

**CAL STATE L.A. UNIVERSITY
AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER**

Independent Auditor's Reports,
Financial Statements and
Supplementary Information

June 30, 2017



Certified
Public
Accountants

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**CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER**

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CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
For the Fiscal Year Ended June 30, 2017

General Information

1. Full Official Name of the Agency

Cal State L.A. University Auxiliary Services, Inc.
Anna Bing Arnold Children's Center

2. Project Name and Contract Number

General Child Care and Development Program: CCTR - 6067

Child Care Food Program: 19-Q967-00-2

California State Preschool Program: CSPP - 6146

3. Type of Agency

Nonprofit, tax-exempt organization

4. Address of Agency Headquarters

5151 State University Drive
Los Angeles, California 90032

5. Name and Address of Executive Director

Ms. Alma Sahagun
Cal State L.A. University
Auxiliary Services, Inc.
5151 State University Drive
Los Angeles, California 90032

6. Telephone Number

(323) 343-3602

7. Period Covered by Audit

July 1, 2016 to June 30, 2017

8. Number of Days of Agency Operation

General Child Care and Development Program – 235 days

California State Preschool Program – 235 days

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER (Continued)
For the Fiscal Year Ended June 30, 2017

General Information

9. Scheduled Hours of Operations Each Day

Monday through Thursday
7:30 a.m. – 6:30 p.m.

Friday
7:30 a.m. – 5:30 p.m.



Independent Auditor's Report

To the Board of Directors
Cal State L.A University Auxiliary Services, Inc.
City of Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Cal State L.A. University Auxiliary Services, Inc. (UAS) Anna Bing Arnold Children's Center (the Center), as of and for the year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cal State L.A. University Auxiliary Services, Inc., Anna Bing Arnold Children's Center, as of June 30, 2017, and the respective changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Center and do not purport to, and do not, present fairly, the financial position of UAS as of June 30, 2017, the changes in its financial position and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15 through 30 are presented for purposes of additional analysis as required by the *California Department of Education Audit Guide* issued by the California Department of Education and is not a required part of the financial statements under accounting principles generally accepted in the United States of America.

The supplementary 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017, on our consideration of the Cal State L.A. University Auxiliary Services, Inc. Anna Bing Arnold Children's Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Los Angeles, California
November 13, 2017

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

ANNA BING ARNOLD CHILDREN'S CENTER

Statement of Net Position

June 30, 2017

	<u>Child Care Program</u>
Assets	
Cash and cash equivalents	\$ 7,924
Grants receivable	29,699
Capital assets, net	64,186
Total assets	<u>101,809</u>
Liabilities	
Accounts payable	52,793
Accrued expenses	38,227
Due to other funds of Cal State L.A. University Auxiliary Service, Inc.	10,789
Total liabilities	<u>101,809</u>
Net Position	
Unrestricted	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Child Care Program</u>
Operating revenues:	
Grants and contracts:	
State assistance	
Child Development Programs (CCTR-6067)	\$ 147,669
State Preschool Program (CSPP-6146)	251,848
Federal government assistance	
Child Care and Development Block Grant (CCTR-6067 & CSPP-6146)	47,393
Child Care and Development Fund (CCTR-6067 & CSPP-6146)	102,769
Child Care Access Means Parents in School (P335A140061)	164,869
Child Care Food Program (19-Q967-00-2)	67,866
Other revenue:	
Associated students fees	140,000
Parent fees	
Certified children (CCTR-6067)	27,532
Certified children (CSPP-6146)	25,859
Non certified children	523,334
Total revenues	<u>1,499,139</u>
Operating expenses:	
Certified salaries – teachers	612,799
Classified salaries:	
Instructional aides	239,437
Clerical	85,574
Food service	28,832
Employee benefits	315,097
Contractual services	103,263
Building supplies/repairs and maintenance	11,235
Other supplies	71,372
Food services	80,497
Indirect costs	51,728
Utilities	13,084
Equipment purchase and maintenance	15,602
Depreciation expense	10,264
Classroom supplies	16,162
Other expense	4,651
Total expenses	<u>1,659,597</u>
Operating loss	<u>(160,458)</u>
Nonoperating revenues:	
California State University allocation and other nonoperating revenue	<u>167,650</u>
Change in net position before transfers	7,192
Transfer to Cal State L.A. University Auxiliary Services, Inc.	<u>(7,192)</u>
Change in net position	-
Net position, beginning of year	-
Net position, end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

Cash flows from operating activities:	
Federal grants and contracts	\$ 387,351
State and local grants and contracts	376,197
Payments to suppliers	(359,946)
Payments to employees	(1,344,525)
Other receipts	716,725
Net cash used for operating activities	<u>(224,198)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(10,965)</u>
Net cash used for capital and related financing activities	<u>(10,965)</u>
Cash flows from noncapital financing activities:	
Transfer to Cal State L.A. University Auxiliary Services, Inc.	(7,192)
California State University Allocation	<u>167,650</u>
Net cash provided by noncapital financing activities	<u>160,458</u>
Net decrease in cash and cash equivalents	(74,705)
Cash and cash equivalents - beginning of year	82,629
Cash and cash equivalents - end of year	<u>\$ 7,924</u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (160,458)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	10,264
Changes in assets and liabilities:	
Increase in grants receivable	(18,866)
Increase in accounts payable	45,783
Decrease in accrued expenses	(62,786)
Decrease in due to other funds of Cal State L.A.	<u>(38,135)</u>
Net cash used for operating activities	<u>\$ (224,198)</u>

See accompanying notes to financial statements.

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CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 1 - ORGANIZATION

The Anna Bing Arnold Children's Center of Cal State Los Angeles University Auxiliary Services, Inc. (the Center) is a licensed program operated by the Cal State Los Angeles University Auxiliary Services, Inc. (UAS), a nonprofit auxiliary organization of California State University, Los Angeles (University). The Center's main function is to provide child care services for students, faculty, and staff of the University. The net position of the Center is controlled by UAS as part of its general operations account. In addition, the State of California provides funding to the Center for the General Child Care and Development Program, California State Preschool Program and Child Care Food Program. The activities of the Center are included in the basic financial statements of the UAS.

The accompanying financial statements present the net position and changes in net position and cash flows of the Center. These financial statements are not intended to present the financial position and the changes in financial position or cash flows of UAS.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting and Measurement Focus

The Center operates as an enterprise fund and the accompanying financial statements reflect the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

An enterprise fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Center's enterprise fund are grants, contracts, and fees charged to parents and University students. Operating expenses include program expenses comprised of personnel costs, administrative expenses and other costs of the program. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Center applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits and money market accounts. For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity of three months or less at time of purchase.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Notes to Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants receivable consists of amounts due from grants and contracts. Annually, a review of open receivables is conducted to determine collectibility on past due receivables and an allowance is established based on historical data, if necessary.

Capital Assets

Improvements and furniture, fixtures and equipment are recorded at cost at date of acquisition, net of accumulated depreciation. The Center capitalizes all expenditures for improvements and furniture, fixtures and equipment with costs in excess of \$5,000 and for which it is deemed probable that the assets will not revert back to the granting agency. Property and equipment funded by the California Department of Education are expensed on supplementary schedules during the contract period. Depreciation expense may not be claimed for reimbursement under child development contracts for assets donated or purchased with public funds. Depreciation is calculated using the straight-line method over the assets' estimated useful lives, which range from three to ten years.

Due to other funds of Cal State L.A. University Auxiliary Services, Inc.

The Center is a licensed child care program under UAS, any excess net position is returned back to UAS' general operating account. As of June 30, 2017, the amount due back to UAS is \$10,789.

Policy Regarding Use of Restricted vs. Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Center will utilize restricted resources first, and then unrestricted resources as needed.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash in Bank

The *California Government Code* requires California banks and savings and loan associations to secure UAS's deposits. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written custodial agreements are required that provide, among other things, that the collateral securities are held separate from the assets of the custodial institution. The pledge to secure deposits is administered by the California Superintendent of Banks. The fair value of pledged securities must equal 110 percent of all deposits not covered by federal deposit insurance if obligations of the United States

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Notes to Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2017

NOTE 3 – CASH AND CASH EQUIVALENTS (CONTINUED)

and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. California law also allows financial institutions to secure an agency's deposits by pledging first trust deeds or first mortgages having a value of 150 percent of an agency's total deposits. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of UAS. UAS utilizes an operating fund and contracts and grant accounts for all of their programs and activities, of which the Center is a program of UAS. At June 30, 2017, cash held by financial institutions for UAS was entirely insured and collateralized as described above. The book balance at June 30, 2017 for the Center was \$7,924.

NOTE 4 – GRANTS RECEIVABLE

At June 30, 2017, grants receivable consisted of a receivable from the State of California Department of Education – Child Development, Preschool Programs and Food Programs in the amount of \$23,320 and a receivable from the U.S. Department of Education – Child Care Access Means Parents in School in the amount of \$6,379.

NOTE 5 – CAPITAL ASSETS

The capital assets balance at June 30, 2017 consisted of the following activity:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
Capital assets, depreciable:				
Improvements	\$ 99,921	\$ 10,965	\$ -	\$ 110,886
Furniture, fixtures and equipment	22,657	-	-	22,657
Total depreciable capital assets	<u>122,578</u>	<u>10,965</u>	<u>-</u>	<u>133,543</u>
Less accumulated depreciation:				
Improvements	(38,783)	(8,700)	-	(47,483)
Furniture, fixtures and equipment	(20,310)	(1,564)	-	(21,874)
Total accumulated depreciation	<u>(59,093)</u>	<u>(10,264)</u>	<u>-</u>	<u>(69,357)</u>
Capital assets – net	<u>\$ 63,485</u>	<u>\$ 701</u>	<u>\$ -</u>	<u>\$ 64,186</u>

Depreciation expense for the fiscal year ended June 30, 2017 is \$10,264.

NOTE 6 - RELATED PARTIES

For the fiscal year ended June 30, 2017, the Center received \$167,650 from the University for general support to subsidize a portion of the operations of the childcare programs that benefit the faculty and staff of the University. Associated Students, Inc. (ASI) also provided \$140,000 in the fiscal year ended June 30, 2017, to the Center to support the operation of child care programs for University students.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Notes to Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2017

NOTE 7 – RETIREMENT PLANS

The UAS Money Purchase Pension Plan (Plan) is a defined contribution plan covering all employees of the UAS who have a minimum of one year of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by Prudential Retirement Insurance and Annuity Company (Prudential). Although UAS has not expressed any intent to do so, UAS has the right under the Plan to modify or discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contribution. The Plan contributes an amount equal to 6% of eligible employees' annual salaries. Total contributions to the Plan for the fiscal year ended June 30, 2017, were \$254,182, of which \$39,017 were contributed by UAS on behalf of the Center's employees.

UAS also has a tax-sheltered annuity plan whereby UAS will match up to 6% of eligible employees' gross salary contributed by the employees. Total contributions to this plan for the fiscal year ended June 30, 2017, were \$156,979, of which \$19,451 was contributed by UAS on behalf of the Center's employees.

NOTE 8 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) PLAN

Plan Description

UAS' Postemployment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by UAS. The postemployment healthcare plan provides lifetime postemployment medical coverage to its eligible employees and their spouses.

UAS employees hired prior to November 14, 2006 are eligible to receive UAS subsidized postemployment medical coverage for themselves and their spouse if they retire at age 55 or older with at least 10 years of service with UAS. Eligible retirees receive lifetime benefits from UAS as long as they remain enrolled in a medical plan sponsored by UAS. At age 65, retirees have the option of opting out of UAS sponsored coverage. In return UAS agrees to pay the Medicare Part B premium for these retirees and their spouses. UAS employees hired after November 14, 2006 are eligible to receive UAS subsidized postemployment medical coverage for themselves and their spouse if they retire at age 59.5 or older with at least 10 years of service with UAS. Eligible retirees receive lifetime benefits from UAS as long as they remain enrolled in a medical plan sponsored by UAS. Employees who retire with 10 through 19 years of service are eligible to receive 50% of the maximum UAS subsidy. Employees who retire with 20 or more years of service are eligible to receive 100% of the maximum UAS subsidy.

UAS currently sponsors Blue Cross and Kaiser HMOs and two Blue Cross PPOs. UAS contributes a significant portion of the cost of this coverage. Employees and retirees are required to contribute 10% of the monthly premium cost. The maximum UAS monthly contribution is "capped". The monthly cap in effect for 2017 is:

Employee only	\$ 707
Two party	1,349

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Notes to Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2017

**NOTE 8 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) PLAN
(CONTINUED)**

Benefit provisions of the plan are established and may be amended by the UAS Board of Directors. The defined benefit postemployment plan does not issue a separate stand-alone financial report.

Funding Policy

The contribution requirements of plan members and UAS are established and may be amended by UAS' Board of Directors. Currently, UAS' policy is to contribute to the plan on a pay-as-you-go basis.

Annual OPEB Cost

UAS allocated a portion of its annual OPEB cost to the Center based upon number of employees working at the Center. The annual OPEB cost for the Center for the fiscal year ended June 30, 2017 was \$27,772.

Funding Status of the Plan

UAS issues a publicly available financial report that includes complete disclosures and required supplementary information on the funded status of the plan. The report may be obtained from UAS, 5151 State University Drive, Golden Eagle Building Room 314, Los Angeles, CA 90032.

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SUPPLEMENTARY INFORMATION

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

ANNA BING ARNOLD CHILDREN'S CENTER

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2017

<u>Federal or State agency/Program title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Agency or Pass-through Grantor's Number</u>	<u>Total Awards</u>	<u>Total Expenditures</u>
Federal:				
U.S. Department of Agriculture Food and Nutrition Service				
Child and Adult Care Food Program	10.558	19-Q967-00-2	\$ 67,866	\$ 67,866
U.S. Department of Education Office of Postsecondary Education				
Child Care Access Means Parents in School	84.335	P335A100069	164,869	164,869
U.S. Department of Health and Human Services Administration for Children and Families				
Child Care and Development Block Grant	93.575	CCTR-6067	32,415	32,415
		CSPP-6146	14,978	14,978
			<u>47,393</u>	<u>47,393</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR-6067	69,817	69,817
		CSPP-6146	32,952	32,952
			<u>102,769</u>	<u>102,769</u>
Total expenditures of federal awards			<u>382,897</u>	<u>382,897</u>
State of California:				
Child Development Services:				
General Child Care Program and Development Program		CCTR-6067	147,669	147,669
State Preschool Program		CSPP-6146	251,848	251,848
Total expenditures of state awards			<u>399,517</u>	<u>399,517</u>
Total expenditures of federal and state awards			<u>\$ 782,414</u>	<u>\$ 782,414</u>

See accompanying notes to supplementary information and independent auditor's report.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER

Combining Statement of Activities
For the Fiscal Year Ended June 30, 2017

Revenue and Support	State General Child Care Program (CTTR-6067)	State General Child Care Program (CSPP-6146)	State General Child Care Program Total
Government contracts:			
Child Care and Development Programs	249,901	299,778	549,679
Child Care Food Program	26,458	41,408	67,866
Child Care ACCESS Means Parent in School	62,309	102,560	164,869
Parent Fees - Certified Children	27,532	25,859	53,391
Parent Fees - Noncertified Children	197,548	325,786	523,334
Associated Students Supports	25,000	115,000	140,000
California State University Supports	67,010	100,640	167,650
Total Revenue and Support	655,758	1,011,031	1,666,789
Expenses			
Salaries	377,932	588,710	966,642
Employee benefits	120,877	194,220	315,097
Instructional materials and supplies	6,691	9,471	16,162
Contracts for personnel services	66,416	108,219	174,635
Food	31,394	49,103	80,497
Utilities and housekeeping	5,495	7,589	13,084
Other operating expenses	1,814	2,837	4,651
Building supplies/repair and maintenance	4,269	6,966	11,235
Equipment purchase and maintenance	6,865	8,737	15,602
Depreciation expense	4,003	6,261	10,264
Indirect costs	23,463	28,265	51,728
Total Expenses	\$ 649,219	\$ 1,010,378	\$ 1,659,597
Change in Net Assets	6,539	653	7,192

See accompanying notes to supplementary information and independent auditor's report.

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

ANNA BING ARNOLD CHILDREN'S CENTER

Schedule of Administrative Costs

For the Fiscal Year Ended June 30, 2017

	State General Child Care Program (CCTR-6067)	State General Child Care Program (CSPP-6146)	State General Child Care Program Total
Contractual services	\$ 15,980	\$ 24,220	\$ 40,200
Classified salaries	2,271	3,442	5,713
Certified salaries – Teachers	1,531	2,321	3,852
Total	<u>19,782</u>	<u>29,983</u>	<u>49,765</u>
Indirect costs:			
Other related child care costs,			
direct services at 8% maximum	<u>17,397</u>	<u>19,119</u>	<u>36,516</u>
Total administrative costs	<u>\$ 37,179</u>	<u>\$ 49,102</u>	<u>\$ 86,281</u>

See accompanying notes to supplementary information and independent auditor's report.

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

ANNA BING ARNOLD CHILDREN'S CENTER

Schedule of Expenses by State Categories

For the Fiscal Year Ended June 30, 2017

Reimbursable Expenses	State General Child Care Program (CCTR-6067)	State General Child Care Program (CSPP-6146)	Total
1000 Certified salaries:			
Teacher's salaries	\$ 209,357	\$ 339,768	\$ 549,125
2000 Classified salaries:			
Instructional aides' salaries	101,115	138,322	239,437
Clerical and other office:			
Personnel salaries	17,843	29,039	46,882
Food service personnel salaries	10,974	17,858	28,832
Subtotal	<u>129,932</u>	<u>185,219</u>	<u>315,151</u>
3000 Employee benefits:			
Public employees:			
Post-employment benefits	28,839	47,052	75,891
Old age, survivors, disability, and health insurance	17,793	29,031	46,824
Health and welfare benefits	47,842	78,058	125,900
Workers' compensation insurance	4,402	7,181	11,583
Other benefits	7,202	8,408	15,610
Subtotal	<u>106,078</u>	<u>169,730</u>	<u>275,808</u>
4000 Books, supplies, and equipment:			
Instructional materials and supplies	6,691	9,471	16,162
Subtotal	<u>6,691</u>	<u>9,471</u>	<u>16,162</u>
5000 Services and other operating expenses:			
Contracts for personnel services	62,181	101,454	163,635
Food	31,394	49,103	80,497
Utilities and housekeeping	5,495	7,589	13,084
Other operating expenses	1,814	2,837	4,651
Building supplies/repair and maintenance	4,269	6,966	11,235
Equipment purchase and maintenance	6,865	8,737	15,602
Subtotal	<u>112,018</u>	<u>176,686</u>	<u>288,704</u>
Depreciation expense	4,003	6,261	10,264
Indirect costs	17,950	19,328	37,278
Total Reimbursable Expenses	<u>\$ 586,029</u>	<u>\$ 906,463</u>	<u>\$ 1,492,492</u>

See accompanying notes to supplementary information and independent auditor's report.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER

Schedule of Expenses by State Categories
For the Fiscal Year Ended June 30, 2017

Supplemental Expenses	State General Child Care Program (CCTR-6067)	State General Child Care Program (CSPP-6146)	Total
1000 Certified salaries:			
Teacher's salaries	\$ 23,942	\$ 39,732	\$ 63,674
2000 Classified salaries:			
Instructional aides' salaries	-	-	-
Clerical and other office:			
Personnel salaries	14,701	23,991	38,692
Food service personnel salaries	-	-	-
Subtotal	<u>14,701</u>	<u>23,991</u>	<u>38,692</u>
3000 Employee benefits:			
Public employees:			
Post-employment benefits	3,932	6,416	10,348
Old age, survivors, disability, and health insurance	2,426	3,958	6,384
Health and welfare benefits	6,523	10,644	17,167
Workers' compensation insurance	600	979	1,579
Other benefits	1,318	2,493	3,811
Subtotal	<u>14,799</u>	<u>24,490</u>	<u>39,289</u>
4000 Books, supplies, and equipment:			
Instructional materials and supplies	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
5000 Services and other operating expenses:			
Contracts for personnel services	4,235	6,765	11,000
Travel, conferences, and other	-	-	-
Food	-	-	-
Utilities and housekeeping	-	-	-
Other operating expenses	-	-	-
Building supplies/repair and maintenance	-	-	-
Equipment purchase and maintenance	-	-	-
Subtotal	<u>4,235</u>	<u>6,765</u>	<u>11,000</u>
Depreciation expense	-	-	-
Indirect costs	5,513	8,937	14,450
Total Supplemental Expenses	<u>\$ 63,190</u>	<u>\$ 103,915</u>	<u>\$ 167,105</u>
Total Program Expenses	<u>\$ 649,219</u>	<u>\$ 1,010,378</u>	<u>\$ 1,659,597</u>

See accompanying notes to supplementary information and independent auditor's report.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Schedule of Renovation and Repair Expenditures Utilizing Contract Funds
For the Fiscal Year Ended June 30, 2017

	State General Child Care Program (CCTR-6067)	State General Child Care Program (CSPP-6146)	Total
<u>Expenses Under \$10,000 Unit Cost:</u>			
Item:	\$ -	\$ -	\$ -
Subtotal:	-	-	-
<u>Expenses Over \$10,000 Unit Cost With CDD Approval:</u>			
Item:	-	-	-
Subtotal:	-	-	-
<u>Expenses Over \$10,000 Unit Cost Without CDD Approval:</u>			
Item:	-	-	-
Subtotal:	-	-	-
Total Renovation and Repair Expenditures	\$ -	\$ -	\$ -

See accompanying notes to supplementary information and independent auditor's report.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Schedule of Equipment Expenditures Utilizing Contract Funds
For the Fiscal Year Ended June 30, 2017

	State General Child Care Program (CCTR-6067)	State General Child Care Program (CSPP-6146)	Total
<u>Unit Cost Under \$7,500:</u>			
Item:	\$ -	\$ -	\$ -
Subtotal:	-	-	-
<u>Unit Cost Over \$7,500 With CDD Approval:</u>			
Item:	-	-	-
Subtotal:	-	-	-
<u>Unit Cost Over \$7,500 Without CDD Approval:</u>			
Item:	-	-	-
Subtotal:	-	-	-
Total Equipment Expenditures	\$ -	\$ -	\$ -

See accompanying notes to supplementary information and independent auditor's report.

AUDITED ATTENDANCE AND FISCAL REPORT

for General or Migrant Center-Based Programs

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967

Fiscal Year Ended: June 30, 2017 Contract No. CCTR - 6067

Independent Auditor's Name: Macias, Gini, & O'Connell LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus			-	2.006	-
Full-time	1,292		1,292	1.700	2,196.400
Three-quarters-time	291		291	1.275	371.025
One-half-time	24		24	0.935	22.440
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
One-half-time			-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.652	-
Full-time	2,384		2,384	1.400	3,337.600
Three-quarters-time	289		289	1.050	303.450
On-half-time	7		7	0.770	5.390
<i>Three Years and Older</i>					
Full-time-plus			-	1.180	-
Full-time	553		553	1.000	553.000
Three-quarters-time	131		131	0.750	98.250
One-half-time			-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time			-	1.200	-
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
TOTAL DAYS OF ENROLLMENT	4,971	-	4,971		6,887.555
DAYS OF OPERATION	235		235		
DAYS OF ATTENDANCE	4,958		4,958		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for General or Migrant Center-Based Programs**

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967

Fiscal Year Ended: June 30, 2017 Contract No. CCTR - 6067

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus			-	2.006	-
Full-time	496		496	1.700	843.200
Three-quarters-time			-	1.275	-
One-half-time			-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
One-half-time			-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.652	-
Full-time	2,040		2,040	1.400	2,856.000
Three-quarters-time	108		108	1.050	113.400
On-half-time			-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus			-	1.180	-
Full-time	1,178		1,178	1.000	1,178.000
Three-quarters-time	60		60	0.750	45.000
One-half-time			-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time			-	1.200	-
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
TOTAL DAYS OF ENROLLMENT	3,882	-	3,882		5,035.600

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for General or Migrant Center-Based Programs**

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967

Fiscal Year End: June 30, 2017 Contract No. CCTR - 6067

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$25,575	\$0	\$25,575
County Maintenance of Effort (EC § 8279)	0		0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$25,575	\$0	\$25,575
Transfer from Reserve			0
Family Fees for Certified Children	27,532		27,532
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	197,547	1	197,548
Head Start Program (EC § 8235(b))			0
Other (Specify): CSULA Supports, ASI, IRA, Lottery, & General Fund	121,776	(29,766)	92,010
TOTAL REVENUE	\$372,430	(\$29,765)	\$342,665

SECTION IV - REIMBURSABLE EXPENSES

<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	209,357		209,357
2000 Classified Salaries	129,931	1	129,932
3000 Employee Benefits	106,077	1	106,078
4000 Books and Supplies	6,690	1	6,691
5000 Services and Other Operating Expenses	112,597	(579)	112,018
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (<i>program-related</i>)			0
6500 Replacement Equipment (<i>program-related</i>)			0
Depreciation or Use Allowance	4,661	(658)	4,003
Start-Up Expenses (<i>service level exemption</i>)			0
Budget Impasse Credit			0
Indirect Costs Rate: 3.18% (Rate is Self-Calculating)	17,397	553	17,950
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$586,710	(\$681)	\$586,029
TOTAL ADMINISTRATIVE COSTS (<i>included in section IV above</i>)	\$33,220	\$3,959	\$37,179

FOR CDE-A&I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

YES

NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

Audit adjustments represent accruals recorded after the final attendance and fiscal year report was submitted in July 2017.

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.

**AUDITED ATTENDANCE AND FISCAL REPORT
for General or Migrant Center-Based Programs**

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967

Fiscal Year End: June 30, 2017 Contract No. CCTR - 6067

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION V - SUPPLEMENTAL REVENUE			
Enhancement Funding	\$62,309		\$62,309
Other (Specify): Child Nutrition Program	0		0
Other (Specify): UAS General Fund			0
Other (Specify): Food Program	883	0	883
TOTAL SUPPLEMENTAL REVENUE	\$63,192	\$0	\$63,192

SECTION VI - SUPPLEMENTAL EXPENSES

EXPENSES RELATED TO SUPPLEMENTAL REVENUE			
1000 Certificated Salaries	\$23,941	\$1	\$23,942
2000 Classified Salaries	14,701	0	14,701
3000 Employee Benefits	14,801	(2)	14,799
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	4,235		4,235
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs	4,631		4,631
Other (Specify):			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay	883	(1)	882
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL EXPENSES	\$63,192	(\$2)	\$63,190

COMMENTS - If necessary, attach additional sheets to explain adjustments:

AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967
 Fiscal Year Ended: June 30, 2017 Contract No. CSPP - 6146
 Independent Auditor's Name: Macias, Gini & O'Connell, LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus			-	1.1800	-
Full-time	5,691		5,691	1.0000	5,691.000
Three-quarters-time	903		903	0.7500	677.250
One-half-time	2,060		2,060	0.6196	1,276.376
<i>Exceptional Needs</i>					
Full-time-plus			-	1.4160	-
Full-time	327		327	1.2000	392.400
Three-quarters-time	9		9	0.9000	8.100
One-half-time			-	0.6196	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6196	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6196	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.7700	-
Full-time			-	1.5000	-
Three-quarters-time			-	1.1250	-
One-half-time			-	0.6196	-
TOTAL DAYS OF ENROLLMENT	8,990	-	8,990		8,045.126
DAYS OF OPERATION	235		235		
DAYS OF ATTENDANCE	8,925		8,925		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967

Fiscal Year Ended: June 30, 2017 Contract No. CSPP - 6146

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children.	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.6520	-
Full-time			-	1.4000	-
Three-quarters-time			-	1.0500	-
One-half-time			-	0.7700	-
<i>Three and Four Year Olds</i>					
Full-time-plus			-	1.1800	-
Full-time	5,104		5,104	1.0000	5,104.000
Three-quarters-time	200		200	0.7500	150.000
One-half-time			-	0.6196	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.4160	-
Full-time			-	1.2000	-
Three-quarters-time			-	0.9000	-
One-half-time			-	0.6196	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6196	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6196	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.7700	-
Full-time			-	1.5000	-
Three-quarters-time			-	1.1250	-
One-half-time			-	0.6196	-
TOTAL DAYS OF ENROLLMENT	5,304	-	5,304		5,254.000

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967

Fiscal Year End: June 30, 2017 Contract No. CSPP - 6146

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$39,906	\$147	\$40,053
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$39,906	\$147	\$40,053
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children	25,859		25,859
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	325,787	(1)	325,786
Head Start Program (EC § 8235(b))			0
Other (Specify): CSULA Supports, ASI, IRA, Lottery, & General Fund	185,874	29,766	215,640
Other (Specify):			0
TOTAL REVENUE	\$577,426	\$29,912	\$607,338

SECTION IV - REIMBURSABLE EXPENSES

<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	339,767	1	339,768
2000 Classified Salaries	185,219		185,219
3000 Employee Benefits	169,731	(1)	169,730
4000 Books and Supplies	9,472	(1)	9,471
5000 Services and Other Operating Expenses	170,108	6,578	176,686
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance	7,443	(1,182)	6,261
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 2.19% (Rate is Self-Calculating)	19,117	211	19,328
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$900,857	\$5,606	\$906,463
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$53,059	(\$3,957)	\$49,102

FOR CDE-A&I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

- YES
 NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- YES
 NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

Audit adjustment represent accruals recorded after the final attendance and fiscal year report was submitted in July 2017.

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Cal State L.A. Auxiliary Services, Inc. Vendor No. Q967

Fiscal Year End: June 30, 2017 Contract No. CSPP - 6146

SECTION V - SUPPLEMENTAL REVENUE	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
Enhancement Funding	\$102,559	\$1	\$102,560
Other (Specify): Child Nutrition Program			0
Other (Specify): UAS General Fund			0
Other (Specify): Food Program	1,354	1	1,355
TOTAL SUPPLEMENTAL REVENUE	\$103,913	\$2	\$103,915

SECTION VI - SUPPLEMENTAL EXPENSES

EXPENSES RELATED TO SUPPLEMENTAL REVENUE	COLUMN A	COLUMN B	COLUMN C
1000 Certificated Salaries	\$39,733	(\$1)	\$39,732
2000 Classified Salaries	23,991		23,991
3000 Employee Benefits	24,491	(1)	24,490
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	6,765		6,765
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs	7,579		7,579
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay	1,354	4	1,358
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL EXPENSES	\$103,913	\$2	\$103,915

COMMENTS - If necessary, attach additional sheets to explain adjustments:

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

ANNA BING ARNOLD CHILDREN'S CENTER

Notes to Supplementary Information
For the Fiscal Year Ended June 30, 2017

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal and state awards presents the activity of all federal and state financial assistance programs of the Cal State L.A. University Auxiliary Services, Inc. (UAS) Anna Bing Arnold Children's Center's (the Center).

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards is presented using the accrual basis of accounting.

NOTE 3 – SUPPLEMENTARY SCHEDULES

All supplementary schedules are presented in accordance with the prescribed formats in the *California Department of Education's Audit Guide*.



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Cal State L.A. University Auxiliary Services, Inc.
City of Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cal State L.A. University Auxiliary Services, Inc. (UAS) Anna Bing Arnold Children's Center (the Center), as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the *Audit Guide for Audits of Child Development, Nutrition, and Adult Basic Education Programs* issued by the Department of Education. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Los Angeles, California
November 13, 2017

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

◆ Material weakness(es) identified?

No

◆ Significant deficiencies identified that are not considered to be material weaknesses?

None reported

Noncompliance material to the financial statements noted?

No

Section II Financial Statement Findings

None noted.

Section III State Compliance Findings and Questioned Costs

None noted.

CAL STATE L.A. UNIVERSITY AUXILIARY SERVICES, INC.
ANNA BING ARNOLD CHILDREN'S CENTER
Status of Corrective Actions on Prior Year Findings
For the Fiscal Year Ended June 30, 2017

Section IV Financial Statement Findings

None noted.

Section V State Compliance Findings and Questioned Costs

None noted.