

# Associated Students Child Development Laboratory

Financial Statements and Supplemental Information

Year Ended June 30, 2021



**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Financial Statements and Supplemental Information**  
Year Ended June 30, 2021

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## ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

### General Information

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1. Full official name of agency:
  - Associated Students Child Development Laboratory  
California State University, Chico
  
2. Program names:
  - General Center Child Care and Development Program
  - Early Head Start Child Development Partnership
  - California State Preschool Program
  - Child Care Food Program
  
3. Type of agency:
  - Campus Center
  
4. Agency address:
  - California State University, Chico  
Child Development Lab, Office 395  
400 W 1st Street  
Chico, California 95929
  
5. Name and address of General Manager and name of Financial Manager:
  - Executive Director:
    - Ms. Jamie Camaren  
Associated Students, CSU, Chico  
Administration Office 757  
400 W 1st Street  
Chico, California 95929
  
  - Financial Director:
    - Susan Jennings
  
6. Telephone number:
  - (530) 898-6815
  
7. Period covered audit:
  - July 1, 2020 through June 30, 2021
  
8. Number of days of agency operation:
  - 172 Days
  
9. Scheduled hours of operation each day:
  - Monday through Friday, 7:30 A.M. – 5:00 P.M.



Aldrich CPAs + Advisors LLP  
7676 Hazard Center Drive, #1300  
San Diego, California 92108

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Associated Students Child Development Laboratory  
California State University, Chico  
Chico, California

### Report on the Financial Statements

We have audited the accompanying financial statements of Associated Students Child Development Laboratory (the Development Lab), which comprise the statement of financial position as of June 30, 2021; the related statements of activities, functional expenses, 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 auditors' 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 Development Lab'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 Development Lab's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Development Lab as of June 30, 2021, 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.

**INDEPENDENT AUDITORS' REPORT,  
CONTINUED**

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as reflected in the table of contents, required by the *Audit Guide* issued by the California Department of Education and the California Department of Social Services is presented for purposes of additional analysis and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 10, 2021, on our consideration of the Development Lab's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on 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* in considering the Development Lab's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
December 10, 2021

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Statement of Financial Position**  
June 30, 2021

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**ASSETS**

Current Assets:

Cash	\$	54,513
Contracts receivable		39,329
Other accounts receivable		<u>51,216</u>

Total Assets \$ 145,058

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable	\$	94,582
Contract liability		14,744
Accrued liabilities		26,541
Deferred revenue		<u>9,191</u>

Total Liabilities 145,058

Net Assets:

Without donor restrictions -

Total Liabilities and Net Assets \$ 145,058

## ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

### Statement of Activities

Year Ended June 30, 2021

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Revenue and Support Without Donor Restriction:		
General child care program	\$	231,675
Preschool program		214,920
Child Care Access Means Parents in School grant		169,233
Child care food grant		8,398
		<hr/>
Total Support		624,226
Associated Students' contribution		145,018
Early Head Start child development partnership		132,940
Butte County Office of Education - Steps to Quality funding		8,024
Contributions and other revenue		1,950
Family fees for certified children		886
		<hr/>
Total Revenue and Support Without Donor Restriction		913,044
Expenses:		
Program services:		
General child development programs		497,956
Preschool programs		363,460
Supporting services:		
Management and general		54,216
		<hr/>
Total Program and Supporting Services Expenses		915,632
Change in Net Assets		(2,588)
Net Assets Without Donor Restrictions - Beginning of Year		<hr/> 2,588
Net Assets Without Donor Restrictions - End of Year	\$	<hr/> <hr/> -

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**

**Statement of Functional Expenses**

Year Ended June 30, 2021

	Program Services			Supporting Activities	
	General Child Development Programs	Preschool Programs	Total Program Services	Management and General	Total Expenses
Expenses:					
Certificated salaries:					
Teachers	\$ 162,595	\$ 126,778	\$ 289,373	\$ -	\$ 289,373
Supervisors	58,584	55,978	114,562	-	114,562
Classified salaries:					
Instructional aides	26,402	20,869	47,271	-	47,271
Clerical personnel	14,757	14,757	29,514	-	29,514
Food service personnel	6,223	7,192	13,415	-	13,415
Employee benefits	133,899	116,318	250,217	-	250,217
Indirect cost - administration	-	-	-	41,091	41,091
Other supplies	31,006	9,730	40,736	-	40,736
Equipment / capital outlay	24,818	-	24,818	-	24,818
Audit	-	-	-	13,125	13,125
Other	8,131	1,859	9,990	-	9,990
Professional services	8,772	762	9,534	-	9,534
Instructional supplies	8,085	1,233	9,318	-	9,318
Communications	3,671	3,671	7,342	-	7,342
Travel and conferences	6,441	285	6,726	-	6,726
Food services:					
Food costs	1,502	3,050	4,552	-	4,552
Food supplies	482	978	1,460	-	1,460
Depreciation	2,588	-	2,588	-	2,588
Total Program and Supporting Services Expenses	\$ 497,956	\$ 363,460	\$ 861,416	\$ 54,216	\$ 915,632

See accompanying notes to financial statements.



**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Statement of Cash Flow**  
Year Ended June 30, 2021

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Cash Flows from Operating Activities		
Change in net assets	\$	(2,588)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		2,588
Changes in operating assets and liabilities:		
Contracts receivable		(10,237)
Other accounts receivable		(48,589)
Accounts payable		64,429
Contract liability		(6,115)
Accrued liabilities		(2,096)
Deferred revenue		9,191
		<hr/>
Net Cash Provided by Operating Activities		6,583
Cash - Beginning of the Year		<hr/> 47,930
Cash - End of the Year	\$	<hr/> <hr/> 54,513

## ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

### Notes to Financial Statements

Year Ended June 30, 2021

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#### Note 1 – Summary of Significant Accounting Policies

##### Nature of Activities

The Associated Students Child Development Laboratory (the Development Lab) is a campus-based child care center administered by the Associated Students, California State University Chico (Associated Students), which has contracted with the California Department of Education and California Department of Social Services for grant funds to provide child development and preschool services. The Development Lab also receives funds from other agencies, private donations, and family fees.

##### New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (ASC Topic 606)*. This standard update, along with related subsequently issued updates, clarifies the principles for recognizing revenue and develops a common revenue standard under accounting principles generally accepted in the United States of America (US GAAP). The Development Lab adopted ASC Topic 606 effective July 1, 2020. The new guidance was applied retrospectively to all contracts that were not completed as of the adoption date.

Management analyzed the provisions of FASB's ASC Topic 606 and has concluded that no changes are necessary to conform with the new standard.

##### Financial Statement Presentation

The financial statements of the Development Lab have been prepared in accordance with US GAAP, which require the Development Lab to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Development Lab. These net assets may be used at the discretion of the Development Lab's management and the board of directors.
- *Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Development Lab or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Development Lab did not have any donor restrictions that were temporary or perpetual in nature as of June 30, 2021.

##### Cash and Cash Equivalents

The Development Lab considers cash and cash equivalents to include cash on hand and commercial checking and savings accounts and time certificates of deposit with initial maturities of three months or less. Associated Students advances cash to provide funds as needed. Cash consists of bank deposits which are subject to the security provided to local public agencies up to \$2,500,000.

##### Contracts Receivable

Contracts receivable represent amounts due to the Development Lab for reimbursement of expenditures made under approved grant contracts. The majority of these grant contracts are with federal or state agencies. Based on past payment history, no allowance for doubtful accounts has been reflected at June 30, 2021, as management believes all amounts are fully collectible.

## ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

### Notes to Financial Statements

Year Ended June 30, 2021

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#### Note 1 – Summary of Significant Accounting Policies, continued

##### Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is provided in an amount sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Planned major maintenance is accounted for using the direct expense method. Expenditures for equipment costing over \$5,000 are capitalized. Furniture and equipment were fully depreciated as of June 30, 2021.

##### Revenue Recognition

The Development Lab receives a significant amount of its revenue in the form of federal and state grants and contracts for program operations. All revenue received is restricted in that it is only to be used for expenditures related to the Development Lab programs. Revenue from grants and contracts is recognized as funds are expended. The Development Lab receives an administration fee for indirect overhead costs and recognizes this fee as income over the life of the grant or contract as a percentage of total expenditures or salaries and wages as specified in the grant or contract.

The Development Lab recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Grants and conditional promises to give – that are, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

##### Contributions

All contributions are considered to be available for unrestricted use for any program related expenditure, unless specifically restricted by the donor.

##### Donated Facilities

The Development Lab receives the use of its indoor and outdoor space from California State University, Chico (CSU, Chico), for use by faculty and students to pursue educational goals. This support has not been included in the financial statements as fair rental value of the property has not been determined.

##### Income Taxes

Associated Students, which administers the Development Lab, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Associated Students functionally supports CSU, Chico, and has been classified in accordance with Section 509(a)(3), Type III. Associated Students has not entered into any activities that would jeopardize its tax-exempt status. Income from certain activities not directly related to Associated Students' tax-exempt purpose is subject to taxation as unrelated business income. However, expenses associated with the unrelated business income exceed the income or are insignificant. Accordingly, no provision for income taxes is required.

Associated Students accounts for income taxes in accordance with FASB ASC 740, Income Taxes, which clarifies the accounting for uncertainty in income taxes recognized in the Development Lab's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740, Income Taxes, also provides guidance on recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on this analysis, a liability is recorded if uncertain tax benefits have been received. The Development Lab's practice is to recognize interest and penalties, if any, related to uncertain tax positions in the tax expense. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2021, and the Development Lab does not expect this to change significantly over the next 12 months.

##### Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

### Notes to Financial Statements

Year Ended June 30, 2021

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#### Note 1 – Summary of Significant Accounting Policies, continued

##### Reconciliation of Child Development (CD) and GAAP Expense Reporting

The supplemental combining statement of activities and basic financial statements present financial data in conformity with US GAAP. The other supplemental financial data presented in the audit, including data in the schedule of expenditures by state categories, present expenditures according to CD reporting requirements. However, reporting differences arise because CD 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 US GAAP are expensed in the contract period under CD requirements. To address such reporting differences, the audit report includes a reconciliation of CD and US GAAP expense reporting.

##### Subsequent Events

Management has evaluated subsequent events through December 10, 2021, the date the report was available to be issued.

Effective July 1, 2021, the General Child Care and Development Program (CCTR) and the Child and Adult Care Food Program were transitioned from the California Department of Education to the California Department of Social Services.

#### Note 2 – Contracts Receivable

Contracts receivable is composed of the following amount:

California Department of Education	\$	5,872
Chico State Enterprises		<u>33,457</u>
Total	\$	<u>39,329</u>

#### Note 3 – Compensated Absences

Employees of the Development Lab are entitled to paid vacation days based on length of service and other factors. Sick leave benefits are accumulated for each employee; however, the employees are not vested in these benefits. Therefore, sick leave benefits are recognized as an expense when incurred and no liability has been recorded. Accumulated vacation benefits are vested by the employees; therefore, a liability has been recorded and amounted to \$23,251 at June 30, 2021.

#### Note 4 – Retirement and Benefit Plans

As part of the Associated Students, Development Lab employees participate in the multi-employer public employee retirement system defined benefit pension plans administered by California Public Employees' Retirement System (CalPERS). The Associated Students has two CalPERS plans, one for those hired prior to 2013 (Classic) and one for those hired in 2013 or later (PEPRA). The plans provide retirement, disability benefits, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplemental information. Copies of the CAFR may be obtained from CalPERS, 400 Q Street, Sacramento, California, 95811, and from [www.calpers.ca.gov](http://www.calpers.ca.gov). Furthermore, the Associated Students' financial statements provide additional disclosures and may be obtained from Associated Students of CSU, Chico, Associated Students FSO – Office 248, Chico, California, 95929, and from [as.csuchico.edu](http://as.csuchico.edu). The Development Lab's expense recognized for CalPERS amounted to \$52,540 for the year ended June 30, 2021.

The Development Lab participates in the Associated Students' defined benefit postretirement plan that covers both salaried and non-salaried career employees. The Development Lab recognized no expense for postretirement benefits for the year ended June 30, 2021. The liability for postretirement benefits is maintained by the Associated Students.

## **ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**

### **Notes to Financial Statements**

Year Ended June 30, 2021

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#### **Note 5 – Contingencies**

The Development Lab received state and federal funds for specific purposes that are subject to review and audit by the funding agencies. Such audits could generate expenditure disallowances and refunds payable under the terms of the grants and contracts. A loss of state and federal support would have a significant impact on the Development Lab's ability to provide its program services.

#### Coronavirus

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders, including California, where the Development Lab is located.

Management has initiated several changes to the operations of the programs and administrative functions in order to protect the health of staff, students, parents, and children and to mitigate the financial effects of the virus and its resultant economic slowdown. The Development Lab will continue to evaluate, and if appropriate, adopt other measures in the future required for the ongoing safety of students and staff.

The extent of the impact of COVID-19 on the Development Lab's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Development Lab's customers, employees, and vendors, all of which at present, cannot be determined.

#### **Note 6 – Nutrition Program**

In fiscal year 2021, the Development Lab had a nutrition agreement with the California Department of Education, which was transferred to the California Department of Social Services in fiscal year 2022, for a child care food program as reported in the schedule of expenditures of federal and state awards. The monthly claims for reimbursement were prepared using actual daily meal counts. The nutrition audit report schedules are not included as part of the supplemental schedules 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.

**SUPPLEMENTAL INFORMATION**

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Expenditures of Federal and State Awards**  
Year Ended June 30, 2021

<b>Program Name</b>	<b>Federal Assistance Listing Number</b>	<b>Grantor's Number</b>	<b>Program or Award Amount</b>	<b>Revenue Recognized</b>	<b>Disbursements/ Expenditures</b>
<b>Federal</b>					
U.S Department of Agriculture					
Passed through California Department of Education					
Child Nutrition and Food Distribution Division:					
Child and Adult Care Food Program	10.558	04-1155-0A	\$ 12,072	\$ 8,398	\$ 8,398
U.S. Department of Health and Human Services					
Passed through California Department of Education					
Child Care Cluster:					
General Child Care and Development Program	93.596	CCTR-0018	52,288	52,288	52,288
General Child Care and Development Program	93.575	CCTR-0018	23,918	23,918	23,918
<b>Total U.S Department of Health and Human Services</b>			<b>76,206</b>	<b>76,206</b>	<b>76,206</b>
U.S. Department of Education					
Passed through Chico State Enterprises					
Child Care Access Means Parents in School	84.335A	P335A180211	288,954	169,233	169,233
<b>Total Federal Awards</b>			<b>\$ 377,232</b>	<b>\$ 253,837</b>	<b>\$ 253,837</b>

See accompanying notes to supplemental information.

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Expenditures of Federal and State Awards, continued**  
Year Ended June 30, 2021

Program Name	Federal Assistance Listing		Grantor's Number	Program or Award Amount	Revenue Recognized	Disbursements/ Expenditures
	Number					
<b>State</b>						
California Department of Education						
Child Development Division:						
General Child Care and Development Program		CCTR-0018	\$	206,537	\$	155,469
California State Preschool Program		CSPP-0039		228,818		214,920
Early Head Start Partnership - Base Grant		20-15291-E547		110,370		96,983
Early Head Start Partnership - Base Grant (TT&A)		20-15292-E547		2,995		2,995
Early Head Start Partnership - CARES Act/COVID-19		20-15292-E547		8,750		8,750
Early Head Start Partnership - Base Grant		19-15291-E547		31,323		23,723
Early Head Start Partnership - Base Grant		18-15291-E547		489		489
<b>Total State Awards</b>				<b>589,282</b>		<b>503,329</b>
<b>Total Federal and State Awards</b>			<b>\$</b>	<b>966,514</b>	<b>\$</b>	<b>757,166</b>

See accompanying notes to supplemental information.



**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Combining Statement of Activities**  
Year Ended June 30, 2021

	General Child Development Programs	Preschool Programs	Total
Revenue and Support Without Donor Restriction:			
General child care program	\$ 231,675	\$ -	\$ 231,675
Preschool program	-	214,920	214,920
Child Care Access Means Parents in School grant	86,232	83,001	169,233
Child care food grant	2,771	5,627	8,398
<b>Total Support</b>	<b>320,678</b>	<b>303,548</b>	<b>624,226</b>
Associated Students' contribution	72,509	72,509	145,018
Early Head Start child development partnership	132,940	-	132,940
Butte County Office of Education			
- Steps to Quality funding	-	8,024	8,024
Contributions and other revenue	975	975	1,950
Family fees for certified children	-	886	886
<b>Total Revenue and Support Without Donor Restriction</b>	<b>527,102</b>	<b>385,942</b>	<b>913,044</b>
Expenses:			
Certificated salaries:			
Teachers	162,595	126,778	289,373
Supervisors	58,584	55,978	114,562
Classified salaries:			
Instructional aides	26,402	20,869	47,271
Clerical personnel	14,757	14,757	29,514
Food service personnel	6,223	7,192	13,415
Employee benefits	133,899	116,318	250,217
Indirect cost - administration	25,171	15,920	41,091
Other supplies	31,006	9,730	40,736
Equipment / capital outlay	24,818	-	24,818
Audit	6,563	6,562	13,125
Other	8,131	1,859	9,990
Professional services	8,772	762	9,534
Instructional supplies	8,085	1,233	9,318
Communications	3,671	3,671	7,342
Travel and conferences	6,441	285	6,726
Food services:			
Food costs	1,502	3,050	4,552
Food supplies	482	978	1,460
Depreciation	2,588	-	2,588
<b>Total Expenses</b>	<b>529,690</b>	<b>385,942</b>	<b>915,632</b>
Change in Net Assets	\$ (2,588)	\$ -	\$ (2,588)

See accompanying notes to supplemental information.

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Expenditures by State Categories**  
Year Ended June 30, 2021

	General Child Development Programs	Preschool Programs	Total
Expenditures:			
1000 Certificated salaries	\$ 141,828	\$ 144,909	\$ 286,737
2000 Classified salaries	41,062	36,498	77,560
3000 Employee benefits	95,535	100,542	196,077
4000 Books and supplies	2,112	6,565	8,677
5000 Services and other operating expenses	-	-	-
6000 Equipment/capital outlay	24,818	-	24,818
Indirect costs	15,323	15,920	31,243
Total Expenditures Claimed for Reimbursement	320,678	304,434	625,112
Total supplemental expenses	206,424	81,508	287,932
Total Expenditures	\$ 527,102	\$ 385,942	\$ 913,044

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Reconciliation of CD and GAAP Expense Reporting**  
 Year Ended June 30, 2021

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	General Child Development Programs	Preschool Programs	Total
Schedule of Expenditures by State Categories	\$ 527,102 \$	385,942 \$	913,044
Adjustments to Reconcile Differences in Reporting:			
Depreciation on non-CDE funded assets used in program	2,588	-	2,588
Combining Statement of Activities (GAAP)	\$ 529,690 \$	385,942 \$	915,632

Depreciation on non-CDE funded assets used in program is not reimbursable.

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Claimed Equipment and Expenditures for Renovation and Repairs**  
Year Ended June 30, 2021

<b>EQUIPMENT EXPENDITURES</b>					
Unit costs under \$5,000		Unit costs over \$7,500 with prior written approval		Unit costs over \$7,500 without prior approval	
Cost	Item	Cost	Item	Cost	Item
\$0.00	0	\$0.00	0	\$0.00	0
<b>RENOVATION AND REPAIR EXPENDITURES</b>					
Unit costs under \$5,000		Unit costs over \$10,000 with prior written approval		Unit costs over \$10,000 without CDE approval	
Cost	Item	Cost	Item	Cost	Item
\$0.00	0	\$24,818.00	Play yard - replace cracked asphalt with concrete pad	\$0.00	0
<b>Comments:</b>					
None.					

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Claimed Administrative Costs**  
Year Ended June 30, 2021

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	General Child Development Programs	Preschool Programs	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Indirect costs	\$ 25,171	\$ 15,920	\$ 41,091
Audit fees	6,563	6,562	13,125
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	\$ <u>31,734</u>	\$ <u>22,482</u>	\$ <u>54,216</u>

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 9500 – Audited Attendance and Fiscal Report**  
 Year Ended June 30, 2021

**California Department of Education**  
**Audited Attendance and Fiscal Report**  
**for Child Development Programs**  
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Fiscal Year Ending  
 Contract Number  
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June 30, 2021
CCTR-0018
04-E547-00-9

Full Name of Contractor

Associated Students of California State University, Chico

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

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus	0	0	0	2.8792	0
Infants (up to 18 months) Full-time	54	0	54	2.4400	131.760
Infants (up to 18 months) Three-quarters-time	122	20	142	1.8300	259.860
Infants (up to 18 months) One-half-time	26	(20)	6	1.3420	8.052
Toddlers (18 up to 36 months) Full-time-plus	0	0	0	2.1240	0
Toddlers (18 up to 36 months) Full-time	340	0	340	1.8000	612.000
Toddlers (18 up to 36 months) Three-quarters-time	538	0	538	1.3500	726.300
Toddlers (18 up to 36 months) One-half-time	81	0	81	0.9900	80.190
Three Years and Older Full-time-plus	0	0	0	1.1800	0
Three Years and Older Full-time	1	0	1	1.0000	1.000
Three Years and Older Three-quarters-time	26	0	26	0.7500	19.500
Three Years and Older One-half-time	0	0	0	0.5500	0
Exceptional Needs Full-time-plus	0	0	0	1.8172	0
Exceptional Needs Full-time	0	0	0	1.5400	0
Exceptional Needs Three-quarters-time	0	0	0	1.1550	0
Exceptional Needs One-half-time	0	0	0	0.8470	0

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 9500 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

California Department of Education  
 Audited Attendance and Fiscal Report  
 for Child Development Programs  
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Fiscal Year Ending  
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June 30, 2021
CCTR-0018
04-E547-00-9

Full Name of Contractor

Associated Students of California State University, Chico

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

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Limited and Non-English Proficient Full-time-plus	0	0	0	1.2980	0
Limited and Non-English Proficient Full-time	0	0	0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0	0	0	0.8250	0
Limited and Non-English Proficient One-half-time	0	0	0	0.6050	0
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0	0	0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0	0	0	0.6050	0
Severely Disabled Full-time-plus	0	0	0	2.2774	0
Severely Disabled Full-time	0	0	0	1.9300	0
Severely Disabled Three-quarters-time	0	0	0	1.4475	0
Severely Disabled One-half-time	0	0	0	1.0615	0
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>1,188</b>	<b>0</b>	<b>1,188</b>	<b>N/A</b>	<b>1,838.662</b>
<b>DAYS OF OPERATION</b>	<b>173</b>	<b>(1)</b>	<b>172</b>	<b>N/A</b>	<b>N/A</b>
<b>DAYS OF ATTENDANCE</b>	<b>1,138</b>	<b>(4)</b>	<b>1,134</b>	<b>N/A</b>	<b>N/A</b>

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

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 9500 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

California Department of Education  
**Audited Attendance and Fiscal Report**  
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Full Name of Contractor

Associated Students of California State University, Chico

**Selection 3 - Revenue**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	2,771	0	2,771
Restricted Income - County Maintenance of Effort (EC Section 8279)	0	0	0
Restricted Income - Other: CCAMPIS Grant, CCAMPIS Pd. Cert. Parent Fees	86,232	0	86,232
<b>Restricted Income - Subtotal</b>	<b>89,003</b>	<b>0</b>	<b>89,003</b>
Transfer from Reserve			
Waived Family Fees for Certified Children (July and August)	260	0	260
Family fees Collected for Certified Children (September - June)	0	0	0
Waived Family Fees for Certified Children (September - June)	0	0	0
<b>Family Fees (September - June) - Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Earned on Child Development Apportionment Payments	0	0	0
Unrestricted Income: Fees for Non-Certified Children	0	0	0
Unrestricted Income: Head Start	0	0	0
Unrestricted Income - Other:	0	0	0
<b>Total Revenue</b>	<b>89,003</b>	<b>0</b>	<b>89,003</b>

Comments: 20 days of Infants (up to 18 months) Three-quarters-time enrollment were miskeyed as One-half-time enrollment in March 2021.  
 1 day of operation was miskeyed in January 2021.  
 4 days of attendance were miskeyed in August 2020 (1), October 2020 (2), and April 2021 (1).



**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 9500 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

California Department of Education  
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Full Name of Contractor

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**Section 4 - Reimbursable Expenses**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	141,828	0	141,828
2000 Classified Salaries	41,062	0	41,062
3000 Employee Benefits	95,535	0	95,535
4000 Books and Supplies	2,112	0	2,112
5000 Services and Other Operating Expenses	0	0	0
6100/6200 Other Approved Capital Outlay	24,818	0	24,818
6400 New Equipment (program-related)	0	0	0
6500 Equipment Replacement (program-related)	0	0	0
Depreciation or Use Allowance	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Budget Impasse Credit	0	0	0
Indirect Costs (Include in Administrative Cost)	15,323	0	15,323
Non-Reimbursable (State Use Only)	0	0	0
<b>Total Reimbursable Expenses</b>	<b>320,678</b>	<b>0</b>	<b>320,678</b>
Total Administrative Cost (included in section 4 above)	15,323	0	15,323
Total Staff Training Cost (included in section above)	0	0	0

Approved Indirect Cost Rate:

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

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 9500 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

California Department of Education  
 Audited Attendance and Fiscal Report  
 for Child Development Programs  
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Fiscal Year Ending  
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Full Name of Contractor

Associated Students of California State University, Chico

**Section 5 - Supplemental Revenue**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other: Early Head Start Partnership	132,940	0	132,940
Other: Auxiliary Organization Contribution	73,484	0	73,484
<b>Total Supplemental Revenue</b>	<b>206,424</b>	<b>0</b>	<b>206,424</b>

**Section 6 - Supplemental Expenses**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	79,351	0	79,351
2000 Classified Salaries	6,319	0	6,319
3000 Employee Benefits	38,365	0	38,365
4000 Books and Supplies	44,925	0	44,925
5000 Services and Other Operating Expenses	27,616	0	27,616
6000 Equipment/Capital Outlay	0	0	0
Depreciation or Use Allowance	0	0	0
Indirect Costs	9,848	0	9,848
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay	0	0	0
<b>Total Supplemental Expenses</b>	<b>206,424</b>	<b>0</b>	<b>206,424</b>

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 9500 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

**Audited Attendance and Fiscal Report**  
**for Child Development Programs**  
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Full Name of Contractor: Associated Students of California State University, Chico

**Section 7 - Summary**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	1,188	0	1,188
Days of Operation	173	(1)	172
Days of Attendance	1,138	(4)	1,134
Restricted Program Income	89,003	0	89,003
Transfer from Reserve	0	0	0
Family Fees for Certified Children (September - June)	0	0	0
Interest Earned on Child Development Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	320,678	0	320,678
Total Administrative Cost	15,323	0	15,323
Total Staff Training Cost	0	0	0

Total Certified  
 Adjusted Days of  
 Enrollment

1,838.662

Total Non-Certified  
 Adjusted Days of  
 Enrollment

0

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

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

YES

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 8501 – Audited Attendance and Fiscal Report**  
 Year Ended June 30, 2021

**California Department of Education**  
**Audited Attendance and Fiscal Report for**  
**California State Preschool Programs**  
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Fiscal Year Ending  
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June 30, 2021
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04-E547-00-9

Full Name of Contractor

Associated Students of California State University, Chico

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

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus	0	0	0	1.1800	0
Three Years and Older Full-time	1284	0	1284	1.0000	1284.000
Three Years and Older Three-quarters-time	600	0	600	0.7500	450.000
Three Years and Older One-half-time	1228	0	1228	0.6193	760.500
Exceptional Needs Full-time-plus	0	0	0	1.8172	0
Exceptional Needs Full-time	63	0	63	1.5400	97.020
Exceptional Needs Three-quarters-time	27	0	27	1.1550	31.185
Exceptional Needs One-half-time	1	0	1	0.9537	0.954
Limited and Non-English Proficient Full-time-plus	0	0	0	1.2980	0
Limited and Non-English Proficient Full-time	0	0	0	1.1000	0
Limited and Non-English Proficient Three-quarters-time	0	0	0	0.8250	0
Limited and Non-English Proficient One-half-time	0	0	0	0.6193	0

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 8501 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

**California Department of Education**  
**Audited Attendance and Fiscal Report for**  
**California State Preschool Programs**  
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Fiscal Year Ending  
 Contract Number  
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Full Name of Contractor

Associated Students of California State University, Chico

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

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0
At Risk of Abuse or Neglect Three-quarters-time	0	0	0	0.8250	0
At Risk of Abuse or Neglect One-half-time	0	0	0	0.6193	0
Severely Disabled Full-time-plus	0	0	0	2.2774	0
Severely Disabled Full-time	0	0	0	1.9300	0
Severely Disabled Three-quarters-time	0	0	0	1.4475	0
Severely Disabled One-half-time	0	0	0	1.1952	0
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>3,203</b>	<b>0</b>	<b>3,203</b>	<b>N/A</b>	<b>2,623.659</b>
<b>DAYS OF OPERATION</b>	<b>173</b>	<b>(1)</b>	<b>172</b>	<b>N/A</b>	<b>N/A</b>
<b>DAYS OF ATTENDANCE</b>	<b>2,271</b>	<b>(25)</b>	<b>2,246</b>	<b>N/A</b>	<b>N/A</b>

X

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

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 8501 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

California Department of Education  
 Audited Attendance and Fiscal Report for  
 California State Preschool Programs  
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Fiscal Year Ending	June 30, 2021
Contract Number	CSPP-0039
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Full Name of Contractor

Associated Students of California State University, Chico

**Section 3 - Revenue**

Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	5,627	0	5,627
Restricted Income - County Maintenance of Effort (EC Section 8279)	0	0	0
Restricted Income - Other: CCAMPIS Grant, CCAMPIS Pd. Cert. Parent Fees	83,001	0	83,001
<b>Restricted Income - Subtotal</b>	<b>88,628</b>	<b>0</b>	<b>88,628</b>
Transfer from Reserve - General	0	0	0
Transfer from Reserve - Professional Development	0	0	0
<b>Transfer from Reserve Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
Waived Family Fees for Certified Children (July - August)	98	0	98
Family Fees Collected for Certified Children (September - June)	886	0	886
Waived Family Fees for Certified Children (September - June)	0	0	0
<b>Family Fees for Certified Children (September - June) - Subtotal</b>	<b>886</b>	<b>0</b>	<b>886</b>
Interest Earned on Child Development Apportionment Payments	0	0	0
Unrestricted Income - Fees for Non-Certified Children	0	0	0
Unrestricted Income - Head Start	0	0	0
Unrestricted Income - Other:	0	0	0
<b>Total Revenue</b>	<b>89,514</b>	<b>0</b>	<b>89,514</b>

Comments:

1 day of operation was miskeyed in January 2021.  
 25 days of attendance were mistakenly included for children attending via distance-learning in October 2020.

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 8501 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

California Department of Education  
 Audited Attendance and Fiscal Report for  
 California State Preschool Programs  
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Fiscal Year Ending	June 30, 2021
Contract Number	CSPP-0039
Vendor Code	04-E547-00-9

Full Name of Contractor Associated Students of California State University, Chico

**Section 4 - Reimbursable Expenses**

Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)	0	0	0
1000 Certificated Salaries	144,909	0	144,909
2000 Classified Salaries	36,498	0	36,498
3000 Employee Benefits	100,542	0	100,542
4000 Books and Supplies	6,565	0	6,565
5000 Services and Other Operating Expenses	0	0	0
6100/6200 Other Approved Capital Outlay	0	0	0
6400 New Equipment (program-related)	0	0	0
6500 Equipment Replacement (program-related)	0	0	0
Depreciation or Use Allowance	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Budget Impasse Credit	0	0	0
Indirect Costs (include in Total Administrative Cost)	15,920	0	15,920
Non-Reimbursable (State use only)	0	0	0
<b>Total Reimbursable Expenses</b>	<b>304,434</b>	<b>0</b>	<b>304,434</b>
Total Administrative Cost (included in section 4 above)	15,920	0	15,920
Total Staff-Training Cost (included in Section 4 above)	0	0	0

Approved Indirect Cost Rate: 8.0%

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

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 8501 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

California Department of Education  
 Audited Attendance and Fiscal Report for  
 California State Preschool Programs  
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Fiscal Year Ending	June 30, 2021
Contract Number	CSPP-0039
Vendor Code	04-E547-00-9

Full Name of Contractor Associated Students of California State University, Chico

**Section 5 - Supplemental Revenue**

Supplemental Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding	0	0	0
Other: Butte Co. Office of Education - Steps to Quality funding	8,024	0	8,024
Other: Auxiliary Organization Contribution	73,484	0	73,484
<b>Total Supplemental Revenue</b>	<b>81,508</b>	<b>0</b>	<b>81,508</b>

**Section 6 - Supplemental Expenses**

Supplemental Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	37,847	0	37,847
2000 Classified Salaries	6,319	0	6,319
3000 Employee Benefits	15,776	0	15,776
4000 Books and Supplies	8,427	0	8,427
5000 Services and Other Operating Expenses	13,139	0	13,139
6000 Equipment / Capital Outlay	0	0	0
Depreciation or Use Allowance	0	0	0
Indirect Costs	0	0	0
Non-reimbursable Expenses	0	0	0
<b>Total Supplemental Expenses</b>	<b>81,508</b>	<b>0</b>	<b>81,508</b>

See accompanying notes to supplemental information.



**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**AUD 8501 – Audited Attendance and Fiscal Report, continued**  
 Year Ended June 30, 2021

**California Department of Education**  
**Audited Attendance and Fiscal Report for**  
**California State Preschool Programs**  
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Fiscal Year Ending June 30, 2021  
 Contract Number CSPP-0039  
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Full Name of Contractor Associated Students of California State University, Chico

**Section 7 - Summary**

Summary Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	
Total Certified Days of Enrollment	3,203	0	3,203	
Days of Operation	173	(1)	172	
Days of Attendance	2,271	(25)	2,246	
Restricted Program Income	88,628	0	88,628	
Transfer from Reserve	0	0	0	
Family Fees for Certified Children (September - June)	886	0	886	
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	304,434	0	304,434	
Total Administrative Cost	15,920	0	15,920	
Total Staff Training Cost	0	0	0	
				2,623.659
				0

Total Certified  
Adjusted Days of  
Enrollment

Total Non-Certified  
Adjusted Days of  
Enrollment

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

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

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO): YES

## **ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**

### **Notes to Supplemental Information**

Year Ended June 30, 2021

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#### **Note 1 – Schedule of Expenditures of Federal and State Awards**

The accompanying schedule of expenditures of federal and state awards includes the federal grant activity of the Development Lab and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Development Lab, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Development Lab. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Development Lab has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

#### **Note 2 – Schedule of Expenditures by State Category**

We have examined the claims filed for reimbursement and the original records supporting the transactions under the contracts to an extent considered necessary to assure ourselves that the amounts claimed by the Development Lab were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions. Expenses related to the food program have been allocated to the child care and preschool contracts based on meal counts.

#### **Note 3 – 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 the California Department of Education's Funding Terms and Conditions (FT&C), indirect costs cannot be charged on capital outlay expenditures in the 6000 series accounts. Indirect costs and the audit fee are the only administrative costs allocated to the programs.

**OTHER REQUIRED INFORMATION**

**INDEPENDENT AUDITORS' 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 Child Development Laboratory  
California State University, Chico  
Chico, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Associated Students Child Development Laboratory, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Associated Students Child Development Laboratory'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 Associated Students Child Development Laboratory's internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students Child Development Laboratory's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Associated Students Child Development Laboratory's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003.

**Associated Students Child Development Laboratory's Response to Findings**

Associated Students Child Development Laboratory's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Associated Students Child Development Laboratory's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**INDEPENDENT AUDITORS' 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, CONTINUED**

**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 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.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
December 10, 2021

## **FINDINGS AND RECOMMENDATIONS**

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2021

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**Financial Reporting Findings**

None reported.

**Child Development Programs Findings**

**Finding 2021-001**

1. *Program Information:* California State Preschool Program (CSPP-0039)
2. *Criteria:* Per Section VI(C) of the California Department of Education Funding Terms & Conditions, attendance for each program is required to be recorded on daily sign-in/sign-out sheets. On a daily basis, either the parent or other adult authorized by the parent to drop off/pick-up a child or the staff person designated by the contractor as the person responsible for entering the times of arrival and departure if the child is not dropped off/picked up by a parent or other adult authorized by the parent, shall enter the time of arrival and departure on a sign-in/sign-out sheet and shall sign the sheet using their full signature for both arrival and departure times.
3. *Condition:* For one out of 60 attendance days tested, there was no time of arrival recorded on the daily sign-in sheet. For three out of 60 attendance days tested, there was no time of departure recorded on the daily sign-in sheet.
4. *Questioned Costs:* The related conditions did not result in reportable questioned costs.
5. *Context:* Sign-in/sign-out sheets were not reviewed for completeness before filing.
6. *Effect:* Considered to be a significant deficiency in controls over compliance.
7. *Cause:* There is not a follow-up process to complete attendance documentation when the parent does not complete documentation at the initial time of arrival and departure.
8. *Recommendation:* We recommend that the Development Lab implement a process for reviewing sign-in/sign-out sheets for completeness and training staff to complete documentation in an authorized manner when time in/out documentation is not initially complete.
9. *Views of Responsible Officials and Planned Corrective Actions:* Each week the Office Coordinator will review the sign-in/sign-out sheets for completeness, including the arrival and departure times and authorized signatures. Any missing information will be highlighted on the sheets for follow up. The Office Coordinator will work with the teacher and/or parents to ensure all fields are completed in an authorized manner before entering the data in the attendance software, CenterTrack. The Assistant Director or the Director will provide a final verification of the sign-in/sign-out sheets and attendance entry before filing the completed reports.

**Finding 2021-002**

1. *Program Information:* General Child Care and Development Program (CCTR-0018)
2. *Criteria:* Per Section VI(D) of the California Department of Education Funding Terms & Conditions, attendance, for the purposes of reimbursement includes excused absences. If an absence is claimed by the contractor as an excused absence, the attendance accounting records shall contain verification including the name of the child, the date(s) of absence, the specific reason for the absence, and the signature of the parent or the contractor's authorized representative if verification is made by telephone.

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2021

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**Finding 2021-002, continued**

3. *Condition:* For four out of 40 excused absence days tested, a specific reason for the absence was not documented.
4. *Questioned Costs:* The related conditions did not result in reportable questioned costs because reimbursement in fiscal year 2021 was not based on days of attendance.
5. *Context:* The Development Lab management stated that the parent was contacted via telephone and provided a valid reason for an excused absence, however, documentation of the conversation was not retained in the child's file.
6. *Effect:* Considered to be a significant deficiency in controls over compliance.
7. *Cause:* The verification for the reason of the absence was made via telephone and the reason was not documented by the Development Lab's authorized representative after completing this call.
8. *Recommendation:* We recommend that the Development Lab correctly document the specific reason for all absences which will be claimed as excused and not claim an absence as excused unless the verification documentation is complete.
9. *Views of Responsible Officials and Planned Corrective Actions:* Staff will be trained so that notifications of absences made via telephone will be properly documented on the sign-in/sign-out sheet. Each week, the Office Coordinator will review the sign-in/sign-out sheets for completeness, including the specific reason for absence. Any missing information will be highlighted on the sheets for follow up. The Office Coordinator will work with the teacher and/or parents to ensure all fields are completed in an authorized manner before entering the data in the attendance software, CenterTrack. The Assistant Director or the Director will provide a final verification of the sign-in/sign-out sheets and attendance entry before filing the completed reports.

**Finding 2021-003**

1. *Program Information:* General Child Care and Development Program (CCTR-0018) and California State Preschool Program (CSPP-0039)
2. *Criteria:* Per Section VI(D) of the California Department of Education Funding Terms & Conditions, attendance, for the purposes of reimbursement includes excused absences. If an absence is claimed by the contractor as an excused absence, the attendance accounting records shall contain verification including the name of the child, the date(s) of absence, the specific reason for the absence, and the signature of the parent or the contractor's authorized representative if verification is made by telephone.
3. *Condition:* For 37 out of 40 excused absence days tested, there was no signature by the parent, or designed staff person if the verification was made by telephone, documented.
4. *Questioned Costs:* The related conditions did not result in reportable questioned costs because reimbursement in fiscal year 2021 was not based on days of attendance.
5. *Context:* It was not part of the Development Lab's policy to obtain signatures for absences and, thus, these signatures were generally not documented.
6. *Effect:* Considered to be a significant deficiency in controls over compliance.



**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2021

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**Finding 2021-003, continued**

7. *Cause:* The Development Lab did not have a process for obtaining signatures for absences which will be claimed as excused.
8. *Recommendation:* We recommend that the Development Lab train staff to ensure that a signature of the parent, or designed staff person if the verification was made by telephone, for all absences which will be claimed as excused are documented.
9. *Views of Responsible Officials and Planned Corrective Actions:* Staff will be trained so that notifications of absences made via telephone will be properly documented, including authorized signatures on the sign-in/sign-out sheet. Each week, the Office Coordinator will review the sign-in/sign-out sheets for completeness, including the verification of proper signatures. Any missing information will be highlighted on the sheets for follow up. The Office Coordinator will work with the teacher and/or parents to ensure all fields are completed in an authorized manner before entering the data in the attendance software, CenterTrack. The Assistant Director or the Director will provide a final verification of the sign-in/sign-out sheets and attendance entry before filing the completed reports.

**ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY**  
**Status of Corrective Action on Prior Year Audit Findings**  
Year Ended June 30, 2021

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**Prior Year Audit Findings**

None reported.