

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SINGLE AUDIT REPORT ON FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023



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**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, 2023. 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, 2023.

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, 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements. We issued our report thereon dated October 13, 2023 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.

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



CliftonLarsonAllen LLP

Glendora, California
February 8, 2024

CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(FEIN: 95-6067343)
YEAR ENDED JUNE 30, 2023

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	-	154,426
<i>Passed through from University of California Berkeley</i>				
Foster Care_Title IV-E	93.658		-	2,352,362
Total National Institute of Health and Human Services			-	2,506,788
U.S Department of Agriculture				
<i>Passed through from CSU Chico Research Foundation</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SUB19-029	-	30,689
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	A22-0055-S052	-	29,054
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SUB 18-053	-	990
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SUB20-017-2	-	28,081
Total U.S Department of Agriculture			-	88,814
U.S Department of Commerce				
<i>Direct Programs</i>				
Market Development Cooperator Program	11.112		-	88,585
National Security Agency				
<i>Direct Programs</i>				
National Security Education Program David L. Boren Scholarships	12.551		360,301	659,917
Information Security Grant Program	12.902		622,916	2,182,950
GenCyber Grants Program	12.903		-	11,948
CyberSecurity Core Curriculum	12.905		513,321	1,082,620
<i>Passed through from Norwich University</i>				
CyberSecurity Core Curriculum	12.905	22595-RS010	-	2,469
Total National Security Agency			1,496,538	3,939,902
Department of Housing and Urban Development (HUD)				
<i>Passed through from City of Palm Desert</i>				
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	C40230F	-	710
Department of the Treasury				
<i>Passed through from State of California</i>				
Coronavirus State And Local Fiscal Recovery Funds	21.027	CCSFR010 Amnd A2	-	819,688
National Endowment for the Humanities				
<i>Direct Programs</i>				
Promotion of the Arts_Grants to Organizations and Individuals	45.024		-	12,322
Museums for America	45.301		-	10,935

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, 2023

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<i>Passed through from American Council of Learned Societies (ACLS)</i>				
Promotion of the Humanities_Public Programs	45.164	SUB 8/1/2022	-	66,869
Total National Endowment for the Humanities			-	90,127
U.S. Department of Energy				
<i>Direct Programs</i>				
Office of Science Financial Assistance Program	81.049		-	181,732
Department of Homeland Security				
<i>Passed through from Northeastern University</i>				
Centers for Homeland Security	97.061	505226-78051	-	43,387
U.S. Small Business Administration				
<i>Direct Program</i>				
Women's Business Ownership Assistance	59.043		-	407,662
<i>Passed through from CSU Fullerton Aux Svcs Corp</i>				
Small Business Development Centers	59.037	S-7448-CSUSB	-	114,913
Small Business Development Centers	59.037	RISK LETTER	-	43,536
Small Business Development Centers	59.037	S-7582-CSUSB	-	269,054
Total U.S Small Business Administration			-	835,165
U.S. Department of Education				
<i>Direct Programs</i>				
Undergraduate International Studies and Foreign Language Programs	84.016		78,769	135,838
Rehabilitation Long-Term Training	84.129		-	189,387
Migrant Education College Assistance Migrant Program	84.149		55,000	208,719
Child Care Access Means Parents in School	84.335		-	401,068
<i>Passed through from CSU San Bernardino</i>				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	(1)	-	235,707
<i>Passed through from University of California Office of the President</i>				
Improving Teacher Quality State Grants	84.367	ESSA22-CMP-SAN BERNA	-	34,082
Improving Teacher Quality State Grants	84.367	ESSA22-TCAP-SB RIMS	-	104,187
Improving Teacher Quality State Grants	84.367	ESSA22-TCAP-SO	-	150,378
Improving Teacher Quality State Grants	84.367	(1)	-	36,921

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, 2023

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		-	429,811
TRIO Talent Search	84.044		-	752,496
TRIO Upward Bound	84.047		-	961,056
TRIO Educational Opportunity Centers	84.066		-	237,000
Total TRIO Cluster			-	2,380,363
Total U.S. Department of Education			133,769	3,876,650
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	-	17,196
U.S Department of Commerce				
<i>Direct Program</i>				
Measurement and Engineering Research and Standards	11.609		-	435,497
National Security Agency				
<i>Passed through from Norwich University</i>				
CyberSecurity Core Curriculum	12.905	22595-RS010	-	53,394
Bureau of Indian Affairs				
<i>Direct Program</i>				
Cultural Resources Management	15.159		-	4,233
National Aeronautics and Space Administration				
<i>Direct Program</i>				
Aerospace Education Services Program	43.001		-	59,783
<i>Passed through from Board of Regents, NSHE, obo University of Nevada, Las Vegas</i>				
Aerospace Education Services Program	43.001	GR07102.02	-	40,951
<i>Passed through from University of Washington</i>				
Aerospace Education Services Program	43.001	UWSC13481	-	38,127
Total National Aeronautics and Space Administration			-	138,860
National Science Foundation				
<i>Direct Programs</i>				
Mathematical and Physical Sciences	47.049		-	89,912
Geosciences	47.050		62,350	171,779
Social, Behavioral, and Economic Sciences	47.075		-	54,035

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, 2023

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Education and Human Resources	47.076		161,898	3,365,371
Office of International Science and Engineering	47.079		-	40,354
Computer and Information Science and Engineering	47.070		-	56,615
Education and Human Resources	47.076		-	481,039
<i>Passed through from Riverside Community College District</i>				
Education and Human Resources	47.076	(1)	-	50,764
<i>Passed through from American Physical Society</i>				
Mathematical and Physical Sciences	47.049	PHY-1707990	-	25,010
<i>Passed through from Board of Regents University of Nebraska-Lincoln</i>				
Education and Human Resources	47.076	25-0536-0045-003 A1	-	246
<i>Passed through from Riverside Community College District</i>				
Education and Human Resources	47.076	C-0006460	-	1,376
<i>Passed through from Whatcom Community College</i>				
Education and Human Resources	47.076	DUE-2054724	-	56,992
<i>Passed through from CSU Sacramento Foundation</i>				
Education and Human Resources	47.075	532984	-	15,369
<i>Passed through from University Enterprises, INC.</i>				
Education and Human Resources	47.076	532985-A5	-	5,861
<i>Passed through from Colorado State University</i>				
Education and Human Resources	47.076	1835055	-	6,744
<i>Passed through from Baylor University</i>				
Computer and Information Science and Engineering	47.070	1001348-01	-	10,368
<i>Passed through from UC San Diego</i>				
Computer and Information Science and Engineering	47.070	KR 705552	-	203,439
Total National Science Foundation			224,248	4,635,275
U.S. Department of Energy				
<i>Direct Programs</i>				
Office of Science Financial Assistance Program	81.049		-	46,767
<i>Passed through from Regents of The University of California</i>				
Conservation Research and Development	81.086	7633678	-	10,908
Total U.S. U.S. Department of Energy			-	57,675
U.S. Department of Education				
<i>Direct Programs</i>				
Higher Education Institutional Aid	84.031		39,354	1,580,211

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, 2023

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<i>Passed through from Riverside County Office of Education</i>				
Education Innovation and Research (formerly Investing in Innovation Fund)	84.411	C1006753	-	38,246
Total U.S. Department of Education			39,354	1,618,457
Agency for International Development				
USAID Foreign Assistance for Programs Overseas	98.001	104042	-	12,022
National Institute of Health and Human Services				
<i>Direct Programs</i>				
Biomedical Research and Research Training	93.859			576,736
Mental Health Research Grants	93.242		-	232,875
Trans-NIH Research Support	93.310		-	153,244
Biomedical Research and Research Training	93.859		-	142,117
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		-	97,423
<i>Passed through from The National Alliance For Hispanic Health</i>				
Trans-NIH Research Support	93.310	30T20D025277-01	-	10,888
<i>Passed through from The Scripps Research Institute</i>				
Alcohol Research Programs	93.273	5-54972	-	24,439
<i>Passed through from Washington Statue University</i>				
Aging Research	93.866	135230 SPC003906	-	286,730
Total National Institute of Health and Human Services			-	1,524,453
Total Research and Development Cluster			263,602	8,497,063
Total Expenditures of Federal Awards			1,893,908	20,968,612

(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
YEAR ENDED JUNE 30, 2023

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, 2023. 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.

**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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 x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x 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 x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster
12.905	CyberSecurity Core Curriculum
21.027	Coronavirus State and Local Fiscal Recovery Funds

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee pursuant? _____ yes x no

**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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).

**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

There were no prior year federal findings to report.

**CSUSB - UNIVERSITY ENTERPRISES CORPORATION AT CSUSB
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs

There were no prior year federal findings to report.



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