



November 30, 2010

Mr. Paul D. Forte  
Assistant Vice-President for Finance and Controller  
Rhode Island College  
600 Mount Pleasant Avenue  
Providence, RI 02908

Dear Mr. Forte:

Please find enclosed ten copies of the A-133 audit report of Rhode Island College for the year ended June 30, 2010.

Very truly yours,

David A. DiIulis

DAD/mc  
Enclosure

**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, 2010**

# 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, 2010

### CONTENTS

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<b>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</b>	1-2
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	3-4
Schedule of Findings and Questioned Costs	5-6
Schedule of Expenditures of Federal Awards	7-12
Notes to the Schedule of Expenditures of Federal Awards	13



**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**

The Board of Governors for Higher Education of  
State of Rhode Island and Providence Plantations

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 "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010. 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 are applicable to each of its major Federal programs for the year ended June 30, 2010.

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 in order to determine our 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, 2010, and have issued our report thereon dated September 30, 2010, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 information 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 State of Rhode Island Auditor General's Office, 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.

  
**Certified Public Accountants**

November 15, 2010

(Except for the Schedule of Expenditures of Federal Awards, which is as of September 30, 2010)



**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

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, 2010, and have issued our report thereon dated September 30, 2010, 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. Other auditors audited the financial statements of Rhode Island College Foundation, as described in our report on the College's financial statements.

This report does not include the results of the other auditors' testing of controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

This report is intended solely for the information and use of the Board of Governors for Higher Education and management of Rhode Island College, 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'Connell & Drew, P.C.**  
**Certified Public Accountants**

September 30, 2010

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

**Schedule of Findings and Questioned Costs**

**June 30, 2010**

**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***

• 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, 2010**

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 Family Education Loans (Note 2)	84.032
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 \$16,500,000.

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, 2010**

<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	\$ 648,887
Federal Family Education Loans (Note 2)	84.032	34,423,766
Federal Work Study Program	84.033	668,664
Federal Perkins Loan Program	84.038	519,503
Federal Pell Grant Program	84.063	9,875,997
Academic Competitiveness Grants	84.375	398,164
National Science and Mathematics Access to Retain Talent Grant	84.376	<u>44,758</u>
Total Student Financial Assistance Cluster		46,579,739
Student Support Services	84.042A	330,512
Upward Bound	84.047A	667,651
Personnel Preparation	84.325K	326,605
Dual Sensory Impairment	84.326C	<u>79,768</u>
Total Direct Programs		<u>47,984,275</u>
Passed through R.I. Department of Education:		
Scholarships for Urban Multicultural Education: 06-07	84.027	1,620
R.I.T.A.P. – IDEA/Part B: 06-07	84.027	544,836
Surrogate Parent Program – Part B: 08-09	84.027	27,560
Scholarships for Urban Multicultural Special Education: 09-10	84.027	54,148
Surrogate Parent Program – Part B: 09-10	84.027	363,912
Vision Services – Part B: 06-07	84.027A	754
Training & Tech Assistance for Teaching: 09-10	84.027A	97,469
R.I. State Personnel Development - Evaluator	84.027A	29,835
Vision Services – Part B: 09-10	84.027A	403,000

**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, 2010**

Passed through State Department of Education (Continued):		
R.I.T.A.P. – IDEA/Preschool: 06-07	84.173	\$ 60,401
Surrogate Parent – Preschool: 06-07	84.173	167
Surrogate Parent – Section 619: 08-09	84.173	5,719
Vision Services – Section 619: 09-10	84.173	105,000
Surrogate Parent – Section 619: 09-10	84.173	49,962
R.I. State Personnel Development	84.323A	(4,278)
R.I. State Personnel Development: 08-09	84.323A	(133,262)
R.I. State Personnel Development: 09-10	84.323A	<u>674,690</u>
Total R.I. Department of Education		<u>2,281,533</u>
Passed through U.S. Office of Higher Education:		
Using Modern Tools of Computational Chemistry	84.367B	68,435
Large Molecule / Small Molecule	84.367B	40,177
An Integrated Model of Professional Development	84.367B	27,426
State Fiscal Stabilization Fund - Campus Wide Fire Safety	84.394	<u>37,623</u>
Total U.S. Office of Higher Education		<u>173,661</u>
Passed through U.S. Department of Human Services:		
Outreach Program Income Summary	84.126A	40,250
Employment Training: 08-09	84.126A	228
Employment Training: 09-10	84.126A	33,775
Early Intervention: 08-09	84.181A	12,294
Early Intervention: 09-10	84.181A	163,975
A.T.A.P.: 05-08	84.224A	<u>3,055</u>
Total U.S. Department of Human Services		<u>253,577</u>
Passed through University of Rhode Island:		
R.I.T.E.R. 08-09	84.336B	39,208
R.I.T.E.R. 09-10	84.336B	<u>5,047</u>
Total University of Rhode Island		<u>44,255</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, 2010**

Passed through Other Sources:		
Assistive Technology Evaluation	84.027	\$ 19,716
Establishing the Efficacy of the Special Friends Project	84.324A	229,181
National Writing Project: 08-09	84.928A	52,093
LSRI Woonsocket Middle School	84.928A	<u>17,006</u>
Total Other Sources		<u>317,996</u>
Total U.S. Department of Education		<u>51,055,297</u>
U.S. Department of Health and Human Services:		
Direct Programs:		
Project National Significance: 2008-09	93.631	51,181
UNIV Centers on Developmental Disabilities: 08-09	93.632	9,063
UNIV Centers on Developmental Disabilities: 09-10	93.632	528,000
Functional Conservation of Myogenic Regulatory Factors	93.865	51,870
F.C.M.R.F. Supplement (ARRA)	93.865	<u>29,266</u>
Total Direct Programs		<u>669,380</u>
Passed through Department of Human Services:		
Case Management Outreach	93.558	52,904
Project Graphic: 06-07	93.566	<u>45,114</u>
Total Department of Human Services		<u>98,018</u>
Passed through R.I. Department of Education:		
Job Pathways for Current & Former Welfare Recipients	93.558	<u>16,654</u>
Passed through Department of Children, Youth & Families:		
Positive Education Partnership: 08-09	93.104	162,099
Positive Education Partnership: 09-10	93.104	389,445
Child Welfare Institute: 08-09	93.658	10,699
Child Welfare Institute: 09-10	93.658	<u>670,579</u>
Total Department of Children, Youth & Families		<u>1,232,822</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, 2010**

Passed through University of Rhode Island:		
AHR Role Partitioning: 07-08	93.389	\$ 1,728
MTBE Causes Testicular Injury.: 07-08	93.389	308
The Role of Alternative Splicing of UFD2A.: 07-08	93.389	232
Genome Stability: 06-07	93.389	794
AHR Role Partitioning: 08-09	93.389	2
The Role of Alternative Splicing of UFD2A.: 08-09	93.389	65
Defining a Role for Bcp1 in the DNA Damage Response of...	93.389	187
INBRE: Summer Surf Program 2009	93.389	45,209
INBRE 09-10: Origins of Intergroup Conflict	93.389	73,028
INBRE 09-10: Defining a Role for Bcp1	93.389	78,718
INBRE 09-10: Implications of DNA Replication Fork Proteins...	93.389	124,266
INBRE 09-10: AHR Gene Divergence	93.389	78,133
INBRE 09-10: Internet Based Addiction	93.389	56,595
INBRE 09-10: Novel Forms of Ufd2a	93.389	78,674
INBRE 09-10: Pilot Project - Microwave Synthesis	93.389	39,399
INBRE 09-10: Early Comprehension of Nouns and Verbs	93.389	58,087
INBRE 10-11: Summer SURFs Program 2010	93.389	85,368
INBRE 10-11: Origins of Intergroup Conflict	93.389	6,196
INBRE 10-11: Defining a Role for Bcp1	93.389	4,389
INBRE 10-11: Implications of DNA Replication Fork Proteins...	93.389	10,502
INBRE 10-11: Genome Divergence	93.389	3,341
INBRE 10-11: Internet Based Addiction	93.389	8,498
INBRE 10-11: Ufd2a Differentiation	93.389	5,791
INBRE 10-11: Microwave Synthesis	93.389	418
INBRE 10-11: Early Comprehension of Nouns and Verbs	93.389	1,382
GEC Curriculum Development Partnership	93.969	<u>28,479</u>
Total University of Rhode Island		<u>789,789</u>
Passed through R.I. Department of Administration:		
Reach: 06-08	93.568	<u>51,423</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, 2010**

Passed through Other Sources:		
Young Athletes Project (Special Olympics)	93.063	\$ 13,726
Sleep Smart Pacesetter Program	93.865	<u>41,294</u>
Total Other Sources		<u>55,020</u>
Total U.S. Department of Health & Human Services		<u>2,913,106</u>
National Institute of Environmental Health Sciences:		
Direct Programs:		
Transition to Independent Position: 07-09	93.113	<u>111,779</u>
National Science Foundation:		
Direct Programs:		
Workshop on Empirical CS Education Data Repository	47.070	9,122
S-Stem Quahog Cohort	47.076	<u>56,242</u>
Total University of Rhode Island		<u>65,364</u>
Passed Through University of Rhode Island:		
Epscor Research Program Development	47.076	2,305
Project R.I.T.E.S.	47.076	398,623
Epscor Bridge Funding: 09-10	47.076	<u>25,949</u>
Total University of Rhode Island		<u>426,877</u>
Passed through Other Sources:		
Epscor SURFs 2010	47.081	<u>6,472</u>
Total National Science Foundation		<u>498,713</u>
U.S. Department of Labor:		
Passed Through Department of Labor & Training:		
Dislocated Worker Training: 00-01	17.245	2,489
Occupational Skills Training for Speakers of Other Languages	17.245	<u>121,186</u>
Total Department of Labor & Training		<u>123,675</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, 2010**

Passed Through Greater R.I. Workforce Development Corp: W.P.G.R.I. Title I	17.255	<u>206,506</u>
Passed Through Other Sources: Providence/Cranston Outreach: 00-01	17.258	<u>68,546</u>
Total U.S. Department of Labor		<u>398,727</u>
U.S. Department of Defense: Passed Through Other Sources: Multidisciplinary University Research Initiative	12.300	<u>112,652</u>
U.S. Department of Commerce: Passed Through University of Rhode Island: Expanded Nursing Educational Capacity: A R.I. Initiative	11.302	<u>15,852</u>
Homeland Security: Passed Through Rhode Island Emergency Management Agency: RIEMA Motorola Radios	97.067	<u>5,403</u>
National Endowment for the Arts: Passed Through Other Sources: The Big Read	45.024	<u>20,185</u>
National Endowment for the Humanities: Passed Through Other Sources: Professor Smolski Slide Archive	45.129	<u>2,894</u>
Other Federal Expenditures: Federal Grant Overhead	None	1,919
Early Intervention: 08-09	None	8,537
Early Intervention: 09-10	None	113,872
Children's Friend and Service Contract: 09-10	Unknown	8,366
HIV Prevention Support Addiction	Unknown	<u>1,893</u>
Total Other Federal Expenditures		<u>134,587</u>
Total Federal Expenditures		<u>\$ 55,269,195</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, 2010**

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**

The College disbursed \$34,423,766 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, 2010. 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, 2010, \$519,503 in loans were advanced under the Federal Perkins Loan Program. As of June 30, 2010, loan balances receivable under the Federal Perkins Loan Program was \$5,389,541.