

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SINGLE AUDIT REPORT ON FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024



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**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

| | |
|---|-----------|
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE | 1 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 5 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 10 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 11 |



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
CSUSB - University Enterprises Corporation at CSUSB
San Bernardino, California

Report on Compliance for Each Major Federal Program

We have audited CSUSB - University Enterprises Corporation at CSUSB's (UEC) (a nonprofit organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of UEC's major federal programs for the year ended June 30, 2024. UEC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, CSUSB - University Enterprises Corporation at CSUSB complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of CSUSB - University Enterprises Corporation at CSUSB and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CSUSB - University Enterprises Corporation at CSUSB's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to CSUSB - University Enterprises Corporation at CSUSB's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CSUSB - University Enterprises Corporation at CSUSB's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CSUSB - University Enterprises Corporation at CSUSB's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CSUSB - University Enterprises Corporation at CSUSB's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of CSUSB - University Enterprises Corporation at CSUSB's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 CSUSB - University Enterprises Corporation at CSUSB's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

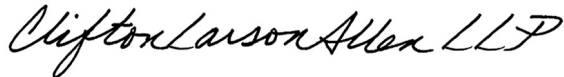
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of UEC as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation 's basic financial statements. We issued our report thereon dated January 3, 2025 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Glendora, California
January 3, 2025

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(FEIN: 95-6067343)
YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed- Through to Subrecipients | Federal Expenditures |
|--|---|--|--|-------------------------|
| National Institute of Health and Human Services | | | | |
| <i>Passed-through from Children and Families Commission for San Bernardino County</i> | | | | |
| Biomedical Research and Research Training | 93.575 | EC039 A2 | \$ - | \$ 357,449 |
| <i>Passed through from University of California Berkeley</i> | | | | |
| Foster Care Title IV-E | 93.658 | | - | 2,312,204 |
| Total National Institute of Health and Human Services | | | - | 2,669,653 |
| U.S Department of Agriculture | | | | |
| <i>Direct Programs</i> | | | | |
| Hispanic Serving Institutions Education Grants | 10.223 | | | 17,822 |
| <i>Passed-through from CSU Chico Research Foundation</i> | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | SUB20-017 | - | 44,455 |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | A22-0055-S052 | - | 33,616 |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | SUB20-017-2 | - | 21,286 |
| Summer Food Service Program for Children | | | | |
| <i>Passed-through from California Department of Education</i> | 10.559 | 36-77360V | | 2,610 |
| Total U.S Department of Agriculture | | | - | 119,789 |
| U.S Department of Commerce | | | | |
| <i>Direct Programs</i> | | | | |
| Market Development Cooperator Program | 11.112 | | - | 65,240 |
| National Security Agency | | | | |
| <i>Direct Programs</i> | | | | |
| Information Security Grant Program | 12.902 | | 475,335 | 2,914,189 |
| GenCyber Grants Program | 12.903 | | - | 6,879 |
| CyberSecurity Core Curriculum | 12.905 | | 993,242 | 5,375,080 |
| Total National Security Agency | | | 1,468,577 | 8,296,148 |
| Department of the Treasury | | | | |
| <i>Passed-through from State of California</i> | | | | |
| Coronavirus State And Local Fiscal Recovery Funds | 21.027 | CCSFR010 Amnd A4 | - | 717,530 |
| National Endowment for the Humanities | | | | |
| <i>Direct Programs</i> | | | | |
| Museums for America | 45.301 | | - | 37,690 |
| Total National Endowment for the Humanities | | | - | 37,690 |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
(FEIN: 95-6067343)
YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed- Through to Subrecipients | Federal Expenditures |
|---|---|--|--|-------------------------|
| U.S. Department of Energy | | | | |
| <i>Direct Programs</i> | | | | |
| Office of Science Financial Assistance Program | 81.049 | | \$ - | \$ 180,337 |
| Department of Homeland Security | | | | |
| <i>Passed-through from Northeastern University</i> | | | | |
| Centers for Homeland Security | 97.061 | 505226-78051 Amnd 1 | - | 24,275 |
| U.S. Small Business Administration | | | | |
| <i>Direct Program</i> | | | | |
| Women's Business Ownership Assistance | 59.043 | | - | 258,985 |
| <i>Passed-through from CSU Fullerton Aux Srvc Corp</i> | | | | |
| Small Business Development Centers | 59.037 | S-7789 A1 | - | 481,464 |
| Total U.S Small Business Administration | | | - | 740,449 |
| U.S. Department of Education | | | | |
| <i>Direct Programs</i> | | | | |
| Undergraduate International Studies and Foreign Language Programs | 84.016 | | (2,925) | 16,228 |
| Rehabilitation Long-Term Training | 84.129 | | - | 186,729 |
| Migrant Education High School Equivalency Program | 84.141 | | 50,311 | 294,819 |
| Migrant Education College Assistance Migrant Program | 84.149 | | 55,000 | 564,049 |
| Child Care Access Means Parents in School | 84.335 | | - | 738,467 |
| <i>Passed-through from CSU San Bernardino</i> | | | | |
| Rehabilitation Services Vocational Rehabilitation Grants to States | 84.126 | (1) | - | 239,915 |
| <i>Passed-through from University of California Office of the President</i> | | | | |
| Improving Teacher Quality State Grants | 84.367 | ESSA23-CMP-SAN BERNA | - | 28,921 |
| Improving Teacher Quality State Grants | 84.367 | ESSA23-TCAP-SB RIMS | - | 108,835 |
| Improving Teacher Quality State Grants | 84.367 | ESSA23-TCAP-SO | - | 148,170 |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
(FEIN: 95-6067343)
YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed- Through to Subrecipients | Federal Expenditures |
|--|---|--|--|-------------------------|
| TRIO CLUSTER: | | | | |
| U.S. Department of Education | | | | |
| <i>Direct Programs</i> | | | | |
| TRIO Student Support Services | 84.042 | | \$ - | \$ 474,432 |
| TRIO Talent Search | 84.044 | | - | 883,959 |
| TRIO Upward Bound | 84.047 | | - | 859,682 |
| TRIO Educational Opportunity Centers | 84.066 | | - | 265,546 |
| Total TRIO Cluster | | | - | 2,483,619 |
| Total U.S. Department of Education | | | 102,386 | 4,809,752 |
| RESEARCH AND DEVELOPMENT CLUSTER: | | | | |
| U.S Department of Agriculture | | | | |
| <i>Passed-through from CSU Chico Research Foundation</i> | | | | |
| Hispanic Serving Institutions Education Grants | 10.223 | Sub-21-120 | - | 14,698 |
| U.S Department of Commerce | | | | |
| <i>Direct Program</i> | | | | |
| Measurement and Engineering Research and Standards | 11.609 | | - | (120,216) |
| National Security Agency | | | | |
| <i>Passed-through from Norwich University</i> | | | | |
| CyberSecurity Core Curriculum | 12.905 | 22596-RS010 Amnd 01 | - | 140,443 |
| U.S. Department of the Interior | | | | |
| <i>Direct Program</i> | | | | |
| National Cooperative Geologic Mapping Program | 15.810 | | - | 18,394 |
| National Institute of Justice | | | | |
| National Institute of Justice Research, Evaluation, and Development Project Grants | | | | |
| <i>Passed-through from Sam Houston State University</i> | 16.560 | p22077A | - | 47,069 |
| National Aeronautics and Space Administration | | | | |
| <i>Direct Program</i> | | | | |
| <i>Passed-through from University of San Diego</i> | | | | |
| Defense Advanced Research Programs | 43.000 | | - | 2,169 |
| Aerospace Education Services Program | 43.001 | | 9,577 | 65,795 |
| <i>Passed-through from University of Washington</i> | | | | |
| Aerospace Education Services Program | 43.001 | UWSC13481 | - | 34,503 |
| Total National Aeronautics and Space Administration | | | 9,577 | 102,467 |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
(FEIN: 95-6067343)
YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed- Through to Subrecipients | Federal Expenditures |
|---|---|--|--|-------------------------|
| National Science Foundation | | | | |
| <i>Direct Programs</i> | | | | |
| Engineering Grants | 47.041 | | \$ 19,252 | \$ 67,176 |
| Biological Sciences | 47.074 | | - | 141,779 |
| Mathematical and Physical Sciences | 47.049 | | - | 175,408 |
| Geosciences | 47.050 | | 47,430 | 72,167 |
| Social, Behavioral, and Economic Sciences | 47.075 | | - | 67,203 |
| Polar Programs | 47.078 | | - | 51,537 |
| Education and Human Resources | 47.076 | | 322,744 | 3,227,075 |
| Office of International Science and Engineering | 47.079 | | - | 6,920 |
| Computer and Information Science and Engineering Education and Human Resources | 47.070 | | - | 94,184 |
| <i>Passed-through from Riverside Community College District</i> Education and Human Resources | 47.076 | A11227 | - | 76,080 |
| <i>Passed-through from Whatcom Community College</i> Education and Human Resources | 47.076 | 2054724 | - | 54,866 |
| <i>Passed-through from CSU Sacramento Foundation</i> Education and Human Resources | 47.076 | 532984 | - | 3,600 |
| <i>Passed-through from University Enterprises, INC.</i> Computer and Information Science and Engineering | 47.076 | 532985-A5 | - | 14,118 |
| | 47.076 | 532986-A6 | - | 19,827 |
| <i>Passed-through from Baylor University</i> Computer and Information Science and Engineering | 47.070 | 1001348-01 | - | 69,804 |
| <i>Passed-through from UC San Diego</i> Total National Science Foundation | 47.070 | KR 705552 | - | 196,106 |
| | | | <u>389,426</u> | <u>4,337,850</u> |
| U.S. Department of Energy | | | | |
| <i>Direct Programs</i> | | | | |
| Office of Science Financial Assistance Program | 81.049 | | - | 48,200 |
| <i>Passed-through from Regents of The University of California</i> Conservation Research and Development | 81.086 | 7633678 | - | 24,905 |
| Total U.S. U.S. Department of Energy | | | <u>-</u> | <u>73,105</u> |
| U.S. Department of Education | | | | |
| <i>Direct Programs</i> | | | | |
| Higher Education Institutional Aid | 84.031 | | 87,505 | 1,813,870 |
| Total U.S. Department of Education | | | <u>87,505</u> | <u>1,813,870</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
(FEIN: 95-6067343)
YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Federal Expenditures |
|--|---|--|---------------------------------------|-------------------------|
| National Institute of Health and Human Services | | | | |
| <i>Direct Programs</i> | | | | |
| Mental Health Research Grants | 93.242 | | \$ - | \$ 147,020 |
| Trans-NIH Research Support | 93.310 | | - | 179,791 |
| Biomedical Research and Research Training | 93.859 | | - | 792,858 |
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853 | | - | 299,428 |
| Aging Research | 93.866 | | 2,577 | 143,668 |
| Prevention of Disease, Disability and Death by Infectious Diseases | | | - | 19,941 |
| <i>Passed-through from The Regents of the University of California</i> | 93.084 | A23-0750-S014 | | |
| Trans-NIH Research Support | | | | |
| <i>Passed-through from The National Alliance For Hispanic Health</i> | 93.310 | OT2OD025277-01S6 | - | 12,429 |
| Alcohol Research Programs | | | | |
| <i>Passed-through from The Scripps Research Institute</i> | 93.273 | 5-54972 | - | 46,471 |
| Aging Research | | | | |
| <i>Passed-through from Washington Statue University</i> | 93.866 | 135230 SPC003906 | - | 444,072 |
| Total National Institute of Health and Human Services | | | <u>2,577</u> | <u>2,085,678</u> |
| U.S. Agency for International Development | | | | |
| Food for Peace Emergency Program (EP) | | | | |
| <i>Passed-through from Washington Statue University</i> | 98.008 | PO EP0228961 | - | 1,740 |
| | | | | |
| Total Research and Development Cluster | | | <u>489,085</u> | <u>8,515,098</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,060,048</u> | <u>\$ 26,175,961</u> |

(1) - Pass-Through Entity Identifying Number not readily available.

N/A - Not applicable, not a pass-through award.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the UEC under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the UEC, it is not intended to and does not present the financial position, changes in net assets or cash flows of the UEC.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 INDIRECT COST RATE

A nonfederal entity may have a federally negotiated indirect cost rate that is being used for federal awards. In general, under 2 CFR 200.414(f), if an entity has never received a negotiated indirect cost rate, the entity may elect to use a 10 percent de minimis indirect cost rate. The entity has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 ADDITIONAL DISCLOSURES

The negative amount of \$120,216 on the Schedule represents an adjustment made to previously reported federal expenditures. The assistance listing number for this line item is 11.609 and the program is Measurement and Engineering Research and Standards. The University overspent in the prior year and moved the expenditures out in the current year, which is causing a negative balance.

**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|---|
| 93.658 | Foster Care Title IV-E |
| 12.902 | Information Security Grants Program |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 785,279
- Auditee qualified as low-risk auditee pursuant? yes no

**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

2024-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The UEC incorrectly recorded grant revenue, receivables, and unearned revenue. Management recorded activity on a cash basis and did not properly adjust to accrual basis at year-end for the grants identified with errors.

Criteria or specific requirement: The UEC should review financial records timely as part of the internal controls system that may prevent or detect material errors that may misstate the financial statements.

Context: During testing of grant revenue and related activity, it was observed that for three of the 38 samples tested, the grant activity was recorded on a cash basis. As a result, grant revenue was overstated by \$4,032,601, receivables were overstated by \$1,793,697, and unearned revenue was understated by \$2,238,904. An adjusting audit entry was posted to the correct balance noted by CLA during the testing of grant activity.

Effect: Misstatements in grant related activity may remain undetected for substantial periods of time.

Cause: Management did not properly record all grants activity an accrual basis.

Recommendation: The UEC should review the grant activity and financial records timely to ensure proper revenue recognition.

Views of responsible officials: Management agrees with the finding and has developed a plan to correct the finding.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2024**

Department of Treasury

University Enterprises Corporation at CSUSB respectfully submits the following corrective action plan for the year ended June 30, 2024.

Audit period: July 1, 2023 to June 30, 2024

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2024-001 Recommendation: The UEC should review the grant activity and financial records timely to ensure proper revenue recognition.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: To address the incorrect recording of the grant revenue, Accounting Services will be implementing enhanced procedures to ensure compliance with proper revenue recognition. Historically, during the month-end process, earned or unearned revenue for sponsored funded awards has been identified by running the Billing Report in the Sponsored Programs Administration Data Warehouse Module and filtering for the agreement type as 'Cost Reimbursement' only. The Grant Module is initiated, updated, and maintained by the Sponsored Programs Administration (SPA). SPA ensures that the Grant Module holds accurate and timely information which is crucial for fiscal integrity and accurate reporting.

Beginning January 1, 2025, Accounting Services will expand this process to include all sponsored funded award agreements listed in the Grant Module, as well as capture those not promptly updated, to ensure comprehensive inclusion of grant-related activity in the monthly revenue process.

Additionally, on a quarterly basis, the Billing Report for sponsored funds will be reviewed alongside the Financial Summary Report. This cross-referencing process will serve as an additional control measure to verify the completeness and accuracy of the reports and thorough reviews of grant activity.

Name(s) of the contact person(s) responsible for corrective action: Melinda Jensen for Accounting Services, and the respective Research Analyst in SPA for the grant.

Planned completion date for corrective action plan: January 1, 2025

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

NONE

If the Department of Treasury has questions regarding this plan, please call Michelle Bulaon at 909-537-3644.



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