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, 2023

CohnReznick
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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, 2023

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 - 2076
Child Care Food Program: 19-Q967-00-2
California State Preschool Program: CSPP-2159
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. Raul Castaneda, Interim Executive Director
Cal State L.A. University
Auxiliary Services, Inc.
5151 State University Drive
Los Angeles, California 90032

6. Telephone Number

(323) 343-2525

7. Period Covered by Audit

July 1, 2022 to June 30, 2023

8. Number of Days of Agency Operation

General Child Care and Development - 231 days
California State Preschool Program - 231 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.
(A California State University Auxiliary Organization)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Cal State L.A. University Auxiliary Services, Inc. ("UAS") Anna Bing Arnold Children's Center (the "Center"), a component unit of UAS, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2023, and 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Center are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the business-type activities of UAS that is attributable to the transactions of the Center. They do not purport to, and do not, present fairly the financial position of UAS as of June 30, 2023, and 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Center's basic financial statements. 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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 December 14, 2023, on our consideration of the 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.

Cohn Reznick LLP

Los Angeles, California
December 14, 2023

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

Statement of Net Position
June 30, 2023

Assets		
Cash and cash equivalents	$	278,223
Capital assets, net		50,971
Total assets		329,194
Liabilities		
Accounts payable		155,077
Accrued expenses		57,213
Unearned revenue		14,694
Due to other funds		29,197
Due to other funds of Cal State L.A. University Auxiliary Service, Inc.		73,013
Total liabilities		329,194
Net position		
Unrestricted	$	-

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, 2023

Operating revenues		
Grants and contracts		
State assistance		
Child Development Programs (CCTR-1076 & CCTR - 2076)	$	334,473
State Preschool Program (CSPP-2159)		794,124
Federal government assistance		
Child Care and Development Block Grant (CCTR-2076)		65,330
Child Care and Development Fund (CCTR-2076)		207,869
Child Care Access Means Parents in School (P335A180010)		137,424
Child Care Food Program (04676-CACFP-19-NP-IC)		52,911
Other revenue		
Other revenue		47,800
Associated student fees		140,779
Parent fees		
Non-certified children		495,631
Total operating revenues		2,276,341
Operating expenses		
Certified salaries - teachers		774,046
Classified salaries		
Instructional aides		450,554
Clerical		130,043
Temporary help		135,311
Food services		42,118
Employee benefits		292,841
Contractual services		88,463
Building supplies/repairs and maintenance		37,219
Other supplies		74,486
Food services		66,292
Indirect costs		102,252
Utilities		18,715
Equipment purchase and maintenance		10,001
Depreciation expense		22,205
Classroom supplies		136,658
Other expenses		15,158
Total operating expenses		2,396,362
Operating loss		(120,021)
Nonoperating revenues		
California State University allocation		149,374
Change in net position before transfers		29,353
Transfer to Cal State L.A. University Auxiliary Services, Inc.		(29,353)
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, 2023

Cash flows from operating activities		
Government grants and contracts	$	511,334
State and local grants and contracts		1,128,597
Payments to suppliers		(331,177)
Payments to employees		(1,824,913)
Other receipts		636,410
Net cash provided by operating activities		120,251
Cash flows from noncapital financing activities		
Transfer to Cal State L.A. University Auxiliary Services, Inc.		(29,353)
California State University allocation		149,374
Net cash provided by noncapital financing activities		120,021
Net increase in cash and cash equivalents		240,272
Cash and cash equivalents - beginning of year		37,951
Cash and cash equivalents - end of year	$	278,223
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	$	(120,021)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation		22,205
Changes in assets and liabilities		
Grants receivable		70,068
Accounts receivable - other		27,653
Accounts payable		145,403
Accrued expenses		11,883
Unearned revenue		(93,416)
Due to other funds		(10,460)
Due to other funds of Cal State L.A. University Auxiliary Services, Inc.		66,936
Net cash provided by operating activities	$	120,251

See Notes to Financial Statements.

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 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.

Grants receivable and accounts receivable - other

Grants receivable consists of amounts due from grants and contracts and accounts receivable - other consists of amounts due from the University and others. 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, 2023, the amount due back to UAS is $73,013.

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, 2023. UAS's federal and state income tax returns prior to 2020 and 2019, respectively, for UAS’s fiscal year are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Management has analyzed the tax positions taken by the Center and has concluded that, as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

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 statement 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 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.

Financial instruments which potentially subject the Center to credit risk consist principally of accounts with financial institutions in excess of federally insured limits. The Center has at various times, maintained cash balances in excess of the federally insured limits; however, the Center believes this risk of loss with respect to financial institutions that hold the Center's cash and cash equivalents is not significant.

At June 30, 2023, cash held by financial institutions for UAS was entirely insured and collateralized as described above. The bank balance at June 30, 2023 for the Center was $278,223.

Note 4 - Capital assets

The capital assets balance at June 30, 2023 consisted of the following activity:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, depreciable				
Improvements	$ 177,367	$ -	$ -	$ 177,367
Furniture, fixtures and equipment	46,915	-	-	46,915
Total depreciable capital assets	224,282	-	-	224,282
Less: accumulated depreciation				
Improvements	(107,403)	(18,993)	-	(126,396)
Furniture, fixtures and equipment	(43,703)	(3,212)	-	(46,915)
Total accumulated depreciation	(151,106)	(22,205)	-	(173,311)
Capital assets - net	$ 73,176	$ (22,205)	$ -	$ 50,971

Depreciation expense for the year ended June 30, 2023 is $22,205.

Note 5 - Related parties

For the year ended June 30, 2023, the Center received $149,374 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 $140,779 in the year ended June 30, 2023, to the Center to support the operation of child care programs for University students.

Note 6 - Retirement plans

The UAS Money Purchase Pension Plan ("Plan") is a defined contribution plan covering all employees of 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, 2023, were $309,828, of which $51,295 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, 2023, were $203,430, of which $18,643 was contributed by UAS on behalf of the Center's employees.

Note 7 - 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.

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, 2023

Program Name	Federal Assistance Listing Number	Pass-through Grantor's Number	Program or award amount	Expenditures
Federal Awards:				
U.S. Department of Agriculture				
Passed through the State of California Department of Education				
Child and Adult Care Food Program	10.558	04676-CACFP-19-NP-IC	$ 155,500	$ 52,911
U.S. Department of Education				
Passed through the State of California Department of Education				
Child Care Access Means Parents in School (CCAMPIS)	84.335A	P335A180010	960,824	137,424
U.S. Department of Health and Human Services				
Passed through the State of California Department of Education				
Child Care and Development Fund - CCDF Cluster				
Child Care and Development Block Grant	93.575	CCTR-2076	259,929	207,869
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR-2076	81,239	65,330
Total Child Care and Development Fund - CCDF Cluster			341,168	273,199
Total expenditures of federal awards			1,457,492	463,534
State of California				
Child Development Services:				
General Child Care and Development Fund		CCTR-1076	376,797	13,761
General Child Care and Development Fund		CCTR-2076	396,880	320,712
State Preschool		CSPP-2159	809,147	794,124
Total expenditures of state awards			1,582,824	1,128,597
Total expenditures of federal and state awards			$ 3,040,316	$ 1,592,131

See Independent Auditor's Report and Notes to Supplementary Information.

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

Combining Statement of Activities
Year Ended June 30, 2023

	General Child Care Program (CCTR-2076)	California State Preschool Program (CSPP-2159)	Total
Revenue and support:			
Grants and contracts			
Child Care and Development Programs	$ 607,672	$ 794,124	$ 1,401,796
Child Care Food Program	22,202	30,709	52,911
Child Care ACCESS Means Parents in School	52,221	85,203	137,424
Other revenue	15,178	32,622	47,800
Parent fees - non-certified children	207,485	288,146	495,631
Associated student fees	58,775	82,004	140,779
California State University support	63,025	86,349	149,374
Total revenue and support	1,026,558	1,399,157	2,425,715
Expenses:			
Salaries	641,996	890,076	1,532,072
Employee benefits	123,246	169,595	292,841
Instructional materials and supplies	58,062	78,596	136,658
Other supplies	30,788	43,698	74,486
Contracts for personnel services	37,032	51,431	88,463
Food	27,654	38,638	66,292
Utilities and housekeeping	7,768	10,947	18,715
Other operating expenses	6,363	8,795	15,158
Building supplies/repair and maintenance	16,283	20,936	37,219
Equipment purchase and maintenance	4,198	5,803	10,001
Depreciation expense	9,363	12,842	22,205
Indirect costs	43,238	59,014	102,252
Total expenses	1,005,991	1,390,371	2,396,362
Change in net position before transfers	$ 20,567	$ 8,786	$ 29,353

See Independent Auditor's Report.

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

Schedule of Administrative Costs
Year Ended June 30, 2023

	General Child Care Program (CCTR-2076)	California State Preschool Program (CSPP-2159)	Total
Contractual services	$ 14,933	$ 20,798	$ 35,731
Classified salaries	4,340	5,913	10,253
Certified salaries - Teachers	2,831	3,853	6,684
Total	22,104	30,564	52,668
Indirect costs			
Other related child care costs, direct services at 8% maximum	43,238	59,014	102,252
Total expenses	$ 65,342	$ 89,578	$ 154,920

See Independent Auditor's Report.

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

Schedule of Expenses by State Categories
Year Ended June 30, 2023

Reimbursable expenses	General Child Care Program (CCTR-2076)	California State Preschool Program (CSPP-2159)	Total
1000 Certified salaries			
Teacher's salaries	$ 326,332	$ 447,714	$ 774,046
2000 Classified salaries			
Instructional aides' salaries	187,753	262,801	450,554
Temporary help	55,528	79,783	135,311
Clerical and other office			
Personnel salaries	54,693	75,350	130,043
Food service personnel salaries	17,690	24,428	42,118
Subtotal classified salaries	315,664	442,362	758,026
3000 Employee benefits			
Public employees			
Post-employment benefits	36,282	50,290	86,572
Old age, survivors, disability, and			
health insurance	29,811	40,912	70,723
Health and welfare benefits	37,049	51,186	88,235
Workers' compensation insurance	4,919	6,660	11,579
Other benefits	15,185	20,547	35,732
Subtotal	123,246	169,595	292,841
4000 Books, supplies, and equipment			
Instructional materials and supplies	58,062	78,596	136,658
Other supplies	30,788	43,698	74,486
Subtotal	88,850	122,294	211,144
5000 Services and other operating expenses			
Contracts for personnel services	37,032	51,431	88,463
Food	27,654	38,638	66,292
Utilities and housekeeping	7,768	10,947	18,715
Other operating expenses	6,363	8,795	15,158
Building supplies/repairs and maintenance	16,283	20,936	37,219
Equipment purchase and maintenance	4,198	5,803	10,001
Subtotal	99,298	136,550	235,848
Depreciation expense	9,363	12,842	22,205
Indirect costs	43,238	59,014	102,252
Total reimbursable expenses	$ 1,005,991	$ 1,390,371	$ 2,396,362

See Independent Auditor's Report.

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

Schedule of Expenses by State Categories
Year Ended June 30, 2023

Supplemental expenses	General Child Care Program (CCTR-2076)	California State Preschool Program (CSPP-2159)	Total
1000 Certified salaries			
Teacher's salaries	$ -	$ -	$ -
2000 Classified salaries			
Instructional aides' salaries	-	-	-
Clerical and other office			
Personnel salaries	-	-	-
Food service personnel salaries	-	-	-
Subtotal	-	-	-
3000 Employee benefits			
Public employees			
Post-employment benefits	-	-	-
Old age, survivors, disability, and health insurance	-	-	-
Health and welfare benefits	-	-	-
Workers' compensation insurance	-	-	-
Other benefits	-	-	-
Subtotal	-	-	-
4000 Books, supplies, and equipment			
Instructional materials and supplies	-	-	-
Other supplies	-	-	-
Subtotal	-	-	-
5000 Services and other operating expenses			
Contracts for personnel services	-	-	-
Food	-	-	-
Utilities and housekeeping	-	-	-
Other operating expenses	-	-	-
Building supplies/repairs and maintenance	-	-	-
Equipment purchase and maintenance	-	-	-
Subtotal	-	-	-
Depreciation expense	-	-	-
Indirect costs	-	-	-
Total Supplemental Expenses	-	-	-
Total Program Expenses	$ 1,005,991	$ 1,390,371	$ 2,396,362

See Independent Auditor's Report.

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

Schedule of Renovation and Repair Expenditures Utilizing Contract Funds
Year Ended June 30, 2023

	General Child Care Program (CCTR-2076)	California State Preschool Program (CSPP-2159)	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	$ -	$ -	$ -

See Independent Auditor's Report.

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

Schedule of Equipment Expenditures Utilizing Contract Funds
Year Ended June 30, 2023

	General Child Care Program (CCTR-2076)	California State Preschool Program (CSPP-2159)	Total
Capitalized equipment expensed on the AUD with prior written approval			
Item	$ -	$ -	$ -
Subtotal	-	-	-
Capitalized equipment expensed on the AUD without prior written approval			
Item	-	-	-
Subtotal	-	-	-
Total Equipment Expenditures	$ -	$ -	$ -

See Independent Auditor's Report.

Contractor Name: Cal State LA University Auxiliary Services Inc.

Contract Number: CSPP-2159

Fiscal Year Ended: June 30, 2023

Vendor Code: Q967

California Department of Education Audited Enrollment, Attendance and Fiscal Report for California State Preschool Program

Section 1 – Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **0**

Number of counties where the agency provided services to non-certified children (Form 3): **1**

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **0**

Total enrollment and attendance forms to attach: **2**

Note: For each of the above categories, submit one form for each service county.

Section 2 – Days of Enrollment, Attendance and Operation

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	7,135	0	7,135	12,831.7817
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	7,064	0	7,064	N/A
Total Non-Certified Days of Enrollment	3,963	0	3,963	7,133.4000
Total Non-Certified Days of Enrollment with Mental Health Consultation Services		0	0	0.0000

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	231	0	231	N/A

Section 3 – Revenue

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	32,622	(1,913)	30,709
County Maintenance of Effort (EC Section 8260)	0	0	0
Other:	0	0	0
Other:	0	0	0
TOTAL RESTRICTED INCOME	**32,622**	**(1,913)**	**30,709**

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Preschool Reserve Account	0	0	0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children	53,762	0	53,762
Interest Earned on Child Development Apportionment Payments	0	0	0
Unrestricted Income: Fees for Non-Certified Children	288,146	0	288,146
Unrestricted Income: Head Start	0	0	0
Other: ASI; Lottery Fund; General Fund; IRA; MISC	281,407	4,771	286,178
Other:			0

Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
1000 Certificated Salaries	447,715	(1)	447,714
2000 Classified Salaries	417,934	24,428	442,362
3000 Employee Benefits	169,821	(226)	169,595
4000 Books and Supplies	78,596	0	78,596
5000 Services and Other Operating Expenses	203,814	(23,566)	180,248
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance	12,843	(1)	12,842
Start-up Expenses (service level exemption)			0
Indirect Costs (include in Total Administrative Cost)	59,167	(153)	59,014
TOTAL REIMBURSABLE EXPENSES	**1,389,890**	**481**	**1,390,371**

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)? ☑ Yes ☐ No

Approved Indirect Cost Rate: 4.49 %

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)	89,731	(153)	89,578
Total Staff Training Cost (included in Reimbursable Expenses)	12,630	0	12,630

☑ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

Section 5 - Supplemental Funding

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding			0
Other:			0
Other:			0
TOTAL SUPPLEMENTAL REVENUE	**0**	**0**	**0**

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
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 / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
TOTAL SUPPLEMENTAL EXPENSES	**0**	**0**	**0**

Section 6 - Summary

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	7,135	0	7,135
Days of Operation	231	0	231
Days of Attendance (including MHCS)	7,064	0	7,064
Total Certified Adjusted Days of Enrollment	N/A	N/A	12,831.7817
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	7,133.4000
Restricted Program Income	32,622	(1,913)	30,709
Transfer from Preschool Reserve Account	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	1,389,890	481	1,390,371
Total Administrative Cost	89,731	(153)	89,578
Total Staff Training Cost	12,630	0	12,630
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Section 7 – Auditor's Assurances

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 Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO): ☑ Yes ☐ No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO): ☑ Yes ☐ No

Section 8 – Comments

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

None.

California State Preschool Program – Form 1
Certified Children Days of Enrollment and Attendance

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus			0	2.1240	0.0000
Three Years Old Full-time	7,118		7,118	1.8000	12,812.4000
Three Years Old Part-time	17		17	1.1401	19.3817
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time			0	0.6334	0.0000
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time			0	1.5202	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6334	0.0000

Contractor Name: Cal State LA University Auxiliary Services Inc. **Contract Number: CSPP-2159**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6334	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.5202	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	**7,135**	**0**	**7,135**	N/A	**12,831.7817**

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAYS OF ATTENDANCE	**7,064**		**7,064**	N/A	N/A

Enter the sum of Total Certified Days of Enrollment from all Form 1s in the Total Certified Days of Enrollment line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

Contractor Name: Cal State LA University Auxiliary Services Inc. **Contract Number: CSPP-2159**

California State Preschool Program – Form 3
Non-Certified Children Days of Enrollment

Service County: Los Angeles

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus			0	2.1240	0.0000
Toddlers (18 up to 36 months) Full-time	3,963		3,963	1.8000	7,133.4000
Toddlers (18 up to 36 months) Part-time			0	0.9900	0.0000
Three Years Old Full-time-plus			0	2.1240	0.0000
Three Years Old Full-time			0	1.8000	0.0000
Three Years Old Part-time			0	1.1401	0.0000
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time			0	0.6334	0.0000
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time			0	1.5202	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6334	0.0000

Contractor Name: Cal State LA University Auxiliary Services Inc. **Contract Number: CSPP-2159**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6334	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.5202	0.0000
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	**3,963**	**0**	**3,963**	N/A	**7,133.4000**

Enter the sum of Total Non-Certified Days of Enrollment from all Form 3s in the Total Non-Certified Days of Enrollment line of AUD 8501, Section 2.

AUDITED ENROLLMENT, ATTENDANCE AND FISCAL REPORT FOR CHILD CARE AND DEVELOPMENT PROGRAMS

Fiscal Year Ending	**June 30, 2023**
Contract Number	**CCTR-2076**
Vendor Code	**Q967**

Full Name of Contractor **Cal State LA University Auxiliary Services Inc.**

Section 1 - Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form AUD 9500.1): 1

Number of counties where the agency provided mental health consultation services to certified children (Form AUD 9500.2): 0

Number of counties where the agency provided services to non-certified children (Form AUD 9500.3): 1

Number of counties where the agency provided mental health consultation services to non-certified children (Form AUD 9500.4): 0

Total enrollment and attendance forms to attach: 2

Note: For each of the above categories, submit one form for each service county for the fiscal year.

Section 2 - Days of Enrollment, Attendance and Operation

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	5,056		5056	9,382.2400
Total Certified Days of Enrollment with Mental Health Consultation Services	0			
Days of Attendance (including MHCS)	5,049		5049	**N/A**
Total Non-Certified Days of Enrollment	2,792		2792	5,451.6800
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0			
Days of Operation	231		231	**N/A**

Full Name of Contractor Cal State LA University Auxiliary Services Inc. **Contract Number** CCTR-2076

Section 3 - Revenue

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	23,587	-1,385	22202
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)	0	0	
Restricted Income - American Rescue Plan Act (ARPA)	0	0	
Restricted Income - Other:	0	0	
Restricted Income - Subtotal	**23587**	**-1385**	**22202**
Transfer From Reserve	0		
Waived Family Fees for Certified Children*	34,155		34155
Interest Earned on Child Development Apportionment Payments	0		
Unrestricted Income - Fees for Non-Certified Children	207,485		207485
Unrestricted Income - Head Start			
Unrestricted Income - Other: ASI; Lottery Fund; General Fun; IRA; CCAMPS; MISC	193,972	-4,773	189199
Total Revenue (*Waived Family Fees Not Included)	**425044**	**-6158**	**418886**

Comments:

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Full Name of Contractor Cal State LA University Auxiliary Services Inc. **Contract Number** CCTR-2076

Section 4 - Reimbursable Expenses

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)	0		
1000 Certificated Salaries	326,331	1	326332
2000 Classified Salaries	297,974	17,690	315664
3000 Employee Benefits	123,410	-164	123246
4000 Books and Supplies	58,062	0	58062
5000 Services and Other Operating Expenses	146,443	-16,357	130086
6100/6200 Other Approved Capital Outlay	0		
6400 New Equipment (program-related)	0		
6500 Equipment Replacement (program-related)	0		
Depreciation or Use Allowance	9,365	-2	9363
Start-up Expenses (service level exemption)	0		
Budget Impasse Credit	0		
Indirect Costs (include in Total Administrative Cost)	43,348	-110	43238
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	**1004933**	**1058**	**1005991**
Total Administrative Cost (included in Section 4 above)	65,452	-110	65342
Total Staff Training Cost (included in Section 4 above)	9,545		9545

Approved Indirect Cost Rate: 4.55 %

☑ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

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Full Name of Contractor Cal State LA University Auxiliary Services Inc. **Contract Number** CCTR-2076

Section 5 - Supplemental Revenue

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
Total Supplemental Revenue			

Section 6 - Supplemental Expenses

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses			

Full Name of Contractor Cal State LA University Auxiliary Services Inc. **Contract Number** CCTR-2076

Section 7 - Summary

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment (including MHCS)	5056		5056
Days of Operation	231		231
Days of Attendance (including MHCS)	5049		5049
Restricted Program Income	23587	-1385	22202
Transfer from Reserve	0		
Waived Family Fees for Certified Children	34155		34155
Interest Earned on Child Development Apportionment Payments	0		
Direct Payments to Providers	0		
Start-up Expenses (service level exemption)	0		
Total Reimbursable Expenses	1004933	1058	1005991
Total Administrative Cost	65452	-110	65342
Total Staff Training Cost	9545		9545

Total Certified Adjusted Days of Enrollment (including MHCS) 9,382.2400

Total Non-Certified Adjusted Days of Enrollment (including MHCS) 5,451.6800

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements for programs that transferred to the California Department of Social Services on July 1, 2021 pursuant to WIC Section 10203(b):

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 3 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 2. If necessary, attach additional sheets to explain adjustments.

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CHILD CARE AND DEVELOPMENT PROGRAMS CERTIFIED CHILDREN DAYS OF ENROLLMENT AND ATTENDANCE

Fiscal Year Ending June 30, 2023
Contract Number CCTR-2076
Vendor Code Q967

Full Name of Contractor Cal State LA University Auxiliary Services Inc.

Service County: Los Angeles

	Column A Cumulative FY 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	
Infants (up to 18 months) Full-time	1,246		1246	2.4400	3040.2400
Infants (up to 18 months) One-half-time				1.5455	
Toddlers (18 up to 36 months) Full-time-plus				2.1240	
Toddlers (18 up to 36 months) Full-time	3,165		3165	1.8000	5697.0000
Toddlers (18 up to 36 months) One-half-time				1.1401	
Three Years and Older Full-time-plus				1.1800	
Three Years and Older Full-time	645		645	1.0000	645.0000
Three Years and Older One-half-time				0.6334	
Exceptional Needs Full-time-plus				1.8172	
Exceptional Needs Full-time				1.5400	
Exceptional Needs One-half-time				0.9754	

Full Name of Contractor Cal State LA University Auxiliary Services Inc. **Contract Number** CCTR-2076

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Dual Language Learner Full-time-plus				1.2980	
Dual Language Learner Full-time				1.1000	
Dual Language Learner One-half-time				0.6334	
At Risk of Abuse or Neglect Full-time-plus				1.2980	
At Risk of Abuse or Neglect Full-time				1.1000	
At Risk of Abuse or Neglect One-half-time				0.6334	
Severely Disabled Full-time-plus				2.2774	
Severely Disabled Full-time				1.9300	
Severely Disabled One-half-time				1.2225	
Total Certified Days of Enrollment	**5056**		**5056**	**N/A**	**9382.2400**
Days of Attendance	**5,049**		**5049**	**N/A**	**N/A**

Enter the sum of Total Certified Days of Enrollment from Form AUD9500.1(s) in the Total Certified Days of Enrollment line of AUD 9500, Section 2.

Enter the sum of Days of Attendance from all Form AUD9500.1(s) and Form AUD9500.2(s) in the Days of Attendance line of AUD 9500, Section 2.

CHILD CARE AND DEVELOPMENT PROGRAMS
NON-CERTIFIED CHILDREN DAYS OF ENROLLMENT

Fiscal Year Ending June 30, 2023
Contract Number CCTR-2076
Vendor Code Q967

Full Name of Contractor Cal State LA University Auxiliary Services Inc.

Service County: Los Angeles

	Column A Cumulative FY 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	
Infants (up to 18 months) Full-time	897		897	2.4400	2188.6800
Infants (up to 18 months) One-half-time				1.5455	
Toddlers (18 up to 36 months) Full-time-plus				2.1240	
Toddlers (18 up to 36 months) Full-time	1,710		1710	1.8000	3078.0000
Toddlers (18 up to 36 months) One-half-time				1.1401	
Three Years and Older Full-time-plus				1.1800	
Three Years and Older Full-time	185		185	1.0000	185.0000
Three Years and Older One-half-time				0.6334	
Exceptional Needs Full-time-plus				1.8172	
Exceptional Needs Full-time				1.5400	
Exceptional Needs One-half-time				0.9754	

Full Name of Contractor Cal State LA University Auxiliary Services Inc. **Contract Number** CCTR-2076

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Dual Language Learner Full-time-plus				1.2980	
Dual Language Learner Full-time				1.1000	
Dual Language Learner One-half-time				0.6334	
At Risk of Abuse or Neglect Full-time-plus				1.2980	
At Risk of Abuse or Neglect Full-time				1.1000	
At Risk of Abuse or Neglect One-half-time				0.6334	
Severely Disabled Full-time-plus				2.2774	
Severely Disabled Full-time				1.9300	
Severely Disabled One-half-time				1.2225	
Total Non-Certified Days of Enrollment	**2792**		**2792**	**N/A**	**5451.6800**

Enter the sum of Total Non-Certified Days of Enrollment from all Form AUD 9500.3(s) in the Total Non-Certified Days of Enrollment line of AUD 9500, Section 2.

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

Notes to Supplementary Information
June 30, 2023

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.*

Note 4 - Allowable indirect costs

Indirect costs are only applicable to the 1000-5000 Series of general ledger expenditure accounts in the California School Accounting Manual. In accordance with Child Development Programs funding terms and conditions, indirect costs cannot be charged on capital outlay expenditures in the 6000 Series accounts.

Note 5 - Allowable direct costs

Interest expense is only allowable as a reimbursable cost in certain circumstance when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2023.

All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent transactions were claimed to a child development contract for the year ended June 30, 2023.

Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2023.

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.
(A California State University Auxiliary Organization)

We have audited, 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, the financial statements of the business-type activities 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, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated December 14, 2023, which includes an emphasis of matter paragraph as indicated on page 4.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Los Angeles, California
December 14, 2023

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

Schedule of Findings and Responses
Year Ended June 30, 2023

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 of America:	Unmodified Opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	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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