

CSU Fullerton Auxiliary Services Corporation

Single Audit Report

Year Ended June 30, 2021



CSU FULLERTON AUXILIARY SERVICES CORPORATION

Single Audit Report

Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CSU Fullerton Auxiliary Services Corporation

Report on the Schedule of Expenditures of Federal Awards

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, 2021 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 an opinion 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 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 presents fairly, in all material respects, the expenditures of federal awards of CSU Fullerton Auxiliary Services Corporation for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Aldrich CPAs + Advisors LLP

San Diego, California
September 14, 2021

**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 Directors
CSU Fullerton Auxiliary Services Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CSU Fullerton Auxiliary Service Corporation (a nonprofit organization) (ASC), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 14, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ASC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ASC's internal control. Accordingly, we do not express an opinion on the effectiveness of the ASC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ASC's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 14, 2021

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, 2021. CSU Fullerton Auxiliary Services Corporation's major federal programs are identified in the summary of auditors' 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 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

CSU Fullerton Auxiliary Service Corporation's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CSU Fullerton Auxiliary Service Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001, that we consider to be significant deficiencies.

CSU Fullerton Auxiliary Services Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CSU Fullerton Auxiliary Services Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Aldrich CPAs + Advisors LLP

San Diego, California
September 14, 2021

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass- through Grantor Number	Passed-through to Subrecipients	Expenditures
Student Financial Assistance Cluster				
<u>Department of Health and Human Services</u>				
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925		\$ -	\$ 650,000
<i>Total Department of Health and Human Services</i>			-	650,000
Total Student Financial Assistance Cluster				650,000
Research and Development Cluster				
<u>Federal Contract</u>				
Pass-through from University of West Florida:				
CNC Machine Tool Controls Integrity Verification	99.999	Various	-	65,683
Pass-through from Intelligent Fusion Technology Inc:				
Distributed Cooperative Beamforming Oriented High-Precision Time and Phase Synchronization of RF Sources Across Multiple	99.999	070-01-N68335-20-C-0948	-	20,000
<i>Total Federal Contract</i>				85,683
<u>Department of Agriculture</u>				
Higher Education - Institution Challenge Grants Program	10.217		-	13,516
Hispanic Serving Institutions Education Grants	10.223		23,910	218,275
<i>Total United States Department of Agriculture</i>			23,910	231,791
<u>Department of Defense</u>				
Basic Scientific Research	12.431		33,519	131,348
<i>Total United States Department of Defense</i>			33,519	131,348
<u>Department of Education</u>				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		-	310,065
Pass-through from California Lutheran University:				
Higher Education Institutional Aid	84.031	Various	-	18,903
Pass-through from Los Angeles Community College:				
Higher Education Institutional Aid	84.031	P031C160251	-	10,712
<i>Total United States Department of Education</i>			-	339,680

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, 2021

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass- through Grantor Number	Passed-through to Subrecipients	Expenditures
<u>Department of Health and Human Services</u>				
Pass-through from University of California, Irvine: Maternal and Child Health Federal Consolidated Programs	93.110	2016-3333	-	(141)
Pass-through from University of Chicago: Drug Abuse and Addiction Research Programs	93.279	AWD100209	-	92,085
Pass-through from San Diego State University Research Foundation: Minority Health and Health Disparities Research	93.307	SA0000737	-	19,790
Pass-through from Texas A&M University: Minority Health and Health Disparities Research	93.307	M2101106	-	24,503
Pass-through from CSU Dominguez Hills Foundation: Trans-NIH Research Support	93.310	20-010Full	-	7,315
Pass-through from National Institutes of Health: Minority Health and Health Disparities Research	93.307	Various	-	148,863
Trans-NIH Research Support	93.310	Various	3,643	33,078
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	2R15NS101594-02	-	122,972
Allergy and Infectious Diseases Research	93.855	Various	-	228,029
Biomedical Research and Research Training	93.859	Various	-	1,113,863
Aging Research	93.866	Various	-	207
Pass-through from Loma Linda University: Child Health and Human Development Extramural Research	93.865	2170159-CSUF	-	66,448
<i>Total Department of Health and Human Services</i>			3,643	1,857,012
<u>Department of Interior</u>				
Earthquake Hazards Program Assistance	15.807		-	34,948
Pass-through from University of California, Santa Cruz: Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)	15.423	Various	-	54,674
Pass-through from University of Southern California: Earthquake Hazards Program Assistance	15.807	131436248	-	10,126
Cooperative Research and Training Programs Resources of the National Park System	15.945		-	5,648
<i>Total United States Department of Interior</i>			-	105,396

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, 2021

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass- through Grantor Number	Passed-through to Subrecipients	Expenditures
<u>Department of Justice</u>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		-	30,210
<i>Total United States Department of Justice</i>			-	30,210
<u>Department of Veterans Affairs</u>				
Specially Adapted Housing Assistive Technology Grant Program	64.051		-	49,163
<i>Total Department of Veterans Affairs</i>			-	49,163
<u>National Aeronautical and Space Administration</u>				
Pass-through from California Institute of Technology: Science	43.001	65H-1098309	-	9,188
Pass-through from Smithsonian Astrophysical Observatory Science	43.001	SV8-88017	-	(240)
<i>Total National Aeronautical and Space Administration</i>			-	8,948
<u>National Endowment for the Humanities</u>				
Promotion of the Arts_ Grants to Organizations and Individuals	45.024		-	1,088
<i>Total National Endowment for the Humanities</i>			-	1,088
<u>National Science Foundation</u>				
Engineering Grants	47.041		22,133	113,394
Mathematical and Physical Sciences	47.049		111,956	989,264
Geosciences	47.050		-	44,529
Biological Sciences	47.074		109,137	364,233
Social, Behavioral, and Economic Sciences	47.075		-	24,020
Education and Human Resources	47.076		64,681	1,231,013
Office of International Science and Engineering	47.079		-	2,518
Pass-through from Research Foundation for SUNY University at Albany: Engineering Grants	47.041	1-89611	-	7,770
Pass-through from Graduate School University of Wisconsin-Milwaukee: Mathematical and Physical Sciences	47.049	183405341/ 144AAC6327	-	137,242
Pass-through from San Jose State University Research Foundation: Mathematical and Physical Sciences	47.049	21-1504-6047	-	11,497

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, 2021

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass- through Grantor Number	Passed-through to Subrecipients	Expenditures
Pass-through from University of Southern California: Geosciences	47.050	118062143	-	3,298
Pass-through from Virginia Polytechnic Institution and State University: Social, Behavioral, and Economic Sciences	47.075	480524-19978	-	1,041
Pass-through from University of California Davis: Social, Behavioral, and Economic Sciences	47.075	A19-0751-S001	-	3,334
Pass-through from Riverside Community College: Education and Human Resources	47.076		-	7,209
Pass-through from Purdue University: Education and Human Resources	47.076	4101-83298	-	14,932
Pass-through from University Enterprises, Inc CSUS: Education and Human Resources	47.076	533093	-	20,000
Pass-through from Rensselaer Polytechnic Institute: Office of International Science and Engineering	47.079	A20-0005-S001	-	9,937
<i>Total National Science Foundation</i>			<u>307,907</u>	<u>2,985,231</u>
Total Research and Development Cluster			368,979	5,825,550
TRIO Cluster				
<u>Department of Education</u>				
TRIO_Student Support Services	84.042		-	359,075
TRIO_Talent Search	84.044		-	505,480
TRIO_Upward Bound	84.047		-	585,905
TRIO_McNair Post-Baccalaureate Achievement	84.217		-	242,393
<i>Total Department of Education</i>			<u>-</u>	<u>1,692,853</u>
Total TRIO Cluster			-	1,692,853
Other Programs				
<u>Federal Contract</u>				
Pass-through from Orange County Head Start Inc: Resilient Families Program	99.999	20-0016	-	17,445
<i>Total Federal Contract</i>			<u>-</u>	<u>17,445</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, 2021

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass- through Grantor Number	Passed-through to Subrecipients	Expenditures
<u>Department of Commerce</u>				
Pass-through from University of California, San Diego: Sea Grant Support	11.417	130803256	-	27,297
<i>Total Department of Commerce</i>			-	27,297
<u>Department of Defense</u>				
Pass-through from University of Southern California: National Defense Education Program	12.006	HQ00342010019	-	72,452
<i>Total Department of Defense</i>			-	72,452
<u>Department of the Interior</u>				
Pass-through from CA Department of Parks and Recreation: Historic Preservation Fund Grants-In-Aid	15.904	Various	-	1,000
Pass-through from CSU Dominguez Hills Foundation: Preservation of Japanese American Confinement Sites	15.933	F19-315	-	4,884
<i>Total Department of Interior</i>			-	5,884
<u>Department of Transportation</u>				
Highway Training and Education	20.215		-	19,850
<i>Total Department of Transportation</i>			-	19,850
<u>National Endowment for the Humanities</u>				
Promotion of the Humanities Challenge Grants	45.130		-	78,752
Pass-through from Cal Humanities Promotion of the Humanities-Federal/State Partnership	45.129	Various	-	291
<i>Total National Endowment for the Humanities</i>			-	79,043
<u>Small Business Administration</u>				
Small Business Development Centers	59.037		2,744,143	4,483,394
<i>Total Small Business Administration</i>			2,744,143	4,483,394

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass- through Grantor Number	Passed-through to Subrecipients	Expenditures
<u>Department of Education</u>				
Higher Education_Institutional Aid	84.031		179,512	1,370,797
Migrant Education_High School Equivalency Program	84.141		2,074	140,836
Language Resource Centers	84.229		-	150,086
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		-	2,100,401
Child Care Access Means Parents in School	84.335		-	174,366
Pass-through from Los Angeles Community College				
Higher Education_Institutional Aid	84.031	P031C160251	-	19,795
Pass-through from State Department of Rehabilitation:				
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	31193	-	2,469
Pass-through from UC Office of the President				
Improving Teacher Quality Grants, Title II A	84.367	Various	-	33,037
Pass-through from CalPoly Corporation				
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	S20-008960-CSUF	-	15,624
<i>Total Department of Education</i>			181,586	4,007,411
<u>Department of Health and Human Services</u>				
Nurse Anesthetist Traineeships	93.124		-	44,630
Nursing Workforce Diversity	93.178		-	494,907
Advanced Nursing Education Workforce Grant Program	93.247		-	169,457
Health Careers Opportunity Program	93.822		144,201	564,248
Pass-through from UC Berkeley:				
Foster Care_Title IV-E	93.658	Various	-	1,335,061
<i>Total Department of Health and Human Services</i>			144,201	2,608,303
<u>Corporation for National and Community Service</u>				
Pass-through from Jumpstart for Young Children:				
AmeriCorps	94.006	Various	-	82,804
<i>Total Corporation for National and Community Service</i>			-	82,804
Total Other Programs			3,069,930	11,403,883
Total Expenditures of Federal Awards			\$ 3,438,909	\$ 19,572,286

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

(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 modified cash 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.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major program:

 Significant deficiency(ies) identified? Yes

 Material weakness(es) identified? No

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 section 200.516(a)? No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development Cluster
59.037	Small Business Development Centers
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds

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 section 200.520? Yes

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

2021-001

Equipment and Real Property Management – Noncompliance and significant Deficiency in internal control over compliance

Agency: National Science Foundation

Assistance Listing: 47.049

Program: R&D Cluster

Criteria: Federal Code of Regulations 2 CFR sections 200.313(1) & (2) requires property records must be maintained to include source of funding for property, who title, acquisition date, cost of property, and properties location and a physical inventory of property must be taken and results reconciled to property records at least once every two years.

Condition: Internal controls were not in place to ensure property records met requirements and to ensure inventory of assets purchased with federal dollars are included in an inventory count at least on a biannual basis.

Cause: Once assets are acquired by ASC they are transferred to the main CSUF campus's books and ASC relied upon CSUF to properly maintain inventory records and take count per Federal requirements of assets purchased with Federal funds which was not done in years ended June 30, 2021 or June 30, 2020. As ASC had no control process to ensure they were following requirements this was not detected or corrected prior to June 30, 2021.

Effect: Asset valued at \$363,616 purchased with federal funds was not properly tracked or included in inventory count in previous two years.

Recommendation: We recommend that management maintain an inventory listing to ensure it contains required information and either perform the inventory count themselves on a biannual basis or work with campus to ensure these assets are included in their counts performed.

Response: ASC has a process in place to track equipment/assets transferred to CSUF which includes project details, equipment description, serial numbers (when applicable), and purchase price. ASC will work with the campus to develop a process to ensure equipment transferred to CSUF is properly included on CSUF's biannual inventory.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Prior Year Findings

Year Ended June 30, 2020

Section IV - Schedule of Prior Year Findings

None reported.