

Subcommittee on Audit
University of California College of the Law, San Francisco
2025-04-15 15:00 - 2025-04-15 17:00 PDT

Table of Contents

1. Roll Call:

2. Public Comment Period

3. Approval of Minutes – October 15,2024.....2

4. Payroll Disruption – Status Report.....6

5. Pledges Receivable - Write offs for Uncollectable Pledges.....9

6. Action Item: Audit Plan for 2025 and Statement of Work.....10

7. Action Item: Service Agreement Expiration and Auditor Selection Process for 2026.....53

8. Cyber Security - Status of Audit Recommendations

9. Discussion of Management Performance as Related to the Operations of College

10. Adjournment



Subcommittee on Audit Minutes

University of California College of the Law, San Francisco
October 15, 2024

UC College of the Law, San Francisco, 333 Golden Gate Avenue Room LL04, San Francisco, CA 94102. Participants and members of the public were also able to join via the web link or dial-in numbers listed in the public notice of this meeting linked here: <https://www.uclawsf.edu/our-story/board-of-directors/board-meeting-notices-agendas-and-materials/>.

1. Roll Call:

Chair Lewenhaupt called the meeting to order at 3:31 p.m., and the acting Secretary, Ms. Wilson-Youngblood, called the roll.

Subcommittee Members Present

Director Claes Lewenhaupt, Chair
Director Albert Zecher

Other Directors Present

Director Courtney Greene Power

Staff Participating

Chancellor & Dean David Faigman
Chief Operating Officer Rhiannon Bailard
Legal & Executive Assistant Yleana Escalante
Director of Financial Aid, Angie Harris
Chief Advancement Officer Julia Jordan
Assistant Chancellor & Dean/Chief of Staff to the Chancellor & Dean Jenny Kwon
Associate Director of Fiscal Services, Accounting and Reporting Zack Naqvi
Deputy Chief Financial Officer & Controller Sandra Plenski
Associate Dean for Library and Technology Camilla Tubbs
Chief Financial Officer David Seward
Deputy General Counsel Laura Wilson-Youngblood

Others Participating

Gordon Lam, Moss Adams, LLP
Kinman Tong, Moss Adams, LLP
UC Law Foundation Treasurer Nicholas Yoka

2. Public Comment Period

The Chair invited public comment. No member of the public offered comment.

3. Action Item: Review of Draft 2024 Audit Report and Required Communications

Ms. Plenski introduced agenda item number three, the presentation of the 2023-24 audit report and required communications. She noted that Moss Adams representatives, Partner Kinman Tong and Audit Manager Gordon Lam, were present again this year to deliver the report. She then indicated that the auditors would provide an overview of the independent auditors' report and the financial statements.

Mr. Tong thanked the College for being invited to discuss the audit results for UC Law. He reviewed Moss Adams' audit scope, which included UC Law's annual audit, the UC Law SF Foundation's discretely presented component, and the federal compliance audit for the student financial aid cluster. Moss Adams also assisted in preparing federal and state income tax returns and, after completion of the audit, will help with the submission of the data collection form. Mr. Tong said that the audit would result in an unmodified opinion on UC Law's and the Foundation's financial statements, meaning they were fairly presented in accordance with U.S. GAAP, specifically government accounting standards. No deviations, changes or adjustments were necessary during the audit process. He explained that two additional reports would accompany the financial statements. The audit report assessed financial reporting controls and compliance, finding no reportable issues. The second report, specific to the student financial aid program, confirmed compliance with controls, also resulting in a clean opinion. Mr. Tong noted that all three reports were clean, requiring board approval and acceptance, and he then invited questions from board or committee members.

Mr. Lam then provided a summary of the audit's required communications, noting that most slides contained similar information to previous years. He highlighted that the audit's plan, scope, and timing were initially communicated to the Audit Committee on February 29, 2024, and included in the engagement letter. The college adopted two new accounting policies, GASB 99 and 100, in fiscal year 2024, although they did not significantly impact the financial statements. The audit reviewed significant management judgments and estimates, such as fair value of investments, collectability of receivables, and actuarially determined liabilities related to retirement benefits, and found them reasonable. Significant disclosures were also identified and appropriately presented in the financial statements. Mr. Lam noted that the audit did not encounter any unusual transactions, significant difficulties, or circumstances affecting the auditor's report. Additionally, there were no uncorrected misstatements or material weaknesses observed, and the audit team reported no disagreements with management. There were also no concerns regarding the college's ability to continue operating for at least the next 12 months, known as a "going concern." Finally, the audit found no instances of fraud or noncompliance with any material laws and regulations. Mr. Lam concluded by opening the floor for questions.

Ms. Plenski thanked Zach Naqvi, the Associate Director of Financial Reporting and Analysis, who was present at the meeting. She highlighted Mr. Naqvi's dedication, noting that he is deeply involved in year-end processes, interim audits and year-end entries and is in constant communication with auditors and team members across departments. Ms. Plenski extended her appreciation to Angie Harris, the Director of Financial Aid, emphasizing her crucial role in the single audit process and acknowledging her as an outstanding partner in the audit work.

Mr. Seward provided an overview of the previous year's financial results, directing attention to the summary titled *Statement of Revenues, Expenses, and Changes in Position*. He noted that it was a strong year, mainly due to positive benefit returns and the capitalized interest reserves, which enabled full funding of debt service obligations for the 198 building. Looking ahead, he stressed the importance of stabilizing the 198 project, highlighting that it currently requires a substantial subsidy—\$2.7 million in the current year—to lower rent levels. Increasing rent levels while reducing subsidies will be necessary, along with careful capital planning, to meet the technical requirements of the indenture agreement, which mandates a 1.2 debt service coverage ratio. Mr. Seward acknowledged that without additional capital infusion into the indenture agreement, this ratio would not be achieved this year. Mr. Seward recommended about \$2.93 million in additional funds. He clarified that these funds would be allocated to a separate account. However, the funds would remain inaccessible for a period of 12 to 18 months, assuming everything goes as planned.

Director Zecher asked if those monies would be coming out of the general fund. Mr. Seward said that the funds would come from reserves, specifically non-state or potentially state building reserves. He noted that there would be an action item on this matter later in the year, with the transaction needing to be completed before the end of the current fiscal year on June 30. He emphasized that using non-state balances would help avoid a shortfall; however, if non-state funds weren't available, it could present a significant issue. He said that the action item would likely be presented either at the March or June Board meeting. He clarified that this was not related to the previous audits, but rather concerns the current year's financial planning, particularly the need to monitor financial conditions and capital balances closely, given the weak outlook for the state budget. He acknowledged the challenges ahead but pointed out that the previous fiscal year went well, largely due to significant investment gains. UC has proven to be an effective fund manager, and despite the subsidies of \$1.4 million last year, the organization is in a position to support all of its obligations.

4. Action Item: Holding closed session under Cal. Gov't Code §11126

The Subcommittee voted to hold a closed session discussion of the College's cyber audit and protection from related potential threat of criminal activity pursuant to Cal. Gov't Code §11126.

Motion:

The Chair called for a motion to discuss the cyber audit in closed session.
Motion made and seconded. Motion carried.

The Committee entered closed session at 3:49 p.m. pursuant to Education Code Section 92032(b)(7) and Cal. Gov't Code §11126.

The Committee returned to open session at 4:35 p.m. There were no items to report from closed session.

Motion:

The Chair called for a motion to recommend the Board to accept the audit report.
Motion made and seconded. Motion carried.

5. Adjournment

The Chair adjourned the meeting at 4:36 p.m.

Respectfully submitted,

John K. DiPaolo, Secretary

REPORT ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Status Update - Payroll Disruption Remediation
3. **REPORT:**

A report will be provided regarding the status of efforts to rectify errors made in processing the January 2025 payroll. Mr. Andrew Scott, former Chief Human Resources Officer at UC Law, will provide this update.

Attachment:

- Payroll Audit Update, April 15, 2025

UC Law San Francisco

Update on January 2025 Payroll Disruptions and Audit Activities

Overview

During a review of the February 1, 2025, monthly pay checks, the College encountered significant payroll discrepancies, resulting in both underpayments and overpayments affecting numerous employees. The key details of these errors are outlined below:

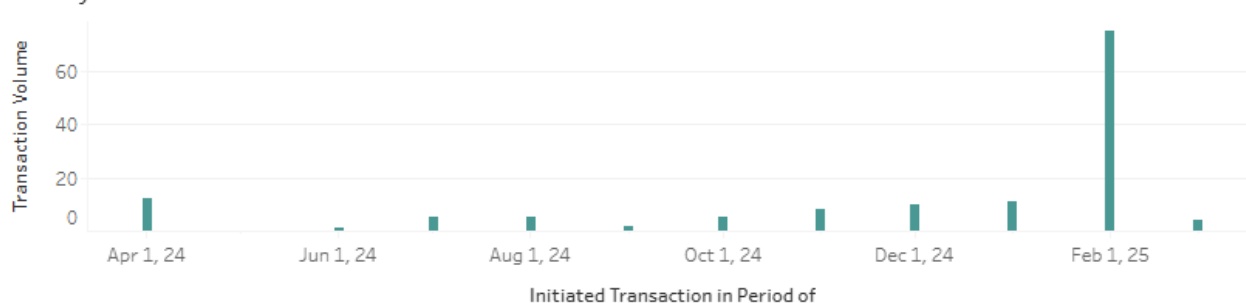
- **Underpayments:** Approximately 110 employees were underpaid, totaling \$145,391. Individual underpayments ranged from \$39.80 to \$13,333.33, with an average shortfall of \$1,346.22. Notably, 44 employees did not receive any payment for the month.
- **Overpayments:** Around 30 employees were overpaid, totaling \$45,505. Individual overpayments ranged from \$201 to \$12,667, with an average excess payment of \$1,516.
- **Employee Impact:** Faculty constituted 90% of the affected employees.

Resolution Process

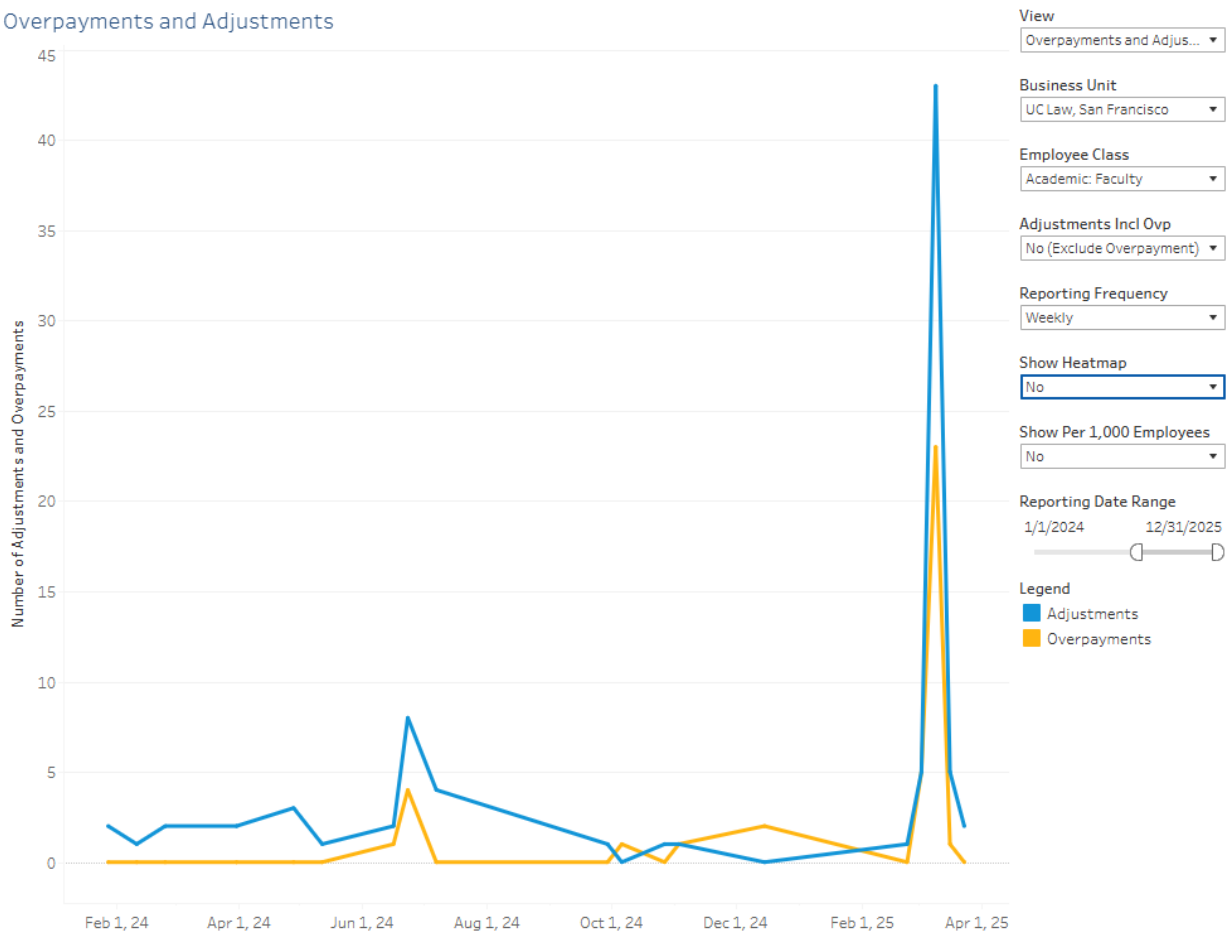
The College retained Andrew Scott, former Chief HR Officer, to lead the process of resolving the payroll issues. Transactor access to the UCPath payroll system was immediately restricted to those on the resolution team, to limit any additional erroneous entries and to minimize disruptions to the resolution process. Approximately 300 individual transactions were required to rectify the errors. Of the 158 issues identified, roughly two thirds were resolved by the March 1 pay day. The outstanding issues largely consisted of overpayments, which require manual intervention from our partners at the UCPath payroll processing center. As of April 7, seven issues remain in progress due to the complexity of the manual calculations.

The following charts show the significant volume of transactions required to resolve the issues as compared to normal transaction volume for our location:

Off-Cycle Transaction Volume



Overpayments and Adjustments



Next Steps

Given the critical nature of payroll, the College put together a project team, under the direction of the Chief Financial Officer, to review current payroll processes and develop recommendations to mitigate risks to payroll disruptions. Specifically, the College has committed resources to:

- Conduct a further review of what factors caused the volume of errors on the February 1 checks.
- Review and strengthen internal controls and business processes to prevent future errors.
- Develop adequate and sustainable local training on payroll procedures.

As of mid-April, the project team, led by Andrew Scott, has collected data on the current state, and is currently engaging with stakeholders to evaluate the current state, develop training materials, and outline recommendations. A final report with the recommendations is due by May 31. Andrew is also overseeing current payroll processing for the College, while recruitment efforts for a new CHRO continue.

REPORT ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Pledges Receivable – Write-offs of Uncollectable Pledges
3. **REPORT:**

During the 2024 financial statement audit, Moss Adams indicated that three pledges made to the UC Law Foundation would be required to be written off as uncollectable if the funds were not received in 2025.

The pledges below are not yet collected and are required to be written off prior to the close of the 2025 audit.

Donor Name	Pledge Activity	Scheduled Pmt Due Date	Scheduled Pmt Amount	Amount Paid	Pledge Carrying Balance
Joseph W. Cotchett	Original Pledge Balance				1,500,000.00
	Pledge Setup				1,500,000.00
	Payment 1	12/31/2018	300,000.00	300,000.00	1,200,000.00
	Payment 2	12/31/2019	300,000.00	300,000.00	900,000.00
	Payment 3	12/31/2020	300,000.00	300,000.00	600,000.00
	Payment 4	12/31/2021	300,000.00	300,000.00	300,000.00
	Payment 5	12/31/2022	300,000.00	300,000.00	300,000.00
	Pledge Balance		1,500,000.00	1,200,000.00	300,000.00
The Geiser Schweers Family Foundation	Original Pledge Balance				500,000.00
	Pledge Setup				500,000.00
	Payment 1	3/31/2022	250,000.00	250,000.00	250,000.00
	Payment 2	3/31/2023	250,000.00		250,000.00
	Pledge Balance		500,000.00	250,000.00	250,000.00
Mr. Guy Kornblum	Original Pledge Balance				75,000.00
	Pledge Setup				75,000.00
	Payment 1	12/31/2023	75,000.00		75,000.00
	Pledge Balance		75,000.00	0.00	75,000.00
TOTAL OF UNCOLLECTABLE PLEDGES					625,000.00

These pledge receivables are nested in the financial statements of the UC Law Foundation, and given the more limited financial depth of the UC Law Foundation, a write-off of this amount be a material change.

ACTION ITEM

1. **REPORT BY:** Deputy CFO and Controller Sandra Plenski
2. **SUBJECT:** Review of Proposed 2025 Audit Plan
 and Scope of Work
3. **RECOMMENDATIONS:**

That the Audit Subcommittee of the Finance Committee recommends to the Finance Committee approval of the 2025 Audit Entrance and Statement of Work.

4. **BACKGROUND:**

The 2025 Audit Entrance, which describes the annual financial and internal control review, is attached, along with the Statement of Work, which serves as the engagement letter.

5. **PROPOSED RESOLUTION:**

Resolved that the Audit Subcommittee recommends that the Finance Committee approve the Statement of Work commencing the annual audit of the financial statements for 2025.

Attachments:

- 2025 Audit Entrance
- Statement of Work

STATEMENT OF WORK

This Statement of Work ("SOW") is between University of California College of Law, San Francisco (formerly known as University of California Hastings College of the Law) ("UC Law SF") and Moss Adams LLP ("Consultant"). This SOW is being entered into under the *Agreement By and Between University of California College of the Law, San Francisco (formerly known as University of California Hastings College of the Law) and Moss Adams LLP* entered into on February 26, 2016 (referred to in this SOW as the "Agreement"). Capitalized terms not otherwise defined herein have the meanings defined for them in the Agreement.

Scope of Services – Audit

Consultant will audit UC Law SF's financial statements, which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. Consultant will also report on whether the schedule of expenditures of federal awards, presented as supplementary information, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of this engagement, Consultant will apply certain limited procedures to UC Law SF's RSI in accordance with auditing standards generally accepted in the United States of America. Consultant will not express an opinion or provide assurance on the information because the limited procedures do not provide Consultant with sufficient evidence to express an opinion or provide assurance. The following RSI will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Supplementary information of net pension liability
3. Supplementary information of net retiree health benefits liability

Timing

Kinman Tong is responsible for supervising the engagement and authorizing the signing of Consultant's audit report. Consultant expects to begin its audit on approximately June 2025, complete fieldwork on approximately September 2025, and issue its report no later than October 31, 2025. As Consultant reaches the conclusion of the audit, Consultant will coordinate with UC Law SF the date the audited financial statements will be available for issuance. UC Law SF understands that (1) UC Law SF will be required to consider subsequent events through the date the financial statements are available for issuance, (2) UC Law SF will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.

This scheduling depends on UC Law SF's completion of the year-end closing and adjusting process prior to Consultant's arrival to begin the fieldwork. Consultant may experience delays in completing its services due to UC Law SF's staff unavailability or delays in UC Law SF's closing and adjusting process. Consultant's fees are subject to adjustment if Consultant experiences these delays in completing the services.

Kinman's contact information:

Kinman Tong, CPA
Partner, Moss Adams LLP
101 Second Street, Suite 900
San Francisco, CA 94105
Kinman.Tong@mossadams.com
415.677.8267 Direct
415.677.1500 Office

Fees

Fees for the services set forth in this SOW are estimated to be \$210,000, which includes \$25,725 for the additional audit procedures to be performed as it relates to the Hastings Campus Housing Finance Authority. UC Law SF will not be billed for expenses unless an unusual circumstance arises and the expense is discussed and approved by UC Law SF in advance of billing.

Consultant's ability to provide services in accordance with these estimated fees depends on the quality, timeliness and accuracy of UC Law SF's records, and, for example, the number of general ledger adjustments required as a result of the work. To assist UC Law SF in this process, Consultant will provide UC Law SF with a preliminary Client Audit Preparation Schedule at least four weeks in advance of the fieldwork for both the Single and Financial Statement audits, with specifics for the UCH Foundation if applicable, that identifies the key work UC Law SF will need to perform in preparation for the audit. Consultant will also need UC Law SF's accounting staff to be readily available during the engagement to respond in a timely manner to requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance may result in an increase of fees, as set forth in the Agreement. Consultant will provide UC Law SF with a tentative schedule of the fieldwork and key audit areas to ensure the staff is readily available.

Reporting

Consultant will issue a written report upon completion of its audit of UC Law SF's financial statements. The report will be addressed to the Board of Directors of UC Law SF. Consultant cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for Consultant to modify its opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Consultant's services under this SOW will be concluded upon delivery to UC Law SF of Consultant's report on UC Law SF's financial statements for the year ending June 30, 2025.

At the conclusion of the engagement, Consultant will complete the auditor section of the Data Collection Form and electronically sign the Data Collection Form that summarizes its findings. Consultant will provide electronic copies of its reports to UC Law SF; however, it is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan, as applicable) along with the Data Collection Form to the Federal Audit Clearinghouse. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period. At the conclusion of the engagement, Consultant will make arrangements with management regarding Data Collection Form submission procedures.

Objectives of the Audit

The objective of the audit is the expression of an opinion on the financial statements and supplementary information. The objective of the audit is also to obtain reasonable assurance about whether UC Law SF has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program. The objective also includes reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.
- Internal control related to major federal programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the audit requirements contained in OMB Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The reports on internal control and compliance will each include a statement that the purpose of the report is solely to: describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance; describe the scope of testing internal control over compliance for major federal programs and major federal program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance; that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance and the OMB Uniform Guidance in considering internal control over compliance and major federal program compliance; and, accordingly, it is not suitable for any other purpose.

Consultant will conduct its audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of

1996; and the audit provisions of the OMB Uniform Guidance. It will include tests of UC Law SF's accounting records, a determination of major program(s) in accordance with the OMB Uniform Guidance, and other procedures Consultant considers necessary to enable Consultant to express opinions and to render the required reports. If Consultant's opinion on the financial statements or the Single Audit compliance opinion is other than unmodified, Consultant will discuss the reasons with UC Law SF in advance. If, for any reason, Consultant is unable to complete the audit or are unable to form or have not formed an opinion Consultant may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

Consultant's procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and transaction details by correspondence with selected individuals, funding sources, creditors, and financial institutions. Consultant may also request written representations from UC Law SF's attorneys as part of the engagement, and they may bill UC Law SF for responding to this inquiry. The supplementary information will be subject to 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. At the conclusion of the audit, Consultant will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude Consultant from issuing its report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, the audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, Consultant will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. Such material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, Consultant will not provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and the audit provisions of the OMB Uniform Guidance, the audit will include tests of transactions related to major federal award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the OMB Uniform Guidance. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on the financial statements or noncompliance with the provisions of federal statutes, regulations, and the terms and condition of

federal awards that do not have a direct and material effect on major federal programs. However, Consultant will inform UC Law SF of any material errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, federal statutes, regulations, contracts grant agreements and federal awards that come to Consultant's attention, unless clearly inconsequential. Consultant will include such matters in the reports required for a Single Audit. Consultant's responsibility as auditor is limited to the period covered by the audit and does not extend to any time period for which Consultant is not engaged as auditor.

Consultant may assist management in the preparation of UC Law SF's financial statements and supplementary information. Regardless of any assistance Consultant may render, all information included in the financial statements and supplementary information remains the representation of management. Consultant may issue a preliminary draft of the financial statements and supplementary information to UC Law SF for its review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written permission of Consultant.

Consultant understands UC Law SF maintains certain assets, including investments, reported in its financial statements, with the University of California Office of the Treasurer.

Procedures and Limitations—Internal Control

In planning and performing the audit, Consultant will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing its opinions on UC Law SF's financial statements and on its compliance with requirements applicable to major federal programs.

Consultant will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and Consultant will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that Consultant considers relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with the provisions of laws, regulations, contract and grant agreements and other noncompliance matters that have a direct and material effect on the financial statements.

An audit is not designed to provide assurance on internal control or to identify deficiencies in the design or operation of internal control and accordingly, no opinion will be expressed in the report on internal control issued pursuant to *Government Auditing Standards*. However, if, during the audit, Consultant becomes aware of any matters involving internal control or its operation that Consultant considers to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, Consultant will communicate them in writing to management and those charged with governance. Consultant will also identify if Consultant considers any significant deficiency, or combination of significant deficiencies, to be a material weakness.

As required by the audit provisions of the OMB Uniform Guidance, Consultant will perform tests of controls to evaluate the effectiveness of the design and operation of controls that Consultant considers

relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, Consultant's tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in the report on internal control issued pursuant to the OMB Uniform Guidance.

Procedures and Limitations—Compliance

The audit will be conducted in accordance with the standards referred to in the section titled "Objectives of the Audit." As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, Consultant will perform tests of UC Law SF's compliance with the provisions of laws, regulations, contracts, and grant agreements that may have a direct and material effect on the financial statements. However, the objective of those procedures will not be to provide an opinion on overall compliance and Consultant will not express such an opinion in its report on compliance issued pursuant to *Government Auditing Standards*.

The audit provisions of the OMB Uniform Guidance require that Consultant also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program. Consultant's procedures will consist of the applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of UC Law SF's major federal programs. The purpose of those procedures will be to express an opinion on UC Law SF's compliance with requirements applicable to each of its major federal programs in Consultant's report on compliance issued pursuant to the OMB Uniform Guidance.

Management's Responsibility for Financial Statements, Internal Control, and Federal Award Compliance

As a condition of the engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Consultant may advise management about appropriate accounting principles and their application and may assist in the preparation of UC Law SF's financial statements, including the schedule of expenditures of federal awards, but management remains responsible for the financial statements and the schedule of expenditures of federal awards. Management also acknowledges and understands that management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets.

UC Law SF is responsible for informing Consultant about all known or suspected fraud affecting UC Law SF involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. UC Law SF is responsible for informing Consultant of knowledge of any allegations of fraud or suspected fraud affecting UC Law SF received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that UC Law

SF complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud or noncompliance with the provisions of laws, regulations, contract, and grant agreements, that Consultant may report.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to Consultant in the management representation letter that the effects of any uncorrected misstatements aggregated by Consultant during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for establishing and maintaining internal control and for compliance with federal statutes, regulations, and the terms and conditions of federal awards and for identifying and ensuring that UC Law SF complies with such provisions. Management is also responsible for informing Consultant of any significant contractor relationships in which the contractor is responsible for program compliance. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and noncompliance with federal statutes, regulations, and the terms and conditions of federal awards or abuse that Consultant may report. Additionally, as required by the OMB Uniform Guidance, it is UC Law SF's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for making all financial records and related information available to Consultant and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement management will provide Consultant with:

- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
- additional information that Consultant may request from management for the purpose of the audit; and
- unrestricted access to persons within the University from whom Consultant determines it necessary to obtain audit evidence.

Management's Responsibility to Notify Us of Affiliates

Professional standards require that Consultant remain independent of UC Law SF as well as any "affiliate" of UC Law SF. Professional standards define an affiliate as follows:

- a fund, component unit, fiduciary activity or entity that UC Law SF is required to include or disclose, and is included or disclosed in its financial statements, in accordance with generally accepted accounting principles (U.S. GAAP);
- a fund, component unit, fiduciary activity or entity that UC Law SF is required to include or disclosed in its financial statements in accordance with U.S. GAAP, which is material to UC Law SF but which UC Law SF has elected to exclude, and for which UC Law SF has more than minimal influence over the entity's accounting or financial reporting process;

- an investment in an investee held by UC Law SF or an affiliate of UC Law SF, where UC Law SF or affiliate controls the investee, excluding equity interests in entities whose sole purpose is to directly enhance UC Law SF's ability to provide government services;
- an investment in an investee held by UC Law SF or an affiliate of UC Law SF, where UC Law SF or affiliate has significant influence over the investee and for which the investment is material to UC Law SF's financial statements, excluding equity interests in entities whose sole purpose is to directly enhance UC Law SF's ability to provide government services

In order to fulfill mutual responsibility to maintain auditor independence, UC Law SF agree to notify Consultant of any known affiliate relationships, to the best of UC Law SF's knowledge and belief. Additionally, UC Law SF agree to inform Consultant of any known services provided or relationships between affiliates of UC Law SF and Consultant or any of its employees or personnel.

Management's Responsibility for Supplementary Information

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that Consultant has reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this SOW, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on UC Law SF's Web site may be considered readily available, but being available upon request is not considered readily available.

Other Information Included in an Annual Report

When financial or nonfinancial information, other than financial statements and the auditor's report thereon, is included in UC Law SF's annual report, management is responsible for that other information. Management is also responsible for providing the document(s) that comprise the annual report to Consultant as soon as it is available.

Consultant's opinion on the financial statements does not cover the other information, and Consultant does not express an opinion or any form of assurance thereon. Consultant's responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the audited financial statements. If Consultant identify that a material inconsistency or misstatement of the other information exists, Consultant will discuss it with UC Law SF; if it is not resolved U.S. GAAS requires Consultant to take appropriate action.

Key Audit Matters

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. UC Law SF have not engaged Consultant to report on key audit matters, and the SOW does not

contemplate Consultant providing any such services. UC Law SF agrees Consultant are under no obligation to communicate key audit matters in the auditor's report.

If UC Law SF requests to engage Consultant to communicate key audit matters in the auditor's report, before accepting the engagement Consultant would discuss with UC Law SF the additional fees to provide any such services, and the impact to the timeline for completing the audit.

Dissemination of Financial Statements and Reports

Consultant will provide copies of its reports to UC Law SF; however, management is responsible for distribution of the reports and the financial statements. Consultant's report on the financial statements must be associated only with the financial statements that were the subject of this engagement. UC Law SF may make copies of the report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with the report. UC Law SF agree not to reproduce or associate Consultant's report with any other financial statements, or portions thereof, that are not the subject of this engagement.

Offering of Securities

This SOW does not contemplate Consultant providing any services in connection with the offering of securities, whether registered or exempt from registration, and Consultant will charge additional fees to provide any such services. UC Law SF agrees not to incorporate or reference Consultant's report in a private placement or other offering of UC Law SF's equity or debt securities without Consultant's express written permission. UC Law SF further agrees the Consultant is under no obligation to reissue its report or provide written permission for the use of its report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. Consultant will determine, at its sole discretion, whether Consultant will reissue its report or provide written permission for the use of its report only after Consultant has conducted any procedures Consultant deems necessary in the circumstances. UC Law SF agrees to provide Consultant with adequate time to review documents where (a) Consultant's report is requested to be reissued, (b) Consultant's report is included in the offering document or referred to therein, or (c) reference to Consultant is expected to be made. If Consultant decides to reissue its report or provide written permission to the use of its report, UC Law SF agrees that Consultant will be included on each distribution of draft offering materials and Consultant will receive a complete set of final documents. If Consultant decides not to reissue its report or withhold its written permission to use its report, UC Law SF may be required to engage another firm to audit periods covered by Consultant's audit reports, and that firm will likely bill UC Law SF for its services. While the successor auditor may request access to Consultant's engagement documentation for those periods, Consultant is under no obligation to permit such access.

Representations of Management

During the course of the engagement, Consultant may request information and explanations from management regarding, among other matters, UC Law SF's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of the engagement, Consultant will require, as a precondition to the issuance of its report, that management provide Consultant with a written representation letter confirming some or all of the representations made

during the engagement. The procedures that Consultant will perform in the engagement will be heavily influenced by the representations that Consultant receives from management. Accordingly, false representations could cause Consultant to expend unnecessary efforts or could cause a material error or fraud to go undetected by its procedures. In view of the foregoing, Consultant will not be responsible for any misstatements in UC Law SF's financial statements and supplementary information that Consultant fails to detect as a result of false or misleading representations, whether oral or written, that are made to Consultant by UC Law SF's management. While Consultant may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

Use of Nonlicensed Personnel

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

ACCEPTED AND AGREED:

This SOW and the Agreement set forth the entire understanding of University of California College of the Law, San Francisco and Moss Adams LLP with respect to this engagement and the services to be provided by Moss Adams LLP:

University of California College of the Law, San Francisco

Signature: _____

Print Name: CLAES H. LEWENHAUPTTitle: CHAIR - AUDIT SUBCOMMITTEE

Date: _____

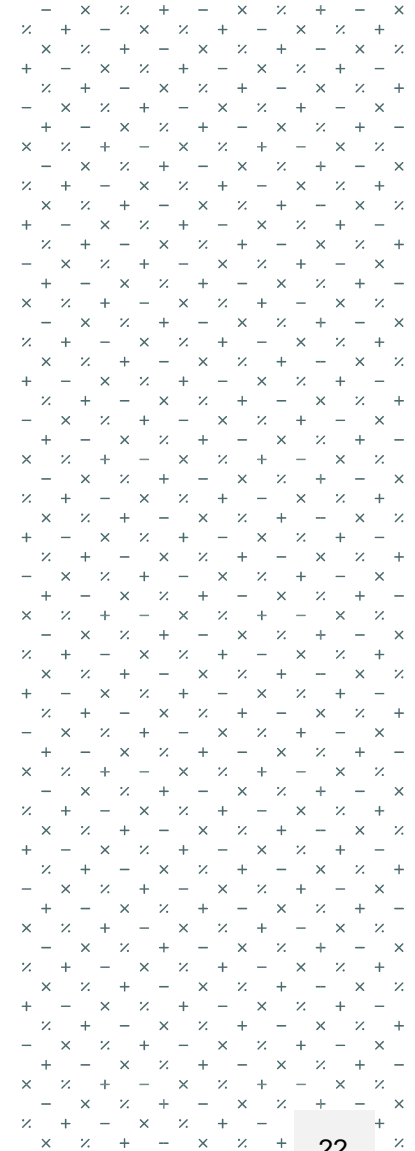
MOSS ADAMS LLPSignature:  _____Print Name: KINMAN TONGTitle: PARTNERDate: March 31, 2025



UC ^{SAN FRANCISCO} Law

2025 Audit Entrance

Better Together: Moss Adams & University of California College of the Law, San Francisco

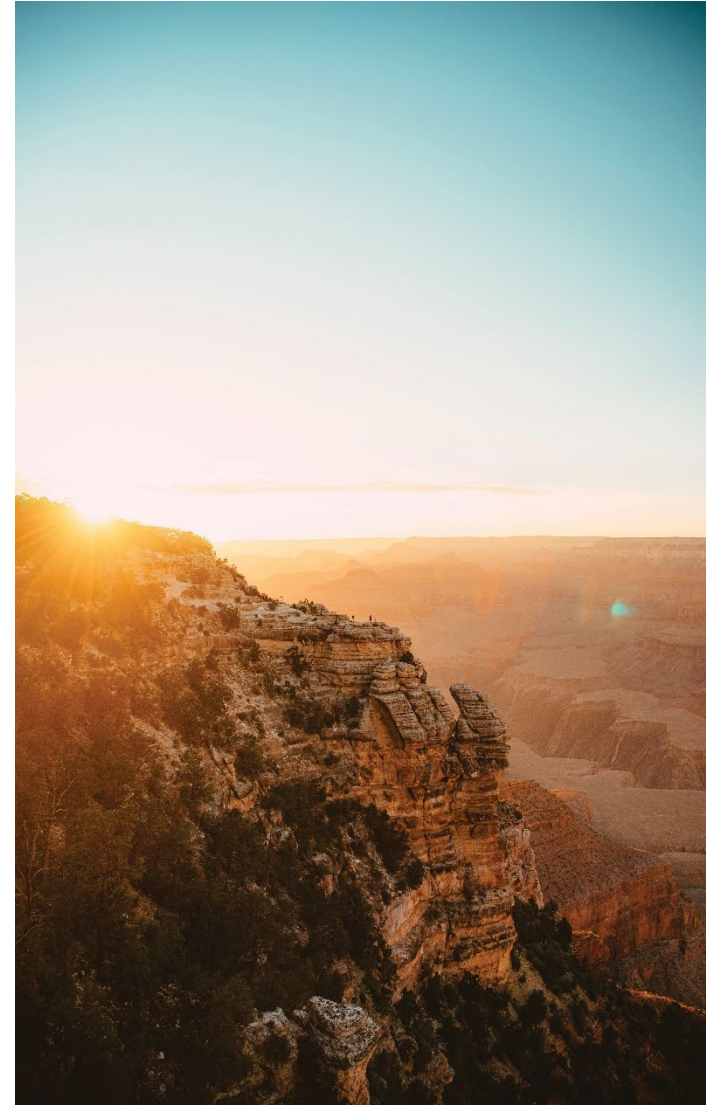


University of California College of the Law, San Francisco

Dear Audit Committee Members:

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for higher education institutions. We're pleased to present our audit plan for University of California College of the Law, San Francisco (UC Law) and its discretely presented component unit, the UC Law Foundation (Foundation) as of and for the year ending June 30, 2025. We'd also like to discuss current-year developments and accounting and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan, and we look forward to working with you.



Your Dedicated Engagement Team



Kinman Tong, CPA
Engagement Partner



Scott Simpson, CPA
Quality Control Review Partner



Gordon Lam, CPA
Engagement Senior Manager



Colleen Goeser, CPA
Audit Manager



Mike Lumsden, CPA
Tax Senior Manager

Required Communications to Those Charged with Governance

ENTRANCE



EXIT



Auditor's responsibility under the US generally accepted auditing standards

Planned scope and timing of audit

Significant audit findings

Qualitative aspects of accounting practices

Difficulties encountered in performing the audit

Corrected and uncorrected misstatements

Management representations

Management consultations with other independent accountants

Other audit findings or issues

Scope of Services

Relationships between Moss Adams and UC Law and Foundation:

Annual Audit



Annual financial statement and federal program compliance audit as of and for the year ending June 30, 2025.

Non-Attest Services



- Assist with the preparation of the auditee portion of the Data Collection Form
- Assist with the tax preparation services

Our Responsibilities

Assess if the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with US GAAP. However, our audit doesn't relieve you or management of your responsibilities.

PERFORM AN AUDIT IN ACCORDANCE WITH:

- Generally accepted auditing standards issued by the AICPA
- *Government Auditing Standards*, issued by the Comptroller General of the United States

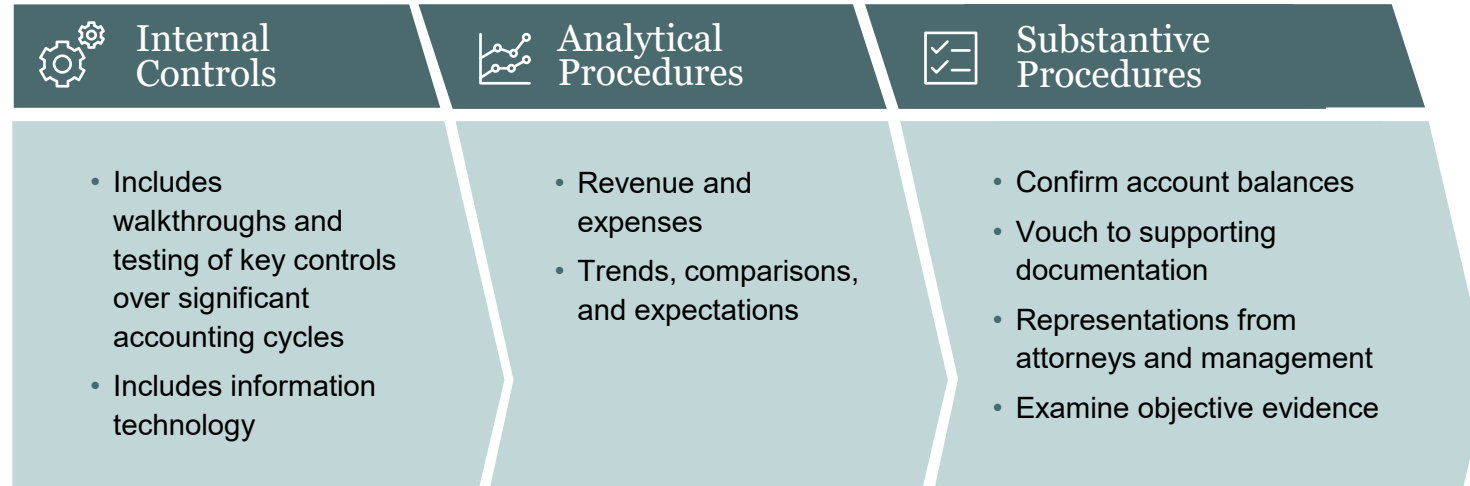
Design the audit to provide assurance about whether the financial statements are free of material misstatement.

Consider internal controls over financial reporting and compliance as a basis for designing effective audit procedures.

Communicate findings relevant to your responsibilities in overseeing the specific matters of financial reporting process and administering federal awards.

When applicable, communicate particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement

Audit Process



What's Materiality?

It's the amount of a misstatement that could influence the economic decisions of users based on the financial statements.

It's calculated using certain **quantitative** (total assets, total revenue, total net position) and **qualitative** (covenants, expectations, or industry) factors.

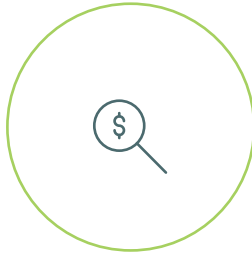
IT IDENTIFIES:

**SIGNIFICANT
RISK AREAS**

**NATURE,
TIMING, EXTENT,
AND SCOPE OF
TEST WORK**

**FINDINGS OR
MISSTATEMENTS**

Areas of Emphasis



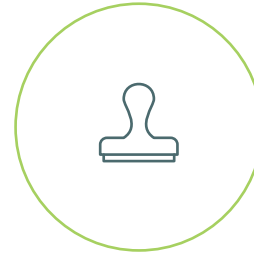
**INTERNAL CONTROLS
OVER FINANCIAL
REPORTING,
INCLUDING IT
CONTROLS**



**VALUATION OF
INVESTMENTS AND
RELATED FINANCIAL
STATEMENT
DISCLOSURES**



**ACTUARIAL
DETERMINATION OF
PENSION AND OPEB
LIABILITY AND
RELATED
DISCLOSURES**



**FINANCIAL CLOSE
AND REPORTING,
INCLUDING
REPORTING OF
CAMPUS HOUSING
FINANCE AUTHORITY**



**FEDERAL
COMPLIANCE IN
ACCORDANCE WITH
THE UNIFORM
GUIDANCE**

Consideration of Fraud



Auditors must consider fraud to “improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit.”

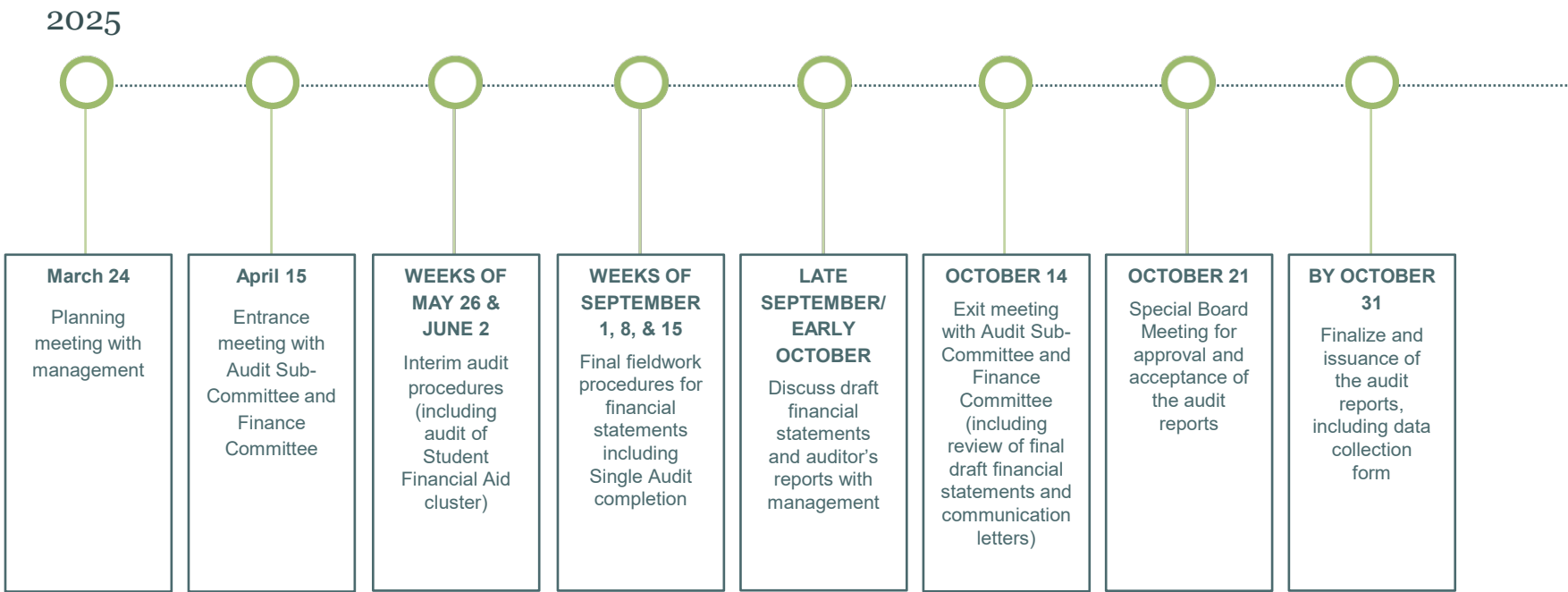
To identify fraud-related risks of material misstatement, we:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures we perform:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions

Audit Timing



Recent Accounting & Auditing Developments



New Standards

COMPENSATED ABSENCES

[GASB 101]

- Requires liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.
- Requires liabilities for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave commences.
- Requires liabilities be measured using the employee pay rates in effect at the fiscal year-end
- Amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change).
- Effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

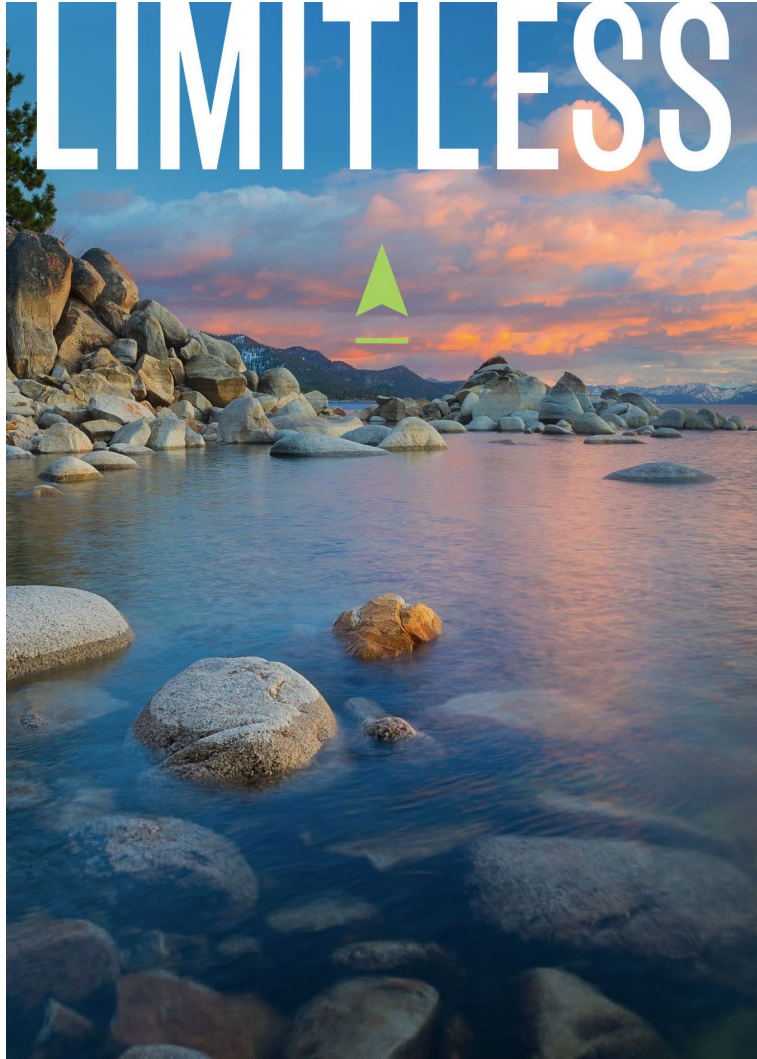


New Standards

CERTAIN RISK DISCLOSURES

[GASB 102]

- Requires all state and local governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.
- Defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority.
- Effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.



In Case You Missed Them...

(Below are some recent articles we've prepared to keep you prepared)

[What AI Leadership Looks Like](#)

[Strategic Imperatives for Nonprofits in 2024 and Beyond](#)

[Decoding the Alternatives Toolkit: Opportunities in Private Credit](#)

[Effective Board Habits and Strategies to Improve ESG Governance](#)

[Governance Practices for Small Not-for-Profits](#)

[How Not-for-Profits Can Use Strategic Planning During Times of Change](#)

[Why Not-for-Profits Should Care About ESG](#)

Recent Webcasts

[Fall 2024 Tax Update for Non-Profits](#) (Presented: 12.4.24);

Moss Adams Board Resources

Our professionals can help assess governance practices, provide leadership coaching and hands-on training workshops, facilitate group retreats, and more to improve teamwork, increase alignment around values, and develop strategic goals.

Join us for our recent webcast series: Building Better Boards for Not-for-Profits:

- Risk Management for Mission-Driven Boards (aired 4.2.25)
- Fundraising and Development Strategies for Boards (Webcast Date: 5.15.25)
- Not-for-Profit Boards: Drive Innovation with Generative AI (Webcast Date: 8.27.25)
- Adaptable Strategic Planning for Mission-Driven Boards (Webcast Date: 11.6.25) *Link will be posted soon*



BOARD DEVELOPMENT

Align your board members to build stronger, clear relationships; enhance group decision-making; develop board policies and procedures; and help your board move the organization forward through 1:1 leadership coaching, group retreats, or hands-on training workshops.



GOVERNANCE ASSESSMENTS

Identify root causes of board issues through evaluations of group performance, the board-staff partnership, culture, structure, and processes to address challenges and uncover opportunities for improvement.



FACILITATION

Active meeting or retreat facilitation can promote effective communication among your team about difficult topics or in highly charged environments that may have a history of conflict.

Visit the Moss Adams Governance page for more information and resources:
<https://www.mossadams.com/services/consulting/strategy-and-operation/governance>

Resources



Association of Governing Boards
agb.org



Boardsource
boardsource.org



AICPA
aicpa.org/interestareas/notforprofit

An Array of Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.



Articles & Alerts

Industry-specific insight and important tax and assurance updates



Webcasts

On-demand and live sessions with our professionals on technical and timely topics



Reports & Guides

A more in-depth look at significant changes and subjects across the accounting landscape



Events

Seminars destination conferences, networking receptions, and charity events among others

About Moss Adams



Our Services for Higher Education Institutions

ASSURANCE

- Agreed-upon procedures
- Audits and reviews
- Federal awards audits
- Compliance examinations pursuant to federal reporting requirements
- Employee benefit plan services
- Written acknowledgments and agreed-upon procedure engagements in connection with tax-exempt bond offerings

CONSULTING

- Endowment management and investment consulting
- Fraud investigation and forensic accounting
- IT consulting
- Strategic business planning
- Sustainability services
- Systems Control & Operations Risk Evaluation (SCORE!)
- Wealth services

TAX

- Alternative investment issues
- Compensation, payroll, and employment tax issues, including fringe benefits, deferred compensation, and policy setting to meet the rebuttable presumption process
- Complex group structures, including non-501(c)(3) exempt organizations
- Donor-advised fund planning and reporting
- Estate planning for donors and development department marketing
- For-profit organization formation and operations
- Formation of new entities, including preparation of
- Forms 1023 and 1024 and associated state filings
- Independent contractor versus employee determinations
- IRS and state audit representation
- Joint venture formation and operation
- Lobbying and political expenditure classification and reporting
- Maintaining tax-exempt status and public charity status
- Member versus nonmember activity issues
- Preparation of Form 990, 990-T, 990-PF, and relevant state forms
- Private foundation planning analysis
- Public support test planning
- Sales and use tax exemptions
- State and local tax services, including credits and incentives
- State solicitation registration and annual filings
- Tax-exempt bond consultation, including private business use and post-issuance bond compliance procedures
- Third-party management agreements and sponsorship planning
- Transfer pricing and expense allocation methodology
- Unrelated business taxable income

Advanced Technologies and Audit Innovation

We leverage technology across our engagements for a modern, efficient audit and tax experience. Our technology fulfills key functions across our engagements, such as creating the best possible remote audit experience or enabling secure and user-friendly document transfer capabilities. As appropriate, we may also use advanced technology during the course of this engagement.

VIRTUAL AUDIT



VIDEO CONFERENCING

Our firm has a variety of video conferencing capabilities.



MOSS ADAMS PORTAL

Our client portal is a secure and user-friendly web-based tool we use to easily transfer and temporarily store sensitive documents.



VIRTUAL PRIVATE NETWORK (VPN)

Our secure VPN requires triple authentication to safely transfer and store files.



PROSYSTEM FX ENGAGEMENT (PFX)

ProSystem fx Engagement is our trial balance and paperless audit documentation software.

ADVANCED TECHNOLOGY



KIRA

Kira is a machine learning tool that enables us to be more efficient in reviewing and analyzing documents for accuracy.



MINDBRIDGE

MindBridge uncovers outliers and anomalous transactions for the transactions within a general ledger data set.



DATAROBOT

DataRobot is a modeling tool that enables richer data and opportunity analysis through predictive modeling.



ROBOTIC PROCESS INFORMATION

RPA is a cutting-edge form of business process automation technology that helps automate redundant processes.

Diversity, Equity, and Inclusion

Our mission is to foster an inclusive and diverse culture where everyone feels like they belong. To accomplish this mission, we focus on the following objectives.



ATTRACT

Recruit individuals with diverse backgrounds and experiences



DEVELOP

Provide learning and growth opportunities to develop and promote inclusive and diverse leadership across the firm



RETAIN

Promote and support a culture where everyone feels valued, respected, and connected



ADVANCE

Provide the best place to build a career for everyone by promoting equity, access, and opportunity

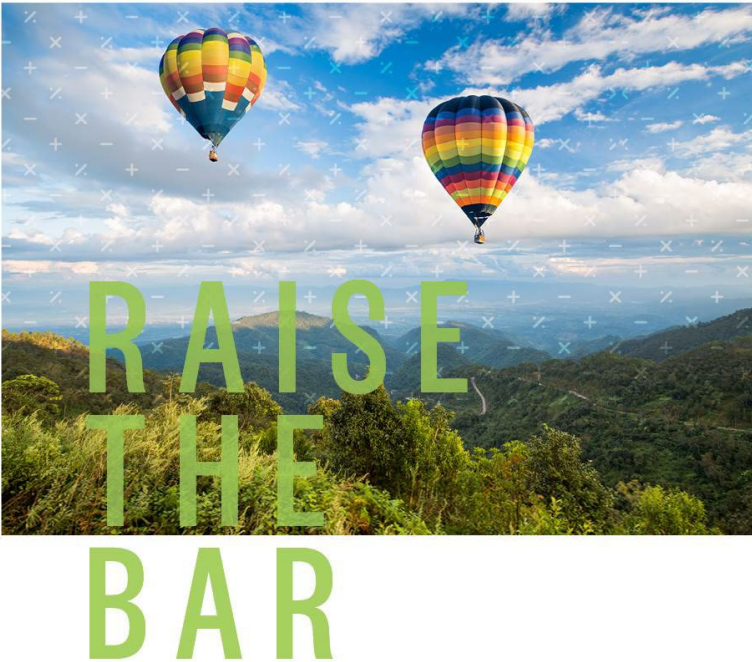


Inclusion & Diversity:
2022 Annual Report

Business Resource Groups (BRGs)

We want the employees at our firm to feel like they have an opportunity to learn, grow, and feel included throughout every step of their career at Moss Adams. BRGs were created to foster advocacy and promote professional and personal growth for underrepresented groups within the firm. Through BRGs, we're providing an inclusive space for employees to progress and develop through every step of their career.

Asian BRG	Black BRG
LatinX BRG	Pride BRG
Disability BRG	Forum W
Racial Equity BRG	Veterans BRG



Contact Us

Kinman Tong, CPA

[kinman.tong@
mossadams.com](mailto:kinman.tong@mossadams.com)

(415) 677-8267

Gordon Lam, CPA

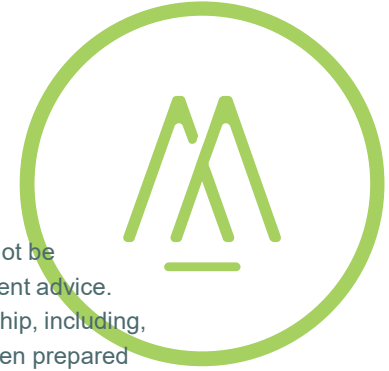
[gordon.lam@
mossadams.com](mailto:gordon.lam@mossadams.com)

(415) 677-8280



The material appearing in this presentation is for informational purposes only and should not be construed as advice of any kind, including, without limitation, legal, accounting, or investment advice. This information is not intended to create, and receipt does not constitute, a legal relationship, including, but not limited to, an accountant-client relationship. Although this information may have been prepared by professionals, it should not be used as a substitute for professional services. If legal, accounting, investment, or other professional advice is required, the services of a professional should be sought.

Assurance, tax, and consulting offered through Moss Adams LLP. ISO/IEC 27001 services offered through Cadence Assurance LLC, a Moss Adams company. Investment advisory offered through Moss Adams Wealth Advisors LLC. ©2023 Moss Adams LLP



THANK
YOU

March 31, 2025

Audit Subcommittee
UC College of the Law, San Francisco
200 McAllister Street
San Francisco, CA 94102

Re: Examination Services

Ladies and Gentlemen:

Thank you for the opportunity to provide services to UC College of Law, San Francisco (the “College” or “UC Law”). This engagement letter (“Engagement Letter”) and the attached Professional Services Agreement, which is incorporated by this reference, confirm our understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP (“Moss Adams,” “we,” “us,” and “our”) will provide to UC College of Law, San Francisco (“you,” “your,” “College”, and “UC Law”).

UC Law includes a blended component unit, The Hastings Campus Housing Finance Authority.

Scope of Services – Examination

We will examine the Schedule of Senior Debt Service Coverage Ratio and Subordinate Debt Service Coverage Ratio (“Subject Matter”) of The Hastings Campus Housing Finance Authority as of and for the year ending June 30, 2025.

Our examination will be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include tests of your records and other procedures we consider necessary to enable us to express an opinion in a written report about whether the Subject Matter is presented in accordance with the terms, covenants, provisions, and conditions of Section 616 of the Trust Indenture dated September 1, 2020 (“Trust Indenture”), between The Hastings Campus Housing Finance Authority and The Bank of New York Mellon Trust Company (as Trustee) (“Criteria”) in all material respects. If, for any reason, we are unable to complete the examination, we will not issue a report as a result of this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitation of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Our written report issued as a result of this engagement will be intended solely for the information and use of UC Law and The Bank of New York Mellon Trust Company (as Trustee) and will not be intended to be and should not be used by anyone other than these specified parties.

As a condition of our engagement, UC Law management acknowledges and understands that it is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria and the accuracy and completeness of that information. UC Law management agrees that as a condition of our engagement UC Law management will provide us with:

- Access to all information of which UC Law are aware that is relevant to the measurement, evaluation or disclosure of the Subject Matter;
- Access to additional information that we may request from UC Law management for the purpose of the engagement; and
- Unrestricted access to persons within the appropriate party(ies) from whom we determine it necessary to obtain evidence.

We may advise you about appropriate Criteria or assist in the development of the Subject Matter, but the responsibility for the Subject Matter and Criteria remains with you.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the Subject Matter and presenting it in accordance with the Criteria.

Timing

Kinman Tong is responsible for supervising the engagement and authorizing the signing of our report. We expect to issue our report no later than October 31, 2025. If unforeseen difficulties occur which make meeting the October 31, 2025 date improbable, we will inform you immediately. Our ability to meet these targets will be dependent, in part, on the level of preparation and cooperation by your staff.

Our scheduling is based on your completion of the year-end closing and/or adjusting process prior to our arrival to begin the fieldwork. Efficient use of our staff benefits both you and Moss Adams, allowing for timely completion of our work. We may experience delays in completing our services due to your staff's unavailability or delays in your preparation for the examination. We will work with you to coordinate completion of our work, realizing that any such delays will also delay completion of our work and the delivery of our work product. You understand our fees are subject to adjustment if we experience delays in completing our services. Our services will be concluded upon delivery to you of our examination report.

Fees

We estimate that our fees for these services will be \$5,250.

The fee estimate is based on anticipated cooperation from your personnel, the expectation that the College's records will be in good order, and the assumption that unexpected circumstances will not be encountered during the completion of the examination. If we find that significant additional time is likely to be necessary, we will attempt to discuss it with you and arrive at a new fee estimate before we incur significant additional fees or expenses.



We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in this Agreement, please sign the enclosed copy of this Engagement Letter and return it to us with the Professional Services Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kinman', with a long horizontal flourish extending to the right.

Kinman Tong, Partner, for
Moss Adams LLP

Enclosures

Accepted and Agreed:

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of UC College of the Law, San Francisco with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Client: #632573
v. 6/13/2024

PROFESSIONAL SERVICES AGREEMENT

Examination Services

This Professional Services Agreement (the “PSA”) together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the “Agreement”) relating to services to be provided to the College by Moss Adams. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

Objective of the Examination

The objective of our examination is the expression of an opinion as stated in the Engagement Letter. Our examination will be conducted in accordance with the standards described in the Engagement Letter and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Procedures and Limitations

An examination includes examining evidence on a test basis and cannot be relied upon to disclose all material errors, or known or suspected fraud or noncompliance with laws or regulations or internal control deficiencies that may exist. Therefore, our examination will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the examination to obtain reasonable, but not absolute, assurance about whether the Subject Matter is presented in accordance with the Criteria, in all material respects. A risk exists that we may not detect material misstatements because: (a) an examination is designed to provide reasonable, but not absolute, assurance the Subject Matter is fairly presented in all material respects, (b) we will not perform a detailed examination of all transactions as such is cost prohibitive, and (c) an examination is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the Subject Matter. However, we will inform you of any material errors, known or suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention, unless clearly inconsequential. Our responsibility is limited to the period covered by our examination and does not extend to any time period for which we are not engaged as examiners.

Changes in Professional or Accounting Standards

To the extent that future federal, state, or professional rule-making activities require modification of our examination approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and examination standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

Representations of Management

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the College’s operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures we will perform in our engagement will be heavily influenced by the representations that we receive from management. While we may assist management in the preparation of the representation letter, it is management’s responsibility to carefully review and understand the representations made therein.

Fees and Expenses

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services

rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Limitation on Liability

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Document Retention Policy

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your College records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Use of Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

Enforceability

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the College. The College agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

Use of Moss Adams' Name

The College may not use any of Moss Adams' name, trademarks, service marks or logos in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

Dispute Resolution Procedure, Venue and Limitation Period

This Agreement shall be governed by the laws of the state of Washington, without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

Each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in King County, state of Washington, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

Termination

This Agreement may be terminated by any party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, and (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services.

Use of Nonlicensed Personnel

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Use of Subcontractor and Affiliate

We may retain subcontractors and/or our affiliate, Moss Adams (India) LLP, to assist us in providing our services to you. These entities may collect, use, transfer, store, or otherwise process information provided by you or on your behalf ("Client information") in the domestic and foreign jurisdictions in which they operate. All of these entities are required to protect the confidentiality of any Client information to which they have access in the course of their work. We will be responsible for their performance in accordance with the terms of this Agreement.

Hiring of Employees

Any offer of employment to members of the engagement team prior to issuance of our report may impair our independence and as a result, may result in our inability to complete the engagement and issue a report.

ACTION ITEM:

1. **REPORT BY:** Deputy CFO and Controller Sandra Plenski
2. **SUBJECT:** Service Agreement Expiration and Auditor Selection Report for 2026
3. **REPORT:**

UC Law SF entered a consulting engagement with Moss Adams in 2016 to perform audit services on the College's financial statements. This engagement commenced in April 2016 and continued through the current fiscal year, following the extension of the initial contract in 2020 for two years and in 2022 for three additional years.

According to the Fiscal Policy and Procedure Manual, Section 3.4.1, entitled Auditor Selection, "auditor tenure of greater than 10 years should not be considered." Fiscal year 2025 is the final year for which Moss Adams can be considered as the College's audit firm under this policy.

Section 3.4.1.1 of the Fiscal Policy and Procedure Manual specifies the following for selecting an audit firm:

1. A committee is formed to coordinate the selection process and evaluation of prospective firms, consisting of a designee of the Chair of the Board of Directors, the Chief Financial Officer, the General Counsel, the Controller, and the Associate Director of Financial Reporting.
2. Proposals are solicited from public accounting firms.
3. Upon evaluation of written proposals by the committee, some or all the bidding firms are invited to make a formal presentation.
4. Acting on the committee's recommendation, the Board of Directors makes the final selection of the audit firm.

Moss Adams has requested that they be permitted to participate in the RFP and that the principle of auditor rotation can be achieved by switching out the auditors assigned to UC Law SF, allowing new auditors to view the College's books beginning in FY 2026. This has happened organically over the last ten years, as auditors assigned to the College have either left Moss Adams or were promoted or transferred within the firm.

It is requested that the Audit Subcommittee recommend to the Finance Committee that a Request for Proposals be initiated to identify a new firm for the FY 2026 audit. It is also requested that Moss Adams be permitted to participate in the RFP, provided the firm agrees to rotate the auditors assigned to UC Law SF.

RESOLUTION:

That the Audit Subcommittee recommends to the Finance Committee the approval of:

1. Initiation of an RFP for financial statement audit and accounting firms beginning with FY26; and
2. Moss Adams participation in this RFP provided they agree to rotate auditors from prior audits.