

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

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**June 30, 2020**

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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  
June 30, 2020**

**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 - 9069  
Child Care Food Program: 19-Q967-00-8  
California State Preschool Program: CSPP-9161  
Child Care Access Means Parents in School: P335A180010

**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**

Mr. Tariq Marji  
Cal State L.A. University  
Auxiliary Services, Inc.  
5151 State University Drive  
Los Angeles, California 90032

**6. Telephone Number**

(323) 343-2531

**7. Period Covered by Audit**

July 1, 2019 to June 30, 2020

**8. Number of Days of Agency Operation**

General Child Care and Development - 234 days  
California State Preschool Program - 234 days

**9. Scheduled Hours of Operations Each Day**

Monday through Thursday 7:30 a.m. - 6:00 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.

### 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, 2020, 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, 2020, 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, 2020, the 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. 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 basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information and the accompanying schedule of expenditures of federal and state awards as required by the California Department of Education are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information and schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 and the California Department of Education Audit Guide issued by the California Department of Education. In our opinion, the supplementary information and schedule of expenditures of federal and state awards are 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 February 15, 2021, 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 solely 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 the effectiveness of the Center's 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.

A handwritten signature in black ink that reads "CohnReznick LLP".

Los Angeles, California  
February 15, 2021

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

**Statement of Net Position  
June 30, 2020**

Assets	
Cash and cash equivalents	\$ -
Grants receivable	352,104
Capital assets, net	<u>72,845</u>
Total assets	<u>424,949</u>
Liabilities	
Accounts payable	9,502
Accrued expenses	56,704
Due to other funds	54,749
Due to other funds of Cal State L.A. University Auxiliary Service, Inc.	<u>303,994</u>
Total liabilities	<u>424,949</u>
Net position	
Unrestricted	<u><u>\$ -</u></u>

See Notes to Financial Statements.

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

**Statement of Revenue, Expenses and Changes in Net Position  
Year Ended June 30, 2020**

Operating revenues	
Grants and contracts	
State assistance	
Child Development Programs (CCTR-9069)	\$ 350,998
State Preschool Program (CSPP-9161)	396,099
Federal government assistance	
Child Care and Development Block Grant (CCTR-9069 & CSPP-9161)	36,945
Child Care and Development Fund (CCTR-9069 & CSPP-9161)	80,369
Child Care Access Means Parents in School (P335A180010)	329,902
Child Care Food Program (19-Q967-00-8)	44,256
Other revenue	
Associated student fees	140,781
Parent fees	
Certified children (CCTR-9069)	19,586
Certified children (CSPP-9161)	27,630
Non-certified children	373,245
	1,799,811
	1,799,811
Operating expenses	
Certified salaries - teachers	703,741
Classified salaries	
Instructional aides	310,813
Clerical	93,195
Food services	34,015
Employee benefits	410,310
Contractual services	139,204
Building supplies/repairs and maintenance	42,502
Food services	61,358
Family fee reimbursements	12,805
Indirect costs	83,005
Utilities	16,517
Equipment purchase and maintenance	12,965
Depreciation expense	18,482
Classroom supplies	6,919
Other expenses	17,865
	1,963,696
	1,963,696
Operating loss	(163,885)
Nonoperating revenues	
California State University allocation	168,248
	168,248
Change in net position before transfers	4,363
Transfer to Cal State L.A. University Auxiliary Services, Inc.	(4,363)
	-
Change in net position	-
Net position, beginning of year	-
	-
Net position, end of year	\$ -

See Notes to Financial Statements.

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

**Statement of Cash Flows  
Year Ended June 30, 2020**

Cash flows from operating activities	
Government grants and contracts	\$ 547,591
State and local grants and contracts	454,756
Payments to suppliers	(345,385)
Payments to employees	(1,578,399)
Other receipts	561,240
	<hr/>
Net cash used for operating activities	(360,197)
	<hr/>
Cash flows from noncapital financing activities	
Transfer to Cal State L.A. University Auxiliary Services, Inc.	(4,363)
Other fund allocation	54,749
California State University allocation	168,248
	<hr/>
Net cash provided by noncapital financing activities	218,634
	<hr/>
Net decrease in cash and cash equivalents	(141,563)
Cash and cash equivalents - beginning of year	141,563
	<hr/>
Cash and cash equivalents - end of year	<u><u>\$ -</u></u>
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	\$ (163,885)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	18,482
Changes in assets and liabilities	
Grants receivable	(245,144)
Accounts payable	(29,056)
Accrued expenses	(26,325)
Due to other funds of Cal State L.A. University Auxiliary Services, Inc.	85,731
	<hr/>
Net cash used for operating activities	<u><u>\$ (360,197)</u></u>

See Notes to Financial Statements.



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

**Notes to Financial Statements  
June 30, 2020**

**Note 1 - Organization**

The Anna Bing Arnold Children's Center of Cal State Los Angeles University Auxiliary Services, Inc. ("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 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 accompanying basic financial statements of the Center have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB"), the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As a component unit of a public institution, the Center has presented its basic financial statements using the reporting model for special purpose governments engaged only in business-type activities in accordance with GASB Statements No. 34 and 35.

The Center operates as a business enterprise 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 and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Center's enterprise fund are grants and contracts, campus program revenue and revenue from auxiliary activities. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Cash and cash equivalents**

Cash and cash equivalents consist primarily of cash on hand, demand deposits, and money market accounts.

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

**Notes to Financial Statements  
June 30, 2020**

**Grants receivable**

Grants receivable consists of amounts due from grants and contracts. Annually, a review of open receivables is conducted to determine collectability 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 expenses 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 the 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, 2020, the amount due back to UAS is \$303,994.

**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.

**Income taxes**

UAS is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Center has no unrecognized tax benefits at June 30, 2020. UAS's federal and state income tax returns prior to 2017 and 2016, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Center recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accrued expenses in the statements of financial position.

**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**

**Cash in bank**

The California Government Code requires California banks and savings and loan associations to secure UAS' 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

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

**Notes to Financial Statements  
June 30, 2020**

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% of all deposits not covered by federal deposit insurance if obligations of the United States 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% 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.

At June 30, 2020, cash held by financial institutions for UAS was entirely insured and collateralized as described above. The book balance at June 30, 2020 for the Center was \$0.

**Note 4 - Grants receivable**

At June 30, 2020, grants receivable consisted of a receivable from the California Department of Education - Child Development, Preschool Programs and Food Programs in the amount of \$230,366 and a receivable from the U.S. Department of Education - Child Care Access Means Parents in School in the amount of \$121,738.

**Note 5 - Capital assets**

The capital assets balance at June 30, 2020 consisted of the following activity:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, depreciable				
Improvements	\$ 139,529	\$ -	\$ -	\$ 139,529
Furniture, fixtures and equipment	54,778	-	-	54,778
Total depreciable capital assets	194,307	-	-	194,307
Less: accumulated depreciation				
Improvements	(70,688)	(18,482)	-	(89,170)
Furniture, fixtures and equipment	(32,292)	-	-	(32,292)
Total accumulated depreciation	(102,980)	(18,482)	-	(121,462)
Capital assets - net	<u>\$ 91,327</u>	<u>\$ (18,482)</u>	<u>\$ -</u>	<u>\$ 72,845</u>

Depreciation expense for the year ended June 30, 2020 is \$18,482.

**Note 6 - Related parties**

For the year ended June 30, 2020, the Center received \$168,248 from the University for general support of the childcare programs that benefit the faculty and staff of the University. Associated Students of California State University, Los Angeles, Inc. also provided \$140,781 in the year ended June 30, 2020, 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  
June 30, 2020**

**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 21 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% 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 year ended June 30, 2020, were \$383,240, of which \$50,431 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 year ended June 30, 2020, were \$229,001, of which \$30,039 was contributed by UAS on behalf of the Center's employees.

**Note 8 - Other postemployment healthcare benefits (OPEB) plan**

UAS offers an Other Postemployment Healthcare Benefit ("OPEB") Plan, an agent multiple-employer defined benefit healthcare plan administered by CSU Auxiliaries Multiple Employer VEBA Trust (the "Trust"). UAS issues a publicly available financial report that includes complete disclosures and required supplementary information for the OPEB Plan. The report may be obtained from UAS, 5151 State University Drive, Golden Eagle Building Room 314, Los Angeles, CA 90032.

**Note 9 - Commitments and contingencies**

**Coronavirus**

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported. On March 11, 2020, the World Health Organization declared the COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closures. As a result of mandates issued by government officials, the campus of California State University, Los Angeles transitioned to virtual learning and programming in late March 2020. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of this disruption. Therefore, while the Center expects this matter to continue to temporarily impact the Center's financial condition, the extent of the financial impact and duration cannot be reasonably estimated at this time.

## **Supplementary Information**

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

**Schedule of Expenditures of Federal and State Awards  
Year Ended June 30, 2020**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Program or award amount</u>	<u>Expenditures</u>
Federal Awards:				
U.S. Department of Agriculture Food and Nutrition Service Passed through the State of California Department of Education Child and Adult Care Food Program	10.558	19-Q967-00-8	\$ 112,706	\$ 44,256
U.S. Department of Education Office of Postsecondary Education Passed through the State of California Department of Education Child Care Access Means Parents in School (CCAMPIS)	84.335A	P335A180010	480,412	290,244
U.S. Department of Health and Human Services Administration for Children and Families Passed through the State of California Department of Education CCDF Cluster				
General Child Care and Development Fund	93.575/93.596	CCTR-9069	112,395	112,395
Preschool Child Care	93.575/93.596	CSPP-9161	<u>47,532</u>	<u>47,532</u>
Subtotal U.S. Department of Health and Human Services and CCDF Cluster			<u>159,927</u>	<u>159,927</u>
Total expenditures and federal awards			<u>753,045</u>	<u>494,427</u>
State of California				
Child Development Services:				
General Child Care and Development Fund		CCTR-9069	473,381	355,917
Preschool Child Care		CSPP-9161	<u>348,568</u>	<u>348,568</u>
Total expenditures of state awards			<u>821,949</u>	<u>704,485</u>
Total expenditures of federal and state awards			<u>\$ 1,574,994</u>	<u>\$ 1,198,912</u>

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

**Combining Statement of Activities  
Year Ended June 30, 2020**

	General Child Care Program (CCTR-9069)	California State Preschool Program (CSPP-9161)	Total
Revenue and Support:			
Government contracts			
Child Care and Development Programs	\$ 468,312	\$ 396,099	\$ 864,411
Child Care Food Program	16,705	27,551	44,256
Child Care ACCESS Means Parents in School	109,071	220,831	329,902
Parent fees - certified children	19,586	27,630	47,216
Parent fees - non-certified children	136,104	237,141	373,245
Associated students supports	52,792	87,989	140,781
California State University support	63,101	105,147	168,248
Total revenue	865,671	1,102,388	1,968,059
Expenses:			
Salaries	429,750	712,014	1,141,764
Employee benefits	174,283	236,027	410,310
Instructional materials and supplies	2,528	4,391	6,919
Contracts for personnel services	58,753	80,451	139,204
Food	26,292	35,066	61,358
Utilities and housekeeping	7,267	9,250	16,517
Other operating expenses	13,928	18,188	32,116
Building supplies/repair and maintenance	18,019	24,483	42,502
Equipment purchase and maintenance	5,575	7,390	12,965
Depreciation expense	7,947	10,535	18,482
Indirect costs	40,656	40,903	81,559
Total expenses	784,998	1,178,698	1,963,696
Change in net position	\$ 80,673	\$ (76,310)	\$ 4,363

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

**Schedule of Administrative Costs  
Year Ended June 30, 2020**

	General Child Care Program (CCTR-9069)	California State Preschool Program (CSPP-9161)	Total
Contractual services	\$ 24,924	\$ 15,276	\$ 40,200
Classified salaries	4,213	2,371	6,584
Certified salaries - Teachers	3,221	1,797	5,018
<b>Total</b>	<b>\$ 32,358</b>	<b>\$ 19,444</b>	<b>\$ 51,802</b>
Indirect costs			
Other related child care costs, direct services at 8% maximum	\$ 34,020	\$ 29,135	\$ 63,155
<b>Total expenses</b>	<b>\$ 66,378</b>	<b>\$ 48,579</b>	<b>\$ 114,957</b>



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

**Schedule of Expenses by State Categories  
Year Ended June 30, 2020**

Reimbursable Expenses	General Child Care Program (CCTR-9069)	California State Preschool Program (CSPP-9161)	Total
1000 Certified salaries			
Teacher's salaries	\$ 215,885	\$ 361,064	\$ 576,949
2000 Classified salaries			
Instructional aides' salaries	117,874	192,939	310,813
Clerical and other office			
Personnel salaries	20,101	34,253	54,354
Food service personnel salaries	11,150	18,010	29,160
Subtotal	149,125	245,202	394,327
3000 Employee benefits			
Public employees			
Post-employment benefits	43,186	57,600	100,786
Old age, survivors, disability, and health insurance	24,270	32,370	56,640
Health and welfare benefits	46,845	62,510	109,355
Workers' compensation insurance	4,174	5,570	9,744
Other benefits	32,442	43,266	75,708
Subtotal	150,917	201,316	352,233
4000 Books, supplies, and equipment			
Instructional materials and supplies	2,528	4,391	6,919
Subtotal	2,528	4,391	6,919
5000 Services and other operating expenses			
Contracts for personnel services	54,354	73,850	128,204
Food	26,292	35,066	61,358
Utilities and housekeeping	7,267	9,250	16,517
Other operating expenses	8,104	9,761	17,865
Building supplies/repairs and maintenance	18,019	24,483	42,502
Equipment purchase and maintenance	5,575	7,390	12,965
Subtotal	119,611	159,800	279,411
Depreciation Expense	7,947	10,535	18,482
Indirect costs	34,020	29,135	63,155
Total Reimbursable Expenses	\$ 680,033	\$ 1,011,443	\$ 1,691,476

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

**Schedule of Expenses by State Categories  
Year Ended June 30, 2020**

Supplemental expenses	General Child Care Program (CCTR-9069)	California State Preschool Program (CSPP-9161)	Total
1000 Certified salaries			
Teacher's salaries	\$ 48,459	\$ 78,333	\$ 126,792
2000 Classified salaries			
Instructional aides' salaries	-	-	-
Clerical and other office Personnel salaries	14,630	24,211	38,841
Food service personnel salaries	1,651	3,204	4,855
Subtotal	<u>16,281</u>	<u>27,415</u>	<u>43,696</u>
3000 Employee benefits			
Public employees			
Post-employment benefits	6,687	9,932	16,619
Old age, survivors, disability, and health insurance	3,758	5,581	9,339
Health and welfare benefits	7,254	10,778	18,032
Workers' compensation insurance	646	960	1,606
Other benefits	5,021	7,460	12,481
Subtotal	<u>23,366</u>	<u>34,711</u>	<u>58,077</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	9,445	14,360	23,805
Food	-	-	-
Utilities and housekeeping	-	-	-
Other operating expenses	-	-	-
Building supplies/repairs and maintenance	-	-	-
Equipment purchase and maintenance	-	-	-
Subtotal	<u>9,445</u>	<u>14,360</u>	<u>23,805</u>
Depreciation Expense	-	-	-
Indirect costs	7,414	12,436	19,850
Total Supplemental Expenses	<u>104,965</u>	<u>167,255</u>	<u>272,220</u>
Total Program Expenses	<u>\$ 784,998</u>	<u>\$ 1,178,698</u>	<u>\$ 1,963,696</u>

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

**Schedule of Renovation and Repair Expenditures Utilizing Contract Funds  
Year Ended June 30, 2020**

	General Child Care Program (CTTR-9069)	California State Preschool Program (CSPP-9161)	Total
Expenses Under \$10,000 Unit Cost Item	\$ -	\$ -	\$ -
Subtotal	-	-	-
Expenses Over \$10,000 Unit Cost With CDD Approval Item	-	-	-
Subtotal	-	-	-
Expenses Over \$10,000 Unit Cost Without CDD Approval Item	-	-	-
Subtotal	-	-	-
Total Renovation and Repair Expenditures	\$ -	\$ -	\$ -

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

**Schedule of Equipment Expenditures Utilizing Contract Funds  
Year Ended June 30, 2020**

	General Child Care Program (CCTR-9069)	California State Preschool Program (CSPP-9161)	Total
Unit Cost Under \$7,500 Item	\$ -	\$ -	\$ -
Subtotal	-	-	-
Unit Cost Over \$7,500 With CDD Approval Item	-	-	-
Subtotal	-	-	-
Unit Cost Over \$7,500 Without CDD Approval Item	-	-	-
Subtotal	-	-	-
Total Equipment Expenditures	\$ -	\$ -	\$ -

# California Department of Education Audited Attendance and Fiscal Report for Child Development Programs

Fiscal Year Ending **June 30, 2020**

Contract Number **CCTR-9069**

Vendor Code **Q967**

A U D 9500 Page 1 of 8

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

## Section 1 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.8792	0
Infants (up to 18 months) Full-time	1,985		1,985	2.4400	4,843.4
Infants (up to 18 months) Three-quarters-time	40		40	1.8300	73.2
Infants (up to 18 months) One-half-time	749		749	1.3420	1,005.158
Toddlers (18 up to 36 months) Full-time-plus	151		151	2.1240	320.724
Toddlers (18 up to 36 months) Full-time	1,956		1,956	1.8000	3,520.8
Toddlers (18 up to 36 months) Three-quarters-time	35		35	1.3500	47.25
Toddlers (18 up to 36 months) One-half-time	11		11	0.9900	10.89
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	159		159	1.0000	159
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.5500	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 1 - Days of Enrollment Certified Children (continued)**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>5,086</b>		<b>5,086</b>	<b>N/A</b>	<b>9,980.422</b>
<b>DAYS OF OPERATION</b>	<b>234</b>		<b>234</b>	<b>N/A</b>	<b>N/A</b>
<b>DAYS OF ATTENDANCE</b>	<b>5,060</b>		<b>5,060</b>	<b>N/A</b>	<b>N/A</b>

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-4) and continue to Revenue Section on page 5.

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 2 - Days of Enrollment Non-Certified Children**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.8792	0
Infants (up to 18 months) Full-time	465		465	2.4400	1,134.6
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time	1,555		1,555	1.8000	2,799
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	305		305	1.0000	305
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.5500	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 2 - Days of Enrollment Non-Certified Children (continued)**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>	<b>2,325</b>		<b>2,325</b>	<b>N/A</b>	<b>4,238.6</b>



Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 3 - Revenue**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	16,705		16,705
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
<b>Restricted Income - Subtotal</b>	<b>16,705</b>		<b>16,705</b>
Transfer From Reserve			
Family Fees for Certified Children	19,586		19,586
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	136,104		136,104
Unrestricted Income - Head Start			
Unrestricted Income - Other: ASI;Lottery;General Fund;IRA	115,893		115,893
<b>Total Revenue</b>	<b>288,288</b>		<b>288,288</b>

Comments:

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 4 - Reimbursable Expenses**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	215,886	-1	215,885
2000 Classified Salaries	149,124	1	149,125
3000 Employee Benefits	129,436	21,481	150,917
4000 Books and Supplies	2,529	-1	2,528
5000 Services and Other Operating Expenses	90,232	29,379	119,611
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	6,930	1,017	7,947
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	34,020		34,020
Non-Reimbursable (State use only)			
<b>Total Reimbursable Expenses</b>	<b>628,157</b>	<b>51,876</b>	<b>680,033</b>
Total Administrative Cost (included in Section 4 above)	38,188	15,276	53,464
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 5 - Supplemental Revenue**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding	109,071	-4,106	104,965
Other:			
Other:			
<b>Total Supplemental Revenue</b>	<b>109,071</b>	<b>-4,106</b>	<b>104,965</b>

**Section 6 - Supplemental Expenses**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	48,459		48,459
2000 Classified Salaries	16,280	1	16,281
3000 Employee Benefits	27,299	-3,933	23,366
4000 Books and Supplies			
5000 Services and Other Operating Expenses	9,445		9,445
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs	7,588	-174	7,414
Non-Reimbursable Supplemental Expenses			
<b>Total Supplemental Expenses</b>	<b>109,071</b>	<b>-4,106</b>	<b>104,965</b>

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 7 - Summary**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	5,086		5,086
Days of Operation	234		234
Days of Attendance	5,060		5,060
Restricted Program Income	16,705		16,705
Transfer from Reserve			
Family Fees for Certified Children	19,586		19,586
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	628,157	51,876	680,033
Total Administrative Cost	38,188	15,276	53,464
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment **9,980.422**      Total Non-Certified Adjusted Days of Enrollment **4,238.6**

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): **YES**

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): **YES**

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

**California Department of Education  
Audited Attendance and Fiscal Report for  
California State Preschool Programs**

A U D 8501 Page 1 of 8

Fiscal Year Ending **June 30, 2020**

Contract Number **CSPP-9161**

Vendor Code **Q967**

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 1 - Days of Enrollment Certified Children**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	7,881		7,881	1.0000	7,881
Three Years and Older Three-quarters-time	235		235	0.7500	176.25
Three Years and Older One-half-time	815		815	0.6193	504.7295
Exceptional Needs Full-time-plus	18		18	1.8172	32.7096
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time	29		29	1.1550	33.495
Exceptional Needs One-half-time				0.9537	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 1 - Days of Enrollment Certified Children (continued)**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>8,978</b>		<b>8,978</b>	N/A	<b>8,628.1841</b>
<b>DAYS OF OPERATION</b>	<b>234</b>		<b>234</b>	N/A	N/A
<b>DAYS OF ATTENDANCE</b>	<b>8,927</b>		<b>8,927</b>	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Revenue Section on page 5.

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 2 - Days of Enrollment Non-Certified Children**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time			1,555	1.8000	2,799
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	4,259		305	1.0000	305
Three Years and Older Three-quarters-time	44			0.7500	0
Three Years and Older One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 2 - Days of Enrollment Non-Certified Children (continued)**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>	<b>4,303</b>		<b>4,303</b>	<b>N/A</b>	<b>4,292</b>



Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 3 - Revenue**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	28,854	-1,303	27,551
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
<b>Restricted Income - Subtotal</b>	<b>28,854</b>	<b>-1,303</b>	<b>27,551</b>
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
<b>Transfer from Reserve Total</b>			
Family Fees for Certified Children	27,630		27,630
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	237,141		237,141
Unrestricted Income - Head Start			
Unrestricted Income - Other: ASI;Lottery;General Fund;IRA	193,116	20	193,136
<b>Total Revenue</b>	<b>486,741</b>	<b>-1,283</b>	<b>485,458</b>

Comments:

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 4 - Reimbursable Expenses**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	361,064		361,064
2000 Classified Salaries	245,203	-1	245,202
3000 Employee Benefits	208,410	-7,094	201,316
4000 Books and Supplies	4,390	1	4,391
5000 Services and Other Operating Expenses	150,213	9,587	159,800
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	11,552	-1,017	10,535
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	29,135		29,135
Non-Reimbursable (State use only)			
<b>Total Reimbursable Expenses</b>	<b>1,009,967</b>	<b>1,476</b>	<b>1,011,443</b>
Total Administrative Cost (included in Section 4 above)	36,569	24,924	61,493
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 5 - Supplemental Revenue**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding	178,001	-10,746	167,255
Other:			
Other:			
<b>Total Supplemental Revenue</b>	<b>178,001</b>	<b>-10,746</b>	<b>167,255</b>

**Section 6 - Supplemental Expenses**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	78,333		78,333
2000 Classified Salaries	27,416	-1	27,415
3000 Employee Benefits	45,165	-10,454	34,711
4000 Books and Supplies			
5000 Services and Other Operating Expenses	14,360		14,360
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs	12,727	-291	12,436
Non-Reimbursable Supplemental Expenses			
<b>Total Supplemental Expenses</b>	<b>178,001</b>	<b>-10,746</b>	<b>167,255</b>

Full Name of Contractor **CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.**

**Section 7 - Summary**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	8,978		8,978
Days of Operation	234		234
Days of Attendance	8,927		8,927
Restricted Program Income	28,854	-1,303	27,551
Transfer from Reserve			
Family Fees for Certified Children	27,630		27,630
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	1,009,967	1,476	1,011,443
Total Administrative Cost	36,569	24,924	61,493
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment **8,628.1841**

Total Non-Certified Adjusted Days of Enrollment **4,292**

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): **YES**

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): **YES**

Include any comments in the comments box on page 5. 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  
June 30, 2020**

**Note 1 - General**

The accompanying schedule of expenditures of federal and state awards presents the activity of all federal and state award programs of the Center.

**Note 2 - Basis of accounting**

The accompanying schedule of expenditures of federal and state awards is prepared on the accrual basis of accounting in conformity with GAAP as described in the notes to the financial statements.

**Note 3 - Supplementary schedules**

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

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 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, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated February 15, 2021.

*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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 financial statements. 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 entity'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.

*CohnReznick LLP*

Los Angeles, California  
February 15, 2021

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

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020

**Section I - Summary of Auditor's Results**

**Financial Statements**

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

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No

None reported

Noncompliance material to the financial statements noted?

No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - State Compliance Findings and Questioned Costs**

No matters were reported.





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