

**CSU FULLERTON  
AUXILIARY SERVICES CORPORATION**

Single Audit Report  
June 30, 2016  
(With Independent Auditors' Report Thereon)

**CSU FULLERTON AUXILIARY SERVICES CORPORATION**  
Financial Statements and Supplementary Information

**Table of Contents**

<b>Independent Auditors' Report</b>	1 – 2
<b>Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance</b>	3 – 4
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10 – 11
Schedule of Prior Year Findings	12



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
CSU Fullerton Auxiliary Services Corporation

### **Report on the Financial Statements**

We have audited the accompanying schedule of expenditures of federal awards of CSU Fullerton Auxiliary Services Corporation (a nonprofit organization), for the year ended June 30, 2016 and the related notes (the financial statement).

### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on this financial statement based on our audit. 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statement referred to above present fairly, in all material respects, the schedule of expenditures of federal awards of CSU Fullerton Auxiliary Services Corporation for the year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

*AKT LLP*

San Diego, California  
November 28, 2016



**AKT**<sup>®</sup>

CPAS AND BUSINESS CONSULTANTS

Personal. Local. Global.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
CSU, Fullerton Auxiliary Services Corporation

**Report on Compliance for Each Major Federal Program**

We have audited CSU, Fullerton Auxiliary Services Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CSU, Fullerton Auxiliary Services Corporation's major federal programs for the year ended June 30, 2016. CSU, Fullerton Auxiliary Services Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of CSU, Fullerton Auxiliary Services Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 CSU, Fullerton Auxiliary Services Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CSU, Fullerton Auxiliary Service Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, CSU, Fullerton Auxiliary Service Corporation complied, in all material respects, with the types of 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, 2016.

7676 HAZARD CENTER DRIVE, SUITE 1300, SAN DIEGO, CA 92108

PHONE: 619.810.4940 FAX: 619.810.4941

PORTLAND, OR | SALEM, OR | CARLSBAD, CA | ESCONDIDO, CA | SAN DIEGO, CA | ANCHORAGE, AK

AKT LLP

## **Report on Internal Control over Compliance**

Management of CSU, Fullerton Auxiliary Services Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CSU, Fullerton Auxiliary Services Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 CSU, Fullerton Auxiliary Services Corporation'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. 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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Grant Guidance. Accordingly, this report is not suitable for any other purpose.

*AKT LLP*

San Diego, California  
November 28, 2016

# CSU FULLERTON AUXILIARY SERVICES CORPORATION

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures
<u>Research and Development Cluster:</u>			
<u>Department of Commerce</u>			
Pass-through University of California San Diego: Determining Population Structure, Reproductive Potential and Habitat	11.417	NA14OAR4170075	\$ 2,526
Pass-through California State Coastal Conservancy: Habitat Conservation	11.463	11107	(21)
			2,505
<u>Department of Energy</u>			
Direct Programs: Office of Science Financial Assistance Program	81.049	DE-FG02-04ER15597	7,971
<u>Department of the Interior</u>			
Direct Programs: U.S. Geological Survey Research and Data Collection	15.808	G09AC00415	8,258
Pass-through University of California, Santa Cruz: Bureau of Ocean Energy Management	15.423	A15-0068-S002-S0184295	29,932
Pass-through Regents of University of CA Office of the President: Bureau of Ocean Energy Management	15.423	S0182977	8,603
Pass-through University of Southern California: U.S. Geological Survey Research and Data Collection	15.808	51148730	1,022
			47,815
<u>U.S. Department of Justice</u>			
Direct Programs: National Institute of Justice Research, Evaluation and Development Project Grants	16.560	2013MUCX0038	225,571
Pass-through University of Texas Health Science Center: National Institute of Justice Research, Evaluation and Development Project Grants	16.560	0010102B	9,039
			234,610
<u>Department of Education</u>			
Pass-through Graduate School University of WI-Milwaukee: Fund for the Improvement of Postsecondary Education	84.116	163405512	682
<u>Department of Health and Human Services</u>			
Direct Programs: Minority Health and Health Disparities Research	93.307	5T37MD001136815	(193,135)
Minority Health and Health Disparities Research	93.307	2T37MD0011368-17	193,207
Minority Health and Health Disparities Research	93.307	5T37MD0011368-18	119,841
Minority Health and Health Disparities Research	93.307	5T37MD0011368-19	112,953
Trans-NIH Research Support	93.310	1R25MD010397-01	74,714
Cancer Cause and Prevention Research	93.393	5R01CA149324-05	90,045
Cancer Cause and Prevention Research	93.393	3R01CA1493240S2	14,921
Cancer Centers Support Grants	93.397	5U54CA153458-05	311,260
Cancer Centers Support Grants	93.397	5U54CA153458-05	27,830
Cancer Centers Support Grants	93.397	5P20CA174292-03	19,356
Cancer Centers Support Grants	93.397	5P20CA174292-04	56,752
Cancer Centers Support Grants	93.397	3U54CA153458-05S1	21,473
Cancer Centers Support Grants	93.397	5P20CA174292-03	3,040
Cancer Centers Support Grants	93.397	5P20CA174292-03	13,926
Cancer Centers Support Grants	93.397	5P20CA174292-04	30,825
Cancer Centers Support Grants	93.397	5P20CA174292-03	15,588
Cancer Centers Support Grants	93.397	5P20CA174292-04	7,928
Cancer Centers Support Grants	93.397	3U54CA153458-05S2	15,355
Cancer Centers Support Grants	93.397	3U54CA153458-05S3	57,444
Allergy, Immunology and Transplantation Research	93.855	2R15AI04711504	108,828
Allergy, Immunology and Transplantation Research	93.855	4R00AI10116702	82,598
Biomedical Research and Research Training	93.859	5T34GM008612-19	5,186
Biomedical Research and Research Training	93.859	5T34GM008612-20	370,761
Biomedical Research and Research Training	93.859	5T34GM008612-20	14,581
Child Health and Human Development Extramural Research	93.865	1R15HD087877-01	21,702
Child Health and Human Development Extramural Research	93.865	5G11HD076483-02	9,905
Child Health and Human Development Extramural Research	93.865	5G11HD076483-03	85,299
Child Health and Human Development Extramural Research	93.865	5G11HD076483-04	1,486
Aging Research	93.866	1R03AG047955-01A1	19,975
Pass-through University of California, San Diego: Cancer Cause and Prevention Research	93.393	57113536	(21)
Pass-through University of Illinois at Urbana-Champaign: Biomedical Research and Research Training	93.859	20090635802	4,959
Pass-through UCLA: Aging Research	93.866	1557GTA784	15,074
			1,733,656

See independent auditors' report and notes to schedule of expenditures of federal awards.

**CSU FULLERTON AUXILIARY SERVICES CORPORATION**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures
<u>National Science Foundation</u>			
Direct Programs:			
Engineering Grants	47.041	CBET1404011	11,701
Engineering Grants	47.041	99999	452
Engineering Grants	47.041	ECCS1150507	74,679
Mathematical and Physical Sciences	47.049	AST1211213	49,967
Mathematical and Physical Sciences	47.049	PHY1307489	37,284
Mathematical and Physical Sciences	47.049	PHY1306742	12,846
Mathematical and Physical Sciences	47.049	PHY1307545	23,086
Mathematical and Physical Sciences	47.049	PHY1303071	70,221
Mathematical and Physical Sciences	47.049	DRL1321339	400,100
Mathematical and Physical Sciences	47.049	PHY1429873	4,358
Mathematical and Physical Sciences	47.049	PHY1406035	31,398
Mathematical and Physical Sciences	47.049	1508801	76,736
Geosciences	47.050	EAR-1348078	16,620
Geosciences	47.050	1548598	12,967
Geosciences	47.050	1516593	551
Geosciences	47.050	EAR-1550935	3,165
Computer and Information Science and Engineering	47.070	DUE0966068	130,365
Biological Sciences	47.074	DEB1355230	28,339
Biological Sciences	47.074	1558108	58,231
Biological Sciences	47.074	DB11041203	129,747
Biological Sciences	47.074	MCB1021187	(1,230)
Biological Sciences	47.074	IOS1122256	56,987
Biological Sciences	47.074	IOS1146993	69,601
Biological Sciences	47.074	DBI1349430	71,350
Social, Behavioral, and Economic Sciences	47.075	BCS1143571	100,156
Education and Human Resources	47.076	HRD1209200	51,514
Education and Human Resources	47.076	DUE1432892	173,955
Education and Human Resources	47.076	DRL1433851	322,958
Education and Human Resources	47.076	HRD1209283	54,461
Education and Human Resources	47.076	DUE1356531	17,564
Education and Human Resources	47.076	DUE1035315	399,934
Education and Human Resources	47.076	DUE1122823	97,323
Office of International Science and Engineering	47.079	PHY1255650	79,320
Trans-NSF Recovery Act Reasearch Support	47.082	DUE0934910	32,674
National Science Foundation	47.090	1506330	27,438
Pass-through Virginia Polytechnic Institute and State University:			
Engineering Grants	47.041	CMMI-1208117	26,037
Pass-through Graduate School University of WI-Milwaukee:			
Mathematical and Physical Sciences	47.049	123405533	66,195
Pass-through University of Kentucky Research Foundation:			
Geosciences	47.050	3048112082-15-109	17,999
Pass-through University of California, Irvine:			
Computer and Information Science and Engineering	47.070	2013-2908	126,439
Pass-through Symbiotic Software (NSF Prime):			
Computer and Information Science and Engineering	47.070	1227245	22,331
Pass-through Northwestern University:			
Computer and Information Science and Engineering	47.070	SP0034128-PROJ0009130	958
Pass-through University Enterprises, INC CSUS:			
Education and Human Resources	47.076	523801	14,596
			<u>3,001,373</u>
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Higher Education - Institution Challenge Grants Program	10.217	2011-38411-30536	9,166
Hispanic Serving Institutions Education Grants	10.223	20133842220952	57,239
Hispanic Serving Institutions Education Grants	10.223	2011-38422-30839	18,972
			<u>85,377</u>
<u>U.S. Army Medical Research and Materiel Command</u>			
Direct Programs:			
Child Health and Human Development Extramural Research	99999	W81XWH-09-1-0682	5,632
Child Health and Human Development Extramural Research	99999	W81XWH-11-1-0765	409,375
Pass-through Leidos INC:			
Child Health and Human Development Extramural Research	99999	P010144597	3,991
			<u>418,998</u>
Total Research and Development Cluster			<u>\$ 5,532,987</u>

See independent auditors' report and notes to schedule of expenditures of federal awards.



# CSU FULLERTON AUXILIARY SERVICES CORPORATION

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures
<u>Other Federal Programs:</u>			
<u>Corporation for National and Community Service</u>			
Pass-through Jumpstart for Young Children: AmeriCorps	94.006	510200	\$ 75,795
<u>Department of Homeland Security</u>			
Pass-through University of Maryland: Department of Homeland Security	97.RD	Z9149003	6,034
<u>Department the Interior</u>			
Pass-through CSU Dominguez Hills Foundation: Preservation of Japanese American Confinement Sites	15.933		1,657
<u>Department the Labor</u>			
Pass-through City of Santa Ana: H-1B Job Training Grants	17.268		61,769
<u>Department of Transportation</u>			
Direct Program: Highway Training and Education	20.215		17,364
<u>U.S. Department of Education</u>			
Direct Program:			
Higher Education Institutional Aid	84.031C	P031C110116	468,655
Higher Education Institutional Aid	84.031C	P031C110116	745,858
Higher Education Institutional Aid	84.031M	P031M105074-14	259,079
Higher Education Institutional Aid	84.031M	P031M140049	247,130
Higher Education Institutional Aid	84.031M	P031M140049-15	340,101
Migrant Education High School Equivalency Program	84.141A	S141A150031	345,508
Language Resource Centers	84.229A	P229A140028	174,453
Special Education Preservice Program Improvement Grants	84.325T	H325T100018	201,096
Personnel Preparation in Special Education	84.325K	H325K130403	227,903
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A110266-14	383,471
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A110266-15	632,543
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A150189	398,799
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A		199,740
Transition to Teaching	84.350A	U350A110044	277,982
Pass-through Rancho Santiago Community College:			
Higher Education Institutional Aid	84.031	SAC-14-027	15,327
Higher Education Institutional Aid	84.031C	DO13116701	36,246
Higher Education Institutional Aid	84.031C	DO-14-1668-01	219,171
Pass-through CSU Long Beach Foundation:			
Higher Education Institutional Aid	84.031C	SG1391SUP_FULLERTON	14,575
Pass-through State Department of Rehabilitation:			
Rehabilitation Services	84.126	28910	103,978
Pass-through University of CA Office of the President:			
Improving Teacher Quality State Grants	84.367	NCLB11-CISP-FULLERTON	48
Improving Teacher Quality State Grants	84.367	NCLB11-CMP-FULLERTON	23,000
			<u>5,314,663</u>
<u>Department of Health and Human Services</u>			
Direct Programs:			
Nursing Workforce Diversity	93.178	1D19HP259090100	22,762
Nursing Workforce Diversity	93.178	5D19HP25909-03-00	320,503
Health Careers Opportunity Program	93.822	6D18HP29033-01-01	190,063
Family and Community Violence Prevention Program	93.910	5YEPMP120069-03-00	76,598
Family and Community Violence Prevention Program	93.910	5YEPMP120069-04-00	190,087
Pass-through UCLA:			
National Center for Advancing Translational Sciences	93.350	1557GTA931	6,211
Pass-through Regents of the University of California Berkeley:			
Foster Care_Title IV-E	93.658	8521	7,931
Pass-through University of California Berkeley:			
Foster Care_Title IV-E	93.658		1,034,539
			<u>1,848,694</u>
<u>National Aeronautical and Space Administration</u>			
Pass-through California Institute of Technology: Science	43.001	65D-1095770	36,893
<u>Small Business Administration</u>			
Direct Programs:			
Small Business Development Centers	59.037	SBAHQ-15-B-0064	170,640
Small Business Development Centers	59.037	SBAHQ-15-B-0064	1,706,536
Small Business Development Centers	59.037	SBAAHQ-15-B-0039	274,853
			<u>2,152,029</u>
Total Other Federal Programs			\$ <u>9,514,898</u>

See independent auditors' report and notes to schedule of expenditures of federal awards.

**CSU FULLERTON AUXILIARY SERVICES CORPORATION**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures
<u>TRIO Cluster:</u>			
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Support Services	84.042	P042A150974	\$ 202,423
Student Support Services	84.042	P042A100911	90,926
Talent Search	84.044	P044A110175-14	54,555
Talent Search	84.044	P044A110175-15AAA	183,890
Upward Bound	84.047	P047A121423-14	132,233
Upward Bound	84.047	P047A121423-15	204,960
McNair Post-Baccalaureate Achievement	84.217	P217A130196-14	91,517
McNair Post-Baccalaureate Achievement	84.217	P217A130196-15	133,569
			<u>1,094,073</u>
Total Federal Awards Expended			\$ <u><u>16,141,958</u></u>

See independent auditors' report and notes to schedule of expenditures of federal awards.

# CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

## **(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of CSU, Fullerton Auxiliary Services Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

## **(2) Summary of Significant Accounting Policies**

CSU, Fullerton Auxiliary Services Corporation did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2.CFR.200.414 Indirect costs.

Negative amounts reflected in the schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

See independent auditors' report.

**CSU FULLERTON AUXILIARY SERVICES CORPORATION**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	None

Noncompliance material to the financial statements noted? No

**Federal Awards**

Internal control over major program:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	None

Type of auditors' report issued on compliance for major programs	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2.CFR.200.516(a)?	No
--	----

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
59.037	Small Business Development Centers
84.031	Higher Education Institutional Aid
84.141	Migrant Education High School Equivalency Program
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs (GEARUP)
93.658	Foster Care – Title IV-E

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
--	-----------

Auditee qualified as a low-risk auditee under the Uniform Guidance, 2.CFR.200.520?	No
--	----

**CSU FULLERTON AUXILIARY SERVICES CORPORATION**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

**Section II – Financial Statement Findings**

None reported.

**Section III – Federal Award Findings and Questioned Costs**

None reported.

**CSU FULLERTON AUXILIARY SERVICES CORPORATION**

Schedule of Prior Year Findings

Year Ended June 30, 2016

**Section IV – Schedule of Prior Year Findings**

None reported.