

CSU Fullerton Auxiliary Services Corporation

Single Audit Report

June 30, 2017

(With Independent Auditor's Report Thereon)



CSU FULLERTON AUXILIARY SERVICES CORPORATION
Financial Statements and Supplementary Information

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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, 2017 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.

INDEPENDENT AUDITORS' REPORT, CONTINUED

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, 2017, in accordance with accounting principles generally accepted in the United States of America.

Aldrich CPAs + Advisors LLP

San Diego, California
October 31, 2017

**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, 2017. 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 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, 2017.

**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 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.

Aldrich CPAs + Advisors LLP

San Diego, California
October 31, 2017

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Grantor No.</i>	<i>Passed Through to Subrecipients</i>	<i>Expenditures</i>
<i>Research and Development Cluster-Cluster</i>				
<u>Default Agency</u>				
Enhancing Guidance for Evacuation Time Estimate Studies Pass-through Louisiana State University:	99999		\$ 42,448	\$ 19,624
Physical Activity Interventions in Individuals with Prader Willi	99999	PO-0000001401	-	236,493
<i>Total Default Agency</i>			<u>42,448</u>	<u>256,117</u>
<u>Department of Defense</u>				
Basic, Applied, and Advanced Research in Science and Engineering	12.630		-	301,082
Air Force Defense Research Sciences Program	12.800		-	40,325
<i>Total Department of Defense</i>			<u>-</u>	<u>341,407</u>
<u>Department of Energy</u>				
Office of Science Financial Assistance Program	81.049		-	76,156
<i>Total Department of Energy</i>			<u>-</u>	<u>76,156</u>
<u>Department of the Interior</u>				
Earthquake Hazards Program Assistance Pass-through Metropolitan Water District of Southern California:	15.807		-	6,749
Water Conservation Field Services (WCFS)	15.530	167506	-	7,322
Pass-through California Department of Fish and Wildlife: State Wildlife Grants	15.634	P1540019	-	22,173
Pass-through University of California, Santa Cruz: Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)	15.423	A15-0068-S002- S0184295	-	30,838
<i>Total Department of the Interior</i>			<u>-</u>	<u>67,082</u>
<u>United States Department of Justice</u>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		184,190	292,647
<i>Total United States Department of Justice</i>			<u>184,190</u>	<u>292,647</u>
<u>Department of Transportation</u>				
Pass-through University of Arkansas: University Transportation Centers Program	20.701	107402	-	6,350
<i>Total Department of Transportation</i>			<u>-</u>	<u>6,350</u>
<u>Department of Education</u>				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		-	283,781
Pass-through CSU Long Beach Foundation: Higher Education_Institutional Aid	84.031	SG1391SUP_FU LLERTON	-	6,642
Pass-through Graduate School University of Wisconsin Milwaukee: Fund for the Improvement of Postsecondary Education	84.116	163405512	-	18,054
<i>Total Department of Education</i>			<u>-</u>	<u>308,477</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, 2017

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Grantor No.</i>	<i>Passed Through to Subrecipients</i>	<i>Expenditures</i>
<u>Department of Health and Human Services</u>				
Minority Health and Health Disparities Research	93.307		-	289,221
Trans-NIH Research Support	93.310		23,852	332,369
National Center for Advancing Translational Sciences	93.350		-	8,789
Cancer Centers Support Grants	93.397		20,000	147,315
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		-	102,110
Allergy and Infectious Diseases Research	93.855		-	109,884
Biomedical Research and Research Training	93.859		-	423,794
Child Health and Human Development Extramural Research	93.865		-	301,957
Aging Research	93.866		-	57,086
Pass-through University of California, Irvine:				
Maternal and Child Health Federal Consolidated Programs	93.110	2016-3333	-	42,338
Pass-through University of Southern California:				
Drug Abuse and Addiction Research Programs	93.279	SR01DA03608-02	-	35,633
<i>Total Department of Health and Human Services</i>			<u>43,852</u>	<u>1,850,496</u>
<u>National Science Foundation</u>				
Engineering Grants	47.041		-	146,740
Mathematical and Physical Sciences	47.049		216,308	822,039
Geosciences	47.050		-	149,006
Biological Sciences	47.074		-	332,473
Education and Human Resources	47.076		75,600	414,472
Office of International Science and Engineering	47.079		-	79,529
Pass-through Graduate School University of Wisconsin Milwaukee:				
Mathematical and Physical Sciences	47.049	123405533	-	121,881
Pass-through College of Charleston:				
Mathematical and Physical Sciences	47.049	520979-CHENG	-	39,113
Pass-through Virginia Polytech Institution & State University:				
Geosciences	47.050	479371-19978	-	6,361
Pass-through University of California, Irvine:				
Computer and Information Science and Engineering	47.070	2013-2908	-	18,568
Pass-through Symbiotic Software:				
Computer and Information Science and Engineering	47.070	1227245	-	10,898
Pass-through Northwestern University:				
Computer and Information Science and Engineering	47.070	SP0034128- PROJ0009130	-	16,398
<i>Total National Science Foundation</i>			<u>291,908</u>	<u>2,157,478</u>
<u>United States Department of Agriculture</u>				
Hispanic Serving Institutions Education Grants	10.223		6,286	123,009
Pass-through Monkey Business:				
Community Food Projects	10.225	2016-33800-25587	-	12,542
<i>Total United States Department of Agriculture</i>			<u>6,286</u>	<u>135,551</u>
Total Research and Development Cluster-Cluster			<u>568,684</u>	<u>5,491,761</u>
<u>TRIO Cluster-Cluster</u>				
<u>Department of Education</u>				
TRIO_Student Support Services	84.042		-	243,526
TRIO_Talent Search	84.044		-	463,490
TRIO_Upward Bound	84.047		-	400,338
TRIO_McNair Post-Baccalaureate Achievement	84.217		-	208,478
<i>Total Department of Education</i>			<u>-</u>	<u>1,315,832</u>
Total TRIO Cluster-Cluster			<u>-</u>	<u>1,315,832</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, 2017

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<u>Other Programs</u>				
<u>Corporation for National and Community Service</u>				
Pass-through Jumpstart for Young Children: AmeriCorps	94.006	510200	-	64,718
<i>Total Corporation for National and Community Service</i>			-	64,718
<u>Department of Commerce</u>				
Science, Technology, Business and/or Education Outreach	11.620		-	5,915
<i>Total Department of Commerce</i>			-	5,915
<u>Department of the Interior</u>				
Pass-through CSU Dominguez Hills Foundation: Preservation of Japanese American Confinement Sites	15.933	500020	-	28,343
<i>Total Department of the Interior</i>			-	28,343
<u>Department of Labor</u>				
Pass-through City of Santa Ana: H-1B Job Training Grants	17.268	2012.22.8	-	13,513
<i>Total Department of Labor</i>			-	13,513
<u>Department of Education</u>				
Higher Education_Institutional Aid	84.031A		233,258	1,437,236
Migrant Education_High School Equivalency Program	84.141		9,725	521,569
Language Resource Centers	84.229		-	195,400
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325A		-	126,621
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		56,557	1,847,434
Transition to Teaching	84.350		-	47,130
Pass-through State Department of Rehabilitation: Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	28910	-	2,640
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	30019	-	109,226
Pass-through Rancho Santiago Community College: Higher Education_Institutional Aid	84.031A	DO-14-1668-01	-	235,370
<i>Total Department of Education</i>			299,540	4,522,626
<u>Department of Health and Human Services</u>				
Nurse Anesthetist Traineeships	93.124		-	62,446
Nursing Workforce Diversity	93.178		-	110,376
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		-	135,410
Assets for Independence Demonstration Program	93.602		-	132,383
Health Careers Opportunity Program	93.822		71,812	376,131
Family and Community Violence Prevention Program	93.910		161,291	242,105
Pass-through UC Berkeley: Foster Care_Title IV-E	93.658	00008875	-	5,217
Foster Care_Title IV-E	93.658	00009239	-	1,130,486
<i>Total Department of Health and Human Services</i>			233,103	2,194,554

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, 2017

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<u>National Aeronautical and Space Administration</u>				
Pass-through California Institute of Technology:				
Science	43.001	65D-1095770	-	15,951
<i>Total National Aeronautical and Space Administration</i>			-	15,951
<u>National Endowment for the Humanities</u>				
Pass-through CSU Dominguez Hills Foundation:				
Promotion of the Humanities_Division of Preservation and Access	45.149	500027	-	3,782
<i>Total National Endowment for the Humanities</i>			-	3,782
<u>National Science Foundation</u>				
Mathematical and Physical Sciences	47.049A		-	145,928
Computer and Information Science and Engineering	47.070A		-	49,121
Education and Human Resources	47.076A		18,425	348,483
Office of International and Integrative Activities	47.079A		-	47,001
Biological Sciences	49.074A		-	124,689
Pass-through University Enterprises, Inc CSUS				
Education and Human Resources	47.076A	523801	-	15,500
<i>Total National Science Foundation</i>			18,425	730,722
<u>Small Business Administration</u>				
Small Business Development Centers	59.037		1,678,317	2,220,298
<i>Total Small Business Administration</i>			1,678,317	2,220,298
<i>Total Other Programs</i>			2,229,385	9,800,422
<i>Total Expenditures of Federal Awards</i>			<u>\$ 2,798,069</u>	<u>\$ 16,608,015</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, 2017

(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, 2017

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

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.141	Migrant Education High School Equivalency Program
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs (GEARUP)
93.822	Health Careers Opportunity
Trio Cluster	
84.042	TRIO – Student Support Services
84.044	TRIO – Talent Search
84.047	TRIO – Upward Bound

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee under the Uniform Guidance, 2.CFR.200.520?	Yes
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CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Findings and Questioned Costs

Year Ended June 30, 2017

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, 2017

Section IV – Schedule of Prior Year Findings

None reported.