

Associated Students Child Development Laboratory

Financial Statements and Supplementary Information

Year Ended June 30, 2019



ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Financial Statements and Supplementary Information
Year Ended June 30, 2019

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ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

General Information

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:
 - Mr. David Buckley
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, 2018, through June 30, 2019

8. Number of days of agency operation:
 - 174 Days

9. Scheduled hours of operation each day:
 - Monday through Friday, 7:45 A.M. – 5:30 P.M.

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, 2019; 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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the California Department of Education *Audit Guide*. 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, 2019, 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.

Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2019, the Development Lab adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

**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 supplementary information, as reflected in the table of contents is presented for purposes of additional analysis as required by the California Department of Education's *Audit Guide*, issued by the California Department of Education 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 and in conformity with the California Department of Education *Audit Guide*. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2019, 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
November 13, 2019

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Statement of Financial Position
June 30, 2019

ASSETS

Current Assets:

Cash	\$	38,187
Contracts receivable		<u>40,306</u>
Total Current Assets		78,493

Non-Current Assets:

Furniture and equipment, net		<u>6,613</u>
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Total Assets	\$	<u><u>85,106</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Associated Students' payable	\$	23,278
Accounts payable		27,081
Contract liability		6,265
Accrued liabilities		<u>21,869</u>
Total Liabilities		78,493

Net Assets:

Without donor restrictions		<u>6,613</u>
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Total Liabilities and Net Assets	\$	<u><u>85,106</u></u>
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ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

Statement of Activities

Year Ended June 30, 2019

Revenue and Support Without Donor Restriction:	
Preschool program	\$ 229,259
General child care program	195,682
Child Care Access Means Parents in School grant	152,588
Child care food grant	33,794
Total Support	<u>611,323</u>
Associated Students' contribution	252,281
Early Head Start child development partnership	166,423
Family fees for certified children	8,488
Butte County Office of Education - Steps to Quality funding	2,650
Contributions and other revenue	1,884
	<u>1,043,049</u>
Expenses:	
Program services:	
General child development programs	559,923
Preschool programs	429,645
Supporting services:	
Management and general	<u>57,505</u>
Total Program and Supporting Services Expenses	<u>1,047,073</u>
Change in Net Assets	(4,024)
Net Assets Without Donor Restrictions - Beginning of Year	<u>10,637</u>
Net Assets Without Donor Restrictions - End of Year	<u>\$ 6,613</u>

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services			Supporting Activities	Total Expenses
	General Child Development Programs	Preschool Programs	Total Program Services		
Expenses:					
Certificated salaries:					
Teachers	\$ 178,368	\$ 136,031	\$ 314,399	\$ -	\$ 314,399
Supervisors	63,420	58,360	121,780	-	121,780
Employee benefits	125,221	104,625	229,846	-	229,846
Classified salaries:					
Instructional aides	67,324	82,858	150,182	-	150,182
Clerical personnel	13,863	13,863	27,726	-	27,726
Food service personnel	4,639	7,899	12,538	-	12,538
Other supplies	29,187	6,856	36,043	-	36,043
Indirect cost - administration	-	-	-	44,005	44,005
Instructional supplies	24,492	2,465	26,957	-	26,957
Travel and conferences	21,049	386	21,435	-	21,435
Equipment / capital outlay	16,256	-	16,256	-	16,256
Audit	-	-	-	13,500	13,500
Food services:					
Food costs	5,289	9,005	14,294	-	14,294
Food supplies	1,027	1,749	2,776	-	2,776
Other	3,792	3,576	7,368	-	7,368
Depreciation	4,024	-	4,024	-	4,024
Communications	1,972	1,972	3,944	-	3,944
Total Program and Supporting Services Expenses	\$ 559,923	\$ 429,645	\$ 989,568	\$ 57,505	\$ 1,047,073

See accompanying notes to financial statements.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Statement of Cash Flow
Year Ended June 30, 2019

Cash Flows from Operating Activities	
Decrease in net assets	\$ (4,024)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	4,024
Changes in operating assets and liabilities:	
Contracts receivable	(31,398)
Other receivables	100
Associated Students' payable	21,450
Accounts payable	6,643
Contract liability	(59,447)
Accrued liabilities	<u>2,860</u>
Net Cash Used by Operating Activities	(59,792)
Cash - Beginning of the Year	<u>97,979</u>
Cash - End of the Year	<u><u>\$ 38,187</u></u>

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

Notes to Financial Statements

Year Ended June 30, 2019

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 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

For the year ended June 30, 2019, the Development Lab adopted ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions until the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets with donor restrictions, liquidity, and expenses by both their natural and functional classification. The Development Lab has adjusted the presentation of these statements accordingly.

Financial Statement Presentation

The financial statements of the Development Lab have been prepared in accordance with U.S. generally accepted accounting principles ("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, where by 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, 2019.

Cash

The 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, 2019, as management believes all amounts are fully collectible.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

Notes to Financial Statements

Year Ended June 30, 2019

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.

Revenue and Support

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.

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

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. The Development Lab functionally supports CSU, Chico, and has been classified in accordance with Section 509(a)(3), Type III. The Development Lab has not entered into any activities that would jeopardize its tax-exempt status. Income from certain activities not directly related to the Development Lab's 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.

The Development Lab 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, 2019, 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.

Subsequent Events

Management has evaluated subsequent events through November 13, 2019, the date the report was available to be issued.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

Notes to Financial Statements

Year Ended June 30, 2019

Note 2 – Contracts Receivable

Contracts receivable is composed of the following amount:

California Department of Education	\$	10,511
Chico State Enterprises		29,795
Total	\$	<u>40,306</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 \$21,845 at June 30, 2019.

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 supplementary information. Copies of the CAFR may be obtained from CalPERS, 400 Q Street, Sacramento, California, 95811, and from 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. The Development Lab's expense recognized for CalPERS amounted to \$35,305 for the year ended June 30, 2019.

Development Lab employees participate in the Associated Students' 401(k) profit sharing plans (the Plans). The Associated Students sponsor two 401(k) profit sharing plans with one plan servicing exempt employees and one plan servicing non-exempt employees. The Plans cover substantially all employees who attained the age of 21 and completed a minimum of 1,000 hours of service per year. Employees may direct contributions from earnings into the Plans. Employer contributions into the Plans are at the discretion of the Associated Students' Board of Directors, and there were no contributions in 2019. The Associated Students' Board of Directors passed a Board Resolution to terminate both of the 401(k) profit sharing plans effective June 30, 2019. The Development Lab's expense recognized for the Plan's administration costs amounted to \$2,702 for the year ended June 30, 2019.

The Development Lab participates in the Associated Students' defined benefit postretirement plan that covers both salaried and nonsalaried career employees. The Development Lab's expense recognized for postretirement benefits amounted to \$2,868 for the year ended June 30, 2019. The liability for postretirement benefits is maintained by the Associated Students.

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.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

Notes to Financial Statements

Year Ended June 30, 2019

Note 6 – Nutrition Program

The Development Lab has a nutrition agreement with the California Department of Education 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 supplementary 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.

SUPPLEMENTARY INFORMATION SECTION

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2019

Program Name	Federal CFDA Number	Grantor's Number	Program or Award Amount	Revenue Recognized	Disbursements/ Expenditures
Federal					
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	\$ 33,793	\$ 33,793	\$ 33,793
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-8017	50,425	50,425	50,425
California State Preschool Program	93.596	CSPP-8036	22,554	22,554	22,554
Subtotal of CFDA No. 93.596			72,979	72,979	72,979
General Child Care and Development Program	93.575	CCTR-8017	23,181	23,181	23,181
California State Preschool Program	93.575	CSPP-8036	10,360	10,360	10,360
Subtotal of CFDA No. 93.575			33,541	33,541	33,541
Total U.S Department of Health and Human Services			106,520	106,520	106,520
U.S. Department of Education					
Passed through from Chico State Enterprises					
Child Care Access Means Parents in School	84.335A	P335A180211	212,829	152,588	152,588
Total Federal Awards			\$ 353,142	\$ 292,901	\$ 292,901

See accompanying notes to supplementary information.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Schedule of Expenditures of Federal and State Awards, continued
Year Ended June 30, 2019

State					
California Department of Education					
Child Development Division:					
General Child Care and Development Program	CCTR-8017	\$	162,269	\$	122,076
California State Preschool Program	CSPP-8036		196,345		196,345
Early Head Start Partnership - Base Grant	18-15291-E547		106,840		95,745
Early Head Start Partnership - Base Grant (TT&A)	18-15291-E547		1,044		270
Early Head Start Partnership - Base Grant Rollover	17-15291-E547		15,441		12,114
Early Head Start Partnership - Start Up Rollover	16-15291-E547		24,391		22,858
Early Head Start Partnership - Base Grant Rollover	16-15291-E547		12,327		12,327
Early Head Start Partnership - Wish List Rollover	16-15291-E547		23,434		23,109
Total State Awards			542,091		484,844
Total Federal and State Awards		\$	895,233	\$	777,745

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY

Schedule of Expenditures by State Categories

Year Ended June 30, 2019

	General Child Development Programs	Preschool Programs	Total
Expenditures:			
1000 Certificated salaries	\$ 195,046	\$ 194,391	\$ 389,437
2000 Classified salaries	85,825	104,620	190,445
3000 Employee benefits	104,288	104,625	208,913
4000 Books and supplies	8,998	17,425	26,423
5000 Services and other operating expenses	12,684	12,684	25,368
6000 Equipment/capital outlay	-	-	-
Indirect costs	15,203	18,187	33,390
Total Expenditures Claimed for Reimbursement	422,044	451,932	873,976
Total supplemental expenses	166,423	2,650	169,073
Total Expenditures	\$ 588,467	\$ 454,582	\$ 1,043,049

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Reconciliation of CDE and GAAP Expense Reporting
Year Ended June 30, 2019

	General Child Development Programs	Preschool Programs	Total
Schedule of Expenditures by State Categories	\$ 588,467	\$ 454,582	\$ 1,043,049
Adjustments to Reconcile Differences in Reporting:			
Depreciation on non-CDE funded assets used in program	4,024	-	4,024
Combining Statement of Activities (GAAP)	\$ 592,491	\$ 454,582	\$ 1,047,073

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Schedule of Reimbursable Administrative Costs
Year Ended June 30, 2019

	General Child Development Programs	Preschool Programs	Total
	<u> </u>	<u> </u>	<u> </u>
Indirect costs	\$ 25,818	\$ 18,187	\$ 44,005
Audit fees	<u>6,750</u>	<u>6,750</u>	<u>13,500</u>
Total	<u>\$ 32,568</u>	<u>\$ 24,937</u>	<u>\$ 57,505</u>

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Schedule of Reimbursable Equipment and Renovation and Repair Expenditures
Year Ended June 30, 2019

EQUIPMENT EXPENDITURES					
Unit costs under \$7,500		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
RENOVATION AND REPAIR EXPENDITURES					
Unit costs under \$10,000		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	\$0.00	0	\$0.00	0
Comments:					
None.					

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 9500 – Audited Attendance and Fiscal Report
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D CCTR Page 1 of 10 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019	
CCTR	8017
04-E547-00-8	

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				2.4426	0
Infants (up to 18 months) Full-time	493		493	2.0700	1,020.5100
Infants (up to 18 months) Three-quarters-time	175		175	1.5525	271.6875
Infants (up to 18 months) One-half-time	24		24	1.1385	27.3240
FCCH Infants (up to 18 months) Full-time-plus				2.2656	0
FCCH Infants (up to 18 months) Full-time				1.9200	0
FCCH Infants (up to 18 months) Three-quarters-time				1.4400	0
FCCH Infants (up to 18 months) One-half-time				1.0560	0
Toddlers (18 up to 36 months) Full-time-plus				1.8880	0
Toddlers (18 up to 36 months) Full-time	1,266		1,266	1.6000	2,025.6000
Toddlers (18 up to 36 months) Three-quarters-time	446		446	1.2000	535.2000
Toddlers (18 up to 36 months) One-half-time	111		111	0.8800	97.6800
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	99		99	1.0000	99.0000
Three Years and Older Three-quarters-time	53		53	0.7500	39.7500
Three Years and Older One-half-time	6		6	0.5500	3.3000

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 9500 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D CCTR Page 2 of 10 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019	
CCTR	8017
04-E547-00-8	

Full Name of Contractor

Associated Students of California State University, Chico

Section 1 - Days of Enrollment Certified Children	Column A Cumulative	Column B Audit	Column C Cumulative	Column D Adjustment	Column E Adjusted Days
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time				1.3700	0
Exceptional Needs Three-quarters-time				1.0275	0
Exceptional Needs One-half-time				0.7535	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 9500 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D CCTR Page 3 of 10 (06/19)

Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019	
CCTR	8017
04-E547-00-8	

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
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.9433	0

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
TOTAL DAYS OF ENROLLMENT	2,673		2,673	N/A	4120.0515
DAYS OF OPERATION	174		174	N/A	N/A
DAYS OF ATTENDANCE	2,619		2,619	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 4-6) and continue to Revenue Section on page 7.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 9500 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019	
CCTR	8017
04-E547-00-8	

Full Name of Contractor

Associated Students of California State University, Chico

Section 3 - Revenue		Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs		12,504		12,504
Restricted Income - County Maintenance of Effort (EC Section 8279)		76,294		76,294
Restricted Income - Other: CCAMPIS	Restricted Income - Subtotal	88,798		88,798
Transfer from Reserve				
Family Fees for Certified Children		1,998		1,998
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income: Fees for Non-Certified Children				
Unrestricted Income: Head Start				
Unrestricted Income - Other: AUX ORG CONTRIB; DONATIONS OTHR		135,566		135,566
	Total Revenue	226,362		226,362

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 9500 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019	
CCTR	8017
04-E547-00-8	

Full Name of Contractor

Associated Students of California State University, Chico

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	195,046		195,046
2000 Classified Salaries	85,825		85,825
3000 Employee Benefits	104,288		104,288
4000 Books and Supplies	8,998		8,998
5000 Services and Other Operating Expenses	12,684		12,684
6100/6200 Other Approved Capital Outlay	0		0
6400 New Equipment (program-related)	0		0
6500 Equipment Replacement (program-related)	0		0
Depreciation or Use Allowance	0		0
Start-up Expenses (service level exemption)	0		0
Budget Impasse Credit	0		0
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)	15,203		15,203
Total Administrative Cost (included in section 4 above)	422,044		422,044
	15,203	6,750	21,953

Approved Indirect Cost Rate: 8%

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 9500 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

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, 2019	
CCTR	8017
04-E547-00-8	

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	166,423		166,423
Other:			
Total Supplemental Revenue	166,423		166,423

Section 6 - Supplemental Expenses			
	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries	46,742		46,742
2000 Classified Salaries			
3000 Employee Benefits	20,934		20,934
4000 Books and Supplies	55,558		55,558
5000 Services and Other Operating Expenses	16,318		16,318
6000 Equipment/Capital Outlay	16,256		16,256
Depreciation or Use Allowance			
Indirect Costs	10,615		10,615
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
Total Supplemental Expenses	166,423		166,423

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 9500 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION AUDITED ATTENDANCE AND
 FISCAL REPORT FOR CHILD DEVELOPMENT PROGRAMS
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 Full Name of Contractor Associated Students of California State University, Chico

Fiscal Year Ending June 30, 2019
 Contract Number 8017
 Vendor Code 04-E547-00-8

Section 7 - Summary			
	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	2,673		2,673
Days of Operation	174		174
Days of Attendance	2,619		2,619
Total Non-Certified Days of Enrollment			
Restricted Program Income	88,798		88,798
Transfer from Reserve			
Family Fees for Certified Children	1,998		1,998
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)	0		0
Total Reimbursable Expenses	422,044		422,044
Total Administrative Cost	15,203	6,750	21,953

Total Certified
Adjusted Days of
Enrollment

4120.05

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 8 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

Include any comments in the 'Comments' box on page 8. If necessary, attach additional sheets to explain adjustments.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 8501 – Audited Attendance and Fiscal Report
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019
CSPP
04-E547-00-8
8036

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				1.1800	0
Three Years and Older Full-time	3,719		3,719	1.0000	3,719.0000
Three Years and Older Three-quarters-time	884		884	0.7500	663.0000
Three Years and Older One-half-time	310		310	0.6193	191.9830
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time	101		101	1.3700	138.3700
Exceptional Needs Three-quarters-time	230		230	1.0275	236.3250
Exceptional Needs One-half-time	35		35	0.6193	21.6755
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 8501 – Audited Attendance and Fiscal Report (continued)

Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019
CSPP
04-E547-00-8
8036

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
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.6193	0
TOTAL DAYS OF ENROLLMENT	5,279		5,279	N/A	4970.3535
DAYS OF OPERATION	174		174	N/A	N/A
DAYS OF ATTENDANCE	5,251		5,251	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-5) and continue to Revenue Section on page 6.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 8501 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending
 Contract Number
 Vendor Code

June 30, 2019	
CSPP	8036
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Full Name of Contractor

Associated Students of California State University, Chico

Section 3 - Revenue			
	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	21,290		21,290
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other: CCAMPIS	76,294		76,294
	97,584		97,584
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Family Fees for Certified Children	6,490		6,490
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children			
Unrestricted Income: Head Start			
Unrestricted Income - Other: AUX ORG CONTRIB,DONATIONS OTHR	118,599		118,599
	222,673		222,673
Total Revenue			

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 8501 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

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, 2019	
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Full Name of Contractor

Associated Students of California State University, Chico

Section 4 - Reimbursable Expenses			
	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	194,391		194,391
2000 Classified Salaries	104,620		104,620
3000 Employee Benefits	104,625		104,625
4000 Books and Supplies	17,425		17,425
5000 Services and Other Operating Expenses	12,684		12,684
6100/6200 Other Approved Capital Outlay	0		0
6400 New Equipment (program-related)	0		0
6500 Equipment Replacement (program-related)	0		0
Depreciation or Use Allowance	0		0
Start-up Expenses (service level exemption)	0		0
Budget Impasse Credit	0		0
Indirect Costs (Include in Administrative Cost)	18,187		18,187
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	451,932		451,932
Total Administrative Cost (included in section 4 above)	18,187	6,750	24,937

Approved Indirect Cost Rate: 8%

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 8501 – Audited Attendance and Fiscal Report (continued)
 Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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 Contract Number
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June 30, 2019	
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Full Name of Contractor

Associated Students of California State University, Chico

Section 5 - Supplemental Revenue			
	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Enhancement Funding			
Other: BUTTE CO. OFFICE OF ED - STEPS TO QUALITY FUNDING	2,650		2,650
Other:			
Total Supplemental Revenue	2,650		2,650

Section 6 - Supplemental Expenses			
	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies	2,650		2,650
5000 Services and Other Operating Expenses			
6000 Equipment/Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
Total Supplemental Expenses	2,650		2,650

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
AUD 8501 – Audited Attendance and Fiscal Report (continued)

Year Ended June 30, 2019

CALIFORNIA DEPARTMENT OF EDUCATION AUDITED ATTENDANCE AND
 FISCAL REPORT FOR CALIFORNIA STATE PRESCHOOL PROGRAMS

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Full Name of Contractor

Associated Students of California State University, Chico

Fiscal Year Ending

Contract Number

Vendor Code

June 30, 2019

CSPP

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8036

Section 7 - Summary			
	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	5,279		5,279
Days of Operation	174		174
Days of Attendance	5,251		5,251
Total Non-Certified Days of Enrollment			
Restricted Program Income	97,584		97,584
Transfer from Reserve			
Family Fees for Certified Children	6,490		6,490
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)	0		0
Total Reimbursable Expenses	451,932		451,932
Total Administrative Cost	18,187	6,750	24,937

Total Certified
Adjusted Days of
Enrollment

4970.3535

Total Non-Certified
Adjusted Days of
Enrollment

0

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 7 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

Include any comments in the Comments box on page 7. If necessary, attach additional sheets to explain adjustments.

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Notes to Supplementary Information
Year Ended June 30, 2019

Note 1 – Schedule of Expenditures of Federal and State Awards

The accompanying schedule of expenditures of federal 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 Associated Students, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Associated Students. 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 Organization 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 supporting records covering the transactions under the contracts to an extent considered necessary to assure us that the amounts claimed by the Development Lab were proper. 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 REPORT SECTION

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 (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 November 13, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students Child Development Laboratory 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 internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students Child Development Laboratory 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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
November 13, 2019

FINDINGS AND RECOMMENDATIONS SECTION

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Schedule of Findings and Recommendations
Year Ended June 30, 2019

Section I – Summary of Audit Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiency identified not considered to be material weakness? None Reported

Noncompliance material to financial statements noted? No

Section II – Findings

Financial Statement Audit None

Section III – Findings

State Awards Audit None

ASSOCIATED STUDENTS CHILD DEVELOPMENT LABORATORY
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

Section IV – Schedule of Prior year Findings

None