Cal State L.A. University Auxiliary Services, Inc.

SINGLE AUDIT REPORT

Year Ended June 30, 2025

Aldrich

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
Single Audit Report
Year Ended June 30, 2025

Table of Contents

	Page
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	16
Schedule of Findings and Questioned Costs	17
Schedule of Prior Year Findings	24
Corrective Action Plan	27

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Audit Committee
Cal State L.A. University Auxiliary Services, Inc.

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited Cal State L.A. University Auxiliary Services, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Cal State L.A. University Auxiliary Services, Inc.'s major federal programs for the year ended June 30, 2025. Cal State L.A. University Auxiliary Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Assistance Listing Nos. 21.027 Coronavirus State and Local Fiscal Recovery Funds, 84.336 Teacher Quality Partnership Grants, 94.006 AmeriCorps State and National, 84.325 Special Education, 16.812 Second Chance Act Reentry Initiative, and Research and Development Cluster.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Cal State L.A. University Auxiliary Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Assistance Listing Nos. 21.027 Coronavirus State and Local Fiscal Recovery Funds, 84.336 Teacher Quality Partnership Grants, 94.006 AmeriCorps State and National, 84.325 Special Education, 16.812 Second Chance Act Reentry Initiative, and Research and Development Cluster for the year ended June 30, 2025.

Basis for Qualified Opinion

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). Our responsibilities under those standards and the Uniform Guidance are further described in the auditor's responsibilities for the audit of compliance section of our report.

We are required to be independent of Cal State L.A. University Auxiliary Services, Inc. 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Assistance Listing Nos. 21.027 Coronavirus State and Local Fiscal Recovery Funds, 84.336 Teacher Quality Partnership Grants, 94.006 AmeriCorps State and National, 84.325 Special Education, 16.812 Second Chance Act Reentry Initiative and Research and Development Cluster.

As described in the accompanying schedule of findings and questioned costs, Cal State L.A. University Auxiliary Services, Inc. did not comply with requirements regarding Assistance Listing *No. 21.027 Coronavirus State and Local Fiscal Recovery Funds, 84.336 Teacher Quality Partnership Grants, 94.006 AmeriCorps State and National, 84.325 Special Education, 16.812 Second Chance Act Reentry Initiative, and Research and Development Cluster* as described in finding numbers 2025-003 and 2025-004 for Schedule of Expenditures of Federal Awards (SEFA) and Expenditure Identification and Subrecipient Monitoring.

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

Basis for Qualified Opinion, continued

Compliance with such requirements is necessary, in our opinion, for the Cal State L.A. University Auxiliary Services, Inc. to comply with the requirements applicable to that program.

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 Cal State L.A. University Auxiliary Services, Inc.'s federal programs.

Auditor's 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 Cal State L.A. University Auxiliary Services, Inc.'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 generally accepted auditing standards, *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 Cal State L.A. University Auxiliary Services, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Cal State L.A. University Auxiliary Services, Inc.'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 Cal State L.A. University Auxiliary Services, Inc.'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 Cal State L.A. University Auxiliary Services, Inc.'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.

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-005 and 2025-006. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Cal State L.A. University Auxiliary Services, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Cal State L.A. University Auxiliary Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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; therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weakness and significant deficiencies.

A d*eficiency 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-003 and 2025-004 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-005 and 2025-006 to be significant deficiencies.

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.

Government Auditing Standards require the auditor to perform limited procedures on Cal State L.A. University Auxiliary Services, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Cal State L.A. University Auxiliary Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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

We have audited the financial statements of Cal State L.A. University Auxiliary Services, Inc. as of and for the year ended June 30, 2025, and have issued our report thereon dated October 3, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

Aldrich CPAs + Advisors LLP

Brea, California
March 26, 2026

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
Research and Development Cluster:					
U.S. Department of Agriculture					
Hispanic Serving Institutions Education Grants:					
e-Farms: Education Reform in Food	10.223			$ 87,996	$ 235,606
Growing Food in the City: Urban Food Gardens for Research and Education	10.223			-	38,596
				87,996	274,202
Agriculture and Food Research Initiative (AFRI):					
Training Diverse Undergraduate Students in Experiential Research	10.310			-	96,454
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)					
Competitive Water Availability	10.326			-	3,637
Research Joint Venture and Cost Reimbursable Agreements					
Socio-Ecological Diversity	10.707			-	553
U.S. Department of Defense					
Basic and Applied Scientific Research:					
Naval STEM Program at Cal State LA	12.300			-	31,413
Air Force Defense Research Sciences Program					
Effect of Synthesis Method	12.800	Ohio State University	SPC-00002708 GR137	-	47,700
Mentor Protégé Program					
Mentor Protégé Program - Green Power	12.UNKNOWN	Raytheon Company	4202978474	-	34,549
U.S. Department of Justice					
Juvenile Justice and Delinquency Prevention					
An Assessment of Dual System	16.540			68,051	356,790
National Institute of Justice Research, Evaluation, and Development Project Grants:					
Intergenerational Legal System	16.560	Iowa State University	029928A	-	27,708
U.S. Department of Treasury					
Volunteer Income Tax Assistance Matching Grant Program					
2021-2025 CSUN VITA Program	21.009	The University Corporation CSU Northridge	A16-0069-S006-A02	-	22,064

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
National Aeronautics and Space Administration					
Science:					
Diversifying Student Pipelines	43.001			20,329	137,476
VIPER Rocks	43.001			-	22,294
PIMOVE Distribution	43.001			26,768	53,121
Advancing Students Through	43.001			-	42,813
Bridging NASA and Cal State LA	43.001			-	84,054
Demonstration Rapid Extreme	43.001	Jet Propulsion Laboratory	RSA No. 1708278	-	22,075
Titan UVIS Airglow Observation	43.001	Regents of the University of Colorado	No. 1565353	-	35,099
				47,097	396,932
Space Operations:					
MSI Space Biology Bioinformatics Workshop	43.007	Jet Propulsion Laboratory	1699808	-	4,857
Office of STEM Engagement (OSTEM):					
Additive Manufacturing on the Moon	43.008			-	217,732
Metal-Based Composite	43.008	UC San Diego		-	10,440
				-	228,172
Space Technology:					
An Additively Manufactured Deployable Radiator with Oscillating Heat Pipes (AMDROHP)	43.012			24,516	87,199
National Science Foundation					
Engineering:					
MRI: Acquisition of a Confined Bi-Directional Cyclic Shear Apparatus for Research and Education	47.041			-	2,392
RUI: Indirect Measurement	47.041			-	55,927
				-	58,319
Mathematical and Physical Sciences:					
CCI Phase I: Center for Interfacial Ionics	47.049	University of Oregon	2016V0F	-	50,567
Collaborative Research: Center	47.049			-	51,257
LEAPS-MPS: Massive Binary	47.049			-	46,734
CAREER: Development of New Plasmonic Electrochemical Microscopy Centered Techniques	47.049			-	47,932
Cal State LA UC Irvine PREM CBAM	47.049			15,057	163,111
PREC Track 1: Cal State LA	47.049			24,459	277,972
REU Site: Research Experience Undergrad	47.049			-	113,065

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
National Science Foundation, continued					
Mathematical and Physical Sciences, continued:					
RUI: Multiscale Analysis of Adhesion and Friction Coupling Enabled by Bio-Inspired Anisotropic Fibrillar Adhesives	47.049			-	41,180
				39,516	791,818
Geosciences:					
REU Site: Changing Dynamics of Hydrological Systems in Urban Areas: Response to Human Disturbance	47.050			-	93,316
Collaborative Research: Field	47.050			-	11,842
				-	105,158
Computer and Information Science and Engineering:					
Collaborative Research: BPC-A	47.070			-	140,511
NRI: FDN: Communicate, Share	47.070	University of Southern California	141902498	-	19,424
				-	159,935
Biological Sciences:					
CAREER: Elucidating the Spatiotemporal	47.074			-	148,993
CAREER: Microclimate Amelioration	47.074			-	272,154
CAREER: Water Movement in Leaves and Roots	47.074			-	151,932
Collaborative Research: ARTS: Understanding Tropical Invertebrate Diversity	47.074			-	40,951
Collaborative Research: RUI: Keystone Molecules and Estuarine Foodwebs: Chemical Defense	47.074			-	188,508
Collaborative Research: ARTS					
EAGER: The Role of Native and Nonnative Plants in Structuring Food Webs in Urban Ecosystems	47.074			-	704
				-	96,641
Conference: Integrative Science	47.074			-	14,991
MCA: Genomic Diversification	47.074			-	52,656
				-	967,530
Social, Behavioral, and Economic Sciences:					
Collaborative Research: Should Regulators Have Independence from Political Pressures?	47.075			-	54,892
Long Term Coastal Adaption	47.075	Board of Regents, NSHE Obo University of Nevada, Reno	UNR-24-44	-	30,002
				-	84,894

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
National Science Foundation, continued					
STEM Education (formerly Education and Human Resources):					
23-24 CSU Louis Stoke STEM NSF	47.076	University Enterprises, Inc., CSU Sacramento	533126-A6 Amend. No.6	-	11,720
A Simulation-Based Pedagogical	47.076			-	82,861
Academic Support, Career Training	47.076	San Diego State University Research Foundation	D6160-04-SA00-59814A	-	5,684
ADVANCE Partnership: Empower	47.076			-	19,319
ADVANCE Partnership: Kindling	47.076	CSU Fresno Foundation	SC330590-21-01	-	48,386
Collaborative Research: HSI Implementation and Evaluation Project: Commitment to Learning Instilled by Mastery-Based Undergraduate Program	47.076			9,428	81,380
Conference: The Grading Conference Higher Education STEM Focus	47.076			-	2,312
CREST CATSUS Supplement	47.076			-	18,307
CREST Center for Advancement	47.076			-	1,008,946
CREST Center for Energy	47.076			-	(7,643)
Developing Critically-Conscious Aerospace Engineers through Macro-Ethics Curricula	47.076			-	6,115
Distributed Learning for Undergraduate Programs in Data Science	47.076	Emory-Riddle Aeronautical University	GC87062-S1	-	21,925
Increasing Participation	47.076			-	184,808
Improving Attributions in Undergraduate Pre-Calculus for Stem Success	47.076			-	26,588
Louis Stokes STEM Pathways NSF	47.076	University Enterprises, Inc. CSU Sacramento	541851	-	9,692
LSAMP BD: Bridge to the Doctoral at CSULA	47.076			(3,782)	132,038
Transforming STEM Education using an Asset-based Ecosystem Model (The Eco-STEM)	47.076			23,341	582,737
Using Virtual Reality Mathematics	47.076			-	19,057
				28,987	2,254,232
U.S. Department of Energy					
Office of Science Financial Assistance Program:					
Designing Photoresponsive Nanosponges for Efficient Capture and Release of Carbon Dioxide	81.049			-	130,882
Catalyzing STEM Training	81.049			-	193,804
Mobile Fuel Cell Generator	81.049	RockeTruck, Inc.	None	-	130,397
				-	455,083

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Energy, continued					
Fossil Energy Research and Development:					
Developing Highly-Porous Metal	81.089			-	165,516
Visiting Faculty Program					
Visiting Faculty Program - Spring '25	81.UNKNOWN			-	13,763
U.S. Department of Education					
Higher Education Institutional Aid:					
CSULA Reclaiming Pedagogy	84.031S			-	377,602
Exito-Building Student Support	84.031S			-	680,082
				-	1,057,684
Child Care Access Means Parents in School:					
Child Care Access Means Parents in School (CCAMPIS)	84.335A			-	287,307
U.S. Department of Health and Human Services					
Research Related to Deafness and Communication Disorders:					
Speech Sound Perception	93.173			15,000	85,149
Drug Abuse and Addiction Research Programs:					
Rising STARS Program	93.279	University of Southern California	SCON-00003765	-	28,809
Trans-NIH Research Support:					
COVID-19 and Southeast Asian Americans	93.310	The University Corporation, CSU Northridge	A22-0039-S001	-	29,713
Cancer Detection and Diagnosis Research:					
Linking Churches with Parks to Increase Activity Among Latinos	93.394	RAND Corporation	9920180082	-	5,057
ACL National Institute on Disability, Independent Living and Rehabilitation Research					
Temple University RRTC	93.433	Temple University	272451 - Cal State	-	31,486

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services, continued					
Extramural Research Programs in the Neurosciences and Neurological Disorders:					
Provide New Insights in Alpha-synuclein	93.853			-	48,516
Provide New Insights in Alpha-synuclein	93.853			-	378
Supercomputer-Based Models	93.853	Northwestern University	600061958 UCS LA	-	18,866
				-	67,760
Biomedical Research and Research Training:					
Bridges to the Baccalaureate Program	93.859			-	94,057
Bridges to the Baccalaureate Program	93.859			-	20,347
Bridges to the Doctoral Program	93.859			-	2,372
Bridges to the Doctoral Program	93.859			-	107,820
Bridges to the Doctoral Program	93.859			-	911,693
Cal State LA MARC U-STAR	93.859			-	46,227
Engineering of PPR Base	93.859			-	103,573
ID and Molecular Basis	93.859			-	59,452
Improving the Accuracy of Implicit Solvents with a Physics-Guided Neural Network	93.859			-	151,566
IRACDA at UCLA	93.859	Regents of the University of California	14450000034149 Amend. 3	-	31,362
IRACDA at UCLA	93.859	Regents of the University of California	14450000034149 Amend. 2	-	1,762
U-RISE at Cal State LA	93.859			-	523,953
				-	2,054,184
Child Health and Human Development Extramural Research:					
SPROUT: Human Development & Disability	93.865			15,856	60,618
Vision Research:					
A High Resolution Tactile Display Based on Variable Stiffness Polymer	93.867	University of California, Los Angeles	0190 G XB283	-	15,211
Detection of Disease Progression in Advanced Glaucoma	93.867	Regents of the University of California	1850 G XC937	-	35,494
				-	50,705
U.S. Department of Homeland Security					
Using Ensemble Machine Learning					
Using Ensemble Machine Learning	97.UNKNOWN	Oak Ridge Institute for Science and Education		-	52,298
Total Research and Development Cluster				$ 327,019	$ 10,479,248

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
SNAP Cluster:					
U.S. Department of Agriculture					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:					
2023-2024 CalFresh Outreach	10.561	CSU Chico Research Foundation	A22-0055-S012 Amend. 1	$ -	$ 41,585
2024-2025 CalFresh Outreach	10.561	CSU Chico Research Foundation	A22-0055-S012 Amend. 2	-	36,655
Food Pantry and Distribution Site	10.561	County of Los Angeles	PH-005264		19,816
Food Pantry and Distribution Site	10.561	County of Los Angeles	PH-005264	-	62,996
Total SNAP Cluster				$ -	$ 161,052
TRIO Cluster:					
U.S. Department of Education					
TRIO Upward Bound:					
Upward Bound Regular - Los Angeles	84.047A			$ -	$ 361,023
Upward Bound Regular - Pasadena	84.047A			-	553,507
Upward Bound Math/Science - Los Angeles	84.047M			-	315,700
Upward Bound Math/Science - Pasadena	84.047M			-	309,283
Total TRIO Cluster				$ -	$ 1,539,513
Child Care and Development Fund Cluster:					
U.S. Department of Health and Human Services					
Child Care and Development Block Grant:					
2024-2025 General Child Care Program	93.575	California Department of Social Services	CCTR-3085	$ -	$ 178,157
Child Care Mandatory and Matching Funds of the Child Care and Development Fund:					
2024-2025 General Child Care Program	93.596	California Department of Social Services	CCTR-3085	-	15,786
Total Child Care and Development Fund Cluster				$ -	$ 193,943

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
Other Awards:					
U.S. Department of Agriculture					
Child and Adult Care Food Program:					
Child Adult Food Program 2024-2025	10.558	California Department of Education	04676-CACFP-19-NP-IC	$ -	$ 64,198
Child Adult Food Program 2023-2024	10.558	California Department of Education	04676-CACFP-19-NP-IC	-	21,355
				-	85,553
U.S. Department of Justice					
Second Chance Act Prisoner Reentry Initiative:					
BJA FY23 Second Chance Act	16.812			127,224	220,360
Equity and Transformation	16.812			-	135,570
				127,224	355,930
Postconviction Testing of DNA Evidence:					
Postconviction DNA Testing	16.820			-	167,326
U.S. Department of Transportation					
Highway Training and Education					
2024 DDETF Anthony Padilla	20.215			-	5,400
U.S. Department of the Treasury					
Coronavirus State and Local Fiscal Recovery Funds:					
CA for All College Fellowship	21.027	California Volunteers	CCSFRF008	97,119	98,334
Californians for All - Planning	21.027	California Volunteers	CCSFRF008	10,376	15,060
Californians for All - Phase 1	21.027	California Volunteers	CCSFRF008	1,366,314	1,594,711
Economic Mobility Initiative	21.027	County of Los Angeles	ARP-EMI-07	-	1,454,109
LA Optomized 2.0 Program	21.027	County of Los Angeles	C-145983	-	893,418
LA Optomized 2.0 JEDI	21.027	County of Los Angeles	C-145983	-	203
				1,473,809	4,055,835
U.S. Small Business Administration					
Prime Technical Assistance					
CAMEO Behavioral Science	59.050	California Association for Micros Enterprise		-	4,224
Congressional Grants					
LA Optimized 2.0 SBA	59.059	City of Los Angeles	C-145983	-	185
				-	4,409

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Energy					
Battery Workforce Challenge:					
Cal State LA Battery Workforce	81.UNKNOWN			-	89,131
U.S. Department of Education					
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program:					
UCLA Latin American Institute	84.015	Regents of the University of California	1250 G LA011	-	1,452
Overseas Programs - Group Projects Abroad:					
African Knowledge Systems: Performing Arts in South Africa During Apartheid and Beyond	84.021			-	120,145
Minority Science and Engineering Improvement:					
VOICES in STEM	84.120	Pasadena Area Community College District (PCC)	B240292	-	26,143
Rehabilitation Services Demonstration and Training Programs:					
Braille Brain: A Braille Training Program for Pre/in-service Teachers	84.235E			-	67,872
Culturally Responsive	84.235E			5,272	49,342
				5,272	117,214
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities:					
Project CREST	84.325D			64,525	362,888
Project LMAESTRO	84.325D			198,150	382,390
Program Improvement and Personnel Preparation (PIPP) of Experts Working with School-Aged Students who are Blind or Visually Impaired	84.325K			-	101,594
Project PEDS: Preparing Effective Dual Specialists to Serve Children with Visual Impairments	84.325K			-	25,975
Project BIENVENIDOS	84.325M			-	207,046
Project CIELO	84.325M			8,418	247,694
Project PEDOMS	84.325M			-	190,878
Project PEOMS	84.325R			-	177,006
				271,093	1,695,471

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education, continued					
Gaining Early Awareness and Readiness for Undergraduate Programs:					
2023-2024 Gear Up 4 - Southeast	84.334	LA Unified School District	4400011242	-	5,719
2024-2025 Gear Up 4 - Southeast	84.334	LA Unified School District	4400011242	-	46,822
2023-2024 Gear Up 3 - LA Cental	84.334	LA Unified School District	4400011242	-	6,075
2024-2025 Gear Up 3 - Las Cental	84.334	LA Unified School District	4400011242	-	46,958
2024-2025 Gear Up 5	84.334	LA Unified School District	4400011242	-	19,790
2023-2024 Gear Up 5	84.334	LA Unified School District	4400011242	-	3,389
				-	128,753
Teacher Quality Partnership Grants:					
LAUTR: The Community Collaborative	84.336			250,747	1,313,832
LAUTR: UCTC	84.336			140,553	454,893
				391,300	1,768,725
U.S. Department of Health and Human Services					
Substance Abuse and Mental Health Services Projects of Regional and National Significance:					
Center for Child Trauma	93.243	Northwestern University	60059566 CSULA	-	2,680
Nurse Education, Practice Quality and Retention Grants:					
NEPQR - RNP	93.359	AltaMed Health Services Corporation	UK146119	-	164,050
NEPQR RNPC Training Project	93.359	AltaMed Health Services Corporation	UK146119	-	23,222
				-	187,272
Foster Care Title IV-E					
CA Title IV-E Education Program	93.658	Regents of the University of California	11780000215957	-	1,373,776
2024-2025 LA County DCFS + UCLA Training Staff	93.658	Regents of the University of California	1187 S ZA117 Amend. 5	-	667,321
2023-2024 LA County DCFS + UCLA Training Staff	93.658	Regents of the University of California	1187 S ZA117 Amend. 2	-	11,693
CalSWEC	93.658	Regents of the University of California	00011203 and Amend. 1	-	169,194
				-	2,221,984
AmeriCorps State and National:					
2023-2024 Jumpstart	94.006	Jumpstart for Young Children, Inc.	3270240	-	13,011
CA for All College Fellowship	94.006	California Volunteers	CCSFRF008-A1	1,652,393	2,204,003
				1,652,393	2,217,014

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor and Program/Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
Total Other Awards				$ 3,921,091	$ 13,250,437
Total Expenditures of Federal Awards				$ 4,248,110	$ 25,624,193

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Cal State L.A. University Auxiliary Services, Inc. under programs of the federal government for the year ended June 30, 2025. 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). Because the Schedule presents only a selected portion of the operations of Cal State L.A. University Auxiliary Services, Inc., it is not intended to and does not present the statement of net position, changes in net position, or cash flows.

Certain amounts reported on the Schedule include negative balances which represent adjustments or corrections of expenditures reported in prior periods.

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, where certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

Cal State L.A. University Auxiliary Services, Inc. did not elect to use the 10% de minimis cost rate (15% after October 1, 2024) as covered in the Uniform Guidance 2 CFR section 200.414 Indirect Costs.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	Yes
Material weakness(es) identified?	Yes
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant deficiency(ies) identified?	Yes
Material weakness(es) identified?	Yes
Type of auditor's report issued on compliance for major programs	Qualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2.CFR.200.516(a)?	Yes

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
16.812	Second Chance Act Reentry Initiative
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.325	Special Education
84.336	Teacher Quality Partnership Grants
94.006	AmeriCorps State and National
Various	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$768,726
Auditee qualified as a low-risk auditee Under the Uniform Guidance, 2.CFR.200.520?	No

See independent auditor's report.

Section II - Financial Statement Findings

Material Weakness

2025-001 Financial Close and Reporting

Criteria: Accounting principles generally accepted in the United States of America (U.S. GAAP) require revenues and expenses to be recorded in the period in which goods or services are provided or received. An effective financial close process includes reconciling accounts, accruing transactions, reviewing journal entries, and preparing accurate financial statements.

Condition: Management identified and closed inactive grant funds in the current year, resulting in recognition of revenue associated with prior-year activity. Transactions for goods and services received in fiscal year 2024 were recorded in fiscal year 2025. Transactions for goods and services performed in fiscal year 2025 were not accrued until late in the year-end process. Although management implemented a phased accrual review, significant adjustments were still necessary. Revenues and receivables related to cost-reimbursement grants were not initially aligned with related expense accruals. Expense accruals were processed first, while revenue and receivable accruals were posted subsequently, creating a lag before the two were matched. Management calculated the allowance for doubtful accounts in accordance with its policy; however, the policy is based on an outdated study that could not be provided and resulted in an allowance significantly higher than supported by recent collection history. Beginning net position was misstated due to journal entries posted directly to fund balance. Over 20 audit adjustments and reclassifications were required during the audit.

Cause: Controls to identify and close inactive funds timely were not in place. The accrual process is concentrated at year-end, resulting in a high volume of manual entries. Payable and receivable accruals are processed separately, with limited reconciliation to ensure alignment. The allowance methodology is outdated and does not reflect recent collection experience. Journal entries, including those affecting fund balance, were not adequately reviewed before posting.

Effect: Beginning net position required restatement to recognize revenue earned in prior periods. Expenses, liabilities, revenues, and receivables were misstated between fiscal years 2024 and 2025 until accrual entries were posted. Late accrual postings increased the risk of misstatement and reduced the accuracy of interim reporting for some programs. The outdated allowance methodology reduced the relevance of the estimate and increased the risk that the allowance may not reflect actual collections. Beginning net position did not roll forward correctly due to journal entries posted directly to fund balance.

These issues required significant audit adjustments and indicate a material weakness in the financial close and reporting process.

Material Weakness, continued

Repeat Finding: Yes.

Recommendation: Strengthen financial close procedures by:

Implementing a process to close out inactive funds and periodically review them for timely closure.

Performing accrual reviews more frequently (e.g., quarterly or monthly) to reduce the year-end burden and improve interim reporting.

Incorporating estimation procedures earlier in the close process so accruals are recorded timely, even if some invoices arrive later.

Reconciling revenues and expenses for cost-reimbursement grants after posting to confirm alignment.

Updating the allowance methodology to reflect recent collection history and trends.

Enhancing journal entry review procedures to ensure unusual or high-risk entries, such as those affecting fund balance, are appropriately supported and classified.

Views of Responsible Officials: Management concurs with the finding and has initiated corrective actions to strengthen the financial close and reporting process.

Significant Deficiency

2025-002 Capitalization of Assets

Criteria: U.S. GAAP requires that expenditures meeting capitalization thresholds be recorded as capital assets when incurred. GASB requires subscription-based information technology arrangements (SBITAs) to be evaluated for recognition as right-to-use assets and related liabilities. An effective process includes evaluating purchases and agreements when incurred to ensure proper capitalization and classification.

Condition: Purchases meeting capitalization requirements were expensed, particularly those funded by grants. Long-term software license agreements were not assessed for potential SBITA treatment.

Cause: Equipment purchased with grant funds was not considered for capitalization due to the limited duration of use (grant period) and the ultimate transfer to the University upon grant completion. While these items were tracked in the inventory monitoring system, they were not capitalized. Management has also not implemented procedures to evaluate IT agreements for applicability under GASB's SBITA guidance at the time of purchase.

Effect: Capital assets were understated prior to audit adjustment. SBITAs were omitted from the financial statements. While the proposed adjustment was not material and was not recorded, the absence of a process increases the risk of future misstatements if larger or more complex arrangements are entered into.

Repeat Finding: Yes.

Significant Deficiencies, continued

Recommendation: Establish procedures to:

Evaluate purchases at the time of transaction for compliance with capitalization thresholds.

Review significant IT agreements when executed to determine whether they meet SBITA criteria under the GASB standard.

Views of Responsible Officials: Management agrees with the condition that certain grant-funded purchases meeting capitalization thresholds were expensed and that SBITAs were not consistently evaluated at inception. We are updating our capitalization policy and procedures to ensure purchases are evaluated when incurred and that significant IT agreements are screened for SBITA criteria under GASB guidance.

Management agrees with the finding and acknowledges that certain capital assets were understated due to staff's understanding of the former auditor's treatment of grant funded assets and turnover in accounting staff. Effective October 2025, UAS will update its year-end closing procedures and work with the University Controller's Office to ensure that capitalization/SBITA screening occurs which will include a Controller review step for all equipment and software above a specified threshold. Ongoing compliance will be monitored via quarterly asset reviews. We believe these actions along with the new Director position will remediate the deficiency during the fiscal year ending June 30, 2026.

Section III - Federal Award Findings and Questioned Costs

Material Weakness

2025-003 SEFA and Expenditure Identification

Criteria: Management is responsible for preparing a complete and accurate Schedule of Expenditures of Federal Awards (SEFA) in accordance with 2 CFR 200.510(b), which requires that the SEFA accurately present total federal expenditures for the period, including proper cutoff of costs to ensure expenditures are reported in the correct fiscal year.

Condition: The SEFA was not complete and accurate. Specifically, certain federal program expenditures incurred in the current fiscal year were not accrued and included on the SEFA at year end, and in other instances, amounts from the prior fiscal year were reported on the current year SEFA. These errors were identified across multiple programs and required audit adjustments to properly state federal expenditures.

Cause: The errors appear to be the result of inadequate controls over the preparation and review of the SEFA, including insufficient procedures to ensure proper cutoff of expenditures and reconciliation of reported amounts to the underlying accounting records and grant documentation.

Effect: Failure to properly identify and report federal expenditures in the correct period increases the risk of noncompliance with federal reporting requirements and may impact major program determination and other compliance-related decisions.

Repeat Finding: No.

Recommendation: We recommend management implement and document formal procedures to ensure the SEFA is complete and accurate at year end. This should include reconciling SEFA amounts to the general ledger, reviewing grant activity for proper cutoff, recording all necessary accruals.

Views of Responsible Officials: Management agrees with the finding and a response is included in the corrective action plan.

2025-004 Subrecipient Monitoring

Program: 21.027 Coronavirus State and Local Fiscal Recovery Funds, 84.336 Teacher Quality Partnership Grants, 94.006 AmeriCorps State and National, 84.325 Special Education – Personnel Development to Improve Services, 16.812 Second Chance Act Reentry Initiative, Research and Development Cluster.

Criteria: Per 2 CFR sections 200.332(d) through (f), a pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves the performance goals. Per 2 CFR section 200.502(a), the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs which is generally expenditure/expense transactions associated with awards.

Material Weakness, continued

Condition:	Subrecipients were not monitored timely enough to perform the necessary evaluation on subrecipient activities or to report expenditures on the schedule of expenditures of federal awards in the appropriate fiscal year.
Cause:	Cal State L.A. University Auxiliary Services, Inc. did not receive invoices for certain subrecipients until after year-end close and for amounts covering an entire fiscal year and no amounts were accrued.
Effect:	Activities of the subrecipient could not be reviewed timely to ensure authorized use or for allowability with grant terms and conditions. Activities of the subrecipient could not be reviewed timely to ensure inclusion or exclusion from the SEFA.
Questioned Costs:	The conditions did not result in questioned costs greater than $25,000 based on known costs. However, as a result of the lack of monitoring, questioned costs may have existed.
Repeat Finding:	Yes.
Recommendation:	Establish a timeline for subrecipients to provide required reports to Cal State L.A. University Auxiliary Services, Inc. in order to receive information during the fiscal year for monitoring during the post-award process. Review grant and subrecipient activity at year-end to evaluate whether all activity has been submitted and recorded.
Views of Responsible Officials:	Management agrees with the finding and a response is included in the corrective action plan.

Significant Deficiencies

2025-005	Report Submission Delay
Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds, 94.006 AmeriCorps State and National
Criteria:	In accordance with 2 CFR 200.328, non-Federal entities must submit financial reports at the interval required by the Federal awarding agency or pass-through entity no later than the specified due date. Additionally, reports are required to be reviewed prior to submission
Condition:	Three quarterly and two monthly reports were submitted after the stated due date and one monthly activity report did not have appropriate documentation to evidence approval.
Cause:	Inadequate internal controls over grant reporting, including the lack of a formalized process to track reporting requirements and due dates, and insufficient monitoring of compliance with reporting deadlines.
Effect:	Reports were not submitted to the grantor in a timely manner and requests for extension of the due date were not made.
Questioned Costs:	The conditions did not result in questioned costs greater than $25,000.
Repeat Finding:	Yes.

Significant Deficiencies, continued

Recommendation: Reports should be generated sooner to allow time for sufficient review and approval before the due date. When timely submission may not be possible, UAS should request an extension from the grantor by providing a notice of the delay and rationale for the late report, and, if approved, submit the report by the extended deadline. When extensions are not granted, UAS should submit reports by the initial stated due date.

Views of Responsible Officials: Management agrees with the finding and a response is included in the corrective action plan.

2025-006 Level of Effort

Program: 84.325 Special Education

Criteria: 2 CFR 200 requires recipients to meet specified matching and level of effort requirements. When changes in key personnel effort occur that could impact compliance with award terms, recipients are required to notify and obtain approval from the granting agency, when applicable.

Condition: Out of the 9 awards tested, there were 2 instances where the project director did not meet their level of effort requirements as stated in the grant agreement. Additionally, communication to the granting agency did not occur prior to this being identified in the audit.

Cause: The condition appears to be the result of insufficient monitoring controls over grant compliance requirements, including a lack of procedures to track and verify actual effort against required levels and to ensure timely communication with the granting agency when deviations occur.

Effect: Failure to meet required level of effort and to notify the granting agency may result in noncompliance with matching and award requirements.

Questioned Costs: None

Repeat Finding: No

Recommendation: We recommend management implement formal procedures to monitor level of effort requirements for key personnel throughout the grant period. This should include periodic comparisons of actual effort to required levels, with procedures to promptly notify and obtain approval from the granting agency when changes in effort occur.

Views of Responsible Officials: Management agrees with the finding and a response is included in the corrective action plan.

Section IV - Schedule of Prior Year Findings

Material Weakness

2024-003	Subrecipient Monitoring
Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Criteria:	Per 2 CFR sections 200.332(d) through (f), a pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves the performance goals. Per 2 CFR section 200.502(a), the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs which is generally expenditure/expense transactions associated with awards.
Condition:	Subrecipients were not monitored timely enough to perform the necessary evaluation on subrecipient activities or to report expenditures on the schedule of expenditures of federal awards in the appropriate fiscal year.
Cause:	UAS did not receive invoices for certain subrecipients until after year-end close and for amounts covering an entire fiscal year and no amounts were accrued.
Effect:	Activities of the subrecipient could not be reviewed timely to ensure authorized use or for allowability with grant terms and conditions. Subrecipient expenditures on the schedule of expenditures of federal awards were understated by $344,948.
Questioned Costs:	The conditions did not result in questioned costs greater than $25,000.
Context:	Although subrecipient invoices were submitted after year-end close, UAS grant personnel reviewed expenses submitted for allowability and did not identify any disallowed costs.
Status:	The finding has not been resolved and will be repeated in the year as finding 2025-004.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.

Schedule of Prior Year Findings

Year Ended June 30, 2025

Significant Deficiencies

2024-004 Payroll Allocation

Programs: 16.820 Post Conviction DNA Testing
21.027 Coronavirus State and Local Fiscal Recovery Funds
84.047 TRIO Cluster – TRIO-Upward Bound

Criteria: Per 2 CFR section 200.405, a cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with relative benefits received, which can be met if the cost is incurred specifically for the Federal award.

Condition: A payroll allocation change for an employee working on multiple grants was submitted in April 2024, but allocation was not updated in the payroll system timely.

Cause: Human error and oversight resulted in delays in updating the change in allocation between grants.

Effect: The 21.027 Coronavirus State and Local Fiscal Recovery Funds grant was overcharged by $4,673 for related payroll costs.

Questioned Costs: The conditions did not result in questioned costs greater than $25,000.

Context: While payroll allocation changes were properly approved in April 2024 and total pay to the employee was correct, human error resulted in delays in updating the change in allocation between grants. When the error was identified, updates were made to the allocation in September 2024.

Status: This finding has been resolved.

2024-005 Suspension and Debarment

Programs: 16.820 Post Conviction DNA Testing
21.027 Coronavirus State and Local Fiscal Recovery Funds

Criteria: The Uniform Guidance and 2 CFR section 180.300 require that, for covered transactions, the non-Federal entity verify that entities are not suspended, debarred, or otherwise excluded.

Condition: UAS's suspension and debarment procedures only apply to subrecipient contracts and goods and services obtained via purchase order which allows for covered transactions to occur without sufficient review of entity status if not transacted in one of these two ways.

Cause: UAS's policy does not define when suspension and debarment procedures should be performed.

Significant Deficiencies, continued

Effect:	UAS engaged in covered transactions without reviewing the entity's suspended or debarred status.
Questioned Costs:	The conditions did not result in questioned costs greater than $25,000.
Context:	While UAS's Subrecipient Commitment form and CSU General Provisions for Service Acquisitions referred to in the standard Purchase Order form contain either a self-declaration or suspension and debarment clause, the Contractor Service Agreement does not include this language. Two covered transactions tested with a Contractor Service Agreement did not appear to be reviewed for suspension and debarment prior to entering the transaction, although did appear to adhere to other applicable procurement policies. Auditors tested a selection of expenditures to determine if any of the selected vendors were suspended or debarred. None were identified as suspended or debarred in this testing.
Status:	This finding has been resolved.

2024-006 Report Submission Delay

Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Criteria:	In accordance with 2 CFR 200.328, non-Federal entities must submit financial reports at the interval required by the Federal awarding agency or pass-through entity no later than the specified due date. If a justified request is submitted by a non-Federal entity, the Federal entity may extend the due date for any financial report.
Condition:	Two monthly financial reports were submitted after the stated due date.
Cause:	Monthly reports were generated prior to the due date, but were not reviewed and approved by the deadline for submission.
Effect:	Reports were not submitted to the grantor in a timely manner and requests for extension of the due date were not made.
Questioned Costs:	The conditions did not result in questioned costs greater than $25,000.
Context:	In both instances, the reports were submitted within 5 days of the stated due date.
Status:	The finding has not been resolved and will be repeated in the year as finding 2025-005.

March 26, 2026

Aldrich CPAs + Advisors LLP
135 S. State College Blvd., Ste. 370
Brea, CA 92821

RE: Corrective Action Plan

Dear Aldrich,

The following are responses to the findings identified in Cal State L.A. University Auxiliary Services, Inc.'s audit for the year ended June 30, 2025:

1) Finding 2025-001 - Financial Close and Reporting
    a. Criteria: Accounting principles generally accepted in the United States of America (U.S. GAAP) require revenues and expenses to be recorded in the period in which goods or services are provided or received. An effective financial close process includes reconciling accounts, accruing transactions, reviewing journal entries, and preparing accurate financial statements
    b. Condition: Management identified and closed inactive grant funds in the current year, resulting in recognition of revenue associated with prior-year activity. Transactions for goods and services received in fiscal year 2024 were recorded in fiscal year 2025. Transactions for goods and services performed in fiscal year 2025 were not accrued until late in the year-end process. Although management implemented a phased accrual review, significant adjustments were still necessary. Revenues and receivables related to cost-reimbursement grants were not initially aligned with related expense accruals. Expense accruals were processed first, while revenue and receivable accruals were posted subsequently, creating a lag before the two were matched. Management calculated the allowance for doubtful accounts in accordance with its policy; however, the policy is based on an outdated study that could not be provided and resulted in an allowance significantly higher than supported by recent collection history. Beginning net position was misstated due to journal entries posted directly to fund balance. Over 20 audit adjustments and reclassifications were required during the audit.

Response:

a. Management concurs with the finding and has initiated corrective actions to strengthen the financial close and reporting process.

    In the immediate term, management has hired a Director of Finance and Accounting (Director), a new position that will oversee the entire accounting and post award areas focusing on billing, cash reimbursement, accrual reviews, the timely close out of inactive funds, and improved coordination between the team.

    Within the next 6 months, the allowance for doubtful accounts methodology will be updated to align with recent collection history, documentation standards will be enhanced, and journal entry review procedures will be strengthened to ensure proper support and classification.

    Within this current fiscal year, management will provide additional training for the staff, formalize cross-functional communication protocols, and evaluate opportunities to automate and/or streamline aspects of the financial close process.

Contact person responsible for corrective action:

a. Judith Benjamin, University Controller

Anticipated completion date:

a. June 30, 2026

2) Finding 2025-002 - Capitalization of Assets
    a. Criteria: U.S. GAAP requires that expenditures meeting capitalization thresholds be recorded as capital assets when incurred. GASB requires subscription-based information technology arrangements (SBITAs) to be evaluated for recognition as right-to-use assets and related liabilities. An effective process includes evaluating purchases and agreements when incurred to ensure proper capitalization and classification.
    b. Condition: Purchases meeting capitalization requirements were expensed, particularly those funded by grants. Long-term software license agreements were not assessed for potential SBITA treatment.

Response:
    a. Management agrees with the condition that certain grant-funded purchases meeting capitalization thresholds were expensed and that SBITAs were not consistently evaluated at inception. We are updating our capitalization policy and procedures to ensure purchases are evaluated when incurred and that significant IT agreements are screened for SBITA criteria under GASB guidance.

       Management agrees with the finding and acknowledges that certain capital assets were understated due to staff's understanding of the former auditor's treatment of grant funded assets and turnover in accounting staff. Effective October 2025, UAS will update its year-end closing procedures and work with the University Controller's Office to ensure that capitalization/SBITA screening occurs which will include a Controller review step for all equipment and software above a specified threshold. Ongoing compliance will be monitored via quarterly asset reviews. We believe these actions along with the new Director position will remediate the deficiency during the fiscal year ending June 30, 2026.

Contact person responsible for corrective action:
    a. Judith Benjamin, University Controller

Anticipated completion date:
    a. June 30, 2026

3) Finding 2025-003 - SEFA and Expenditure Identification
    a. Criteria: Management is responsible for preparing a complete and accurate Schedule of Expenditures of Federal Awards (SEFA) in accordance with 2 CFR 200.510(b), which requires that the SEFA accurately present total federal expenditures for the period, including proper cutoff of costs to ensure expenditures are reported in the correct fiscal year.
    b. Condition: The SEFA was not complete and accurate. Specifically, certain federal program expenditures incurred in the current fiscal year were not accrued and included on the SEFA at year end, and in other instances, amounts from the prior fiscal year were reported on the current year SEFA. These errors were identified across multiple programs and required audit adjustments to properly state federal expenditures.

Response:
    a. Management agrees with the finding regarding the need to ensure that the Schedule of Expenditures of Federal Awards (SEFA) accurately presents total federal expenditures for the reporting period and that expenditures are recorded in the appropriate fiscal year.

       The condition occurred due to limited formal procedures related to the year-end review of federal grant expenditures and cutoff testing. Management recognizes the importance of ensuring that federal expenditures are properly identified, recorded, and reported in the correct fiscal period in accordance with the requirements of the Uniform Guidance (2 CFR Part 200).

       To address this matter, management will implement enhanced procedures for preparing and reviewing the SEFA. These procedures include performing a detailed reconciliation between the SEFA, grant reports, and the general ledger; reviewing expenditures near year-end to ensure proper fiscal year cutoff; and verifying that all federal programs and related expenditures are completely and accurately reported. In addition, management will document the SEFA preparation and review process and provide additional training to accounting staff involved in federal grant reporting.

The Finance Department will be responsible for implementing these procedures, and management expects these corrective actions to be fully implemented beginning with the current fiscal year reporting process.

Contact person responsible for corrective action:
a. Lynne Duong, Compliance and Risk Manager

Anticipated completion date:
a. June 30, 2026

4) Finding 2025-004 - Subrecipient Monitoring
   a. Program: 21.027 Coronavirus State and Local Fiscal Recovery Funds, 84.336 Teacher Quality Partnership Grants, 94.006 AmeriCorps State and National, 84.325 Special Education – Personnel Development to Improve Services, 16.812 Second Chance Act Reentry Initiative, Research and Development Cluster.
   b. Criteria: Per 2 CFR sections 200.332(d) through (f), a pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves the performance goals. Per 2 CFR section 200.502(a), the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs which is generally expenditure/expense transactions associated with awards.
   c. Condition: Subrecipients were not monitored timely enough to perform the necessary evaluation on subrecipient activities or to report expenditures on the schedule of expenditures of federal awards in the appropriate fiscal year.

Response:
a. Management agrees with the finding and will reevaluate internal processes and procedures. This error highlights the need for better oversight and timely communication between our organization and its subrecipients to ensure accurate reporting.

   The root cause of this issue was insufficient monitoring and communication between the subrecipient and our grants management team. To address this, we are implementing several corrective actions. These include establishing a stricter communication schedule with subrecipients to ensure timely submission of invoices and expense reports and strengthening our internal monitoring procedures by tracking submission deadlines more closely. Additionally, we will improve guidance and capacity-building efforts for subrecipients to ensure they understand reporting requirements, and we will conduct quarterly reviews of subrecipient expenses to proactively identify and mitigate reporting delays.

Contact person responsible for corrective action:
a. Lynne Duong, Compliance and Risk Manager

Anticipated completion date:
a. June 30, 2026

5) Finding 2025-005 – Report Submission Delay
   a. Programs: 21.027 Coronavirus State and Local Fiscal Recovery Funds, 94.006 AmeriCorps State and National
   b. Criteria: In accordance with 2 CFR 200.328, non-Federal entities must submit financial reports at the interval required by the Federal awarding agency or pass-through entity no later than the specified due date. Additionally, reports are required to be reviewed prior to submission
   c. Condition: Three quarterly and two monthly reports were submitted after the stated due date and one monthly activity report did not have appropriate documentation to evidence approval.

Response:
a. Management agrees with the finding and acknowledges that a significant deficiency was identified related to report submission delay. To prevent this issue from recurring, we are implementing several corrective

actions. These include establishing a stricter communication schedule with Post Award Administrators to ensure timely submission of reports and strengthening of our internal monitoring procedures by tracking submission deadlines more closely.

Contact person responsible for corrective action:
a. Lynne Duong, Compliance and Risk Manager

Anticipated completion date:
a. June 30, 2026

6) Finding 2025-006 – Level of Effort
   a. Programs: 84.325 Special Education
   b. Criteria: 2 CFR 200 requires recipients to meet specified matching and level of effort requirements. When changes in key personnel effort occur that could impact compliance with award terms, recipients are required to notify and obtain approval from the granting agency, when applicable.
   c. Condition: Out of the 9 awards tested, there were 2 instances where the project director did not meet their level of effort requirements as stated in the grant agreement. Additionally, communication to the granting agency did not occur prior to this being identified in the audit

Response:
a. Management will strengthen internal controls to ensure compliance with grant requirements related to level of effort and changes in key personnel. Management will review all active grant agreements to identify and document requirements related to level of effort and key personnel designations. A monitoring process will be implemented to track personnel assignments and effort charged to federal grants to ensure compliance with grant requirements. Any proposed changes in key personnel or significant changes in level of effort will be reviewed by the Grants Management staff prior to implementation. When required by the grant terms, written approval will be obtained from the grant agency before any changes to key personnel or level of effort are made.

Contact person responsible for corrective action:
a. Lynne Duong, Compliance and Risk Manager

Anticipated completion date:
a. June 30, 2026

Sincerely,

Claudio Lindow
Vice President of Administration and Finance &
Chief Financial Officer
California State University, Los Angeles

Carlos Beltran (Mar 25, 2026 13:11:07 PDT)

Carlos Beltran
Assistant Vice President
Budget, Planning, and Accounting
California State University, Los Angeles

Timothy Chang (Mar 25, 2026 13:27:21 PDT)

Timothy Chang
Executive Director
Cal State L.A.
University Auxiliary Services, Inc.