

**CSU FULLERTON
AUXILIARY SERVICES CORPORATION**

**SINGLE AUDIT REPORT
JUNE 30, 2006
(With Independent Auditors' Report Thereon)**

**CSU FULLERTON
AUXILIARY SERVICES CORPORATION
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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
Fullerton, California

We have audited the financial statements of CSU Fullerton Auxiliary Services Corporation (A California State University Auxiliary Organization) (ASC) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 27, 2006. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the ASC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

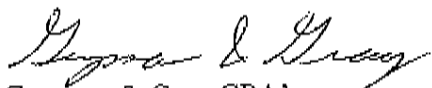
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the ASC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the ASC in a separate letter dated August 27, 2006.

This report is intended solely for the information and use of the audit committee, management, 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.


Guzman & Gray CPA's

Long Beach, CA
August 27, 2006

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors
CSU Fullerton
Auxiliary Services Corporation
Fullerton, California

Compliance

We have audited the compliance of CSU Fullerton Auxiliary Services Corporation, (A California State University Auxiliary Organization) (ASC) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. ASC'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 ASC's management. Our responsibility is to express an opinion on ASC'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; the 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about ASC'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 legal determination of ASC's compliance with those requirements.

In our opinion, ASC 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, 2006.

Internal Control over Compliance

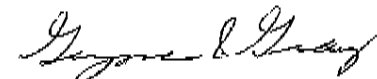
The management of ASC is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with requirements that could have a direct ASC's 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 the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, 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.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of ASC as of and for the year ended June 30, 2006, and have issued our report thereon stated August 27, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposed of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respected, in relation to the basic financial statements taken as a whole.



Guzman & Gray CPA's
Long Beach, CA
August 27, 2006

CSU Fullerton Auxiliary Service Corporation
Schedule of Expenditures of Federal Awards
For the Year Ending June 30, 2006

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<i>Research and Development Cluster:</i>			
Department of Agriculture:			
Pass-through program from:			
The Research Foundation of State University of New York	10.206	RF 1026593/ award 25954	28,523.25
<i>Total Department of Agriculture</i>			28,523.25
Department of Commerce:			
Direct Program:			
Pacific States Marine Fisheries Commission	11.417	PSMFC 04-36	10,785.10
Pass-through program from:			
University of Southern California	11.417	PO #072970	3,500.00
University of Southern California	11.417	PO #080100	8,807.83
University of Southern California	11.417	PO #084704	264.90
University of Southern California	11.417	PO #090929	44,057.75
<i>Total Department of Commerce</i>			67,415.58
Department of Defense:			
Direct Program:			
Department of The Navy, Office of Naval Research	12.300	N68711-05-LT-A0005	5,278.54
<i>Total Department of Defense</i>			5,278.54
Department of Housing and Urban Development:			
Direct Program:			
Office of Policy Development and Research	14.514	HSIAC-05-CA-21	510.39
<i>Total Department of Housing and Urban Development</i>			510.39
Department of Interior:			
Direct Program			
Bureau of Reclamation	15.bbm	03-FG-35-0097	14,284.69
Bureau of Land Management-Fish, Wildlife & Plant Conservation	15.231	BAA 050059	6,124.74
Minerals Management Service (MMS) & ESP	15.423	N/A	2,261.26
Geological Survey	15.808	04WRAG0034	15,104.81
Pass-through program from:			
University of California Santa Cruz	15.614	S 0132692	13,065.11
University of Southern California	15.807	PO No. 085475	24,621.70
<i>Total Department of Interior</i>			75,462.31
National Aeronautics & Space Administration:			
Direct program:			
NASA Dryden Flight Research Center	43.001	NAG4-236	58,827.29
NASA Johnson Space Center	43.001	NAG9-1462	32,021.41
NASA Goddard Space Flight Research Center	43.001	MNG04GB61G	44,148.22
NASA Goddard Space Flight Research Center	43.001	MNG04GL07G	1,235.45
NASA/NAPP	43.001	N/A	3,258.00
Pass-through programs from:			
United Negro College Fund Special Programs Corporation	43.001	Dr. Shahin Ghazanshahi	19,290.78
<i>Sub-Total National Aeronautics & Space Administration</i>			158,781.15
National Science Foundation:			
Direct programs:			
Mathematical & Physical Sciences	47.049	96808	20,462.60
Mathematical & Physical Sciences	47.049	CHE-0354139	78,676.12
Mathematical & Physical Sciences	47.049	PHY-0401613	47,890.35
Mathematical & Physical Sciences	47.049	DMS-0437258	41,506.01
Mathematical & Physical Sciences	47.049	CHE-0521665	350,062.75
Geosciences	47.050	OCE-0351860	85,434.64

CSU Fullerton Auxiliary Service Corporation
Schedule of Expenditures of Federal Awards
For the Year Ending June 30, 2006

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Geosciences	47.050	ATM-0533574	41,307.23
Geosciences	47.050	EAR-0605328	9,323.37
Biological Sciences	47.074	IBN-0102614	70,993.31
Biological Sciences	47.074	DEB-0129326	81,305.05
Biological Sciences	47.074	MCB-0131729	3,214.52
Biological Sciences	47.074	MCB-0448676	86,678.30
Biological Sciences	47.074	DBI-0602922	8,920.59
Social, Behavioral & Economic Sciences	47.075	SES-9986436	15,691.47
Social, Behavioral & Economic Sciences	47.075	BCS-0129453	24,351.14
Education & Human Resources	47.076	DUE-9950835	9,366.42
Education & Human Resources	47.076	ESI-9552868	10,767.97
Education & Human Resources	47.076	REC-0133989	13,815.19
Education & Human Resources	47.076	DUE-0127164	2,789.06
Education & Human Resources	47.076	DUE-0127828	58,919.24
Education & Human Resources	47.076	DUE-0220878	89,062.50
Education & Human Resources	47.076	HER-0227303	1,166,101.07
Education & Human Resources	47.076	DUE-0341346	13,443.00
Education & Human Resources	47.076	DUE-0341350	8,525.33
Education & Human Resources	47.076	HRD-0528559	2,100.00
Pass-through programs from:			
Colorado State University	47.074	PQ P315455	89,996.63
The Regent of The University of California	47.076	MESA-DUE0324218-05	12,500.00
CSU Sacramento Foundation	47.076	HDR0331537-507981	28,517.24
CSU Sacramento Foundation	47.076	HDR0331537-507981	5,589.36
AA for the Advancement of Science (AAAS)	47.076	N/A	7,436.76
<i>Sub-Total National Science Foundation</i>			2,484,749.22
<i>Total NASA & NSF</i>			2,643,530.37
Department of Energy:			
Direct program:			
US Department of Energy	81.049	DE-FG02-04ER15597	14,549.86
US Department of Energy	81.049	DE-FG02-04ER15597	75,382.59
<i>Total Department of Energy</i>			89,932.45
Department of Health & Human Services:			
Direct programs:			
Drug Abuse & Addiction Research Program	93.279	1 R21 DA019916-01	128,243.82
Centers for Disease Control & Prevention	93.283	1 R01 DP000209-01	247,988.91
Minority Health and Health Disparities Research	93.307	9 T37 MD001368-08	65,096.79
Cancer Cause and Prevention Research	93.393	1 R03 CA113158-02	120,291.90
Cancer Control	93.399	1 U01 CA114591-01	460,609.74
Cancer Control	93.399	5 U01 CA114591-02	11,966.48
Microbiology and Infectious Diseases Research	93.856	2 R15 AI 047115-02	9,402.89
Biomedical Research and Research Training	93.859	1 R15 GM069394-04	57,676.70
Biomedical Research and Research Training	93.859	2 T34 GM008612-09	1,884.54
Biomedical Research and Research Training	93.859	2 T34 GM08612-10	200,480.53
Biomedical Research and Research Training	93.859	5 T34 GM08612-11	4,744.14
Biomedical Research and Research Training	93.859	2 R25 GM56625-02	50,384.54
Biomedical Research and Research Training	93.859	5 R25 GM056820-08	350,319.86
Center for Research for Mothers and Children	93.865	1 R01 HD046949-01	298,293.60
Center for Research for Mothers and Children	93.865	3 R01 HD046949-02	8,760.70
Aging Research	93.866	1 R15 AG024163-01	36,273.69
Vision Research	93.867	1 R15 EY 13936-01	7,335.25
Pass-through programs from:			
University of San Francisco	93.242	SA0401	8,790.27
Pacific Institute of Research & Evaluation	93.864	566300	-123.78
University of Southern California	93.865	Prime # 1 R01 HD046807-01A1	22,169.84
<i>Total Department of Health and Human Services</i>			2,090,590.41
Environmental Protection Agency			
Direct Program:			
Office of Administration	66.606	X-83251901-0	35,214.54

CSU Fullerton Auxiliary Service Corporation
Schedule of Expenditures of Federal Awards
For the Year Ending June 30, 2006

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<i>Total Environmental Protection Agency</i>			35,214.54
Veterans Health Administration			
Direct Program:			
Veterans Medical Care Benefits	64.009	691-DS5022	10,024.78
<i>Total Department of Veterans Affairs</i>			10,024.78
<i>Total Research and Development Cluster</i>			<u>5,046,482.62</u>
Major Federal Programs			
Small Business Administration			
Direct programs:			
Small Business Development Center	59.037	5-603001-Z-0060-03	882,375.79
Small Business Development Center	59.037	5-603001-Z-0060-03	77,610.19
Small Business Development Center	59.037	5-603001-Z-0060-02	21,759.92
Small Business Development Center	59.037	5-603001-Z-0060-04	475,229.72
<i>Total Small Business Administration-Major Direct</i>			1,456,975.62
Department of Education:			
Direct programs:			
TRIO-Upward bound South	84.047	P047 A040603	368,578.24
<i>Total Department of Education-Major Direct</i>			368,578.24
<i>Total Major Programs</i>			<u>1,825,553.86</u>
Other Federal Programs			
Department of Agriculture:			
Direct programs:			
Forest Service	10.652	06-CA-11272177-006	26,963.12
<i>Total Department of Agriculture</i>			26,963.12
Department of Education:			
Direct programs:			
Assistant Secretary for Postsecondary Education	84.031	P031 S040056	313,185.65
TRIO-Student Support Services	84.042	P042 A010269	93,435.92
TRIO-Student Support Services	84.042	P042 A050665	175,286.15
Fund for the Improvement of Postsecondary Education	84.116	P116 Z 040204	480,649.72
Business & International Education	84.153	P153 A990005	10,124.29
Business & International Education	84.153	P153 A020037	1,620.00
TRIO-McNair Post-Baccalaureate Achievement	84.217	P217 A030041	74,020.55
TRIO-McNair Post-Baccalaureate Achievement	84.217	P217 A030041-05	130,527.69
Gaining Early Awareness and Readiness for Undergrad Programs	84.334	P33 A990686	220,365.35
School Leadership	84.363	EFR-9007	17,305.97
Pass-through programs from:			
University of Connecticut	84.116	FRS 523701	23,024.15
Department of Rehabilitation	84.126A	24862	93,883.22
California Postsecondary Ed. Commission	84.367	ITQ-01-240	848,301.21
California Postsecondary Ed. Commission	84.367	ITQ-01-192	407,436.59
Regent of The University	84.367	04 NCLB-CISF-03	6,981.91

**CSU Fullerton Auxiliary Service Corporation
Schedule of Expenditures of Federal Awards
For the Year Ending June 30, 2006**

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
UCOP	84.367	04NCLB-CMP-22	5,391.68
Regent of The University	84.367	NCLB2-CISP-FULLERTON	82,363.96
Rancho Santiago Community College District	84.415	PO31S030017 (Title V)	243,910.29
<i>Total Department of Education</i>			3,227,814.30
Department of Health & Human Services:			
Direct programs:			
Nurse Anesthetist Traineeships	93.124	2 A22 HP 00074-05	17,967.00
Advanced Education Nursing Grant Program	93.247	1 D09 HP 05316-01	142,686.17
Advanced Education Nursing Traineeships	93.358	2 A10 HP00313-05	49,054.00
Nurse Education, Practice and Retention Grants	93.359	5 D10 HP 40477-03	161.90
Nurse Education, Practice and Retention Grants	93.359	5 D66 HP 03174-02	260,080.08
Head Start	93.600	90 YP 0026	44,802.95
Senior International Fellowships	93.989	1 T3 TW00048-02	137,602.04
Pass-through programs from:			
Health Care Council of Orange County	93.107	U77 PE03015 DPA	16,067.94
UCI	93.389	2003-1348	767.14
Central State University	93.910	03-11-151	68,037.90
Central State University	93.910	PCVP 03-12-151	192,881.55
<i>Total Department of Health & Human Services</i>			930,108.67
Corporation for National and Community Service			
Direct Program:			
Planning and Program Development Grants	94.007	05MKCA001	66,840.15
Pass-through programs from:			
Temple University	94.005	03LHHPA001	2,791.79
Temple University	94.005	31-1894-321	10,217.63
Jumpstart for Young Children, Inc.	94.006	510200	11,603.53
Jumpstart for Young Children, Inc.	94.006	N/A	56,115.12
<i>Total Corporation for National and Community Service</i>			147,568.22
Securities and Exchange Commission			
Direct Program			
Securities Investigation of Complaints & SEC Information	58.001	N/A	117,600.00
<i>Total Securities and Exchange Commission</i>			117,600.00
Department of State:			
Direct Program			
Bureau of Educational and Cultural Affairs	19.404	N/A	6,796.50
<i>Total Department of State</i>			6,796.50
Department of Transportation:			
Pass-through programs from:			
CSU Fresno Foundation	20.600	PO# 21472-000	21,951.98
<i>Total Department of Transportation</i>			21,951.98
United States Agency For International Development			
Direct programs:			
USAID Foreign Assistance for Programs Overseas (B)	98.001	HNE-A-00-97-00059-00	3,624.45
<i>Total United States Agency For International Development</i>			3,624.45
Total Other Programs			4,482,427.24
Total Federal Awards Expended			11,354,463.72

**CSU FULLERTON AUXILIARY SERVICES CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

1. GENERAL

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of the federal award programs of CSU Fullerton Auxiliary Services Corporation (ASC). The schedule includes federal award programs of ASC received directly from federal agencies as well as federal awards passed through other agencies.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree in all material respects with the amounts reported in the related federal financial reports.

4. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, ASC provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA number</u>	<u>Amount provided to subrecipients</u>
TASEL-M	47.076	\$ 504,775.81
RUI: Regulation of Diverse Bact	47.074	18,224.75
SBDC LEAD CTR 2005	59.037	753,239.00
MARTIN LUTHER KING DAY	94.007	57,390.39
2004 SBDC CARRYOVER	59.037	21,759.92
SBDC 2006 LEAD CENTER	59.037	316,927.87
CSUF Gerontology CTR	84.116 Z	417,737.59
Copper Transport In Lactation	93.865	116,733.00
TO PROMOTE CANCER SCREENING	93.393	73,630.75
ISLANDER NETWORK		245,684.13
CANCER CONTRL	93.399	
Prevent Bio Invasion	11.417	3,500.00
AQUATIC NUISANCE		3,500.00
SPECIES	11.417	
EID: Plague Model	47.074	20,168.15

**CSU FULLERTON AUXILIARY SERVICES CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

<u>Program Title</u>	<u>CFDA number</u>	<u>Amount provided to subrecipients</u>
CONNECTATE YR 3	93.91	16,927.52
BiosciEdNet BEN Collaborative	47.076	6,646.67
No Child Left Behind	84.367	(1,105.00)
WEST FULLERTON COMMUMNITY PROJ		4,545.00
CoAst Yr 2	84.367	144,310.70
PROFESSIONAL DEVELOPMENT RESOU	84.367	404,503.71
STATE & COMM HWY SAFETY	20.6	15,000.00
CoAst Yr 3	84.367	20,544.39
Total		\$ 3,164,644.35

**CSU FULLERTON AUXILIARY SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006**

SUMMARY OF AUDIT RESULTS:

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of:
CSU FULLERTON AUXILIARY SERVICES CORPORATION
2. Reportable conditions relating to the audit of the financial statements are reported in the 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*
3. No instances of noncompliance were disclosed during the audit which were material to the financial statements of:
CSU FULLERTON AUXILIARY SERVICES CORPORATION
4. Reportable conditions relating to the audit of the major federal award programs are reported in the:
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND ON SUPPLEMENTAL SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
5. The auditor's report on compliance on all major federal programs expresses an unqualified opinion for the major federal award programs for:
CSU FULLERTON AUXILIARY SERVICES CORPORATION
6. Audit findings relative to the major federal award programs for:
CSU FULLERTON AUXILIARY SERVICES CORPORATION
are referenced in this Schedule as follows:

<u>Finding No.</u>	<u>Reference</u>
None	None
7. The programs tested as major programs included:
84.116 Fund for the Improvement of Postsecondary Education
Research Cluster
8. The threshold for distinguishing Types A and B programs was:
\$ 300,000
9. CSU FULLERTON AUXILIARY SERVICES CORPORATION
was determined to be a:
low-risk auditee