

**RHODE ISLAND COLLEGE**  
(a Component Unit of the State of Rhode Island and  
Providence Plantations)

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**AUDITORS' REPORTS AS REQUIRED BY OFFICE  
OF MANAGEMENT AND BUDGET (OMB)  
CIRCULAR A-133 AND *GOVERNMENT AUDITING  
STANDARDS* AND RELATED INFORMATION**

**JUNE 30, 2011**

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Independent Auditors' Reports as Required by Office of Management and  
Budget (OMB) Circular A-133 and *Government Auditing Standards* and  
Related Information**

**June 30, 2011**

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## **Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133**

To the Board of Governors for Higher Education of  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

### **Compliance**

We have audited Rhode Island College's (a component unit of the State of Rhode Island and Providence Plantations) 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 its major Federal programs for the year ended June 30, 2011. Rhode Island College'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 Rhode Island College's management. Our responsibility is to express an opinion on Rhode Island College'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; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major Federal programs have occurred. An audit includes examining, on a test basis, evidence about Rhode Island College'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 Rhode Island College's compliance with those requirements.

In our opinion, Rhode Island College complied, in all material respects, with the requirements referred to above that could have a direct and material effect of each of its major Federal programs for the year ended June 30, 2011.

### **Internal Control Over Compliance**

Management of Rhode Island College 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 Rhode Island College'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 internal control

over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rhode Island College's internal control over compliance.

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

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 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.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of Rhode Island College as of and for the year ended June 30, 2011, and have issued our report thereon dated September 30, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of Federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of Federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Governors for Higher Education, management of Rhode Island College, the Office of the Rhode Island Auditor General, Rhode Island Department of Administration, 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.

O'connor & Drew, P.C.

**Certified Public Accountants**

November 28, 2011

(Except for the Schedule of Expenditures of Federal Awards, which is as of September 30, 2011)



## **Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Governors for Higher Education of  
State of Rhode Island and Providence Plantations  
Providence, Rhode Island

We have audited the financial statements of Rhode Island College (the "College") (a component unit of the State of Rhode Island and Providence Plantations) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 30, 2011, which included a reference to the report of the other auditor who audited the discretely presented component unit. 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.

Our consideration of internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts, and grants, and other matters did not include the discretely presented component unit audited by the other auditor referred to in the previous paragraph. The findings, if any, of the other auditor are not included herein.

### **Internal Control Over Financial Reporting**

Management of Rhode Island College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Rhode Island College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rhode Island College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rhode Island College'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 misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the 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 considered to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College'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*.

We noted a certain matter that we reported to management of the College in a separate letter dated September 30, 2011.

This report is intended solely for the information and use of the Board of Governors for Higher Education, management of Rhode Island College, the Office of the Rhode Island Auditor General, Rhode Island Department of Administration, 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.

O'Connor & Drew, P.C.

**Certified Public Accountants**

September 30, 2011

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Findings and Questioned Costs**

**June 30, 2011**

**Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors' 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?	No

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Findings and Questioned Costs - Continued**

**June 30, 2011**

Major programs of Rhode Island College:

<u>Grantor/pass-through grantor/program title</u>	<u>CFDA Number</u>
Student Financial Assistance Cluster:	
U.S. Department of Education:	
Federal Supplemental Education Opportunity Grant Program	84.007
Federal Direct Student Loans (Note 2)	84.268
Federal Work Study Program	84.033
Federal Perkins Loan Program	84.038
Federal Pell Grant Program	84.063
Academic Competitiveness Grants	84.375
National Science and Mathematics Access to Retain Talent Grant	84.376

The dollar threshold to distinguish between Type A and Type B programs is \$17,000,000.

The College does not qualify as a low-risk auditee.

Our audit has disclosed no audit findings which are required to be reported under OMB Circular A-133, issued by the Comptroller of the United States.



**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2011**

<u>Federal Grantor/pass-through grantor/program title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education:		
Direct programs:		
Student Financial Assistance Cluster:		
Federal Supplemental Education Opportunity Grant Program	84.007	\$ 746,972
Federal Direct Student Loans (Note 2)	84.268	33,225,528
Federal Work Study Program	84.033	689,978
Federal Perkins Loan Program	84.038	537,772
Federal Pell Grant Program	84.063	11,785,964
Academic Competitiveness Grants	84.375	467,782
National Science and Mathematics Access to Retain Talent Grant	84.376	<u>73,368</u>
Total Student Financial Assistance Cluster		47,527,364
Student Support Services		
Upward Bound	84.042A	140,838
Dual Sensory Impairment	84.047A	554,837
	84.326C	<u>82,711</u>
Total Direct Programs		<u>48,305,750</u>
Passed through R.I. Department of Education:		
R.I.T.A.P. – IDEA/Part B: 06-07	84.027	133,828
Surrogate Parent Program – Part B: 10-11	84.027	380,555
Scholarships for Urban Multicultural Special Education: 09-10	84.027	53,255
R.I.T.A.P. - Part B: 10-11	84.027	340,215
Training & Tech Assistance for Teaching: 09-10	84.027A	44
R.I. State Personnel Development - Part B: 09-10	84.027A	165
Vision Services – Part B: 10-11	84.027A	482,000

**RHODE ISLAND COLLEGE**  
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**Schedule of Expenditures of Federal Awards - Continued**

**For the Year Ended June 30, 2011**

Passed through State Department of Education (Continued):		
Training & Technical Assistance: 10-11	84.027A	\$ 98,901
R.I. State Personnel Development - Part B: 10-11	84.027A	30,000
R.I.T.A.P. - IDEA/Preschool: 06-07	84.173	15,936
Surrogate Parent - Section 619: 09-10	84.173	38
Vision Services - Section 619: 10-11	84.173	110,000
Surrogate Parents - Section 619: 10-11	84.173	50,000
R.I.T.A.P. - Preschool: 10-11	84.173	61,730
Drug and Violence Free Schools	84.184W	803
R.I. State Personnel Development: 10-11	84.323A	552,933
R.I.T.A.P. - Title III: 10-11	84.365A	<u>7,453</u>
Total R.I. Department of Education		<u>2,317,856</u>
Passed through U.S. Office of Higher Education:		
Problem Solving & Critical Thinking	84.367	52,100
Large Molecule / Small Molecule	84.367B	42,110
A.R.R.A. - State Fiscal Stabilization Fund - Campus Wide Fire Safety	84.394	<u>2,858,429</u>
Total U.S. Office of Higher Education		<u>2,952,639</u>
Passed through U.S. Department of Human Services:		
ORS Employment Training: 10-11	84.126	19,841
Outreach Program Income Summary	84.126A	5,887
Employer Relationships: 09-10	84.126A	15,426
Employment Training: 09-10	84.126A	1,140
Early Intervention: 08-09	84.181A	22
Early Intervention: 09-10	84.181A	1,622
Early Intervention: 10-11	84.181A	472,897
A.T.A.P.: 05-08	84.224A	<u>4,988</u>
Total U.S. Department of Human Services		<u>521,823</u>

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Expenditures of Federal Awards - Continued**

**For the Year Ended June 30, 2011**

Passed through Department of Children, Youth & Families:		
Positive Behavioral Supports: 10-11	84.010	\$ <u>18,018</u>
Passed through University of Rhode Island:		
R.I.T.E.R. 09-10	84.336B	<u>77,824</u>
Passed through Other Sources:		
Establishing the Efficacy of the Special Friends Project	84.324A	235,516
Northern R.I. Collaborative	84.367	4,769
National Writing Project: 08-09	84.928A	51,920
LSRI Woonsocket Middle School	84.928A	<u>5,857</u>
Total Other Sources		<u>298,062</u>
Total U.S. Department of Education		<u>54,491,972</u>
U.S. Department of Health and Human Services:		
Direct Programs:		
Advanced Education Nursing Traineeship	93.358	5,096
UNIV Centers on Developmental Disabilities: 10-11	93.632	542,000
UNIV Centers on Developmental Disabilities: 11-12	93.632	10,827
Functional Conservation of Myogenic Regulatory Factors	93.865	55,505
A.R.R.A. - F.C.M.R.F. Supplement (ARRA)	93.701	17,412
A.R.R.A. - F.C.M.R.F. Supplement (ARRA) 10-11	93.701	<u>12,953</u>
Total Direct Programs		<u>643,793</u>
Passed through Department of Human Services:		
Case Management Outreach	93.558	52,918
Job Placement Recertification Program	93.558	30,084
Project Restore: 10-11	93.564	11,500
Project Graphic: 06-07	93.566	<u>42,045</u>
Total Department of Human Services		<u>136,547</u>

**RHODE ISLAND COLLEGE**  
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**Schedule of Expenditures of Federal Awards - Continued**

**For the Year Ended June 30, 2011**

Passed through R.I. Department of Education:

R.I.T.A.P. - Comprehensive School Health: 10-11	93.938	\$ <u>19,498</u>
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Passed through Department of Children, Youth & Families:

Positive Education Partnership: 09-10	93.104	159,846
Positive Education Partnership: 10-11	93.104	421,984
Family & Children's Trust Fund	93.590	<u>4,073</u>

Total Department of Children, Youth & Families		<u>585,903</u>
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Passed through University of Rhode Island:

AHR Role Partitioning: 07-08	93.389	3,586
MTBE Causes Testicular Injury: 07-08	93.389	95
Genome Stability: 06-07	93.389	20
INBRE 09-10: Origins of Intergroup Conflict	93.389	(70)
INBRE 09-10: Implications of DNA Replication Fork Proteins...	93.389	160
INBRE 09-10: AHR Gene Divergence	93.389	130
INBRE 09-10: Internet Based Addiction	93.389	197
INBRE 09-10: Novel Forms of Ufd2a	93.389	49
INBRE 10-11: Summer Surf Program 2010	93.389	65,086
INBRE 10-11: Origins of Intergroup Conflict	93.389	73,667
INBRE 10-11: Defining a role for Bcp1	93.389	102,594
INBRE 10-11: Implications of DNA Replication Fork Proteins	93.389	117,090
INBRE 10-11: Genome Divergence	93.389	63,431
INBRE 10-11: Internet-Based Addiction	93.389	59,241
INBRE 10-11: Ufd2a Differentiation	93.389	78,671
INBRE 10-11: Microwave Synthesis	93.389	11,610
INBRE 10-11: Early Comprehension of Nouns and Verbs	93.389	65,897
INBRE 11-12: Anti-inflammatory Intervention and Neurobehavioral	93.389	5,292
INBRE 11-12: Implications of DNA Replication Fork Proteins	93.389	2,321
INBRE 11-12: Summer Surfs Program 2011	93.389	106,361
INBRE 11-12: Defining a Role for Bcp1	93.389	5,141
INBRE 11-12: Ufd2a Differentiation	93.389	3,771
INBRE 11-12: Gene Divergence of Aryl Hydrocarbon Receptors	93.389	(1,378)
INBRE 11-12: Anti-Cancer Agents and Antibiotic Polymers	93.389	1,568
INBRE 11-12: An Experimental Test of Intergroup Relations	93.389	1,353
INBRE 11-12: Internet-Based Addiction Counselor Education	93.389	1,175

**RHODE ISLAND COLLEGE**  
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**Schedule of Expenditures of Federal Awards - Continued**

**For the Year Ended June 30, 2011**

INBRE 11-12: Early Comprehension of Nouns and Verbs	93.389	\$ 1,370
R.I. Geriatric Education Center	93.969	<u>24,840</u>
Total University of Rhode Island		<u>793,268</u>
Passed through Other Sources:		
Young Athletes Project (Special Olympics)	93.063	16,387
Volgistics & Volunteers Collab.	93.249	750
R.I. Partnership for Family Connections	93.605	18,600
Sleep Smart Pacesetter Program	93.865	<u>9,834</u>
Total Other Sources		<u>45,571</u>
Total U.S. Department of Health & Human Services		<u>2,224,580</u>
National Science Foundation:		
Direct Programs:		
Collaborative Research: A Disciplinary Commons in Computing	47.076	724
S-Stem Quahog Cohort	47.076	<u>89,582</u>
Total University of Rhode Island		<u>90,306</u>
Passed Through University of Rhode Island:		
Project R.I.T.E.S.	47.076	594,930
Epscor Bridge Funding: 09-10	47.076	4,648
RI-Epscor 10-15	47.081	<u>77,554</u>
Total University of Rhode Island		<u>677,132</u>
Passed through Other Sources:		
Epscor SURFs 2010	47.081	4,198
Epscor SURFs 2011	47.081	<u>6,803</u>
Total Other Sources		<u>11,001</u>
Total National Science Foundation		<u>778,439</u>

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Expenditures of Federal Awards - Continued**

**For the Year Ended June 30, 2011**

U.S. Department of Labor:

Passed Through Department of Labor & Training:

Dislocated Worker Training: 00-01	17.245	\$ 27,098
Occupational Skills Training for Speakers of Other Languages	17.245	(6,321)
Contextualized Training - TRABAC	17.258	39,759
Contextualized Training - TRAMA	17.258	40,646
Contextualized Training - TRABAC	17.278	26,506
Contextualized Training - TRAMA	17.278	29,434
Computer Assisted Ell & Career Exploration	17.278	<u>19,414</u>

Total Department of Labor & Training 176,536

Passed Through Greater R.I. Workforce Development Corp:

W.P.G.R.I. Title I	17.255	120,267
Workforce Partnership of Greater Rhode Island	17.255	<u>4,942</u>

Total Greater R.I. Workforce Development Corp 125,209

Passed Through Other Sources:

Providence/Cranston Outreach: 00-01	17.258	<u>72,880</u>
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Total U.S. Department of Labor 374,625

U.S. Department of Defense:

Passed Through Other Sources:

Multidisciplinary University Research Initiative	12.300	<u>85,521</u>
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U.S. Department of Commerce:

Passed Through University of Rhode Island:

Expanded Nursing Educational Capacity: A R.I. Initiative	11.302	<u>16,339</u>
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National Endowment for the Arts:

Passed Through Other Sources:

The Big Read	45.024	<u>(150)</u>
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**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Schedule of Expenditures of Federal Awards - Continued**

**For the Year Ended June 30, 2011**

National Endowment for the Humanities:		
Passed Through Other Sources:		
Professor Smolski Slide Archive	45.129	\$ 6,192
R.I. and the Civil War Conference	45.129	<u>1,301</u>
Total Other Sources		<u>7,493</u>
Other Federal Expenditures:		
Federal Grant Overhead	None	81,365
Early Intervention: 08-09	None	15
Early Intervention: 09-10	None	1,127
Children's Friend and Service Contract: 09-10	Unknown	13,346
HIV Prevention Support Addiction	Unknown	<u>27,928</u>
Total Other Federal Expenditures		<u>123,781</u>
Total Federal Expenditures		\$ <u>58,102,600</u>

*See accompanying notes to the schedule of expenditures of Federal awards.*

**RHODE ISLAND COLLEGE**  
**(a Component Unit of the State of Rhode Island and Providence Plantations)**

**Notes to the Schedule of Expenditures of Federal Awards**

**June 30, 2011**

Note 1 - **Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activities of Rhode Island College (the "College") (a component unit of the State of Rhode Island and Providence Plantations) and is presented on the accrual basis of accounting.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the College, agencies, departments of the Federal government, and all subawards to the College by nonfederal organizations pursuant to Federal grants, contracts, and similar agreements.

Note 2 - **Federal Family Educational Loans and Federal Direct Student Loans Program**

The College disbursed \$33,225,528 of loans under the Federal Family Educational Loans program which includes Stafford Subsidized and Unsubsidized Loans and Parents' Loans for Undergraduate Students. It is not practical to determine the balances of loans outstanding to students of the College under this program as of June 30, 2011. The College is responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the College's financial statements.

Note 3 - **Federal Perkins Loan Program**

During the year ended June 30, 2011, \$537,772 in loans were advanced under the Federal Perkins Loan Program. As of June 30, 2011, loan balances receivable under the Federal Perkins Loan Program was \$5,335,829.