

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY,
FULLERTON, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2017

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CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
GENERAL INFORMATION

JUNE 30, 2017

Official Name	Children's Center Associated Students California State University, Fullerton, Inc.
Contract Number	CCTR - 6154 CSPP - 6310
Child Care & Dev Program Number	30-B841-00-6
State Preschool Program Number	30-B841-00-6
Type of Agency	A nonprofit corporation
Address	800 N. State College Boulevard Fullerton, CA 92834
Name and Address of Chief Executive Officer	Dr. Dave Edwards Executive Director Associated Students California State University, Fullerton, Inc. 800 N. State College Boulevard Fullerton, CA 92834
Telephone Number	(714) 278-2401
Period Covered by the Examination	July 1, 2016 thru June 30, 2017
Number of Days of Operation of Agency	229 Days
Scheduled Hours of Operation Each Day	Monday through Thursday, 7:30 a.m. - 7:00 p.m. Friday, 7:30 a.m. - 5:15 p.m.

Guzman & Gray

Certified Public Accountants

4510 East Pacific Coast Highway, Suite 270
Long Beach, California 90804
(562) 498-0997 Fax: (562) 597-7359

Mark Gray, C.P.A.
Patrick S. Guzman, C.P.A.

INDEPENDENT AUDITORS' REPORT

To Management and the Board of Directors
Associated Students
California State University, Fullerton
Fullerton, California

Report on Financial Statements

We have audited the accompanying financial statement of Children's Center, Associated Students, California State University, Fullerton, Inc., (the "Center") (a nonprofit organization) which comprise the financial position as of June 30, 2017, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' 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.

Auditors' Responsibility (Continued)

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

Opinion

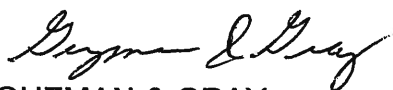
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in schedules on pages 16-36 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in conformity with the CDE Audit Guide issued by the California Department of Education, 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 10, 2017, on our consideration of the Center's internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.



GUZMAN & GRAY
Long Beach, CA
November 10, 2017

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

ASSETS

Receivable from Associated Students, Inc.	\$ 130,400
Accounts receivable from daycare fees	<u>12,360</u>
Total Assets	<u><u>142,760</u></u>

LIABILITIES

Payable to State of California - Department of Education	\$ 31,686
Deferred Revenue	24,722
Payable to Associated Students, Inc.	<u>86,352</u>
Total Liabilities	<u>142,760</u>
Total Net Assets	<u>NONE</u>
Total Liabilities and Net Assets	<u><u>\$ 142,760</u></u>

See independent auditors' report and accompanying notes to the financial statements

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2017

	<u>Child Development Program</u>	<u>Child Program Care Food</u>	<u>Total</u>
REVENUE			
State apportionments	\$ 358,551		\$ 358,551
Restricted income:			
Federal assistance		\$ 41,555	41,555
Subsidized parent fees	35,438		35,438
Unrestricted income:			
Associated Students fees	823,257		823,257
Non subsidized parent fees	657,881		657,881
California State University allocation	54,780		54,780
Other Contract	31		31
Contributions	5,000		5,000
Total Revenue	<u>1,934,938</u>	<u>41,555</u>	<u>1,976,493</u>
EXPENSES			
Certified salaries:			
Teachers	458,737		458,737
Directors	158,424		158,424
Classified salaries:			
Assistant teachers	430,884		430,884
Clerical and other office personnel	89,567		89,567
Food service and groundskeeper	10,197	57,833	68,030
Employee benefits	363,566		363,566
Instructional supplies	19,200		19,200
Other supplies	20,000		20,000
Food services:			
Food		42,000	42,000
Travel, conference and other expenses	19,399		19,399
Insurance	14,814		14,814
Utilities	25,201		25,201
Building repair and maintenance	177,019		177,019
Audit fees	3,300		3,300
Total Expenses	<u>1,790,308</u>	<u>99,833</u>	<u>1,890,141</u>
INCREASE (DECREASE) IN NET ASSETS	144,630	(58,278)	86,352
FUND TRANSFERS - TRANSFER FROM (TO) THE GENERAL FUND OF ASSOCIATED STUDENTS	\$ (144,630)	\$ 58,278	\$ (86,352)
NET INCREASE IN NET ASSETS	NONE	NONE	NONE
NET ASSETS, BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
NET ASSETS, END OF YEAR	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

See independent auditors' report and accompanying notes to the financial statements

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 86,352
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities:	
(Increase) decrease in assets:	
Accounts receivable from State of California -	
Accounts receivable from Associated Students, Inc.	(101,092)
Increase (decrease) in liabilities:	
Accounts payable to State of California	31,686
Deferred revenue	24,722
Accounts payable to Associated Students	41,660
Net cash provided by operating activities	<u>86,352</u>
TRANSFER TO OTHER FUNDS	
TRANSFER FROM THE GENERAL FUND OF ASSOCIATED STUDENTS	<u>\$ (86,352)</u>
NET DECREASE IN CASH	
CASH AT BEGINNING OF YEAR	<u>NONE</u>
CASH AT END OF YEAR	<u>NONE</u>
INTEREST PAID	<u>NONE</u>
INCOME TAXES PAID	<u>NONE</u>

See independent auditors' report and accompanying notes to the financial statements

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

JUNE 30, 2017

NOTE 1 – ORGANIZATION

The Children's Center, Associated Students, California State University, Fullerton, Inc. (the "Center") is a licensed program operated by the Associated Students, California State University, Fullerton, Inc. (the "Associated Students"), a nonprofit, auxiliary organization of California State University, Fullerton, (the "University"). The Center's main function is to provide child care services for students, faculty, and staff of the University. The assets and liabilities of the Center are held by the Associated Students in a sub-fund of its General Operations Accounts. All expenditures of the Center which are not reimbursed by the State of California are assumed by the Associated Students. At year-end, the excess (or deficiency) of revenue over expenses of the Center is transferred (to) or from the Associated Students' General Operations Account.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation

The financial statements presented reflect only the accounts and financial transactions of the Center. They do not present the financial position, results of operations or cash flows of the Associated Students.

Basis of Presentation

The Center reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of each of these net assets is as follows:

- *Unrestricted net assets* – Unrestricted net assets represent net assets that are not subject to donor-imposed restrictions and that may be expendable for any purpose in performing the primary objectives of the organization.
- *Temporarily restricted net assets* – Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.
- *Permanently restricted net assets* – Permanently restricted net assets are utilized to record resources received that are permanently restricted as to use by the donor or grantor. The Center does not currently have any such resources as previous restrictions currently do not meet the criteria for permanently restricted net assets.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Revenue.

The Center receives a major portion of its revenues in the form of federal and state grants or contracts for program operations. To ensure observance of limitations and restrictions placed on the use of resources available to The Center, the accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with their nature and purpose. Separate accounts are maintained for each fund.

Contributions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recorded as contributions when received at the net present value of the amounts expected to be collected. If they are expected to be received after one year, they are discounted using a risk-free rate applicable to the years in which the promises are received. At June 30, 2017, no contributions were recorded as a receivable.

Donations-In-Kind and Contributed Services.

Donations-In-Kind used in the programs administered by The Center are recorded at fair value at the date of donation as unrestricted support and revenue unless the use of such contributed assets is limited by donor-imposed restrictions.

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets, or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills. Contributed services, reflected in the accompanying financial statement, include space donation.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent obligations at the date of the financial statements and accompanying notes.

Cash and Cash Equivalents

All highly-liquid debt instruments purchased with original maturities of three months or less are considered to be cash equivalents.

Accounts Receivable

No allowance for bad debts has been established since management feels all accounts receivable are collectible.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment, Furniture and Fixtures

The equipment, furniture, and fixtures utilized in the operation of the Center are not reflected in the accompanying financial statements or in the Center's accounts because such assets are owned either by the State of California or the Associated Students.

Deferred Revenue

Certain revenues are received during the year for activities to be held in the next fiscal year. These revenues are deferred into the next years' operations. Deferred revenue at the year ended June 30, 2017 was \$24,722.

Indirect Costs

The Associated Students has elected to absorb certain indirect, reimbursable costs such as depreciation expense and accounting services; consequently, such costs have not been allocated to the Center.

Functional Expense

The Associated Students considers all expenses of the Children's Center as program expenses.

Income Taxes

The Center files a consolidated income tax return with the Associated Students which has obtained exemption from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding sections of the California Revenue and Taxation Code. Accordingly, no provision is made for Federal or State income taxes. The Associated Students is classified by the Internal Revenue Service as "other than a private foundation".

Reporting of Subsequent Events

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through November 10, 2017, the date the financial statements were available to issue.

Reconciliation of CDE and GAAP Expense Reporting.

The supplementary Combining Statement of Activities and basic financial statements present financial data in conformity with GAAP. The other supplementary financial data presented in the audit, including data in the Schedule of Expenditures by State Categories, present expenditures according to CDE reporting requirements. However, reporting differences arise because CDE contract funds must be expended during the contract period (usually one year). For example, program amounts that are capitalized and depreciated over multiple years under GAAP are expensed in the contract period under CDE requirements. To address such reporting differences, the audit report includes a Reconciliation of CDE and GAAP Expense Reporting.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

JUNE 30, 2017

NOTE 3 – PENSION PLAN

All permanent full-time employees of the Centers are covered by the California Public Employees Retirement System ("CAPERS") multi-employer defined benefit plan. Pension payments for Centers full-time employees are administered by the Associated Students. The plan calls for benefits to be paid to eligible employees at retirement based primarily upon years of service with the Centers and compensation rates near retirement. The Centers' funding policy is to make the minimum annual contributions required by applicable regulations. Contributions to the plan reflect benefits attributed to employees' services to date, as well as services expected to be earned in the future. The Centers' policy is to fund pension costs as accrued.

For the year ended June 30, 2017, total pension expense recognized was \$1,071,898.

As of the year ended June 30, 2005 the Associated Students plan was required to participate in a risk pool in which the assets contributed by one employer may be used to provide benefits to employees of other employers that participate. Therefore, the assets contributed by an employer are not segregated in a separate account or restricted to pay benefits only to that employer's employees.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Associated Students leases the Titan Student Union, Student Recreation Center and Children's Center facilities from the State of California (the "State") and acts as its operator under a lease in effect through June 30, 2025. Rent is not charged to the Associated Students. The Associated Students directly reimburses the State for utility and certain other costs.

For the years ended June 30, 2017, receivable include \$130,400 due from the Associated Students and payable include \$86,352 due to the Associated Students.

NOTE 5 – COST ALLOCATION PLAN

The Center updates its cost allocation plan annually and obtains approval from its Board of Directors through the budget processing. There is no indirect cost applicable to the Center. The Center allocates its costs based on the relative benefits received by the programs or activities. Accordingly, the organization applies several methods for allocating costs:

Direct Costs. Costs identified 100 percent to a specific program are charged directly to that program.

Shared Direct Costs. Costs identified to specific multiple programs or activities are shared between the programs benefitting. All programs share all resources, as such costs are allocated by the attendance ratios between those programs.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

JUNE 30, 2017

NOTE 6 – POST RETIREMENT BENEFITS

The Associated Students sponsors a post retirement benefit plan which allows for employees of the Associated Students and Titan Student Centers, who retire in accordance with the Associated Students requirements and are enrolled in the Associated Students' health plan, may continue to be eligible in retirement for a medical benefit provided by the Associated Students' health plan.

As of June 30, 1998 the Associated Students created a trust to serve as a funding vehicle for post retirement benefits and funded the trust to the extent of their liability.

Obligations and Funded Status:

For the year ended June 30, 2017, the obligations and funded status of the post retirement benefits are as follows:

Obligations and Funded Status:

For the year ended June 30, 2017, the obligations and funded status of the post retirement benefits are as follows:

APBO	
Retirees	\$ 1,476,724
Fully eligible actives	295,847
Other eligible actives	580,775
Total	<u>2,353,346</u>
Less: fair value of assets	<u>(1,770,102)</u>
Unfunded APBO	583,244
Unrecognized (gains)/loss	<u>(527,451)</u>
Accrued/(prepaid) post retirement benefit cost	<u>\$ (55,793)</u>
Fair value of assets	\$ 1,770,102
Accumulated benefit obligation	2,353,346
Accrued/(prepaid) post retirement benefit cost	(55,793)
Net periodic post retirement cost	85,473

For the year ended June 30, 2017, the following assumptions were used to determine the net periodic benefit cost:

Discount rate	4.00%
Expected return on plan assets	6.00%
Rate of compensation increase	3.00%

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

JUNE 30, 2017

NOTE 6 – POST RETIREMENT BENEFITS (Continued)

Assumptions:

For measurement purposes, a 4.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for the fiscal years ended June 30, 2017. The medical cost trend rate assumption is expected to decrease each year thereafter until for the year beginning July 1, 2022 and thereafter the medical cost trend rate is assumed to be the same as Consumer Price Index Increases. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care cost trend rates by 1% would increase the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the year ended June 30, 2017 by \$3,916.

Plan Assets:

The Organization's post retirement plan weighted-average asset allocations as of June 30, 2017, by asset category are as follows:

Money market	1%
Equity securities	55%
Debt securities	35%
Mutual funds	9%
	<hr/>
Total	<u>100%</u>

The Organization's investment strategy is based on an expectation that equity securities will outperform debt securities over the long term. Accordingly, the composition of the Organization's plan assets is broadly characterized as a 60/40 allocation between equity and debt securities. The strategy utilizes indexed U.S. equity securities and actively managed investment grade debt. The Organization attempts to mitigate risk by rebalancing between equity and debt classes as the Organization's contributions and monthly benefit payments are made.

Cash Flows:

Contributions – For the year ended June 30, 2017, the Organization contributed \$0 to its post retirement plan.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

JUNE 30, 2017

NOTE 6 – POST RETIREMENT BENEFITS (Continued)

Estimated Future Benefit Payments – The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Year ending June 30,	
2018	\$ 129,000
2019	137,000
2020	141,000
2021	142,000
2022	145,000
2023 – 2027	<u>721,000</u>
Total	<u>\$ 1,415,000</u>

NOTE 7 – NUTRITION PROGRAM

The contractor had one nutrition agreements with the CDE for Child and Adult Care Food Programs, as reported in the Schedule of Expenditures of Federal and Other Governmental Awards. However, no nutrition audit report schedules are included in the audit because: (1) the audit disclosed no nutrition overpayments, underpayments, or program findings; (2) the contractor did not request reimbursement of audit costs; and (3) the audit is not a program-specific nutrition audit.

NOTE 8 - CONCENTRATIONS OF CREDIT RISK AND RELATED PARTIES

The Centers income base consists primarily of students enrolled at California State University, Fullerton. Although the organization is directly affected by the student enrollment, management does not believe significant credit risk exists at June 30, 2017.

The Organization also receives significant funding from the Associated Students, California State University and California State Department of Education, which has various compliance requirements. Management feels future funding will continue and that they are in compliance with the various Department of Education requirements.

Guzman & Gray

Certified Public Accountants

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Mark Gray, C.P.A.
Patrick S. Guzman, C.P.A.

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
Associated Students
California State University, Fullerton
Fullerton, California

Report on Financial Statements

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 Children's Center, Associated Students, California State University, Fullerton, Inc., (the "Center") (a nonprofit organization) which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 11, 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 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 Organization'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 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.

Internal Control over Financial Reporting (Continued)

Our consideration of the 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 of 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. 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 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Guzman & Gray CPAs
Long Beach, CA
November 10, 2017

SUPPLEMENTARY INFORMATION

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
SCHEDULE OF STATE AND FEDERAL FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2017

	Federal Catalog Number	Grantor's Number	Program or Award Amount	Expenditures
Federal				
Child Care Food Program	10.558	04506-CACFP-30-NP-IC	\$ 41,555	\$ 41,555
Child Development Services (30-B841-00-3)	93.575	CTTR-6154	35,828	35,828
Child Development Services (30-B841-00-3)	93.596	CTTR-6154	78,003	78,003
Child Development Services (30-B841-00-3)	93.575	CSPP-6310	7,399	7,399
Child Development Services (30-B841-00-3)	93.596	CSPP-6310	16,108	16,108
			<u>137,338</u>	<u>137,338</u>
Total Federal Assistance			<u>178,893</u>	<u>178,893</u>
State:				
Child Development Services (30-B841-00-3)		CTTR-6154	160,527	140,434
Child Development Services (30-B841-00-3)		CSPP-6310	123,775	73,801
Child Development Services (30-B841-00-3)		CSPP-QRIS	31,700	6,978
Total State Assistance			<u>\$ 316,002</u>	<u>\$ 221,213</u>

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Children's Center, Associated Students, California State University, Fullerton Inc. for the year ended June 30, 2017 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guide). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1 Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited for reimbursements.
- 2 Children's Center, Associated Students, California State University, Fullerton Inc has elected not to use 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditors' report

CHILDREN'S CENTER
 ASSOCIATED STUDENTS
 CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
 SCHEDULE OF EXPENDITURES BY STATE CATEGORIES

YEAR ENDED JUNE 30, 2017
 PROJECT NO. 30-B841-00-6
 CONTRACT NO.: CCTR-6154, CSPP-6310 and CSPP-QRIS

<u>Expenditures</u>	<u>CCTR-6154</u>	<u>CSPP-6310</u>	<u>CSPP-QRIS</u>	<u>Total</u>
1000 Certificated Salaries	\$ 419,441	\$ 255,788	\$ 5,653	\$ 680,882
2000 Classified Salaries	326,887	197,872		524,759
3000 Employee Benefits	224,420	138,761	385	363,566
4000 Books, Supplies and Equipment Replacement	52,801	28,399		81,200
5000 Contracted Services and Other Operating Expenses	<u>150,466</u>	<u>88,328</u>	<u>940</u>	<u>239,734</u>
Total Reimbursable Expenditures	<u>\$ 1,174,015</u>	<u>\$ 709,148</u>	<u>\$ 6,978</u>	<u>\$ 1,890,141</u>

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
RECONCILIATION OF CDE AND GAAP EXPENSE REORTING

YEAR ENDED JUNE 30, 2017
PROJECT NO. 30-B841-00-6
CONTRACT NO.: CCTR-6154, CSPP-6310 and CSPP-QRIS

Expenses	<u>CCTR-6154</u>	<u>CSPP-6310</u>	<u>CSPP-QRIS</u>	<u>Total CDE Contracts</u>
Schedule of Expenditures by State Categories (CDE)	\$ 1,174,015	\$ 709,148	\$ 6,978	\$ 1,890,141
Adjustments to Reconcile Differences in Reporting:				
Depreciation on assets funded by CDE-CD				-
Capitalized renovation and repaires expensed on AUD forms				-
Capitalized lease expensed on AUD forms				-
Capitalized carpeting expensed on AUD forms				-
Capitalized equipment expensed on AUD forms				-
Audit fees expensed on AUD forms(in advance of services)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Combining Statement of Activities (GAAP)	<u>\$ 1,174,015</u>	<u>\$ 709,148</u>	<u>\$ 6,978</u>	<u>\$ 1,890,141</u>

CHILDREN'S CENTER
 ASSOCIATED STUDENTS
 CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
 SCHEDULE OF REIMBURSABLE EQUIPMENT EXPENDITURES

YEAR ENDED JUNE 30, 2017
 PROJECT NO. 30-B841-00-6
 CONTRACT NO.: CCTR-6154, CSPP-6310 and CSPP-QRIS

	General Child Care & Development CCTR-6154	State Preschool CSPP-6310	State Preschool CSPP-QRIS	Total
Unit Cost Under \$7,500: NONE				
Total:				
Unit Cost Over \$7,500 With CDD Approval NONE				
Total:				
Unit Cost Over \$7,500 Without CDD Approval NONE				
Total:				
Total Equipment Expenditures				

CHILDREN'S CENTER
 ASSOCIATED STUDENTS
 CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
 SCHEDULE OF REIMBURSABLE RENOVATION AND REPAIR EXPENDITURES

YEAR ENDED JUNE 30, 2017
 PROJECT NO. 30-B841-00-6
 CONTRACT NO.: CCTR-6154, CSPP-6310 and CSPP-QRIS

	General Child Care & Development CCTR-6154	State Preschool CSPP-6310	State Preschool CSPP-QRIS	Total
Unit Cost Under \$10,000: NONE				
Total:				
Unit Cost Over \$10,000 With CDD Approval NONE				
Total:				
Unit Cost Over \$10,000 Without CDD Approval NONE				
Total:				
Total Equipment Expenditures				

CHILDREN'S CENTER
 ASSOCIATED STUDENTS
 CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
 SCHEDULE OF ADMINISTRATIVE COSTS

YEAR ENDED JUNE 30, 2017
 PROJECT NO. 30-B841-00-6
 CONTRACT NO.: CCTR-6154, CSPP-6310 and CSPP-QRIS

	<u>CCTR-6154</u>	<u>CSPP-6310</u>	<u>CSPP-QRIS</u>	<u>Total</u>
1000 Certificated Salaries	\$ 4,673	\$ 2,878		\$ 7,551
2000 Classified Salaries	22,311	13,660		35,971
3000 Employee Benefits	4,306	2,652		6,958
4000 Books and Supplies				
5000 Services and Other Operating Expenses	2,420	1,384		3,804
6100 Other Approved Capital Outlay				
6400 New Equipment				
6500 Replacement Equipment				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Administrative Costs	<u>\$ 33,710</u>	<u>\$ 20,574</u>	<u>\$ -</u>	<u>\$ 54,284</u>

AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year Ended: June 30, 2017 Contract No. CSPP-6310

Independent Auditor's Name: Guzman and Gray, CPAs

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	71		71	1.1800	83.780
Full-time	1,290		1,290	1.0000	1,290.000
Three-quarters-time	1,348		1,348	0.7500	1,011.000
One-half-time	367		367	0.6196	227.393
<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	3,076	-	3,076		2,612.173
DAYS OF OPERATION	229		229		
DAYS OF ATTENDANCE	3,076		3,076		

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: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year Ended: June 30, 2017 Contract No. CSPP-6310

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 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	701		701	1.1800	827.180
Full-time	2,443		2,443	1.0000	2,443.000
Three-quarters-time	2,238		2,238	0.7500	1,678.500
One-half-time	309		309	0.6196	191.456
<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	5,691	-	5,691		5,140.136

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

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

Agency Name: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year End: June 30, 2017 Contract No. CSPP-6310

	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	\$15,969		\$15,969
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$15,969	\$0	\$15,969
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children	7,465		7,465
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	86,876		86,876
Head Start Program (EC § 8235(b))			0
Other (Specify): CSU STATE FEE/CAMPUS/DONATIONS	579,355	(43,233)	536,122
Other (Specify):			0
TOTAL REVENUE	\$689,665	(\$43,233)	\$646,432

SECTION IV - REIMBURSABLE EXPENSES			
Direct Payments to Providers (FCCH Only)			\$0
1000 Certificated Salaries	255,788		255,788
2000 Classified Salaries	197,872		197,872
3000 Employee Benefits	138,761		138,761
4000 Books and Supplies	28,399		28,399
5000 Services and Other Operating Expenses	88,328		88,328
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$709,148	\$0	\$709,148
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$20,574	\$0	\$20,574

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:

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

Agency Name: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year End: June 30, 2017 Contract No. CSPP-6310

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION V - SUPPLEMENTAL REVENUE			
Enhancement Funding			\$0
CSPP-QRIS grant	6,978		6,978
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL REVENUE	\$6,978	\$0	\$6,978

SECTION VI - SUPPLEMENTAL EXPENSES

EXPENSES RELATED TO SUPPLEMENTAL REVENUE			
1000 Certificated Salaries	\$5,653		\$5,653
2000 Classified Salaries			0
3000 Employee Benefits	385		385
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	940		940
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL EXPENSES	\$6,978	\$0	\$6,978

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

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

Agency Name: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year Ended: June 30, 2017 Contract No. CCTR-6154

Independent Auditor's Name: Guzman and Gray, CPAs

SECTION I - 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	95		95	2.006	190.570
Full-time	771		771	1.700	1,310.700
Three-quarters-time	627		627	1.275	799.425
One-half-time	100		100	0.935	93.500
<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	129		129	1.652	213.108
Full-time	1,842		1,842	1.400	2,578.800
Three-quarters-time	1,032		1,032	1.050	1,083.600
On-half-time	321		321	0.770	247.170
<i>Three Years and Older</i>					
Full-time-plus			-	1.180	-
Full-time	397		397	1.000	397.000
Three-quarters-time	140		140	0.750	105.000
One-half-time	248		248	0.550	136.400
<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	5,702	-	5,702		7,155.273
DAYS OF OPERATION	229		229		
DAYS OF ATTENDANCE	5,702		5,702		

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: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year Ended: June 30, 2017 Contract No. CCTR-6154

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	109		109	2.006	218.654
Full-time	1,577		1,577	1.700	2,680.900
Three-quarters-time	556		556	1.275	708.900
One-half-time	151		151	0.935	141.185
<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	50		50	1.652	82.600
Full-time	1,502		1,502	1.400	2,102.800
Three-quarters-time	713		713	1.050	748.650
On-half-time	352		352	0.770	271.040
<i>Three Years and Older</i>					
Full-time-plus	36		36	1.180	42.480
Full-time	353		353	1.000	353.000
Three-quarters-time	196		196	0.750	147.000
One-half-time	118		118	0.550	64.900
<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	5,713	-	5,713		7,562.109

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

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

Agency Name: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year End: June 30, 2017 Contract No. CCTR-6154

	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	\$25,588	(\$2)	\$25,586
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$25,588	(\$2)	\$25,586
Transfer from Reserve			0
Family Fees for Certified Children	27,973		27,973
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	144,171	2	144,173
Head Start Program (EC § 8235(b))			0
Other (Specify): CSU STATE FEE/CAMPUS/DONATIONS	836,176	(62,398)	773,778
TOTAL REVENUE	\$1,033,908	(\$62,398)	\$971,510

SECTION IV - REIMBURSABLE EXPENSES

<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	419,441		419,441
2000 Classified Salaries	326,887		326,887
3000 Employee Benefits	224,420		224,420
4000 Books and Supplies	52,801		52,801
5000 Services and Other Operating Expenses	150,466		150,466
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$1,174,015	\$0	\$1,174,015
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$33,710		\$33,710

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:

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: Associated Students, California State University, Fullerton Inc Vendor No. B841

Fiscal Year End: June 30, 2017 Contract No. CCTR-6154

	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			\$0
Other (Specify):			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL REVENUE	\$0	\$0	\$0

SECTION VI - SUPPLEMENTAL EXPENSES

EXPENSES RELATED TO SUPPLEMENTAL REVENUE			
1000 Certificated Salaries			\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Other (Specify):			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL EXPENSES	\$0	\$0	\$0

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

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
NOTES TO SUPPLEMENTARY INFORMATION

JUNE 30, 2017

NOTE 1 - SCHEDULE OF EXPENDITURES BY STATE CATEGORIES

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under these contracts to an extent considered necessary to assure ourselves that the amounts claimed by the agency were proper in all material respects.

NOTE 2 - CHILD ATTENDANCE

For the items tested, attendance records are being maintained in accordance with the requirements of California State Department of Education, Office of Child Development Division; and the original supporting records covering child attendance, such as sign-in/sign-out sheets and daily attendance records, agree with the child attendance data reported for apportionment purposes.

The followings are the results of a sampling of fees:

- a. For items tested in our sample of child care payments, we found that parent fees were assessed correctly and recorded properly.
- b. We found nothing to indicate that support services to subsidized children and their families, as pursuant to the terms of the contract, were not available.

NOTE 3 - COST SHARING

We have reviewed the distribution of cost among the Child Development Program and Child Care Food Program conducted by the Center to an extent necessary to assure ourselves that there has been an equitable distribution of costs among the programs in all material respects. Our test-work indicated that the costs were distributed to the program to which they specifically relate.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
STATEMENT OF FINANCIAL POSITION - COMBINED

YEAR ENDED JUNE 30, 2017

	<u>Associated Students CSUF, Inc. Other</u>	<u>Child Care Program</u>	<u>Associated Students CSUF, Inc. Total</u>
ASSETS			
Current Assets	4,412,516	\$ 142,760	\$ 4,555,276
Equipment, net	19,595		19,595
Other Assets	<u>3,432,470</u>		<u>3,432,470</u>
Total Assets	<u><u>7,864,581</u></u>	<u><u>142,760</u></u>	<u><u>8,007,341</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities	1,434,315	142,760	1,577,075
Noncurrent Liabilities	3,945,450		3,945,450
Net Assets	<u>2,484,816</u>		<u>2,484,816</u>
Total Liabilities and Net Assets	<u><u>\$ 7,864,581</u></u>	<u><u>\$ 142,760</u></u>	<u><u>\$ 8,007,341</u></u>

See accompanying independent auditors' report.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - COMBINED

YEAR ENDED JUNE 30, 2017

	Associated Students CSUF, Inc. Other	Child Care Program	Associated Students CSUF, Inc. Total
Revenues	\$ 7,301,106	\$ 1,976,493	\$ 9,277,599
Expenses	7,658,158	1,890,141	9,548,299
Changes in Net Assets	<u>(357,052)</u>	<u>86,352</u>	<u>(270,700)</u>
Transfers	86,352	(86,352)	-
Net Assets, Beginning of Year	<u>2,755,516</u>	<u>NONE</u>	<u>2,755,516</u>
Net Assets, End of Year	<u><u>\$ 2,484,816</u></u>	<u><u>NONE</u></u>	<u><u>\$ 2,484,816</u></u>

See accompanying independent auditors' report

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2017

(1) Summary of auditors' results

- (I) Unqualified opinion issued on the financial statements of the auditee;
- (II) Not applicable;
- (III) The audit did not disclose any noncompliance which is material to the financial statements of the auditee;
- (IV) Not applicable;
- (V) Unqualified opinion issued on compliance for major programs;
- (VI) The audit did not disclose any audit findings which the auditor is required to report under OMB Circular A-133 Section.510(a)
- (VII) Auditee's major programs are:

CFDA Number	Name of Federal Program
_____	_____
NONE	NONE

(VIII) Dollar threshold used to distinguish between Type A and Type B programs was \$300,000

(X) The auditee qualified as a low-risk auditee.

(2) Findings relating to the financial statements which are required to be reported in accordance GAGAS - None

(3) Findings and questioned costs for Federal awards which shall include audit findings as defined in OMB Circular A-133 Section.510 (a) - None.

CHILDREN'S CENTER
ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.
STATUS OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2017

None noted.

Guzman & Gray

Certified Public Accountants

4510 East Pacific Coast Highway, Suite 270
Long Beach, California 90804
(562) 498-0997 Fax: (562) 597-7359

Mark Gray, C.P.A.
Patrick S. Guzman, C.P.A.

COMMUNICATION OF NO MATERIAL WEAKNESS

The Board of Directors
Associated Students
California State University, Fullerton, Inc.
Fullerton, CA

In planning and performing our audit of the financial statements of Children's Center, Associated Students, California State University, Fullerton, Inc. (the "Center") as of and for the year ended June 30, 2017 in accordance with auditing standards generally accepted in the United States of America, we considered the Center's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

COMMUNICATION OF NO MATERIAL WEAKNESS (CONTINUED)

This communication is intended solely for the information and use of management, the board of directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Guzman & Gray".

Guzman & Gray CPAS
Long Beach, California
November 10, 2017

RECOMMENDATIONS TO IMPROVE
OPERATING PROCEDURES AND ADMINISTRATIVE EFFICIENCY
AND TO STRENGTHEN INTERNAL ACCOUNTING CONTROLS OF
CHILDREN'S CENTER, ASSOCIATED STUDENTS
CALIFORNIA STATE UNIVERSITY, FULLERTON, INC.

None noted.