577	\$ -
Georgia State University Foundation	757,441	-
Other	6,510,245	576,520
Accrued interest payable	-	2,241,175
Deferred revenue - sponsored projects	5,364,680	-
Total current liabilities	<u>15,748,943</u>	<u>2,817,695</u>
Noncurrent liabilities		
Bonds payable	-	91,033,567
Total noncurrent liabilities	<u>-</u>	<u>91,033,567</u>
 TOTAL LIABILITIES	<u>15,748,943</u>	<u>93,851,262</u>
Net assets		
Invested in capital assets, net of debt	5,272,328	-
Restricted - nonexpendable	2,000,000	-
Restricted	624,130	150,000
Unrestricted	9,339,513	272,083
Total net assets	<u>17,235,971</u>	<u>422,083</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 32,984,914</u>	<u>\$ 94,273,345</u>

See notes to financial statements.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Statement of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2010

	Georgia State University Research Foundation, Inc.	Discretely Presented Component Unit Science Park, LLC
Operating revenues:		
Federal	\$ 33,953,290	\$ -
Federal stimulus	934,341	-
State	2,241,125	-
Other	10,884,197	442,083
Total operating revenues	48,012,953	442,083
Operating expenses:		
Payments to Georgia State University for project costs	45,621,528	-
Depreciation	887,200	-
General and administrative	2,206,685	20,000
Total operating expenses	48,715,413	20,000
Total operating (loss) income	(702,460)	422,083
Nonoperating revenues (expenses):		
Interest and dividend income	89,219	-
Loss on sale of capital asset	(67,962)	-
Net unrealized and realized gains on investments	458,659	-
Other	651,868	-
Total nonoperating revenues (expenses)	1,131,784	-
Increase in net assets	429,324	422,083
Net assets, beginning of year	16,806,647	-
Net assets, end of year	\$ 17,235,971	\$ 422,083

See notes to financial statements.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Statement of Cash Flows
Year Ended June 30, 2010**

	<u>Georgia State University Research Foundation, Inc.</u>	<u>Discretely Presented Component Unit Science Park, LLC</u>
Cash flows from operating activities		
Received from sponsors	\$ 46,263,909	\$ -
Received from Georgia State University Research Foundation, Inc.	-	448,183
Payments to suppliers	<u>(43,452,493)</u>	<u>(20,000)</u>
Net cash provided by operating activities	2,811,416	428,183
Cash flows from investing activities		
Proceeds from sale of investments	1,881,121	-
Purchase of investments	(1,910,845)	-
Income on investments	89,219	-
Change in net investment in direct financing lease		(191,536)
Other income	<u>651,868</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>711,363</u>	<u>(191,536)</u>
Cash flows from capital and related financing activities		
Proceeds from sale of property	1,234,137	-
Loss on sale of property	67,962	-
Purchase of capital assets	-	(38,204,649)
Interest paid on bonds payable	<u>-</u>	<u>(4,482,350)</u>
Net cash provided by (used in) capital and related financing activities	<u>1,302,099</u>	<u>(42,686,999)</u>
Net increase (decrease) in cash and cash equivalents	4,824,878	(42,450,352)
Cash and cash equivalents		
Beginning of year	<u>6,266,403</u>	<u>61,328,622</u>
End of year	<u>\$ 11,091,281</u>	<u>\$ 18,878,270</u>

See notes to financial statements.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Statement of Cash Flows
Year Ended June 30, 2010**

	<u>Georgia State University Research Foundation, Inc.</u>	<u>Discretely Presented Component Unit Science Park, LLC</u>
Reconciliation of operating (loss) income to net cash provided by operating activities:		
Operating (loss) income	\$ (702,460)	\$ 422,083
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation	887,200	-
Changes in assets and liabilities:		
Accounts receivable and unbilled project costs	(1,749,044)	-
Contribution receivable	-	6,100
Advance payments to Georgia State University	1,717,532	-
Accounts payable	4,375,720	-
Deferred revenue	(1,717,532)	-
Net cash provided by operating activities	<u>\$ 2,811,416</u>	<u>\$ 428,183</u>
 Reconciliation to total cash and cash equivalents included in the Statement of Net Assets:		
Cash and cash equivalents	\$ 8,733,350	\$ 220,541
Cash and cash equivalents - restricted	369,393	18,657,729
Cash and cash equivalents - restricted - noncurrent	1,988,538	-
Total cash and cash equivalents included in the Statement of Net Assets	<u>\$ 11,091,281</u>	<u>\$ 18,878,270</u>
 Non cash investing, capital and financing activities:		
Amortization of bond issuance costs	<u>\$ -</u>	<u>\$ 38,354</u>
Amortization of bond premium	<u>\$ -</u>	<u>\$ 28,572</u>
Construction costs recorded in accounts payable	<u>\$ -</u>	<u>\$ 576,520</u>
Unrealized gains on investments	<u>\$ 439,485</u>	<u>\$ -</u>
Transfer of constructed assets to net investment in direct financing leases	<u>\$ -</u>	<u>\$ 74,061,117</u>

See notes to financial statements.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements
Year Ended June 30, 2010**

RESEARCH FOUNDATION

Note 1 – Organization

Georgia State University Research Foundation, Inc. (the “Research Foundation”), a component unit of Georgia State University, was established to contribute to the scientific, literary, educational, and charitable functions of Georgia State University (the “University”) in securing gifts, contributions and grants from individuals, private organizations, and public agencies, and in obtaining contracts with such individuals or entities for the performance of sponsored research, development, or other programs by the various colleges, schools, departments, or other units of the University.

Research grants awarded to the Research Foundation are then provided to the University, which is responsible for the fiscal administration of the grants.

Note 2 – Summary of significant accounting policies

Basis of presentation

The financial statements of the Research Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and in accordance with Governmental Accounting Standards Board (“GASB”) applicable to governments. The financial statement presentation required by GAAP provides a comprehensive, entity-wide perspective of the Research Foundation’s assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows. In addition, these statements require the Research Foundation to present a Management’s Discussion and Analysis (“MD&A”). The MD&A is considered to be required supplemental information and precedes the financial statements.

Reporting entity

In accordance with GAAP, the Research Foundation qualifies for treatment as a component unit of the University; therefore, the Research Foundation’s financial statements are included in the University’s combined financial statements as a discretely presented component unit.

Science Park, LLC qualifies as a component unit of the Research Foundation. The statements of Science Park, LLC are reported discretely in the Research Foundation’s financial statements. Notes related to financial statements of Science Park, LLC follow the notes for the Research Foundation.

Basis of accounting

For financial reporting purposes, the Research Foundation is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the Research Foundation’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 2 – Summary of significant accounting policies (Continued)

Basis of accounting (Continued)

In accordance with GAAP, the Research Foundation is required to follow all applicable GASB pronouncements. In addition, the Research Foundation should apply all applicable Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Research Foundation has elected not to apply FASB pronouncements issued after November 30, 1989.

Cash and cash equivalents

The Research Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

In accordance with GAAP, the Research Foundation is required to present certain investments at their fair value if the investment has a readily determined market value. Substantially all investments consist of marketable equity securities that are invested by the Georgia State University Foundation on behalf of the Research Foundation and securities obtained through the sale of patent licenses. Investments are recorded at fair value with all unrealized and realized gains and losses included as increases or decreases in unrestricted or restricted expendable net assets. Fair value of securities is determined based on publicly traded prices or investment company quotations. Investments in private equity funds often do not have readily determinable fair values, and are valued using the most current information provided by the general partner and/or the investment manager. Marketable alternatives are valued based on quoted market prices for publicly held securities and valuation estimates of derivative instruments.

Derivative Financial Instruments

In accordance with GAAP, the Research Foundation is required to present certain information addressing the recognition, measurement, and disclosure regarding derivative instruments entered into in order to hedge a portion of its current and future borrowings for the purpose of managing interest rate risk. The Research Foundation does not currently have any derivative financial instruments, therefore there is no impact on the financial statements for the year ended June 30, 2010.

Capital assets

Capital assets are recorded at cost at the date of acquisition, or market value at the date of donation in the case of gifts. For equipment, the Research Foundation’s capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings and improvements, 5 to 10 years for land improvements and 5 to 40 years for leasehold improvements. Residual values are estimated be 10% of historical cost for infrastructure, buildings and building improvements.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 2 – Summary of significant accounting policies (Continued)

Cost of Bond Issuance- Cost of bond issuance is stated at cost, less accumulated amortization and includes direct, incremental costs associated with the issuance of the bonds. Issuance costs are amortized to interest expense, capitalized during construction, using the effective interest method.

Deferred revenue

Deferred revenue includes amounts received from grant and contract sponsors that have not yet been earned.

Net assets

The Research Foundation’s net assets are classified as follows:

Net assets restricted - nonexpendable: Net assets – restricted nonexpendable – consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Net assets restricted – nonexpendable	
Ron Brown Endowment	\$ 2,000,000

Net assets restricted – expendable: Net assets restricted – expendable – include resources in which the Research Foundation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Net assets – restricted - expendable consisted of the following at June 30, 2010:

Ron Brown Endowment Projects	\$ 278,143
Georgia Health Policy Center	345,987
Total	<u>\$ 624,130</u>

Net assets – unrestricted: Net assets – unrestricted – represent resources derived from contracts, grants and fees. These resources are used for the ongoing operations of the Research Foundation and may be used at the discretion of the governing board to meet current expenses for those purposes and to enhance programs at the University.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Research Foundation generally applies the expense towards restricted resources, and then towards unrestricted resources.

Invested in capital assets: This represents the Research Foundation’s total investment in capital assets, net of related debt, if any.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 2 – Summary of significant accounting policies (Continued)

Revenue

Revenue from research contracts is recognized as expenses are incurred for approved research activities. Amounts expended but not yet reimbursed are recorded as unbilled project costs. Payments by research sponsors in advance of approved research expenses are recorded as deferred revenue.

Classification of revenues

The Research Foundation has classified its revenues as either operating or nonoperating in the Statement of Revenues, Expenses, and Changes in Net Assets according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions. Revenue from federal, state and local grants and contracts is considered operating revenue.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GAAP, such as investment income.

Income taxes

The Research Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”), whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. In addition, the Research Foundation is not classified as a private foundation based on a determination received from the Internal Revenue Service. The Research Foundation currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Use of estimates

The preparation of financial statements in conformity with GAAP 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.

New accounting pronouncements

In February 2009, GASB issued SGAS No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 2 – Summary of significant accounting policies (Continued)

New accounting pronouncements (Continued)

In December 2009, GASB issued SGAS No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011.

In June 2009, GASB issued SGAS No. 59, *Financial Instruments Omnibus*. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

The Research Foundation's management is currently evaluating the impact the above pronouncements will have on the Research Foundation's financial statements.

Note 3 – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the Research Foundation's deposits may not be recovered. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated Section 50-17-59:

- (a) Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
- (b) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
- (c) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
- (d) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
- (e) Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.
- (f) Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 3 – Deposits (Continued)

At June 30, 2010, the Research Foundation’s carrying amount of deposits was \$11,091,281 and the bank balance was \$11,109,379. Of the bank balance, \$250,000 was covered by FDIC insurance at June 30, 2010, and \$8,847,435 was collateralized by the State of Georgia pledging pool which thereby guarantees collateralization of any uninsured bank deposit balances. The remaining uncollateralized balance of \$2,011,944 consists of cash equivalents held by investment custodians. These cash equivalents consisted of money market funds which are comprised of investments with an average credit quality of A1 + P1.

Note 4 – Investments

The Research Foundation’s investments at June 30, 2010 are presented below. All investments are presented by investment type.

Investment Type	Fair Value
U.S. Equity	\$ 1,203,141
Non-U.S. Equity	405,054
Emerging Markets	109,826
Fixed Income	675,632
Alternative Investments	391,920
Real Estate	277,313
High Yield	137,834
Venture Capital	231,977
Other	98,696
Total investments	\$ 3,531,393

The above investments are included in the Statement of Net Assets as follows:

Investments – unrestricted	\$ 3,241,788
Investments – restricted	289,605
Total investments	\$ 3,531,393

All investments with the exception of equity securities and venture capital funds of \$1,755 and \$53,910, respectively, at June 30, 2010, are held by the Georgia State University Foundation on behalf of the Research Foundation and are held by outside investment managers.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 4 – Investments (Continued)

A fair value is not estimated for the investment in the Fund but is evaluated for any impairment or permanent decline in value. At June 30, 2010, the Fund had not experienced any operating losses or changes to indicate a decline in the value of its investments, therefore, the contributions by the Research Foundation are shown at cost.

Credit quality risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Research Foundation's investment policies are consistent with the investment policies of Georgia State University Foundation. The Research Foundation does not have a formal policy related to credit quality risk of investments.

The Research Foundation's investments as of June 30, 2010 are presented below. All investments are presented by investment type and fixed income securities are presented by credit quality ratings.

	<u>Fair Value</u>	<u>Mutual Funds</u>
Quality ratings		
Standard and Poor's		
Aaa	\$ 539,249	\$ 539,249
Aa	24,604	24,604
A	66,207	66,207
Bbb	60,170	60,170
Bb	43,058	43,058
B or less	79,351	79,351
Unrated	827	827
	<u>813,466</u>	<u>\$ 813,466</u>
Exempt investments		
Equity Securities – Domestic	1,203,141	
Equity Securities – International	514,880	
Real estate investment trust	277,313	
Managed Futures/Hedge Funds	490,616	
Alternative Investments	231,977	
	<u>\$ 3,531,393</u>	

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 4 – Investments (Continued)

Interest rate risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Research Foundation's policy for managing interest rate risk is divided between short-term and long-term investments. Short-term investments will have a maximum maturity of eighteen months to five years depending on type of investment. Long-term investments are managed using a planning timeline of five years or more and overall risk measurements rather than specific maturity limits.

Custodial credit risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Research Foundation will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Research Foundation does not have a formal policy for managing custodial credit risk for investments.

At June 30, 2010, \$3,531,393 of the Research Foundation's applicable investments were uninsured and held by the Research Foundation's counterparty in the Research Foundation's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Research Foundation's policy for managing concentration of credit risk is divided amongst investment type as follows for the year ended June 30, 2010:

Domestic equities	34 %
International equities	15 %
Bonds	23 %
Real estate	8 %
Alternative investments	20 %

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Research Foundation's investments are not exposed to foreign currency risk as securities denominated in currencies other than the U.S. dollar are not permissible by the Research Foundation's investment policy.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 5 – Capital assets

Following are the changes in capital assets for the year ended June 30, 2010:

	Beginning Balance July 1, 2009	Additions	Disposals	Ending Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 1,933,284	\$ -	\$ (1,302,099)	\$ 631,185
Total capital assets, not being depreciated	<u>1,933,284</u>	<u>-</u>	<u>(1,302,099)</u>	<u>631,185</u>
Capital assets, being depreciated:				
Buildings and improvements	6,942,511	-	-	6,942,511
Land improvements	307,186	-	-	307,186
Total capital assets, being depreciated	<u>7,249,697</u>	<u>-</u>	<u>-</u>	<u>7,249,697</u>
Less accumulated depreciation:				
Buildings and improvements	(1,440,738)	(885,822)	-	(2,326,560)
Land improvements	(280,616)	(1,378)	-	(281,994)
Total accumulated depreciation	<u>(1,721,354)</u>	<u>(887,200)</u>	<u>-</u>	<u>(2,608,554)</u>
Total capital assets being depreciated, net	<u>5,528,343</u>	<u>(887,200)</u>	<u>-</u>	<u>4,641,143</u>
Capital assets, net	<u>\$ 7,461,627</u>	<u>\$ (887,200)</u>	<u>\$ (1,302,099)</u>	<u>\$ 5,272,328</u>

Note 6 – Indirect cost revenue

The Research Foundation receives reimbursement from grantors for indirect costs incurred. The Research Foundation sends all of the indirect cost reimbursements to the University. The University then remits 22% of the indirect cost reimbursements to the Research Foundation. The amounts received back from the University totaled \$1,853,775 during the fiscal year ended June 30, 2010, and are recorded within operating revenues in the accompanying financial statements.

Note 7 – Contingencies

The Research Foundation receives numerous state and federal grants, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grants are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Research Foundation has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectability of any related receivable at year-end may be impaired. In the opinion of the Research Foundation, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 8 – Significant funding sources

For the fiscal year ended June 30, 2010, approximately \$27,085,000 (83%) of the Research Foundation's total federal expenditures and support, were awarded by three (3) agencies of the United States government. Changes in governmental spending could have a significant impact on the operations of the Research Foundation.

Note 9 – Related party transactions

During the year ended June 30, 2010, the Research Foundation paid investment management fees of approximately \$29,000 to Georgia State University Foundation, Inc., another component unit of the University.

During the year ended June 30, 2010, the Research Foundation accrued a transfer to Science Park, LLC of \$20,000 to cover administrative costs of Science Park, LLC.

Note 10 – Commitments

The Research Foundation has an operating lease commitment to SunTrust Bank for office space located in Atlanta, Georgia in the amount of \$9,046 per month through December 2010 escalating to \$9,319 per month through June 2011. The minimum obligation under this lease commitment is \$111,828 for the year ended June 30, 2011. In addition to the minimum obligation under the lease commitment, the Research Foundation is required to pay the landlord the Research Foundation's pro rata share of the annual operating costs of the building. This amount is estimated by SunTrust Bank and is included in the rent expense. Rent expense was \$170,103 for the year ended June 30, 2010.

Effective June 15, 2009 the Research Foundation made a commitment to provide support in the amount of \$500,000 to the Georgia Research Alliance Venture Fund, LLP. This support will be provided over a five year period, or a maximum of \$100,000 per year beginning in the fiscal year ended June 30, 2010. During the 2010 fiscal year, the Research Foundation contributed \$53,910 which is held in investments.

Note 11 – Subsequent Events

On August 25, 2010, the Research Foundation entered into a Purchase Agreement with a third party for the purchase of a building at 60 Peachtree Center Avenue in Atlanta, Georgia. The Research Foundation paid \$100,000 to First American Title Insurance Company for the option to purchase the property. This transaction does not have an effect on the June 30, 2010 financial statements, but will effect the financials in subsequent years.

The Research Foundation has evaluated subsequent events through September 29, 2010, which is the date the financial statements were available to be issued. As of this date, there were no material subsequent events requiring adjustment or disclosure in the financial statements for the year ended June 30, 2010, except as disclosed above.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

SCIENCE PARK

Note 1 – Organization

Science Park, LLC, a component unit of Georgia State University Research Foundation, Inc. (the “Research Foundation”), was incorporated as a not-for-profit single member limited liability company on August 9, 2006. The Research Foundation is the sole member of Science Park, LLC. Science Park, LLC was created to develop a 248,806 square-foot science research facility (the “Project”). Science Park, LLC leased the facility to the Board of Regents of the University System of Georgia for the use and benefit of Georgia State University (the “University”).

Note 2 – Significant accounting policies

Basis of presentation

The financial statements of Science Park, LLC have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and in accordance with Governmental Accounting Standards Board (“GASB”) applicable to governments. The financial statement presentation required by GAAP provides a comprehensive, entity-wide perspective of Science Park, LLC’s assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows.

Basis of accounting

In accordance with GAAP Science Park, LLC is required to follow all applicable GASB pronouncements. In addition, Science Park, LLC should apply all applicable Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Science Park, LLC has elected not to apply FASB pronouncements issued after November 30, 1989. Revenues and expenses of Science Park, LLC are recognized on the accrual basis using the economic resources measurement focus.

Reporting entity

In accordance with GAAP Science Park, LLC qualifies for treatment as a component unit of the Research Foundation; therefore, Science Park, LLC’s financial statements are included in the Research Foundation’s combined financial statements as a discretely presented component unit.

Cash and cash equivalents

Science Park, LLC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of June 30, 2010, all cash held by Science Park, LLC is held by an independent trustee and is restricted for the purpose of funding construction costs, interest, administrative fees, debt service reserves, and costs of issuance associated with the bond offering. Investments made by the trustee are considered cash equivalents and are made in accordance with the trust indenture.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 2 – Significant accounting policies (Continued)

Construction in progress

Construction in progress is stated at cost and includes planning, development, and construction costs, as well as capitalized interest. When construction is complete and the asset is placed in use, it is transferred at cost to real property.

Cost of bond issuance

Cost of bond issuance is stated at cost, less accumulated amortization and includes direct, incremental costs associated with the issuance of the bonds. Issuance costs are amortized to interest expense using the interest method.

Capitalized interest

Interest incurred during construction of the Project was capitalized until the Project was completed and ready for its intended use. Because the Project is financed by tax-exempt borrowings, the interest related to the Project is capitalized after reduction for interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use. At the time the qualifying assets are placed in service, amortization of the capitalized interest begins, straight-line, over the estimated useful lives of the related assets. For the year ended June 30, 2010 capitalized interest, net of interest earned, totaled \$4,203,821.

Bonds payable

Science Park, LLC records the net proceeds of tax-exempt bond financing as a liability upon issuance. Bond proceeds consist of the par value of the bonds issued plus premiums or minus discounts. Bond premiums are amortized to interest expense using the interest method.

Net assets

Science Park, LLC's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents Science Park, LLC's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Net assets restricted – expendable: Net assets restricted – expendable – include resources in which the Research Foundation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Net assets – restricted - expendable consisted of the following at June 30, 2010:

Reserve and renewal	\$ 150,000
Total	\$ <u>150,000</u>

Unrestricted net assets: Unrestricted net assets represent resources derived from non-operating income. These resources are used for transactions relating to the enhancement of the University, and may be used at the discretion of the governing board to meet current expenses for those purposes.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 2 – Significant accounting policies (Continued)

Use of estimates

The preparation of financial statements in conformity with GAAP 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.

Classification of revenues

Science Park, LLC has classified its revenues as either operating or nonoperating revenues in the Statement of Revenues, Expenses, and Changes in Net Assets according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GAAP, such as investment income.

Income taxes

Science Park, LLC is a nonprofit organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and is a single member LLC, with the Research Foundation as the sole member. As a result, it shall be disregarded as a separate entity for tax purposes and therefore, no provision for federal income taxes has been made in the accompanying financial statements. The activities of Science Park, LLC are reported for tax purposes as part of the Research Foundation's tax return.

Future adoption of new accounting pronouncements

In February 2009, GASB issued SGAS No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

In December 2009, GASB issued SGAS No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011.

In June 2009, GASB issued SGAS No. 59, *Financial Instruments Omnibus*. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 2 – Significant accounting policies (Continued)

The Science Park, LLC’s management is currently evaluating the impact the above pronouncements will have on its financial statements.

Note 3 – Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, Science Park, LLC’s deposits may not be recovered. Science Park, LLC does not have a deposit policy for custodial credit risk.

At June 30, 2010, cash equivalents consisted of money market funds rated AAAM - G by Standard and Poor’s Rating Services.

Note 4 – Capital assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance July 1, 2009	Additions	Transfers	Ending Balance June 30, 2010
Capital assts, not being depreciated:				
Construction in progress	\$ 34,677,375	\$ 39,383,742	\$ 74,061,117	\$ -
Total	<u>\$ 34,677,375</u>	<u>\$ 39,383,742</u>	<u>\$ 74,061,117</u>	<u>\$ -</u>

Note 5 – Net Investment in Direct Financing Lease

In May 2010, Science Park, LLC completed the construction of a science research facility for a total cost of \$74,061,117. Upon completion of the science research facility, Science Park, LLC leased the facility to a related party. Science Park, LLC is accounting for this transaction as a direct financing capital lease. The lease entitles Science Park, LLC to receive direct and indirect funding for insurance, taxes, bond and interest obligations, repairs and maintenance, and other ancillary expenses. The lease contains an annual renewal option as of specified dates in the agreement. For the year ended June 30, 2010, the income from investment in direct financing lease was \$422,078.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 5 – Net Investment in Direct Financing Lease (Continued)

Future minimum net amounts receivable under direct financing lease at June 30, 2010 are as follows:

<u>For the fiscal year ending June 30,</u>	
2011	\$ 4,446,565
2012	5,945,712
2013	5,953,002
2014	5,962,333
2015	5,967,586
2016 – 2020	29,943,534
2021 – 2025	30,142,449
2026 – 2030	30,378,979
2031 – 2035	30,639,981
2036 – 2040	<u>24,739,251</u>
Total lease receivable	174,119,392
Less unearned interest	<u>(99,856,739)</u>
	<u>\$ 74,262,653</u>

Note 6 – Bonds payable

Bonds payable activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance June 30, 2010</u>
\$90,205,000 Series 2007 Bonds	\$ 90,205,000	\$ -	\$ -	\$ 90,205,000
Unamortized bond premium	<u>857,139</u>	<u>-</u>	<u>(28,572)</u>	<u>828,567</u>
Total	<u>\$ 91,062,139</u>	<u>\$ -</u>	<u>\$ (28,572)</u>	<u>\$ 91,033,567</u>

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 6 – Bonds payable (Continued)

\$90,205,000 Bond Issue — The Series 2007 Bonds were issued pursuant to a Trust Indenture and Security Agreement dated as of December 1, 2007 (the “Indenture”), between the Atlanta Development Authority (the “Authority”) and Branch Banking and Trust Company, Wilson, North Carolina as trustee (the “Trustee”). The Authority loaned proceeds of the sale of the Series 2007 Bonds to Science Park pursuant to the terms and provisions of a Loan Agreement dated December 1, 2007 (the “Loan Agreement”), between the Authority and Science Park, LLC. Science Park, LLC’s obligations under the Loan Agreement will be evidenced by a Promissory Note dated December 1, 2007 (the “Promissory Note”).

Science Park, LLC used proceeds of the Series 2007 Bonds to (i) finance or refinance, in whole or in part, the cost of the acquisition, construction and equipping of approximately 248,806 square-foot research facility located in a new Georgia State University Science Park on the campus of the University; (ii) fund a debt service reserve fund for the Series 2007 Bonds; (iii) fund capitalized interest for the Series 2007 Bonds; and (iv) pay costs of issuance of the Series 2007 Bonds.

Term bonds under the Loan Agreement bear interest payable semiannually on January 1 and July 1 at fixed rates ranging from 4.75% to 5.25% depending on the schedule of bond maturities. Serial bonds under the loan agreement bear interest payable semi-annually on January 1 and July 1 at a rate of 4.50% until July 1, 2014 when the interest rate increases to 5.00%. Principal payments are due on July 1 beginning in 2011 and continuing until 2039.

The Series 2007 Bonds are payable solely from the Trust Estate which includes all of the Authority’s right, title and interest in and to the Loan Agreement, Promissory Note, a deed to secure debt assignment of rents and leases, a security agreement, amounts held in certain funds under the Indenture, moneys and securities and interest earnings thereon from time to time delivered to and held by the Trustee under the terms of the Indenture, and proceeds of any and all of the foregoing.

Optional Redemption. The Series 2007 Bonds maturing on July 1, 2018 and thereafter will be subject to optional redemption prior to maturity by the Authority upon the written request of the Science Park pursuant to the Loan Agreement, from moneys on deposit in the Redemption Account, in whole or in part on any interest payment date (and if in part in an authorized denomination) on or after July 1, 2017 at a redemption price of par, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2007 Bonds maturing on July 1, 2027 and bearing interest at 4.75% are subject to mandatory sinking fund redemption on July 1, 2023 and on each July 1, thereafter, in accordance with the Indenture, at a redemption price equal to the principal amount of each Series 2007 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed or redemption.

The Series 2007 Bonds maturing on July 1, 2027 and bearing interest at 5.25% are subject to mandatory sinking fund redemption on July 1, 2023 and on each July 1, thereafter, in accordance with the Indenture, at a redemption price equal to the principal amount of each Series 2007 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed or redemption.

The Series 2007 Bonds maturing on July 1, 2032 and bearing interest at 5.00% are subject to mandatory sinking fund redemption on July 1, 2028 and on each July 1, thereafter, in accordance with the Indenture, at a redemption price equal to the principal amount of each Series 2007 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed or redemption.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements – Continued
Year Ended June 30, 2010**

Note 6 – Bonds payable (Continued)

The Series 2007 Bonds maturing on July 1, 2032 and bearing interest at 5.25% are subject to mandatory sinking fund redemption on July 1, 2028 and on each July 1, thereafter, in accordance with Indenture, at a redemption price equal to the principal amount of each Series 2007 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed or redemption.

The Series 2007 Bonds maturing on July 1, 2039 and bearing interest at 5.00% are subject to mandatory sinking fund redemption on July 1, 2033 and on each July 1, thereafter, in accordance with Indenture, at a redemption price equal to the principal amount of each Series 2007 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed or redemption.

Annual debt service requirements on the Series 2007 Bonds outstanding at June 30, 2010 are as follows:

<u>For the fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	-	4,482,350	4,482,350
2012	1,470,000	4,482,350	5,952,350
2013	1,535,000	4,416,200	5,951,200
2014	1,605,000	4,347,125	5,952,125
2015	1,680,000	4,274,900	5,954,900
2016 – 2020	9,730,000	20,029,000	29,759,000
2021 – 2025	12,420,000	17,341,300	29,761,300
2026 – 2030	15,820,000	13,937,263	29,757,263
2031 – 2035	20,175,000	9,570,725	29,745,725
2036 – 2040	25,770,000	3,991,250	29,761,250
	<u>\$ 90,205,000</u>	<u>\$ 86,872,463</u>	<u>\$ 177,077,463</u>

Note 7 – Related party transactions

Science Park, LLC leases air rights from the Board of Regents where it constructed a building on the Board of Regents' property. The air rights lease is for the purpose of providing not less than 248,806 square feet of the Parker H. Petit Science Teaching Laboratory. The air rights lease was for a period of up to three (3) years during construction and continues for thirty (30) years after construction was completed for a base rental of \$10 per year. The air rights lease includes an option to renew for an additional five (5) years should there be debt outstanding at the end of the original lease term. Under the air rights lease, the ownership of any building or structure constructed passes to the Board of Regents at the end of the air rights lease.

Science Park, LLC signed a rental agreement with the Board of Regents for not less than 248,806 square feet in the Parker H. Petit Science Teaching Laboratory for the period which commenced on the first day of the first month after the Science Park, LLC obtained a certificate of occupancy and ends the following June 30 at a rent not to exceed \$6,200,000 per year with options to renew on a year-to-year basis for up to thirty (30) consecutive one-year periods (the total not to exceed thirty years from the date of the certificate of occupancy) with rent increasing no more than 3% for each option period exercised.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

**Notes to Financial Statements - Continued
Year Ended June 30, 2010**

Note 7 – Related party transactions (Continued)

Science Park, LLC has an agreement with the Board of Regents wherein each party grants to the other party such easements as are necessary for such other party to have necessary access and to define operational responsibilities.

Science Park, LLC entered into an agreement for development with the Board of Regents, Georgia State University, and the Georgia State Financing and Investment Commission (“GSFIC”), wherein GSFIC will design, develop, and construct the Parker H. Petit Science Teaching Laboratory.

Science Park, LLC has entered into a management agreement with the Research Foundation whereby the Research Foundation provides project management, accounting, and other administrative services to Science Park, LLC for \$10 per year. The \$10 management fee shall be payable in advance by Science Park, LLC on July 1 of each year, having commenced on July 1, 2008 and ending on July 1, 2039. During the year ended June 30, 2010 the Research Foundation waived the management fee under the provisions of this agreement.

Science Park, LLC received a transfer from the Research Foundation for \$20,000 included in other revenue to fund administrative expenses of Science Park, LLC.

Note 8 – Subsequent Events

Science Park, LLC has evaluated subsequent events through September 29, 2010, which is the date the financial statements were available to be issued. As of this date, there were no material subsequent events requiring adjustment or disclosure in the financial statements for the year ended June 30, 2010.



**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***

Board of Directors
Georgia State University Research Foundation, Inc. and Affiliate
Atlanta, Georgia

We have audited the financial statements of Georgia State University Research Foundation, Inc., and its Affiliate, a discretely presented component unit of Georgia State University, (the "Research Foundation") as of and for the year ended June 30, 2010, and have issued our report thereon dated September 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Research Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Research Foundation's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, 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.

Cherry, Bekaert & Holland, L.L.P.

Atlanta, Georgia
September 29, 2010



**Report on Compliance With Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Board of Directors
Georgia State University Research Foundation, Inc. and Affiliate
Atlanta, Georgia

We have audited Georgia State University Research Foundation, Inc., and its Affiliate, a discretely presented component unit of Georgia State University, (the "Research Foundation") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Research Foundation's major federal programs for the year ended June 30, 2010. The Research Foundation'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 Research Foundation's management. Our responsibility is to express an opinion on the Research Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* ("OMB Circular A-133"). Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Research Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Research Foundation's compliance with those requirements.

In our opinion, the Research Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-01, 2010-02 and 2010-03.

Internal Control Over Compliance

Management of the Research Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Research Foundation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on

we do not express an opinion on the effectiveness of the Research Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-01 and 2010-02. 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.

Schedule of Expenditure of Federal Awards

We have audited the basic financial statements of the Research Foundation as of and for the year ended June 30, 2010, and have issued our report thereon dated September 29, 2010, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

This report is intended solely for the information and use of the Board of Directors, 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.

Cherry, Bekaert & Holland, LLP

Atlanta, Georgia

December 13, 2010 except for the schedule of expenditures of federal awards,
as to which the date is September 29, 2010

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2010

	Federal Expenditures
Research and Development Cluster¹	
Federal awards received directly by the Research Foundation	\$ 21,179,494
Pass-through awards	3,288,254
Awards made under the American Recovery and Reinvestment Act:	
Federal awards received directly by the Research Foundation	1,111,492
Pass-through awards	46,600
Total Research and Development Cluster	25,625,840
 TRIO Cluster¹	
Federal awards received directly by the Research Foundation	1,766,650
 Other Federal Programs¹	
Federal awards received directly by the Research Foundation	3,972,754
Pass-through awards	1,233,011
Awards made under the American Recovery and Reinvestment Act:	
Pass-through awards	104,012
Total Other Federal Programs	5,309,777
 Total Expenditures of Federal Awards	\$ 32,702,267

¹Federal CFDA numbers are presented in the Exhibit I

See notes to Schedule of Expenditures of Federal Awards and Supplemental Schedule.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Notes to the Schedule of Expenditures of Federal Awards

For the year ended June 30, 2010

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Georgia State University Research Foundation, Inc.'s and its Affiliate, (the "Research Foundation") and is presented on the cash basis of accounting. Expenditures under award programs are presented using the economic resources measurement focus and the accrual basis of accounting in the Research Foundation's financial statements.

The purpose of the Schedule is to present a summary of the activities of the Research Foundation for the year ended June 30, 2010, which have been financed by the United States Government.

Because the Schedule presents only a selected portion of the activities of the Research Foundation, it is not intended to and does not present either the financial position, changes in fund balances, or cash flows of the Research Foundation.

Research grants awarded to the Research Foundation are then provided to Georgia State University (the "University"), which is responsible for the fiscal administration of the grants.

Note 2 - Subrecipients

Of the federal expenditures presented in the schedule of expenditures of federal awards, the University provided federal awards to subrecipients as presented in Exhibit II.

Note 3 – Non-cash awards

The Research Foundation did not receive any non-cash federal awards during the year ended June 30, 2010.

Note 4 – Catalog of Federal Domestic Assistance ("CFDA") Numbers

CFDA numbers that are available for each federal award program are indicated on the supplemental schedule of expenditures of federal awards at Exhibit I.

Note 5 – Contingencies

These award programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Research Foundation expects such amounts, if any, to be immaterial.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Schedule of Findings and Questioned Costs

For the year ended June 30, 2010

I. Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes no
- Significant deficiency(ies) identified? _____ yes none reported

Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes no
- Significant deficiency(ies) identified? yes _____ 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 Section 510(a) of OMB Circular A-133? yes _____ no

Identification of Major Programs

The programs tested as major programs for the year ended June 30, 2010 are as follows:

<u>CFDA #</u>	<u>Name of Federal Program</u>
Listed by CFDA number in Exhibit I	Research and Development Cluster
84.044, 84.047, 84.066, 84.217	TRIO Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$ 981,068
Auditee qualified as low-risk auditee?	_____ yes <input checked="" type="checkbox"/> no

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Schedule of Findings and Questioned Costs – continued

For the year ended June 30, 2010

II. Financial Statement Findings

None reported.

III. Federal Awards Findings and Questioned Costs

Finding 2010-01

Lack of Support and/or Inconsistent Support for Reporting

Federal Agency: U.S. Department of Education
Federal Program: TRIO Cluster

CONDITION:

Supporting documents provided for the reports submitted to the Department of Education (“ED”) did not agree to the annual performance reports. Specifically, the following exceptions in key line items of the annual performance reports were noted in our testing:

- Educational Opportunity Center program - the number of total participants reported for the key line item Participant Distribution by Eligibility (Section II, subsection B) was 1,098. The number of total participants on the supporting participant data file maintained by the Research Foundation was 1,091.
- Upward Bound – Dekalb program - one individual noted as a current year participant on the supporting participant roster was included as a prior year participant on the annual performance report submitted to ED.
- Upward Bound – Gwinnett program - one individual noted as a current year participant on the supporting participant roster was not included in the data file submitted as part of the annual performance report.
- Talent Search program - The number of participants for the key line item Participant Distribution by Eligibility (Section II, subsection B) did agree to the supporting data file in total. However, the individual component line items that make up the total within Participant Distribution by Eligibility (Section II, subsection B) – Low-Income & Potential First-Generation College Students, Low-Income Only, and Potential First-Generation College Students Only – did not agree to the supporting participant rosters maintained by the Research Foundation.

CRITERIA:

In accordance with OMB Approval No.: 1840-0762 *Upward Bound, Upward Bound Math-Science, and Veterans Upward Bound Programs Annual Performance Report* and OMB Approval No.: 1840-0561 *Talent Search (TS) and Educational Opportunity Centers (EOC) Programs Annual Performance Report*, grantees must submit an annual performance report

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Schedule of Findings and Questioned Costs – continued

For the year ended June 30, 2010

to ED each year of the project period. This report includes critical information about the participants including their eligibility status.

EFFECTS:

Without consistent and accurate documentation of participant information that agrees to the data submitted in the annual performance reports it is unclear that the Research Foundation has properly reported participant information to ED.

A violation or failure to comply with Federal laws and regulations may result in ED withholding payments to the Research Foundation, withholding approval of further grants with the Research Foundation, and any other action deemed necessary to gain compliance.

QUESTIONED COSTS:

None identified.

CAUSE:

Inaccurately compiling the data included in the annual performance reports.

RECOMMENDATIONS:

We recommend the TRIO cluster programs establish policies and procedures to accurately report all required information concerning the program participants.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the above finding. To address a deficiency in data management and reporting capabilities in the University's TRIO programs, specifically Educational Opportunity Center (EOC) and Talent Search (TS), in June 2010 GSURF management purchased a new web based software application named Student Access, a system designed to allow for accurate and reliable tracking of participants in TRIO programs. This new system is currently being implemented by EOC and TS to replace a paper based system that had previously been used for reporting by the TRIO programs. The software vendor will assist TRIO management in converting their existing data into the new web based system. An outside consultant was hired by the TRIO program to assist with the implementation and training for this new database.

The Upward Bound (UB) program has already implemented and is using the Blumen software, a powerful user friendly database management system specially designed for the TRIO Programs to track the student's profile and to generate the Annual Reports. This software replaces a paper based system that was being used by UB.

The Student Access and Blumen databases will be utilized to enter, store, and report participant data. The Program Director will review the inputted participant data for accuracy and click on a field in the database to make this record active. Required fields for reporting to the Department of Education are indicated on the screen in the database and must be filled out. Monthly reports of participant data will be run and reviewed by Program Specialists and Program Director for accuracy, to ensure any and all updates have been inputted into the system, and to monitor that earmarking requirements are being meet. At year end a report will be run which includes all participant data and in the correct format for

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Schedule of Findings and Questioned Costs – continued

For the year ended June 30, 2010

reporting to the Department of Education. This report will be reviewed again by Program Specialists and Program Director for accuracy and to ensure any and all updates have been inputted into the system. Upon completion of the year end review, the Program Director will sign off and forward the annual report to GSU's Financial Compliance Officer (FCO) for another level of review. GSU has created a new position and is in the process of hiring a FCO, who will provide management level oversight for sponsored projects. The FCO will review the annual report to ensure accurate and consistent reporting of participant data. After the review has been completed and the data is verified to be correct, the FCO will forward the annual report to GSU's Authorized Institutional Official for approval and submission to the Department of Education.

At this time the TRIO program is still implementing the new Student Access Database, anticipated completion date of implementation and training is Spring 2011. The Blumen Database has already been implemented. In addition, GSU anticipates hiring the Financial Compliance Officer in Spring 2011 as well.

Contact Person: Cheryl Arnold, Director Educational Opportunity & TRIO Programs
Telephone: (404) 413-1695 Email: carnold@gsu.edu

**Finding 2010-02
Failure to Meet Required Earmarking Threshold**

Federal Agency: U.S. Department of Education
Federal Program: CFDA # 84.066 Educational Opportunity Center

CONDITION:

At least two-thirds of the individuals served by the Educational Opportunity Center must be low-income individuals who are potential first-generation college students. Based on the data reported in the annual performance report submitted to ED by the Research Foundation for the period September 1, 2008 through August 31, 2009, only 63.8% of participants qualified as both low income and first generation college students.

CRITERIA:

Per 34 CFR 644.10 at least two-thirds of the individuals served under the proposed Educational Opportunity Centers project will be low-income individuals who are potential first-generation college students.

EFFECTS:

A violation or failure to comply with Federal laws and regulations may result in ED withholding payments to the Research Foundation, withholding approval of further grants with the Research Foundation, and any other action deemed necessary to gain compliance.

QUESTIONED COSTS:

None identified.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Schedule of Findings and Questioned Costs – continued

For the year ended June 30, 2010

CAUSE:

Insufficient monitoring of program participants' eligibility status in aggregate.

RECOMMENDATIONS:

The program director should monitor the percentage of participants that qualify as both Low Income and First Generation and take appropriate corrective action if the program is not meeting the two-thirds requirement.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the above finding. Through using the new Student Access database, a web based software application designed to allow for accurate and reliable tracking of participants, purchased by GSURF in June 2010, the Educational Opportunity Center (EOC) Program Director will conduct monthly reviews of participant data to monitor that earmarking requirements, two-thirds of participants are low income and potential first generation college students, are being met. If they are not, then EOC management will actively recruit and enroll participants who are low income and potential first generation college students to ensure that the two-thirds earmarking requirement is being met.

At this time the EOC program is still implementing the new Student Access Database, anticipated completion date of implementation and training is Spring 2011.

Contact Person: Cheryl Arnold, Director Educational Opportunity & TRIO Programs
Telephone: (404) 413-1695 Email: carnold@gsu.edu

**Finding 2010-03
Required Reports Not Filed or Not Submitted on Time**

Federal Agency: Department of Defense
Federal Program: CFDA # 12.OFA
CFDA # 12.420

CONDITION:

Certain financial and other reports required by grant and contractual agreements entered into by the Research Foundation with various federal agencies were not submitted on time. Of a total of 22 reports judgmentally selected for testing, 2 were not submitted on time.

CRITERIA:

The Research Foundation is required to submit performance and financial reports as required by the award terms and conditions. Such reports are required to be submitted within a specified timeframe as required by the applicable grant or contract agreement.

EFFECTS:

A violation or failure to comply with an award's terms and conditions may result in the Federal agency withholding payments to the Research Foundation, withholding approval of further grants with the Research Foundation, and any other action deemed necessary to gain compliance.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Schedule of Findings and Questioned Costs – continued

For the year ended June 30, 2010

QUESTIONED COSTS:

None identified.

CAUSE:

Insufficient monitoring of compliance with the reporting terms and conditions of awards.

RECOMMENDATIONS:

Efforts should continue to be made by the Research Foundation to reemphasize policies and procedures to ensure required reports are submitted to the contracting agencies by the specified due dates.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the above finding. While we continue to use a previously established reporting methodology to track our annual financial reporting deliverables to granting agencies, we are working on a process for implementing a tracking feature in our new financial system which will allow for the input of all reporting deliverables (including type, frequency, due dates, etc.) by project, a timestamp on the system for when they have been completed, and a query function which will allow us to better monitor when reports are due at a supervisory level. We expect this new tracking feature to be implemented by Fall 2011.

Contact Person: Josh M. Rosenberg, Associate Director, Research Financial Services

Telephone: (404) 413-3523 Email: jrosenberg@gsu.edu

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

The following is an update of prior audit findings and is prepared in accordance with OMB Circular A-133.

**Finding 2009-01
Lack of Documentation Supporting Cost Transfers**

Federal Agency: U.S. Department of Education
Federal Program: TRIO Cluster

CONDITION:

A cost transfer was made during FY 2009 that transferred payroll expenses for two individuals for the period September 2006 to May 2008 from one sponsored TRIO program to another sponsored TRIO program. The payrolls in question were certified as working on the Upward Bound program at the time the work was performed. The payrolls were later transferred to the Talent Search program. The Upward Bound grant period ended August 31, 2008. The transfer was requested September 28, 2008. It does not appear that the Upward Bound program was over-budget prior to the cost transfers.

CRITERIA:

OMB Circular A-21, *Cost Principles for Educational Institutions, Section C, Subsection 4* states that "Any costs allocable to a particular sponsored agreement may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience."

The Research Foundation's Personnel Effort Reporting (PER) policy states that the individual completing the PER must affirm that the percentages of effort reported for the timeframe being certified are reasonable. Knowingly signing an inaccurate effort certification is a serious violation of University policy, as well as potentially a violation of civil and criminal fraud statutes. The policy documents the following procedures that must be followed when changes are made to salary allocations after the certification period:

1. Personnel Action Forms (PAFs) used for retroactive salary adjustments must be accompanied by a written request from the PI detailing the justification for the change. Lack of oversight or unidentified mistakes have not been widely accepted in recent audits as adequate justifications.
2. Retroactive salary adjustments must be approved by Research Financial Services prior to being processed. Such approval is contingent on an adequate justification.
3. Retroactive salary adjustments requesting costs be charged onto sponsored projects will not be approved if the requested adjustment is more than one year after the date of the initial charge.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

4. If a PER has already been certified, it will be deleted. A revised PER will be generated based on the salary adjustment.
5. The PI must certify the revised PER.
6. Retroactive salary adjustments are cost transfers and must be completed in accordance with Georgia State University's Cost Transfer policy and procedures.

The Research Foundation's policies for Cost Transfers include similar requirements as the OMB Cost Circular noted above. Specifically, the policy states that no charge may be transferred to or between sponsored project accounts in excess of one year from the original date of posting except in approved extraordinary circumstances. A payroll adjustment affecting a prior fiscal year must be completed by Research Financial Services. The Department and Principal Investigator must submit adequate explanation to withstand audit scrutiny. As with all cost transfers, the transfer must be supported by a written explanation of how and why the error occurred and a certification of the correctness of the new charge. An explanation that merely states that the transfer was made "to correct error" or "to transfer to correct project" is not sufficient. Appropriate justification will detail:

1. when the error was discovered,
2. what the charge was for,
3. why the charge was incorrectly made, and how it specifically relates to the sponsored project account to which it will be transferred.

EFFECTS:

Payroll charges that have been certified to a federal program are drawn down and funds are received from the federal agency for those certified payroll charges. When costs are subsequently transferred to a different federal program, it is required to document the cause of the error. Without documentation of the justification of cost transfers of payroll charges, it is unclear as to why previously certified payroll charges would be moved from one federal program to another. Without sufficient documentation for cost transfers, it is unclear as to why payroll charges were certified in error and funds were drawn down on that program in error.

A violation or failure to comply with Federal laws and regulations may result in the Federal agency withholding payments to the Research Foundation, withholding approval of further grants with the Research Foundation, and any other action deemed necessary to gain compliance.

QUESTIONED COSTS:

\$41,525.33 - computed as the amount of payroll and payroll-related expenditures previously certified as working on the Upward Bound program that were transferred to the Talent Search program without proper justification.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

CAUSE:

The Research Foundation did not follow federal grant administration policies, or its own policies, in regards to sufficient documentation and justification of transferring costs to a sponsored program.

RECOMMENDATIONS:

We recommend the Research Foundation adhere to its policies and procedures related to cost transfers made to sponsored programs. All transfers should be reviewed for proper documentation supporting the transfer.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the above finding. The payroll cost transfers in question involved two permanent Talent Search employees who were having a portion of their time and effort moved out in order to assist the Upward Bound Program's need for additional temporary staff. This included assisting the Upward Bound program in the area of computer technology, in program planning, career counseling, and chaperoning participant field trips. The Talent Search Program Director (Project ELK 83) noticed an error in payroll charges and attempted to get the correct amount of time and effort costs charged to (Project ELK 89) the Upward Bound Program, using the existing non-electronic payroll system.

Since then, Georgia State University implemented a new financial system, Peoplesoft 8.9, in July 2009 and our new payroll system ADP will begin to roll out an electronic Personnel Action Form (ePAF) beginning May 2010 to better monitor payroll cost transfers. TRIO staff will attend trainings related to the new ePAF during the rollout phase.

Contact Person: Cheryl Arnold, Director Educational Opportunity & TRIO Programs
Telephone: (404) 413-1695 Email: carnold@gsu.edu

STATUS:

Corrective action has been taken and the matter has been resolved.

**Finding 2009-02
Lack of Payroll Certifications**

CONDITION:

In our sample of forty Research & Development Cluster expenditures and forty TRIO Cluster expenditures, we had six samples related to payroll expenditures charged to grants during the Summer of 2008. For two of these samples, the payroll expenditures that were certified did not agree to the actual charges that were expensed to the grant. As a result, charges to the grant were not certified after the fact.

Our sample also included three payroll expenditures that were incurred during the Summer of 2009. These payrolls have not yet been certified. The University System of Georgia (USG) contracted with Automated Data Processing (ADP) to develop a Shared Services model. This model is designed to consolidate business functions throughout USG. Georgia State University converted to this new automated system for processing employee Payroll

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

and Benefits on August 8, 2009. Due to many problems encountered with the new system, PERS certifications for Summer 2009 are expected to be certified in May 2010, eight months after the end of the Summer semester.

CRITERIA:

CIRCULAR A-21, *Cost Principles for Educational Institutions*, requires that the payroll distribution system (i) be incorporated into the official records of the institution; (ii) reasonably reflect the activity for which the employee is compensated by the institution; and (iii) encompass both sponsored and all other activities on an integrated basis, but may include the use of subsidiary records. The institution must recognize the principle of after the fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. The payroll distribution system will allow confirmation of activity allocable to each sponsored agreement. Cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed.

In addition, Circular A-21 requires that the payroll distribution system will provide for independent internal evaluations to ensure the system's effectiveness and compliance with the above standards.

The Institution's After the Fact confirmation system did not accurately reflect the activity for which the employee was compensated during the Summer of 2008. As a result, employees' confirmations of the costs charged to the sponsored activities did not include the actual time charged to the program.

According to the Research Foundation's DS-2, the Research Foundation's Method of Charging Direct Salaries and Wages is using the After the Fact Activity Records system. OMB A-21, *Cost Principles for Educational Institutions*, states that under this system the distribution of salaries and wages by the institution will be supported by activity reports that reflect the distribution of activity expended by employees covered by the system. These reports will reasonably reflect the activities for which employees are compensated by the institution. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed. For professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months.

EFFECTS:

Payroll charges are unallowable costs if they are not accurately certified by a responsible person with suitable means of verification that the work was performed.

QUESTIONED COSTS:

N/A

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

CAUSE:

According to management, the payroll system (PERS/Maximus) had technical problems during the summer of 2008. As a result, detailed subsidiary information was inconsistent with other information within the system. This technical problem resulted in inaccurate payroll certifications.

After the change in payroll systems, the delayed certifications of payroll charges are a result of the University System of Georgia's transfer of all payroll activity to ADP and issues related to the conversion. It is completely out of the Research Foundation's authority.

RECOMMENDATIONS:

Once the new payroll system is corrected and payroll certifications are possible, the Research Foundation should ensure all FY 2010 certifications are completed as soon as possible. Without properly certified payroll charges, those costs will be unallowable under OMB A-21.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the above finding. Below are some, but not all the issues we have encountered transitioning to ADP. These are the ones that most directly impact the certification of Summer 2009 PERS:

Changing personnel data (distribution, salary, etc) – Input of data has been slow because of the volume to employee hour ratio. ADP and timecard changes have also been slow, resulting in delays in employees receiving the correct amount charged to the correct speedtypes. Prior period adjustments need to be made in order to correct these issues. Overpayments and underpayments have also resulted.

Adding new speedtypes to payroll system- What was a one step process has become a four step process. Work is being done to reduce the time involved so people can be paid correctly in a timely manner.

Adjusting incorrect distributions on prior period checks- Departments and PIs cannot see payroll information. Reports that have been provided as interim solutions do not include all checks for all people in a division.

Once the new ADP payroll system errors are corrected and payroll certifications are possible, Summer 2009 PERS will be certified by May 2010 and all FY 2010 certifications will be completed by November 2010.

Contact Person: Dr. Amy Lederberg, Associate Vice President for Research
Telephone: (404) 413-3505 Email: alederberg@gsu.edu

STATUS:

Corrective action has been taken and the matter has been resolved.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

**Finding 2009-03
Lack of Support for Reporting**

Federal Agency: U.S. Department of Education
Federal Program: CFDA # 84.066 Educational Opportunity Center

CONDITION:

Per the 2009 compliance supplement, the TRIO programs require annual performance reporting to the Department of Education. The compliance supplement also indicates some critical key line items on the report that contain critical information. This information includes the number of participants that fall into certain eligibility categories and level of education categories. The Research Foundation could not provide supporting documentation to support the numbers that were reported.

Program counselors are responsible for making sure the eligibility requirements are being met and properly documented among participant files. These counselors are individuals employed by the Research Foundation for the purpose of obtaining participants and tracking their performance through the program, while at the same time offering guidance and assistance with participant needs. Program counselors complete the reporting for their participants and submit the totals to the Program Director. The Program Director then adds the numbers together for reporting to the Department of Education. The detailed listing of participants supporting eligibility reporting was not available.

In addition, of the eleven participants selected for eligibility testing, one of the participant's file could not be found. Of the ten reviewed, we noted very limited supporting information was maintained in the files. Each file contained an "Intake Sheet". These Intake Sheets were many times illegible or lacked some of the information requested. The intake sheet asked for information from the participant and was signed by the participant. Though participants are not required to be either Low Income or First Generation to be eligible for the Educational Opportunity Center program ("EOC"), at least two-thirds of the individuals served by an EOC project must be low-income individuals who are potential first-generation college students. Information with regards to income was inconsistent and limited. The EOC staff calculates the taxable income based on income provided from the participant and standard IRS deductions. We noted errors in the staff's calculation of taxable income in seven of the ten files reviewed. The results, however, were the same (low income based upon the information provided).

CRITERIA:

Per the A-133 Compliance Supplement for the Educational Opportunity Center Program, grantees must submit an annual performance report to the Department of Education each year of the project period. This report includes critical information about the participants including their eligibility status. In addition, 34 CFR 644.32 requires that for each participant, the grantee shall maintain a record of the basis for the grantee's determination that the participant is eligible to participate in the project. This includes how the grantee determined the status of a low-income individual.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

EFFECTS:

Without detailed schedules that support the numbers reported for students served by Federal program, it is unclear that the Research Foundation has properly reported participant information to the Federal agency. Without sufficient and accurate documentation of participant information, it is unclear that the Research Foundation has properly determined participant eligibility status for inclusion in the Federal program.

A violation or failure to comply with Federal laws and regulations may result in the Federal agency withholding payments to the Research Foundation, withholding approval of further grants with the Research Foundation, and any other action deemed necessary to gain compliance.

QUESTIONED COSTS:

No questioned costs determinable; may impact receipt of future funding, but amounts will not have to be repaid, since funding is not based upon number of participants.

CAUSE:

Insufficient monitoring of program counselors and their maintenance of their participant files.

RECOMMENDATIONS:

We recommend the Educational Opportunity Center Program establish policies and procedures to accurately report all required information concerning the program participants. We further recommend Intake Applications be subject to additional review to insure completeness and accuracy.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the above finding. In an effort to help ensure the accuracy of reporting participant data, new policies and procedures were given to EOC staff by the project director in December 2009 that took effect immediately. Going forward, six-month and year-end reports will be accompanied with a roster of participant names that will match each entry on the reports. This will improve the accuracy of the reports and ensure that timely documentation and updating takes place. Within the next few weeks, as soon as the approval process is completed by the University, EOC will convert to an on-line/web-based database program; Student Access Program licensed by Heiberg Consulting, Inc. and will be designed specifically for keeping track of EOC data used in the annual performance report. Additionally, to assist with the enrollment verification process, EOC has begun using the National Student Clearinghouse System. This system will augment our current system and help EOC to better verify and document participants who have enrolled in a postsecondary educational institution.

Also, the EOC project director is currently reviewing the intake application of each participant to ensure completeness and accuracy. Each Educational Program Specialist delivers to the director their client's intake packet for review before any data is entered in the database. If any errors or omissions are found, the intake packets are sent back to the respective Program Specialist for correction.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

Contact Person: Cheryl Arnold, Director Educational Opportunity & TRIO Programs
Telephone: (404) 413-1695 Email: carnold@gsu.edu

STATUS:

Corrective action plan has not been fully implemented; and similar instances of noncompliance were noted in 2010. See Finding 2010-01.

Finding 2008-01

Failure to Submit Accurate Schedule of Expenditures of Federal Awards

CONDITION:

Per our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Research Foundation, we noted the following exceptions:

- The SEFA included the expenditures in the amount of \$1,408,777 for which we concluded that the relationship between the sponsor and the Research Foundation was one of a vendor relationship rather than a sub-recipient relationship. The payments for goods or services provided as a vendor are not considered Federal awards, and, therefore, should not be included on the Schedule of Expenditures of Federal Awards.
- We selected a sample of forty grants from the Research and Development Cluster for testing of compliance with A-133 requirements. Of the forty samples selected, three were reported on the SEFA with incorrect CFDA numbers. One of our samples also did not include any federal funding.
- We noted one project in which the CFDA number did not match the awarding agency. Upon further investigation, we noted the original CFDA number was reported in error.

CRITERIA:

OMB Circular A-133 states that the Research Foundation shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include the CFDA title and number. According to the Office of Budget and Management Circular A-110, *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher education, Hospitals and Other Non-Profit Organizations*, the Research Foundation is required to maintain accurate and complete accounting records which identify the source of and application for federal funds. In addition, OMB A-110 states that the Research Foundation must establish reasonable control procedures which ensure the accuracy of such records. All grant revenue sources need to be identified and properly reported on the Schedule of Expenditures of Federal Awards.

EFFECTS:

Failure to accurately report expenditures for Federal awards could result in material misstatements in the financial statements.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

QUESTIONED COSTS:

None

CAUSE:

The Research Foundation failed to implement adequate policies and procedures to ensure that expenditures for Federal Awards reported on the SEFA are correct.

RECOMMENDATIONS:

All contracts should be reviewed for proper determination of vendor or sub-recipient relationships. The award identification should be reviewed at the time of input and at the time of annual reporting to insure all information is accurate. If changes are made in the identification of an award, the changes should be carried through to all applications that report this information.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the reported finding. With the implementation of our new financial system in July 2009, awarded proposals will move from pre-award status to post-award status in the same information system, eliminating the risk of data entry error. In the interim, a manual process will be implemented February 1, 2009, to verify that the correct CFDA prefix is linked to the awarding agency.

Contact Person: Rick Evans, Associate Director, Office of Sponsored Programs
Telephone: (404) 413-3350; email: rdevans@gsu.edu

STATUS:

Corrective action has been taken and the matter has been resolved.

Finding 2008-02

Lack of Documentation Supporting Cost Transfers

CONDITION:

We reviewed four cost transfers noting expenses were reallocated from one federal award to another or from Institutional charges to federal awards. Some expenditures were transferred more than a year after the original charged. Departments are allowed to make their own cost transfers and no documentation is maintained by the Office of Sponsored Programs or Research Financial Services. At the time of the audit, the Principal Investigators documented their reasons for the transfers. The reasons expressed noted that equipment and supplies that were purchased in bulk that may have been used on multiple projects were later reallocated to other projects.

CRITERIA:

Cost transfers to or between sponsored project accounts are only allowable when there is direct benefit to the project account being charged. According to Georgia State University's Cost Transfer Policy, cost transfers to or from sponsored project accounts should represent corrections and must be made promptly after the error is discovered. To the maximum

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

extent possible, cost transfers should be made within 90 days of the original charge. The transfer must be supported by a written explanation of how and why the error occurred and a certification of the correctness of the new charge.

Appropriate justification will detail:

4. when the error was discovered,
5. what the charge was for,
6. why the charge was incorrectly made, and
7. how it specifically relates to the sponsored project account to which it will be transferred.

Furthermore, all cost transfers must include appropriate justification in the description field of the journal voucher. An explanation that merely states that the transfer was made "to correct error" or "to transfer to correct project" is not sufficient.

EFFECTS:

If proper support is not maintained to support cost transfers, then costs may be shifted between accounts or from one budget period to the next solely to cover cost overruns or to use up remaining funds, which is unallowable.

QUESTIONED COSTS:

\$10,999.20 total transfer to federally sponsored account in error.

CAUSE:

Departments create journals to transfer expenditures between projects. There are no controls in place to ensure the policies as stated above are adhered to.

RECOMMENDATIONS:

All transfers should be reviewed for proper documentation supporting the transfer.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the reported finding. We are in the process of reviewing and updating our institutional cost transfer policy, to coincide with the new university financial system. We are also exploring enhancements in the FY 2010 (July, 2009) upgrade to our financial system to better monitor cost transfers. In tandem, we will integrate additional cost transfer training into the training for the new system, which will occur in April, 2009. Finally, beginning January 1, 2009, quarterly sampling will take place to ensure that policies and procedures are being correctly executed.

Contact Person: Carey Cseszko, Cost Analyst
Telephone: (404) 413-3524; email: ccseszko1@gsu.edu

STATUS:

Corrective action has been taken and the matter has been resolved.

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

**Finding 2008-03
Improper Monitoring of Subrecipients**

CONDITION:

The Research Foundation sends a request to all subrecipients for certification that they have received an A-133 audit and noting if there were any findings in relation to their subcontracts from Georgia State University Research Foundation. Follow-up is made to ensure that certification is received from every subrecipient. For those subrecipients whose Compliance Audit resulted in findings, a copy of the Compliance Report is sent to the Research Foundation.

Per our examination of the Schedule of Subrecipients (Schedule) submitted by the Research Foundation, we sampled twenty subrecipients for compliance with monitoring. We noted the following exceptions:

- One sampled subrecipient was a vendor as opposed to a subrecipient and thus no monitoring was performed nor was required to be performed.
- One subrecipient was a foreign entity (Canada) and thus no A-133 audit was performed. The Research Foundation received a copy of their audited financial statements noting no findings in relation to the audit of the financial statements. No other monitoring was documented.
- One subrecipient sent a certification indicating that their 2007 audit will not be completed until 12/31/08 and thus was not available.
- One subrecipient did not reply to numerous requests for its A-133 certification.
- Two subrecipients reported they had findings in relation to their federal funding received from the Research Foundation, but only one of those supplied their Corrective Action Plan.
- The remaining 14 subrecipients certified that they had no findings in relation to federal funding received from the Research Foundation. We reviewed their Data Collection Form on-line at the Federal Audit Clearinghouse. Three subrecipients who had certified that they had no findings showed findings related to their funding from the Research Foundation on their Data Collection Form. We could not locate three subrecipients' Data Collection Form on the web-site. And one

subrecipient's most recent Data Collection Form was related to their 5/31/06 audit.

CRITERIA:

A-133 Compliance Supplement requires that the pass-through entity must 1) ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issue a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a

**GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
AND AFFILIATE
(A Component Unit of Georgia State University)**

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2010

subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

For subrecipients that are not required to submit a copy of the reporting package to a pass-through entity because there were “no audit findings” (i.e., because the schedule of findings and questioned costs did not disclose audit findings relating to the Federal awards that the pass-through entity provided), the pass-through entity may use the information in the Federal Audit Clearinghouse (FAC) database (available on the Internet at <http://harvester.census.gov/sac>) as evidence to verify that the subrecipient had “no audit findings” and that the required audit was performed. This FAC verification would be in lieu of reviewing submissions by the subrecipient to the pass-through entity when there are no audit findings.

EFFECTS:

Improper monitoring of subawards could result in award requirements not properly administered resulting in potential unallowable activities, unallowable costs, or other noncompliance with Federal grant regulations.

QUESTIONED COSTS:

Could not be determined if any questioned costs were incurred.

CAUSE:

The Research Foundation does not have a formal policy in place to ensure required monitoring of subrecipients for compliance with federal grant regulations is performed.

RECOMMENDATIONS:

The Research Foundation should implement a policy and procedure for monitoring subrecipients in accordance with A-133 guidelines.

MANAGEMENT’S RESPONSE AND CORRECTIVE ACTION PLAN:

We concur with the reported finding. The Research Foundation has implemented a subrecipient monitoring policy, which encompasses review of the Federal Audit Clearinghouse database, and subsequent monitoring of subrecipient corrective action plans. This policy was effective January 1, 2009.

Contact Person: Carey Cseszko, Cost Analyst
Telephone: (404) 413-3524; email: ccseszko1@gsu.edu

STATUS:

Corrective action has been taken and the matter has been resolved.

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
<u>Research and Development Cluster</u>		
Department of Agriculture		
10.206	Grants for Agricultural Research-Competitive Research Grants	
	Direct:	
	U.S. Department of Agriculture	
	FLT56 PHOTOSYSTEM	\$ 28,202
	CFDA #10.206 Total	28,202
10.250	Agricultural and Rural Economic Research	
	Direct:	
	U.S. Department of Agriculture	
	10213 Evaluating The Effects of Nutritional Programs	22,323
	CFDA #10.250 Total	22,323
10.574	Team Nutrition Grants	
	Pass-through from:	
	University of Mississippi	
	H3282 USDA Team Nutrition Project	40,681
	CFDA #10.574 Total	40,681
Total Department of Agriculture		91,207
Department of Defense		
12.OFA	Department of Defense - Other Financial Assistance	
	Direct:	
	U.S. Department of Defense	
	H3146 Identification of Biological Agents	1,386,570
	I3484 Skeletal Muscle Regeneration	16,820
	Pass-through from:	
	EG&G Inc.	
	10174 Laboratory Oversight	107,169
	CFDA #12.OFA Total	1,510,559
12.420	Military Medical Research and Development	
	Direct:	
	U.S. Department of Defense	
	10041 Mechanisms of Mitochondrial Dysfunction in Gulf War	53,926
	10096 Novel Recombinant Bacterial	200,830
	J3846 Metastatic Prostate Cancer Therapy by a Novel	73,454
	J3997 Mitochondrial Defects Autism	70,232
	Pass-through from:	
	Georgia Tech Research Corp.	
	10238 Engraftment Strategies	24
	CFDA #12.420 Total	398,466
12.431	Basic Scientific Research	
	Direct:	
	U.S. Army Medical Research Acqui	
	H3270 Terahertz devices based	43,998
	J3514 Uncooled Split off Quantum Inf	2,400
	J3865 QISP 2009: Quantum Structure I	1,264
	J3928 Terahertz devices	9,030
	CFDA #12.431 Total	56,692

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
12.800	Air Force Defense Research Sciences Program	
	Direct:	
	Air Force Office Of Scientific Research	
	H3265 The High-Pressure CVD Growth	119,403
	10242 Stabilization of indium-rich IN1-xGaN hetero	38,579
	Pass-through from:	
	NDP Optronics LLC	
	10233 Dualband Polarization Sensitiv	3,950
	J3895 Dualband Polarization Sensitiv	14,130
	CFDA #12.800 Total	176,062
12.901	Mathematical Sciences Grants Program	
	Direct:	
	National Security Agency	
	10255 Hilbert-Kunz Multiplicities and Local Cohomology	925
	Pass-through from:	
	University of South Carolina	
	J3862 GSU-Univ of S. Carolina	1,120
	CFDA #12.901 Total	2,045
12.910	Research and Technology Development	
	Direct:	
	Defense Advanced Research Projects	
	10246 Secure and Energy-Efficient Time Synchronization	10,579
	CFDA #12.910 Total	10,579
Total Department of Defense		2,154,403
Department of Housing and Urban Development		
14.506	General Research and Technology Activity	
	Direct:	
	U.S. Department of Housing & Urban Development	
	J3804 The Ties that Bind	3,262
	CFDA #14.506 Total	3,262
Total Department of Housing and Urban Development		3,262
Department of Justice		
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	
	Direct:	
	U.S. Department of Justice	
	ELP86 Crime Data System	16,522
	CFDA #16.560 Total	16,522
16.609	Community Prosecution and Project Safe Neighborhoods	
	Pass-through from:	
	Criminal Justice Coordinating	
	I3594 Anti Gang Initiative	22,806
	I3595 Computer Assisted Debate Proje	29,213
	CFDA #16.609 Total	52,019
Total Department of Justice		68,541

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
Department of Education		
17.249	Federal School to Work Opportunities Act Pass-through from: University of Baltimore	
	BLG35 Welfare to Work Dynamics	366
	CFDA #17.249 Total	366
Total Department of Education		366
 Department of State		
19.300	Program for Study of Eastern Europe and Former Soviet Union Pass-through from: University of Delaware	
	J5111 Trust in the Stability	15,314
	CFDA #19.300 Total	15,314
Total Department of State		15,314
 General Services Administration		
39.012	Public Buildings Service Direct: General Services Administration	
	J3901 GSA IPA-Office of Property Ana	9,568
	CFDA #39.012 Total	9,568
Total General Services Administration		9,568
 NASA		
43.OFA	National Aeronautics And Space Administration - Other Financial Assistance Direct: National Aeronautics and Space Administration	
	J3535 ISPI Cassini	47,599
	10227 Probing the Highest Ionization	3,430
	GLV63 Processes in Astrophysically	64,663
	Pass-through from: Space Telescope Science Institute	
	J3476 Distances to Eclipsing M Dwarf	1,507
	J3513 Completing a Near-Infrared Sea	17,907
	Jet Propulsion Laboratory	
	I3651 Michelson Science Center	46,788
	J3460 Stellar Astrophysics with SIM	17,909
	J3461 Parrallax Observations of Loca	7,015
	J3796 Michelson Science Center Access	20,187
	J3526 Precision Masses of the Young	6,523
	College of Charleston	
	J3840 A Comprehensive FUSE Survey	15,423
	CFDA #43.OFA Total	248,951

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
43.001	Aerospace Education Services Program	
	Direct:	
	Space Telescope Science Institute	
	J3985	Binaries at the Extremes 49,108
	J3990	Exploring Chaco-Based 14,296
	Pass-through from:	
	Jet Propulsion Laboratories	
	BLF57	A Massif Effort 68,703
	Ga Institute of Technology	
	GLV17	Space Grant 13,400
	Space Telescope Science Institute	
	J3983	Binaries at the Extremes 55,015
	J3984	Binaries at the Extremes 18,051
	State University of New York A	
	I3720	Precision Masses of Pre-Main S 26,284
	CFDA #43.001 Total	244,857
Total NASA		493,808
 National Endowment for the Humanities		
45.163	Promotion of the Humanities-Professional Development	
	Pass-through from:	
	National Endowment for the Humanities	
	I3542	The Problem of the Color Line (4,505)
	CFDA #45.163 Total	(4,505)
45.164	Promotion of the Humanities-Public Programs	
	Pass-through from:	
	National Endowment for the Humanities	
	10133	Georgia Capitol History Project 21,454
	CFDA #45.164 Total	21,454
Total National Endowment for the Humanities		16,949
 National Science Foundation		
47.041	Engineering Grants	
	Pass-through from:	
	National Science Foundation	
	GLV59	Nanostructure development 101,060
	10023	Nanostructure based terahertz 115
	10062	The Nonatomic-Game Approach 2,605
	J3457	Nanostructure based terahertz 2,981
	Pass-through from:	
	University of Michigan	
	H3245	TQDIP terahertz detectors 27,328
	NJ Institute of Technology Foundation	
	I3468	Inventory Management 23,305
	CFDA #47.041 Total	157,394
47.049	Mathematical and Physical Sciences	
	Direct:	
	National Science Foundation	
	GLA58	Complex Analysis on Banach Spa 6,202
	GLV13	NIRT 228,690
	GLV62	Radiation Free/Confined Atoms 51,414
	H3037	Empirical Likelihood Based Inf 1,436
	H3160	Fundamental Stellar Parameters 216,871

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
	H3225 Evolution of Massive Stars	126,755
	H3286 Commutative Algebra	19,912
	I3500 Zirconium-Assisted Hydrolysis	58,215
	I3739 Chemistry of Selenium-derivati	176,599
	I3768 Cellular mechanisms of the dyn	70,411
	J3863 An Infrared Radial Velocity Se	36,781
	Pass-through from: University of Washington	
	GLV37 Unification Paradigm	866
	Hope College	
	J3521 Self-Assemble and Programmable	37,742
	CFDA #47.049 Total	1,031,894
47.050	Geosciences	
	Pass-through from: University of Louisville	
	GLA60 Anaylses San Andreas Fault	20,558
	Georgia Institute of Technology	
	10171 Research Services for Graduate R.A.	5,516
	CFDA #47.050 Total	26,074
47.070	Computer and Information Science and Engineering	
	Direct: National Science Foundation	
	10045 REU Supplement to CNS-0813555	7,809
	10067 A Planning Workshop on Curriculum Standards	40,556
	10081 Collaborative Research: Reconstruction	40,592
	10265 TCPP Student Travel Awards	22,926
	GLA19 Rough Sets Data Analysis	49,215
	GLA43 Algorithm - Optimization Probs	69,054
	GLD70 IT Enhanced Market Design	9,058
	H3112 Science of Design (SoD)	66,282
	I3463 CPATH: Learning to Build SoS	88,377
	I3481 CSR-CSI: System Integration	23,286
	I3637 A Design of Multi-granular	75,911
	J3487 A Computational Framework	25,402
	J3491 SGER-Energy-efficient and Real	47,320
	J3492 Reliability Modeling for Large	29,520
	J3507 CRCNS data sharing: Comparativ	79,225
	J3890 CAREER: A Networking Approach	65,934
	CFDA #47.070 Total	740,467
47.074	Biological Sciences	
	Direct: National Science Foundation	
	10030 Neurobiology of Social Behavior	15,789
	10048 Atom-specific Selenium Derivatization	79,729
	10183 Atomic Simulation of Enzymatic Modulation	4,478
	DLN39 CBN Year 10	611,328
	ELAA7 Messenger in Growth Cones	17,957
	ELO10 CBN Year 10	94,581
	ELO11 CBN Year 10	1,108,729
	ELO12 CBN Year 10	57,206
	ELO13 CBN Year 10	10,175
	ELO14 CBN Year 10	317,214
	ELO16 CBN Year 10	167,148
	ELO17 CBN Year 10	12,690
	ELO18 CBN Year 10	237,621
	ELO20 CBN Year 10	9,067
	ELO21 CBN Year 10	7,432
	ELO23 CBN Year 10	64,492

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
	ELO24 CBN Year 10	81,685
	FLAD6 Polyamines Metabolism	153,744
	FLAH8 Role of Sensory Experience	(631)
	H3015 CAREER	157,979
	H3048 Social Regulation of Brain	73,841
	H3054 Animal Sensation & Movement	128,220
	H3271 Neural Mechanisms of Dominance	83,968
	I3491 Co-Activators and the Development	75,285
	I3654 The Interaction of Social Expe	80,136
	J3424 Evolution of Neural Circuits for Locomotion	87,664
	J3451 Atom-specific Selenium Derivatization	187,775
	J3948 REU Supplement to NSF Grant H3	5,547
	J3962 Nirtic oxide as cell-intrinsic	55,565
	J3989 Role of Sensory Experience	2,241
	J5112 Mechanistic Studies of Tryptop	91,999
	CFDA #47.074 Total	4,080,654
47.075	Social, Behavioral, and Economic Sciences	
	Direct:	
	National Science Foundation	
	10052 REU Supplement Request	18,750
	10117 Comparative Investigations	42,320
	GLC17 Violent Street Offenders	30,014
	I3540 Economic Interaction	169,407
	I3684 Doctoral Dissertation Research	5,862
	I3709 Undergraduate Research Experie	55,516
	J3929 Patterns of Criminal Offending	119,068
	Pass-through from:	
	Ga Institute of Technology	
	J3440 CREA II	26,872
	J3939 Ethically Contentious	10,217
	CFDA #47.075 Total	478,025
47.076	Education and Human Resources	
	Direct:	
	National Science Foundation	
	10236 Collaborative Research:	914
	FLCF6 UMEP	122,903
	GLD57 EconPort Digital Library	5,894
	Pass-through from:	
	Ga Institute of Technology	
	J3439 Women in Science and Engineering	2,439
	J3944 PRISM Phase II	36,811
	CFDA #47.076 Total	168,961
47.079	International Science and Engineering (OISE)	
	Direct:	
	National Science Foundation	
	GLV28 QWIP 2006	6,571
	CFDA #47.079 Total	6,571
Total National Science Foundation		6,690,040

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
Department of Veterans Affairs		
64.OFA	U.S. Department of Veterans Affairs - Other Financial Assistance	
	Direct:	
	U.S. Department of Veterans Affairs	
	J3486 Simultaneous EEG-fMRI Studies	1,445
	CFDA #64.OFA Total	1,445
Total Department of Veterans Affairs		1,445
Environmental Protection Agency		
66.516	Environmental Protection Agency Office of Research and Development	
	Direct:	
	Environmental Protection Agency	
	10241 P3 Award	6,664
	CFDA #66.516 Total	6,664
Total Environment Protection Agency		6,664
Department of Energy		
81.041	State Energy Program	
	Direct:	
	U.S. Department of Energy	
	H3291 Radionuclide Transport	70,855
	CFDA #81.041 Total	70,855
81.049	Office of Science Financial Assistance Program	
	Direct:	
	U.S. Department of Energy	
	10075 The Natural Enrichment of Stable Cesium	44,287
	10151 SISGR: Radiation-induced	18,799
	ELK99 Computational Nanophotonics	23,354
	ELT09 Photoabsorption	25,856
	FLT76 NOVEL NANOPLASMONIC THEORY	28,945
	I3725 Research in Heavy Ion Nuclear	148,062
	CFDA #81.049 Total	289,304
Total Department of Energy		360,159
Department of Education		
84.017	International Research and Studies	
	Pass-through from:	
	Board of Regents of the University	
	I3559 Georgia Learning Outcomes	29,298
	CFDA #84.017	29,298
84.116	Fund for the Improvement of Postsecondary Education	
	Direct:	
	U.S. Department of Education	
	I3753 Science Education Partnership	22,154
	CFDA #84.116 Total	22,154

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

<u>CFDA Number</u>	<u>Program Title/ Federal Grantor/ Pass-Through Grantor/ Project</u>	<u>Federal Expenditures</u>
84.133	National Institute on Disability and Rehabilitation Research Pass-through from: Ga Institute of Technology	
	J3849 Wheelchair Tai Chi Interventio	74,622
	CFDA #84.133 Total	74,622
84.235	Rehabilitation Services Demonstration and Training Programs Pass-through from: American Academy of Orthotists	
	J3497 Advancing Orthotic and Prosthe	19,647
	CFDA #84.235 Total	19,647
84.305	Education Research, Development and Dissemination Direct: U.S. Department of Education	
	H3280 Postdoctoral research training	134,806
	CFDA #84.305 Total	134,806
84.324	Research in Special Education Direct: U.S. Department of Education	
	FLAH4 Reading Interventions for MR	532,473
	GLA55 Multiple-Component Remediation	673,002
	GLC62 Preschoolers Literacy Skills	394,523
	H3218 Parent-implemented language	417,416
	H3251 Integrated Literacy	359,968
	I3492 Development & Validation of a	405,031
	I3670 Project LIBERATE	185,443
	J3412 Georgia Measurement and Assess	155,248
	CFDA #84.324 Total	3,123,104
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities Direct: U.S. Department of Education	
	GLC22 PRIDE	105,685
	CFDA #84.325 Total	105,685
84.336	Teacher Qualiity Partnership Grants Direct: U.S. Department of Education	
	10164 Network for Enhancing Teacher Quality	208,639
	CFDA #84.336 Total	208,639
84.350	Transition to Teaching Direct: U.S. Department of Education	
	I3436 Joining Urban School Partners	220,734
	CFDA #84.350 Total	220,734
84.351	Arts in Education Pass-through from: Alliance Theatre	
	GLC32 Georgia Wolf Trap	6,890
	J3495 Georgia Wolf Trap for English	103,949
	CFDA #84.351 Total	110,839

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
84.359	Early Reading First Pass-through from: United Way	
	I3710 Examining the Success of Early	36,903
	CFDA #84.359 Total	36,903
84.373	Special Education-Technical Assistance on State Data Collection Pass-through from: Vanderbilt University	
	I3665 CMAADI Project	26,755
	Georgia Department of Education I3784 Alternative Assessments	134,669
	CFDA #84.373 Total	161,424
84.378	College Access Challenge Grant Program Pass-through from: Ga Institute of Technology	
	J3911 College Access Challenge Grant	7,000
	CFDA #84.378 Total	7,000
Total Department of Education		4,254,855
 Institute of Peace		
91.001	Unsolicited Grant Program Direct: U.S. Institute of Peace	
	FLA07 International Mediation in Ven	678
	CFDA #91.001 Total	678
Total Institute of Peace		678
 Department of Health and Human Services		
93.OFA	Department of Health and Human Services - Other Financial Assistance Direct: Center for Disease Control And	
	I3672 Determining the Prevalence	6,000
	I3706 Effects of a High Fructose	8,500
	I3602 Youth Witnesses of Domestic	4,824
	J3854 Smoking and Smoking Cessation	12,017
	J3880 Toward a Better Understanding	9,845
	Pass-through from: Emory University	
	GLC39 Intervention for Heart Failure	(1,555)
	Vanderbilt University Medical Center H3047 Synaptic Genes in C. elegans	(44)
	National Latino Alliance for the I3623 Latino Youth Witnesses	2
	I3705 El Centro: Phase III OVV	4,002
	CFDA #93.OFA Total	43,591

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

<u>CFDA Number</u>	<u>Program Title/ Federal Grantor/ Pass-Through Grantor/ Project</u>	<u>Federal Expenditures</u>
93.061	Innovations in Applied Public Health Research	
	Direct:	
	Center for Disease Control	
	J3489 Using Technology to Enhance	353,556
	10138 Effectiveness of Coaching	177,725
	University of Oklahoma	
	J3515 Cascading Diffusion	85,645
	CFDA #93.061 Total	616,926
93.110	Maternal and Child Health Federal Consolidated Programs	
	Direct:	
	Maternal and Child Health Bereau	
	10232 Medical Service Utilization	16,572
	CFDA #93.110 Total	16,572
93.136	Injury Prevention and Control Research and State and Community Based Programs and Community Based Programs	
	Pass-through from:	
	University of California, San Diego	
	10218 Testing an Adaptation Process for SafeCare	34,038
	Kent State University	
	J3493 Prospective Risk and Preventio	63,123
	CFDA #93.136 Total	97,161
93.173	Research Related to Deafness and Communication Disorders	
	Direct:	
	U.S. Department of Health & Human Services	
	FLCE1 Hypercortisolemia and Aphasia	10,628
	CFDA #93.173 Total	10,628
93.239	Policy Research and Evaluation Grants	
	Pass-through from:	
	University of Kentucky	
	J3869 Geography Trends	11,071
	CFDA #93.239 Total	11,071
93.242	Mental Health Research Grants	
	Direct:	
	U.S. Department of Health & Human Services	
	FLAG9 Neurobiology of Sexual Attract	83,455
	I3522 Neurobiology of Social Behavio	288,657
	I3660 Trauma Research	63,298
	Pass-through from:	
	Emory University	
	10076 HIV/AIDS in the African American Community	22,786
	I3667 Group Interventions for	14,058
	CFDA #93.242 Total	472,254
93.273	Alcohol Research Programs	
	Direct:	
	U.S. Department of Health & Human Services	
	H3077 Determinants of Violence	124,711
	I3499 Determinants of Violence Based	5,780
	CFDA #93.273 Total	130,491

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

<u>CFDA Number</u>	<u>Program Title/ Federal Grantor/ Pass-Through Grantor/ Project</u>	<u>Federal Expenditures</u>
93.279	Drug Abuse and Addiction Research Programs	
	Direct:	
	Medical University of South Carolina	
	10054 Cocaine-Seeking in Adolescent vs. Rats	14,941
	National Institute on Drug	
	ELN51 Sex Differences/Opioid Analges	13,156
	H3285 Geography, Networks, and Risk	595,834
	I3626 Mechanisms underlying opposing	333,786
	J3876 Geography, Networks, and Risk	101,469
	J3924 Diversity Supplement	33,937
	Pass-through from:	
	Emory University	
	FLAD1 Current Smokers	(995)
	CFDA #93.279 Total	1,092,129
93.282	Mental Health National Research Service Awards for Research Training	
	Direct:	
	U.S. Department of Health & Human Services	
	H3268 Neuroplasticity of Social Learning	51,678
	J3447 Adherence in Adolescents	3,522
	CFDA #93.282 Total	55,200
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	
	Direct:	
	National Institute of Biomedical Research	
	I3490 Designing Magnetic Resonance	273,230
	Pass-through from:	
	University of Oregon	
	10144 Neural ElectroMagnetic Ontologies	77,848
	CFDA #93.286 Total	351,078
93.307	Minority Health and Health Disparities Research	
	Direct	
	National Center on Minority Health	
	GLD19 Accountable Communities	192
	CFDA #93.307 Total	192
93.359	Minority Health and Health Disparities Research	
	Pass-through from:	
	Grady Health Systems	
	J3452 Journey Toward Excellence	104
	CFDA #93.359 Total	104
93.361	Nursing Research	
	Direct:	
	National Institute of Nursing	
	I3694 Promoting Sleep in Mothers of	93,898
	CFDA #93.361 Total	93,898
93.389	National Center for Research Resources	
	Direct:	
	National Center for Research	
	I3752 Herpes B Virus: A National Res	174,735
	CFDA #93.389 Total	174,735

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

<u>CFDA Number</u>	<u>Program Title/ Federal Grantor/ Pass-Through Grantor/ Project</u>	<u>Federal Expenditures</u>
93.394	Cancer Detection and Diagnosis Research	
	Direct:	
	National Cancer Institute	
	H3300 Molecular MR Imaging	67,985
	H3155 MRI Contrast Range Targeting	123,273
	CFDA #93.394 Total	191,258
93.395	Cancer Treatment Research	
	Pass-through from:	
	Emory University	
	I3587 Targeting Glioblastoma	117,682
	J3844 Targeting Glioblastoma Using N	35,322
	CFDA #93.395 Total	153,004
93.396	Cancer Biology Research	
	Direct:	
	National Cancer Institute	
	I3547 Functional Role of P68	318,589
	CFDA #93.396 Total	318,589
93.398	Cancer Research Manpower	
	Direct:	
	National Cancer Institute	
	J3502 Eval of antiangi role EM011	116,484
	CFDA #93.398 Total	116,484
93.592	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Discretionary Grants	
	Pass-through from:	
	Mathematica Policy Research, Inc.	
	FLU56 GA Building Strong Families	791,872
	CFDA #93.592 Total	791,872
93.839	Blood Diseases and Resources Research	
	Direct:	
	National Heart, Lung, and Blood	
	J5104 Psychosocial Functioning	25,999
	CFDA #93.839 Total	25,999
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	
	Direct:	
	Baylor College of Medicine	
	10175 Modulation of Sarcoplasmic	3,029
	Pass-through from:	
	University of Maryland	
	ELN88 Sex Differences/Visceral Pain	1
	CFDA #93.846 Total	3,030
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	
	Direct:	
	National Institute of Diabetes	
	10089 Photoperiodic Control of Obesity	270,640
	J3931 Interactions of sympathetic nervous	56,290
	University of Pittsburgh	
	10269 Trial to Reduce the Incidence of Type I Diabetes	4,177
	Pass-through from:	
	University of Cincinnati	
	J3912 Neuroendocrine	19,004
	CFDA #93.847 Total	350,111

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

<u>CFDA Number</u>	<u>Program Title/ Federal Grantor/ Pass-Through Grantor/ Project</u>	<u>Federal Expenditures</u>
93.848	Digestive Diseases and Nutrition Research	
	Direct:	
	National Institute of Diabetes	
	FLAC1 Photoperiodic Control-Obesity	17,767
	H3020 Photoperiodic Control of Obesi	(1,722)
	H3244 Peptidergic Control	250,309
	CFDA #93.848 Total	266,354
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	
	Pass-through from:	
	Emory University	
	10191 Center for Injury Control	26,470
	CFDA #93.853 Total	26,470
93.855	Allergy, Immunology and Transplantation Research	
	Direct:	
	National Institute of Allergy	
	10230 Heterocycle Cation Recognition of the DNA	28,920
	10231 Heterocycle Cation Recognition of the DNA	26,885
	ELAB5 Iron Acquisition From Host pro	104,933
	ELN68 Regulation of West Nile Virus	(1,159)
	FLT80 Heterocycle Binding and Biolog	122,579
	FLT81 Heterocycle Binding	107,071
	GLA52 Functional analysis of flavivirus	183,164
	GLV08 Bacillus Anthracis Detection	238
	I3421 CD11/CD18 Transmigration	95,142
	I3775 Nonstructural roles of capsid	47,530
	J3482 Antibody/FC Receptor Interacti	197,319
	Pass-through from:	
	Southeast Center of Excellence	
	J3952 Analysis of a novel cellular	122,784
	10277 Analysis of a novel cellular	90,415
	CFDA #93.855 Total	1,125,822
93.856	Microbiology and Infectious Diseases Research	
	Pass-through from:	
	University of Nottingham	
	FLAG4 Role of Oxidative Mechanisms	(7,439)
	CFDA #93.856 Total	(7,439)
93.859	Biomedical Research and Research Training	
	Direct:	
	National Institute of General Medical	
	FLAF2 Activity of Resistant Variants	3,990
	FLV05 Sequence-Specific Recognition	11,530
	FLV06 DNA by Dimer Notifs	11,916
	I3521 Structural Biology of receptor	204,303
	I3722 Kisspeptin: A novel calendar	48,162
	J3433 CE-MS of Biological Substances	314,439
	J3814 Selection of Boronic Acid-modi	288,930
	J3885 Collaborative Research for Nov	197,155
	J3941 Activity of Resistant Variants	220,488
	J3995 Structural Biology of Receptor	23,097
	Pass-through from:	
	Echelon Biosciences, Inc.	
	10260 Aptamer-based Glycomics Tools	26,251
	J3961 Aptamer-based Glycomics Tools	130,812
	CFDA #93.859 Total	1,481,073

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

<u>CFDA Number</u>	<u>Program Title/ Federal Grantor/ Pass-Through Grantor/ Project</u>	<u>Federal Expenditures</u>
93.864	Population Research	
	Pass-through from: Columbia University	
	I3473 Child Maltreatment and Crime	13,679
	CFDA #93.864 Total	13,679
93.865	Child Health and Human Development Extramural Research	
	Direct:	
	MMJ Labs	
	J3971 Relieving Pediatric Immunization Pain	30,832
	National Institute of Child Health	
	10074 HIV Risk Reduction for South African Youth	123,231
	DLP12 Low Literate Adults	29,680
	FLAF3 Brain, Behavior and Emergence of Cognitive Competence	230,706
	GLA20 Pediatric Pain Management	8,795
	I3541 Studies of chimpanzee spatial	156,064
	I3755 The Development of Joint Atten	320,211
	J3951 Breathing disorder control	90,723
	Pass-through from:	
	University of Connecticut	
	J3851 Early detection of pervasive	156,542
	University of California, Irvine	
	J3872 An Innovative Assesment of Adu	6,118
	CFDA #93.865 Total	1,152,902
93.866	Aging Research	
	Direct:	
	National Institute on Aging	
	10180 The Wisconsin Longitudinal	19,782
	I3688 Negotiating Relationships	347,239
	J3508 Negotiating Sex and Intimacy	117,348
	J3930 Negotiating Social	(19,980)
	Pass-through from:	
	University of Minnesota	
	J3973 Interaction of Estrogen, Age	11,791
	CFDA #93.866 Total	476,180
93.867	Vision Research	
	Direct:	
	National Eye Institute	
	H3089 CMV Retinitis	271,142
	Pass-through from:	
	Beth Israel Deaconess Medical	
	J3518 NIR Fluorescence Imaging	82,068
	CFDA #93.867 Total	353,210
93.888	Specially Selected Health Projects	
	Direct:	
	Health Resources and Services	
	10105 Atlanta Center for the Promotion of Emergency	20,289
	CFDA #93.888 Total	20,289

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
93.932	Native Hawaiian Health Systems Pass-through from: Emory University	
	I3673 Biosense Utility	(603)
	J3938 Biosense Utility	7,347
	CFDA #93.932 Total	6,744
93.941	HIV Demonstration, Research, Public and Professional Education Projects Pass-through from: University of California, San Francisco	
	H3335 Research to Evaluate an Effect	46,526
	CFDA #93.941 Total	46,526
93.978	Preventive Health Services-Sexually Transmitted Diseases Research, Deomonstrations, and Public Information and Education Grants Direct: Center for Disease Control And	
	I3510 Interactive Decision-Support T	1,839
	I3528 An Interactive Decision-Suppor	3,190
	CFDA #93.978 Total	5,028
Total Department of Health and Human Services		10,083,213
 Corporation for National and Community Service		
94.005	Learn and Serve America-Higher Education Pass-through from: Morehouse School of Medicine	
	I3630 Higher Education Institutions	4,622
	CFDA #94.005 Total	4,622
Total Corporation for National and Community Service		4,622
 Social Security Administration		
96.007	Social Security-Research and Demonstration Pass-through from: University of Michigan	
	I3636 The Joint Decision Making	202
	CFDA #96.007 Total	202
Total Social Security Administration		202
 Department of Homeland Security		
97.061	Centers for Homeland Security Pass-through from: University of Maryland	
	J3471 Deterrence or Brutalization	8,404
	J3953 Deterrence or Brutalization	9,851
	University of North Carolina M J3807 Risk-Based Planning (Year 1) a	68,261
	CFDA #97.061 Total	86,516

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
97.108	Homeland Security Research, Testing, Evaluation and Demonstration of Technologies Direct: University of Maryland	
	10215 Risk Evaluation of Terrorism	10,975
	CFDA #97.108 Total	10,975
Total Department of Homeland Security		97,491
 Agency for International Development		
98.OFA	United States Agency for International Development - Other Financial Assistance Direct: Higher Education For Development	
	J3537 Egypt	61,851
	CFDA #98.OFA Total	61,851
98.001	USAID Foreign Assistance for Programs Overseas Pass-through from: University of Wisconsin-Madison	
	I3634 Contracting out of Poverty in	53,111
	CFDA #98.001 Total	53,111
Total Agency for International Development		114,962
 National Science Foundation		
Awards made under the American Recovery and Reinvestment Act		
47.082	Trans-NSF Recovery Act Research Support Direct: National Science Foundation	
	10020 Fundamental Stellar Parameters	57,112
	10042 CAREER: Understanding Responses	61,625
	10050 Transcriptional Regulation by Two Domain HLH	119,308
	10072 Collaborative Proposal: Asymme	77,391
	10079 The Recons Survey of the Solar Neighborhood	90,019
	10110 CAREER: Large Scale Spatial-temporal	9,615
	10111 CDI-Type II: Integrated	50,783
	J3979 (I-MAST)	9,691
	Pass-through from: Georgia Institute of Technology	
	10194 Research Services for Graduate R.A.	10,200
	CFDA #47.082 Total	485,743
Total National Science Foundation		485,743
 Department of Health and Human Services		
93.701	Children's Justice Grants to States Direct: National Cancer Institute/NIH/DHHS	
	10118 Evaluation of Antiangiogenic	34,811
	National Center for Research	
	10127 A Virtual Reality Biofeedback	67,703
	National Institute of Allergy and	

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
	J3970 Replication of West Nile Virus	349,161
	J3976 Combining Empirical and Theoretical	59,659
	National Institute of Child Health and 10152 Brain, Behavior, and Emergence	124,615
	Pass-through from: Auburn University	
	J3974 Evaluation of Novel Antimicrobial Agents	24,593
	Columbia University	
	10044 Statistical Methods for Detecting Genes	11,806
	CFDA #93.701 Total	672,348
Total Department of Health and Human Services		672,348
	Total Research & Development Cluster	25,625,840
 TRIO Cluster		
84.044 TRIO-Talent Search		
	Direct:	
	U. S. Department of Education	
	J3443 Educational Talent Search/DeKa	250,701
	CFDA #84.044 Total	250,701
84.047 TRIO-Upward Bound		
	Direct:	
	U. S. Department of Education	
	10095 Upward Bound Program (Y1)	131,089
	I3599 Upward Bound-Atlanta/Gwinnett	229,611
	J3444 Upward Bound Math-Science	244,325
	J3534 Upward Bound-Dekalb Proposal	397,524
	CFDA #84.047 Total	1,002,549
84.066 TRIO-Educational Opportunity Centers		
	Direct:	
	U. S. Department of Education	
	I3453 Educational Opportunity	302,118
	CFDA #84.066 Total	302,118
84.217 TRIO-McNair Post-Baccalaureate Achievement		
	Direct:	
	U. S. Department of Education	
	J3464 GSU Ronald E. McNair Post Bac.	211,281
	CFDA #84.217 Total	211,281
	Total TRIO Cluster	1,766,650
 Other Federal Programs		
Department of Justice		
16.541 Part E - Developing, Testing and Demonstrating Promising New Programs		
	Direct:	
	U.S. Department of Justice	
	J3893 Intervening Early to Prevent J	265,212
	CFDA #16.541 Total	265,212

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grnats Program Direct: U.S. Department of Justice	
	J3794 HIV+ Prisoner Re-entry Project	86,842
	CFDA #16.580 Total	86,842
16.746	Capital Case Litigation Direct: Bureau of Justice Assistance	
	J3529 DIVO	320,174
	CFDA #16.746 Total	320,174
16.OFA	Other Financial Assistance Direct: U.S. Department of Justice	
	10119 HIV+ Prisoner Re-entry Project	71,998
	CFDA #16.OFA Total	71,998
Total Department of Justice		744,226
 National Endowment for the Arts		
45.024	Promotion of the Arts-Grants to Organizations and Individuals Direct: National Endowment for the Arts	
	10056 Support for Rialto Center	10,000
	CFDA #45.024 Total	10,000
45.163	Promotion of the Humanities-Professional Development Direct: National Endowment for the Humanities	
	10103 The Problem of the Color Line-Atlanta	5,372
	CFDA #45.163 Total	5,372
Total National Endowment for the Arts		15,372
 National Science Foundation		
47.076	Education and Human Resources Direct: National Science Foundation	
	10090 Collaborative Research: Linear Algebra in New	281
	H3213 Workshops in Chemical Sciences	575,130
	J3498 S-STEM Scholarships in Chemist	44,226
	Georgia Institute of Technology	
	J3848 Academy of Future Teachers (AF	(353)
	Pass-through from:	
	Clark Atlanta University	
	10184 Graduate Fellowship in Analytical	55,639
	H3229 Graduate Fellowship in Analytical	(3,953)
	Georgia Institute of Technology	
	FLCD4 PRISM Satellite	(8,119)
	CFDA #47.076 Total	662,851
Total National Science Foundation		662,851

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

<u>CFDA Number</u>	<u>Program Title/ Federal Grantor/ Pass-Through Grantor/ Project</u>	<u>Federal Expenditures</u>
Small Business Administration		
59.037	Small Business Development Centers Pass-through from: University of Georgia	
	10156 SBDC	140,837
	CFDA #59.037 Total	140,837
Total Small Business Administration		140,837
Department of Education		
84.016	Undergraduate International Studies and Foreign Language Programs Direct: U.S. Department of Education	
	13754 GSU: Building Critical Language	66,415
	CFDA #84.016 Total	66,415
84.116	Fund for the Improvement of Postsecondary Education Direct: U.S. Department of Education	
	10060 A Dual Degree in International	30,163
	CFDA #84.116 Total	30,163
84.129	Rehabilitation Long-Term Training Direct: U.S. Department of Education	
	FLU13 Counseling Scholars Program	8,137
	10131 Rehabilitation L/T Training	112,249
	Pass-through from: University of North Texas	
	GLD85 Rehabilitation L/T Training	156
	CFDA #84.129 Total	120,542
84.153	Business and International Education Projects Direct: U.S. Department of Education	
	H3055 The REACHOUT! Project	(410)
	CFDA #84.153 Total	(410)
84.181	SafeCare Training in North Dakota Direct: U.S. Department of Education	
	10158 SafeCare Training in North Dakota	16,963
	CFDA #84.181 Total	16,963
84.215	Commercial Drivers Education Direct: DeKalb County	
	10217 DeKalb County	2,200
	CFDA #84.215 Total	2,200
84.257	Commercial Drivers Education Direct: Kent State University	
	10167 National Institute for Literacy's Diversity	14,997
	National Institute for Literacy	
	13545 National Institute for Literacy	2,222
	CFDA #84.257 Total	17,219

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
84.264	Rehabilitation Training-Continuing Education Direct: U.S. Department of Education	
	I3465 Community Rehabilitation	129
	FLU24 Regional Rehab Cont Educ Prog	24
	CFDA #84.264 Total	153
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities Direct: U.S. Department of Education	
	ELP59 PULSE Project	30,828
	CFDA #84.325 Total	30,828
84.326	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities Direct: U.S. Department of Education	
	ELP61 Georgia Sensory Assistance	6,930
	J3500 Georgia Sensory Assistance	297,449
	CFDA #84.326 Total	304,379
84.335	Teacher Quality Enhancement Grants Direct: U.S. Department of Education	
	10125 Child Care Means Parents in School	112,240
	CFDA #84.335 Total	112,240
84.336	Teacher Quality Enhancement Grants Direct: U.S. Department of Education	
	FLCC7 PDS2: Professional Development	572,394
	CFDA #84.336 Total	572,394
Total Department of Education		1,273,086
 Department of Health and Human Resources		
93.OFA	Department of Health and Human Services - Other Financial Assistance Direct: Office of Public Health and Science	
	J3875 Dirty Truth Campaign Print Media	8,048
	Pass-through from: Scimetrika, LLC	
	I3603 Rape Prevention and Education	109,420
	CFDA #93.OFA Total	117,468
93.358	Advanced Education Nursing Traineeships Direct: Health Resources and Services	
	10061 Advanced Education in Nursing	62,560
	CFDA #93.358 Total	62,560

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
93.359	Nurse Education, Practice, and Retention Grants	
	Direct:	
	Health Resources and Services	
	10085 Nursing Leadership in Nursing	78,277
	CFDA #93.359 Total	78,277
93.389	National Center for Research Resources	
	Direct:	
	National Center for Research	
	J3531 Helping K-12 Students Become Fluent	171,576
	CFDA #93.389 Total	171,576
93.558	Temporary Assistance for Needy Families	
	Pass through from:	
	Georgia Department of Human Resources	
	10161 Moniroting of SafeCare	236,131
	CFDA #93.558 Total	236,131
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	
	Direct:	
	Admin Developmental Disabilities	
	10037 University Centers for Excellence	450,352
	10139 Disability Partnership between GSU/Morehouse	64,386
	Pass-through from:	
	Nat'L Center For Learning And	
	J3892 University Center for Excellen	57,538
	CFDA #93.632 Total	572,276
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	
	Pass through from:	
	Emory University	
	10093 Preventitive Intervention for Victims	97,913
	CFDA #93.853 Total	97,913
93.865	Child Health and Human Development Extramural Research	
	Direct:	
	National Institute of Child Health	
	10208 Chimpanzee Spatial Cognition, Foraging Theory	21,312
	CFDA #93.865 Total	21,312
Total Department of Health and Human Resources		1,357,513
Corporation for National and Community Service		
94.006	AmeriCorps	
	Direct:	
	Corporation for National And C	
	J3808 TEAM	44,683
	Georgia Department of Community Affairs	
	10091 TEAM 2	140,160
	Pass-through from:	
	Jumpstart National	
	FLCA7 GSU Jumpstart Program	11,552
	J3856 GSU Jumpstart Program	33,052
	CFDA #94.006 Total	229,447
Total Corporation for National and Community Service		229,447

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit I
Supplemental Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2010

CFDA Number	Program Title/ Federal Grantor/ Pass-Through Grantor/ Project	Federal Expenditures
Agency for International Development		
98.001	USAID Foreign Assistance for Programs Overseas	
	Pass-through from:	
	Higher Education For Development	
	J3812 Strengthening English Language	122,589
	CFDA #98.001 Total	122,589
98.012	USAID Development Partnerships for University Cooperation and Development	
	Direct:	
	U.S. Agency for International	
	I3717 Establishing a PH.D. program i	95,560
	Higher Education for Development	
	10086 CAFTA-DR Environmental Law Building	172,475
	Pass-through from:	
	Higher Education for Development	
	I3472 Egypt: Aligning Business Ed.	85,733
	J3813 EMBA program at Alexandria Uni	261,137
	J5103 Int'l Univ of GB	44,939
	CFDA #98.012 Total	659,844
Total Agency for International Development		782,433
 Awards made under the American Recovery and Reinvestment Act		
Corporation for National and Community Service		
94.006	AmeriCorps	
	Pass-through from:	
	Georgia Department of Community Affairs	
	J5105 Green Corps	104,012
	CFDA #94.006 Total	104,012
Total Corporation for National and Community Service		104,012
Total Other Federal Programs		5,309,777
Total Expenditures of Federal Awards		\$ 32,702,267

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC. AND AFFILIATE**

**Exhibit II
Subrecipients Schedule**

For the Year Ended June 30, 2010

<u>Program Title</u>	<u>Federal CFDA</u>	<u>Amount Provided to</u>
<i>Research and Development Cluster</i>		
Military Medical Research and Development	12.420	\$ 80,835.00
Mathematical and Physical Sciences	47.049	140,724.57
Biological Sciences	47.074	2,063,883.63
Social, Behavioral, and Economic Sciences	47.075	1,719.96
Fund for the Improvement of Postsecondary Education	84.116	8,630.59
Special Education Research	84.324	748,388.09
Transition to Teaching Grant Program Federal Grant	84.350	4,977.56
Innovations in Applied Public Health Research	93.061	18,510.50
Cancer Detection and Diagnosis Research	93.394	64,184.25
Temporary Assistance for Needy Families	93.558	33,020.00
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	15,000.00
Trans-NIH Recovery Act Research Support	93.701	31,730.20
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	5,786.98
Biomedical Research and Research Training	93.859	53,235.00
Child Health and Human Development Extramural Research	93.865	134,305.68
USAID Foreign Assistance for Programs Overseas	98.001	37,688.50
		<hr/>
<i>Subtotal Amount Provided to Subrecipients (R&D Cluster)</i>		3,442,620.51
<i>Other Programs</i>		
Capital Case Litigation	16.746	71,604.78
Course, Curriculum, and Laboratory Improvement	47.076	292,125.62
Special Education - Grants for Infants and Families	84.181	36,500.00
Teacher Quality Partnership Grants	84.336	261,467.38
Developmental Disabilities University Affiliated Programs	93.632	21,122.29
AmeriCorps	94.006	20,000.00
		<hr/>
<i>Subtotal Amount Provided to Subrecipients (Other Programs)</i>		702,820.07
<i>Total Amount Provided to Subrecipients</i>		<u>\$ 4,145,440.58</u>