

Fresno State Programs for Children, Inc.

**2014-15
Annual Report**

**Approved by the Board of Directors
September 16, 2015**

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
CAMPUS CHILDREN'S CENTER/EARLY EDUCATION CENTER
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June 30, 2015

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GENERAL INFORMATION

Fresno State Programs For Children, Inc.

Federal Grant Project No. 10-Q621-00-5136-2

Federal Grant Project No. 10-Q621-00-3609-2

Child Development Contract Project No. 10-Q621-00-3254-2

Child Development Contract Project No. 10-Q621-00-3038-2

Federal Grant Project No. 10-Q621-00-5136-2

Federal Grant Project No. 10-Q621-00-3609-2

Child Development Contract Project No. 10-Q621-00-3254-2

Child Development Contract Project No. 10-Q621-00-24861-1

Nonprofit Corporation

Address:

California State University, Fresno Auxiliary Corporations
2771 E. Shaw Avenue
Fresno, California 93710-8205
(559) 278-0800

For the period July 1, 2014 through June 30, 2015

Days of Operation: 236

Schedule of Operation Each Day:

Opening Time - 7:30 a.m. - Sites II, III, IV

Closing Time - 5:30 p.m. - Sites II, III, IV

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
CORPORATE INFORMATION
For the Fiscal Year Ended June 30, 2015**

BOARD OF DIRECTORS

Deborah S. Adishian-Astone	Fresno, California
Taylan Bennett	Fresno, California
Virginia Crisco	Fresno, California
Kathie Reid-Bevington	Fresno, California
Linda Rodriguez	Fresno, California
Colleen Torgerson	Fresno, California
Felicity Troupe	Fresno, California
Sandra Witte	Fresno, California
Mehrzad Zarrin	Fresno, California

CORPORATE OFFICERS

Sandra Witte	Chair
Colleen Torgerson	Vice Chair
Deborah S. Adishian-Astone	Treasurer
Kathie Reid-Bevington	Secretary

CORPORATE DATA

Executive Offices	2771 East Shaw Avenue Fresno, California 93710-8205 Telephone (559) 278-0800
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Auditors	Price Paige and Company 677 Scott Avenue Clovis, California 93612 Telephone (559) 299-9540
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Fresno State Programs for Children, Inc.
Fresno, California

We have audited the accompanying financial statements of Fresno State Programs for Children, Inc. (Programs for Children), a nonprofit organization, which comprise the statements of financial position as of June 30, 2014 and 2015, and the related statements of activities and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Programs for Children'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 Program for Children'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 Fresno State Programs for Children, Inc. as of June 30, 2014 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal and state awards on page 14 and the information reflected on page 13 and pages 20-29 are presented as required by the Audit Guide for Audits of Child Development and Nutritional Programs issued by the California Department of Education. The information reflected on pages 31-34 is presented, as required by the Chancellor of the California State University, for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2015, on our consideration of Programs for Children's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Programs for Children's internal control over financial reporting and compliance.

Price Pugh & Company

Clovis, California
September 9, 2015

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2015

ASSETS	<u>2014</u>	<u>2015</u>
Current Assets:		
Cash and Cash Equivalents (Note 3)	\$ 692,791	\$ 763,629
Accounts Receivable - Contracts	4,180	3,932
Accounts Receivable - Other	72,566	92,258
Prepaid Expenses - Deposits	<u>17,520</u>	<u>6,464</u>
Total Current Assets	<u>787,057</u>	<u>866,283</u>
Fixed Assets:		
Equipment	44,656	44,656
Less Accumulated Depreciation	<u>(42,516)</u>	<u>(43,586)</u>
Total Fixed Assets	<u>2,140</u>	<u>1,070</u>
TOTAL ASSETS	<u><u>\$ 789,197</u></u>	<u><u>\$ 867,353</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses (Note 5)	<u>\$ 86,693</u>	<u>\$ 130,134</u>
Net Assets:		
Unrestricted:		
Undesignated	652,504	687,219
Designated	<u>50,000</u>	<u>50,000</u>
Total Unrestricted Net Assets	<u>702,504</u>	<u>737,219</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 789,197</u></u>	<u><u>\$ 867,353</u></u>

The accompanying notes are an integral part of the financial statements

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2014 AND 2015

	<u>2014</u>	<u>2015</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues:		
State Apportionment	\$ 383,453	\$ 461,682
Federal Funds	331,894	346,317
One-Time Grants	1,788	0
University Contributions (Note 7)	56,250	92,810
Day Care Fees - Parent Fees	293,107	253,493
Student Body Fees (Note 7)	361,586	386,921
Interest Income	1,333	1,425
Donations	160	0
Miscellaneous	33,292	20,525
	<u>1,462,863</u>	<u>1,563,173</u>
Expenses:		
Program Expenses - Child Care	1,337,660	1,425,578
Management and General	110,395	102,880
	<u>1,448,055</u>	<u>1,528,458</u>
Increase (Decrease) in Net Assets	14,808	34,715
Net Assets at Beginning of Year	<u>687,696</u>	<u>702,504</u>
Net Assets at End of Year	<u>\$ 702,504</u>	<u>\$ 737,219</u>

The accompanying notes are an integral part of the financial statements

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2015

	<u>2014</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Net Assets	\$ 14,808	\$ 34,715
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,070	1,070
Changes In:		
Accounts Receivable	193,829	(19,445)
Prepaid Expenses - Deposits	(9,772)	11,057
Accounts Payable and Accrued Expenses	<u>(131,528)</u>	<u>43,441</u>
Net Cash Provided/(Used) by Operating Activities	<u>68,407</u>	<u>70,838</u>
Net Increase/(Decrease) in Cash	68,407	70,838
Cash and Cash Equivalents at Beginning of Year	<u>624,384</u>	<u>692,791</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 692,791</u></u>	<u><u>\$ 763,629</u></u>
CASH FLOW INFORMATION		
Income Taxes Paid	<u><u>\$ 6,972</u></u>	<u><u>\$ 9,658</u></u>

The accompanying notes are an integral part of the financial statements

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2015

Note 1 - General Information

Fresno State Programs for Children, Inc. ("Programs for Children") was incorporated on December 3, 1996, and began operations on July 1, 1999, as a separate non-profit corporation. The Corporation provides child care services primarily for college students, faculty, staff and local community members in three sites at California State University, Fresno.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Programs for Children have been prepared on the accrual basis of accounting. This method accounts for revenues and expenses in the period in which they are considered to have been earned and incurred, respectively. The significant accounting policies of Programs for Children are described below to enhance the usefulness of the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

Programs for Children receives revenues from state and federal grants for program operations. To ensure observance of limitations placed on the use of resources available to Programs for Children, the accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance to their nature and purpose. Federal and state child development contracts are reported as a single contract because Programs for Children has been allowed to commingle expenditures. The Combining Statement of Financial Position and Combining Statement of Activities reflect the respective assets, liabilities, revenues, expenses and net assets of the General Child Development Program Fund and Child Care Food Program Fund.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, cash includes short-term highly liquid investments with an initial maturity of three months or less.

Accounts Receivable-Other

Accounts receivable—other are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Included in accounts receivable at June 30, 2015 are amounts relating to uncollectible daycare fees – parents. Allowances for doubtful accounts in the amounts of \$2,500 have been established for both years ending June 30, 2014 and 2015.

Note 2 – Summary of Significant Accounting Policies, continued

Fixed Assets

Fixed Assets are reflected on the financial statements at cost less accumulated depreciation. Depreciation is computed using straight-line rates based on the estimated useful lives, ranging from three to ten years. The organization capitalizes all expenditures in excess of \$5,000.

401(k) Plan

Programs for Children has a 401(k) plan which covers eligible employees meeting age and length of service requirements. Eligible employees contribute to the plan with salary deferrals. Programs for Children matches the first 5% of employee deferrals. Contributions to the plan for the years ended June 30, 2014 and 2015, totaled \$1,997 and \$6,217 and are included in employee benefits.

Tax Status

Programs for Children is organized and operated exclusively for educational purposes and is thus allowed tax exempt status under provisions of section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code. However, income for certain activities not directly related to Programs for Children’s tax-exempt purpose is subject to taxation as unrelated business income.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in Note 8 – Expenses by Natural Classification. Accordingly, certain costs have been allocated among programs and supporting services.

Note 3 – Cash and Cash Equivalents

Cash at June 30 consisted of the following:

	<u>2014</u>	<u>2015</u>
Deposits:		
Cash On-Hand and in Banks	\$667,068	\$737,844
Pooled Funds:		
Cash in State of California Local Agency Investment Funds	<u>25,723</u>	<u>25,785</u>
Total	<u>\$692,791</u>	<u>\$763,629</u>

At June 30, 2015, the FDIC insures cash balances held in interest and noninterest-bearing accounts combined up to \$250,000. At June 30, 2014 and 2015, Programs for Children’s uninsured cash balances at Citibank totaled \$417,569 and \$488,383 respectively.

Programs for Children maintains some of its cash in the State of California Local Agency Investment Fund. The state pools these funds with those of other organizations and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is remitted quarterly to Programs for Children. Any investment losses are proportionately shared by all funds in the pool.

Note 4 – Fair Value Measurements

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest propriety to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant observable input (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounts cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The table below presents the balance of assets measured at fair value on a recurring basis at June 30:

<u>2014</u>	<u>Fair Value</u>	<u>Level 1</u>
Cash and Cash Equivalents	<u>\$692,791</u>	<u>\$692,791</u>
Totals	<u>\$692,791</u>	<u>\$692,791</u>
<u>2015</u>	<u>Fair Value</u>	<u>Level 1</u>
Cash and Cash Equivalents	<u>\$763,629</u>	<u>\$763,629</u>
Totals	<u>\$763,629</u>	<u>\$763,629</u>

Note 5 – Accounts Payable and Accrued Expenses

Included in accounts payable are the unspent California Department of Education (CDE) funds for the years ended June 30:

<u>Contract</u>	<u>2014</u>	<u>2015</u>
CCTR	\$ 24,278	\$34,699
CSPP	<u>20,677</u>	<u>22,457</u>
	<u>\$ 44,955</u>	<u>\$57,156</u>

The amounts will be repaid to the CDE only after the CDE has closed the years' contracts and has notified the Programs for Children to repay the funds.

Note 6 – Contingencies

Programs for Children has received California Department of Education funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, it is believed that any required reimbursements will not be material. Programs for Children receives approximately 52% of its revenues from State and Federal contracts. A reduction in the amounts obtained from contracts could impact the operations of Programs for Children.

Note 7 - Related Parties

Programs for Children had transactions with California State University, Fresno during the year ended June 30 as follows:

An allocation was received from the University's Division of Student Affairs to supplement Programs for Children operations of \$0 and \$31,560 for the years ended June 30, 2014 and June 30, 2015, respectively.

The Jordan College of Agriculture Science and Technology contributed \$27,440 for each of the years ended June 30, 2014 and June 30, 2015. The Kremen School of Education and Human Development contributed \$28,810 for each of the years ended June 30, 2014 and June 30, 2015.

Student Body Fee income allocated to Programs for Children amounted to \$361,586 for the year ended June 30, 2014 and \$386,921 for the year ended June 30, 2015. At June 30, 2014, the Programs for Children had a receivable from the University of \$51,753 and a payable to the University of \$0 for salary/wages reimbursement. At June 30, 2015, Programs for Children had a receivable from the University of \$62,403 and a payable to the University of \$0 for salary/wages and other expense reimbursement.

Facility Lease for use of University premises effective July 1, 2011 through June 30, 2016. Reimbursement of University resources has been set forth by the Memorandum of Understanding (MOU). Based on the terms set forth by the MOU, Programs for Children paid to the University \$0 for both years for administration fees; and \$0 for facilities/maintenance fees for the year ended June 30, 2014 and June 30, 2015.

In addition to the University, Programs for Children is related to California State University, Fresno Association ("Association") due to common management of the two entities. Programs for Children had the following transactions with the Association during the years ended June 30, 2014 and 2015:

Pursuant to a management services agreement, Programs for Children pays administrative fees to the Association for management services. The administrative fees for the years ended June 30, 2014 and 2015 were \$68,500 and \$68,206, respectively, based on services rendered.

Programs for Children has transactions with the Association. The amounts due the Association from Programs for Children were \$200 and \$220 at June 30, 2014 and 2015, respectively.

Programs for Children has transactions with the Agricultural Foundation of California State University, Fresno. The amounts due the Agricultural Foundation from the Programs for Children were \$121 and \$90 at June 30, 2014 and 2015, respectively.

Note 8 – Expenses by Natural Classification

The following is a detailed list of expenses by natural classification for the year ended June 30:

	2014			2015		
	Program	General & Administrative	Total	Program	General & Administrative	Total
Certificated Salaries:						
Teachers	\$352,090		\$352,090	\$405,987		\$405,987
Supervisors	149,857		149,857	148,744		148,744
Classified Salaries:						
Instructional Aides	279,473		279,473	288,626		288,626
Clerical	43,109		43,109	43,487		43,487
Other	61,967		61,967	40,693		40,693
Administration Fees		\$110,395	110,395		\$102,880	102,880
Employee Benefits	277,947		277,947	319,946		319,946
Food Services:						
Food	65,546		65,546	67,218		67,218
Personnel	44,310		44,310	45,207		45,207
Other Food Expenses	2,113		2,113	3,254		3,254
Instructional Supplies	14,624		14,624	13,819		13,819
Other Supplies	11,044		11,044	13,273		13,273
Travel/Training	2,735		2,735	685		685
Telephone	3,474		3,474	3,755		3,755
Depreciation	1,070		1,070	1,070		1,070
Other Operating Expenses	28,301		28,301	29,814		29,814
	<u>\$1,337,660</u>	<u>\$110,395</u>	<u>1,448,055</u>	<u>\$1,425,578</u>	<u>\$102,880</u>	<u>\$1,528,458</u>

Note 9 – Subsequent Events

Subsequent events have been evaluated through September 9, 2015, which is the date the financial statements were available to be issued, noting no matters requiring disclosure in the financial statements for the year ended June 30, 2015.

Note 10 - Uncertain Tax Positions

Programs for Children has qualified as a non-profit organization and has been granted tax-exempt status pursuant to the Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d) and is exempt from Federal and State of California income taxes.

Generally accepted accounting principles provides accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Programs for Children's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
CAMPUS CHILDREN'S CENTER/ EARLY EDUCATION CENTER
COMBINING STATEMENT OF ACTIVITIES
JUNE 30, 2015

Changes in Unrestricted Net Assets:	General Child Development Program	Child Care Food Program	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
State Apportionment	\$ 461,682	\$ -	\$ 461,682
Federal Funds	276,240	70,077	346,317
University Contributions	92,810	-	92,810
Day Care Fees - Parent Fees	253,493	-	253,493
Student Body Fees	386,921	-	386,921
Interest Income	1,425	-	1,425
Miscellaneous	20,525	-	20,525
	<u>1,493,096</u>	<u>70,077</u>	<u>1,563,173</u>
Total Revenues			
Expenses:			
Program Expenses - Child Care	1,355,501	70,077	1,425,578
Management and General	102,880	-	102,880
	<u>1,458,381</u>	<u>70,077</u>	<u>1,528,458</u>
Total Expenses			
Increase in Net Assets	34,715	-	34,715
Net Assets at Beginning of Year	<u>702,504</u>	<u>-</u>	<u>702,504</u>
Net Assets at End of Year	<u>\$ 737,219</u>	<u>\$ -</u>	<u>\$ 737,219</u>

The accompanying notes are an integral part of the financial statements

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
Campus Children's Center/Early Education Center
Child Care Food Program - Centers
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2015

Program Name	Federal CFDA Number	Program or Award Amount	Revenue Recognized	Expenditures
Federal:				
U.S. Department of Health and Human Services				
Pass-through California Department of Education				
Child Care Food Program 04549-CACFP-10-NP-CS	10.558	\$ 70,077	\$ 70,077	\$ 70,077
Child Care and Development (CCDF) Cluster				
Child Development Programs 3609-1	93.596	115,642	115,642	115,642
Child Development Programs 5136-1	93.575	63,626	63,626	63,626
Child Development Programs 3609-1	93.596	62,557	62,557	62,557
Child Development Programs 5136-1	93.575	<u>34,415</u>	<u>34,415</u>	<u>34,415</u>
Total U.S. Department of Health and Human Services		<u>346,317</u>	<u>346,317</u>	<u>346,317</u>
Total Federal Assistance		<u>\$ 346,317</u>	<u>\$ 346,317</u>	<u>\$ 346,317</u>
State:				
Child Development Programs 3254-1		\$ 212,414	\$ 201,993	\$ 201,993
Child Development Programs 3254-1		114,899	114,117	114,117
Child Development Programs 3038-1		146,570	145,572	145,572
Child Development Programs 24861-1		<u>-</u>	<u>-</u>	<u>-</u>
Total California Department of Education		<u>473,883</u>	<u>461,682</u>	<u>461,682</u>
Total State Assistance		<u>\$ 473,883</u>	<u>\$ 461,682</u>	<u>\$ 461,682</u>

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) presents the activity of all federal and state award programs of the Fresno State Programs for Children, Inc. The Schedule includes federal awards passed through other agencies and nonfederal awards.

The accompanying Schedule is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Fresno State Programs for Children, Inc.
Fresno, 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 Fresno State Programs for Children, Inc. (Programs for Children), a nonprofit organization, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Programs for Children'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 Programs for Children's internal control. Accordingly, we do not express an opinion on the effectiveness of Programs for Children'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 Programs for Children'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 an

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instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

Program for Children's Response to Findings

Programs for Children's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Programs for Children'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.

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 Programs for Children's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Programs for Children's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
September 9, 2015

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

I. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
that are not considered to be
material weakness(es)?

_____ Yes X No

Noncompliance material to financial statements
noted?

_____ Yes X No

II. Findings – Financial Statement Audit

None reported

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

III. Findings and Questioned Costs – Federal and State Awards

Finding 2015-001

Program Income

Condition:

During our review of the family data files, we noted the following instances of non-compliance with program income requirements:

- There were two files where income was incorrectly calculated
- There were two files where the amount charged to a family was incorrect.

Criteria:

The California Department of Education Audit Guide, Section 730 G and the respective Funding Terms and Conditions and Program Requirements for each contract outline the specific program income, fee schedule, and fee assessment requirements for children enrolled in the programs.

Cause:

For the two families whose income was incorrectly calculated, Programs for Children was extrapolating the income based on semi-monthly pay-periods rather than bi-weekly.

Effect:

The two families found were cumulatively undercharged by \$742.

Recommendation:

We recommend that Programs for Children implement a stronger review process to ensure that all income eligibility verification worksheets are properly calculated.

Management's Response:

Management concurs with the recommendation. The PFC Office Manager(s) incorrectly calculated eligible monthly income, thus undercharging two families for services. The Office Manager(s) will be re-trained in calculating income under California Department of Education audit guidelines and bill clients accordingly. In addition, to ensure that all income eligibility verification worksheets are properly calculated, the Director of Programs for Children will perform a secondary evaluation and calculation of income eligibility by reviewing 25% of subsidized families' files on a quarterly basis.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

I. Findings – Financial Statement Audit

None reported

II. Findings and Questioned Costs – Federal and State Awards

None reported

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
Combining Schedule of Administrative Costs
Year Ended June 30, 2015

Reimbursable Administrative Costs	<u>CCTR-4033</u>	<u>CSPP-4067</u>	<u>CRPM-3008</u>	<u>Total CDE</u>
Insurance	\$ 6,720	\$ 4,207	\$ -	\$ 10,927
Office Supplies	4,569	2,861	-	7,430
Accounting Fees	41,944	26,262	-	68,206
Audit Fees	7,970	4,990	-	12,960
Other Operating Expenses	807	505	-	1,312
Total Administrative Costs	<u>\$ 62,010</u>	<u>\$ 38,825</u>	<u>\$ -</u>	<u>\$ 100,835</u>

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
Campus Children's Center/Early Education Center
Combining Schedule of Expenditures by State Categories
For the Year Ended June 30, 2015

	Federal Meal Program	State Meal Program	One-Time Grants	Center Pre- School Programs	Center and Block Grant Child Development Programs	Total Reimbursed Expenses	Total Unreimbursed Expenses	Total Reported Expenses
1000 Certificated Personnel Salaries								
1100 Salaries-Teachers	0	0	0	156,321	249,666	405,987	0	405,987
1300 Salaries-Supervisors	0	0	0	57,272	91,472	148,744	0	148,744
Sub-Total	0	0	0	213,593	341,138	554,731	0	554,731
2000 Classified Personnel Salaries								
2100 Salaries-Instruct Aides	0	0	0	56,658	90,491	147,149	0	147,149
2100 Salaries-Substitutes	0	0	0	15,669	25,025	40,694	0	40,694
2100 S.A.-Instructional Aides	0	0	0	49,717	79,405	129,122	0	129,122
2100 Workstudy-Instruct.Aides	0	0	0	4,757	7,598	12,355	0	12,355
2300 Salaries-Clerical	0	0	0	16,744	26,743	43,487	0	43,487
2500 Salaries-Food Services	27,800	0	0	17,406	0	45,206	0	45,206
Sub-Total	27,800	0	0	160,951	229,262	418,013	0	418,013
3000 Employee Benefits								
3300 Social Security	5,625	0	0	20,718	27,464	53,807	0	53,807
3400 Health/Life Benefits	16,129	0	0	59,404	78,748	154,281	0	154,281
3500 SUI	1,126	0	0	4,148	5,499	10,773	0	10,773
3600 Workers Comp. Ins.	6,025	0	0	22,075	29,232	57,332	0	57,332
3900 Other Benefits	4,574	0	0	16,846	22,332	43,752	0	43,752
Sub-Total	33,479	0	0	123,191	163,275	319,945	0	319,945
4000 Books and Supplies								
4300 Arts & Crafts	0	0	0	1,539	2,457	3,996	0	3,996
4300 Instructional Books/Media	0	0	0	1,244	1,987	3,231	0	3,231
4300 Classroom Furnishings	0	0	0	307	490	797	0	797
4300 Inside Toys	0	0	0	283	451	734	0	734
4300 Outside Toys	0	0	0	296	473	769	0	769
4500 Bedding Supplies	0	0	0	269	429	698	0	698
4500 Infant Supplies	0	0	0	1,384	2,211	3,595	0	3,595
4500 Cleaning/Maint Supplies	1,051	0	0	3,608	4,711	9,370	0	9,370
4500 Laundry Supplies	0	0	0	156	250	406	0	406
4500 Office Supplies	0	0	0	2,861	4,569	7,430	0	7,430
4500 Miscellaneous Supplies	0	0	0	33	53	86	0	86
4500 Paper Goods	357	0	0	1,313	1,740	3,410	0	3,410
4710 Food	7,028	0	0	25,882	34,309	67,219	0	67,219
4790 Food Supplies	400	0	0	1,253	1,601	3,254	0	3,254
Sub-Total	8,836	0	0	40,428	55,731	104,995	0	104,995
5000 Services and Other Operating Expenses								
5110 Instructional Consultants	0	0	0	0	0	0	0	0
5200 Travel/Conferences	0	0	0	264	421	685	0	685
5300 Dues/Memberships	0	0	0	934	1,491	2,425	0	2,425
5440 Insurance-Pupils	0	0	0	4,207	6,720	10,927	0	10,927
5500 Telephone	0	0	0	1,446	2,309	3,755	0	3,755
5500 Utilities	0	0	0	0	0	0	0	0
5600 Depreciation of Equip.	0	0	0	412	658	1,070	0	1,070
5600 Rent	0	0	0	0	0	0	0	0
5600 Repairs/Maintenance	0	0	0	2,347	3,749	6,096	0	6,096
5800 Accounting Fees	0	0	0	26,262	41,944	68,206	0	68,206
5800 Audit Fee	0	0	0	4,990	7,970	12,960	0	12,960
5800 Other Operating Expense	0	0	0	9,491	15,159	24,650	0	24,650
6000 Equipment Purchased	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	50,353	80,421	130,774	0	130,774
Totals	70,115	0	0	588,516	869,827	1,528,458	0	1,528,458

Federal and State Child Development contracts are recorded as a single contract because the center has been allowed to commingle expenditures.

The auditors have examined the claims for reimbursement and the original supporting records covering the transactions under these contracts to an extent considered necessary to assure themselves that the amounts claimed by the agency were proper.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
Schedule of Renovation and Repair Expenditures
Year Ended June 30, 2015

<u>Unit Cost Under \$10,000 Per Item</u>	<u>CCTR-4033</u>	<u>CSPP-4067</u>	<u>CRPM-3008</u>	<u>Total Costs</u>
Miscellaneous Repairs	\$ 3,749	\$ 2,347	\$ -	\$ 6,096
Subtotal	<u>3,749</u>	<u>2,347</u>	<u>-</u>	<u>6,096</u>
<u>Unit Cost Over \$10,000 Per Item</u> <u>With Prior Written Approval</u>				
None	\$ -	\$ -	\$ -	\$ -
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Unit Cost Over \$10,000 Per Item</u> <u>Without Prior Written Approval</u>				
None	\$ -	\$ -	\$ -	\$ -
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Renovation and Repair Expenditures	<u>\$ 3,749</u>	<u>\$ 2,347</u>	<u>\$ -</u>	<u>\$ 6,096</u>

Note: Fresno State Programs for Children, Inc.'s capitalization threshold is \$5,000 or more.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
Schedule of Reimbursable Equipment Expenditures
Year Ended June 30, 2015

<u>Unit Cost Under \$7,500 Per Item</u>	<u>CCTR-4033</u>	<u>CSPP-4067</u>	<u>CRPM-3008</u>	<u>Total Costs</u>
None	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-
<u>Unit Cost Over \$7,500 Per Item With Prior Written Approval</u>				
None	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-
<u>Unit Cost Over \$7,500 Per Item Without Prior Written Approval</u>				
None	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-
Total Renovation and Repair Expenditures	\$ -	\$ -	\$ -	\$ -

Note: Fresno State Programs for Children, Inc.'s capitalization threshold is \$5,000 or more.

AUDITED ATTENDANCE AND FISCAL REPORT**for California State Preschool Programs**Agency Name: Fresno State Programs for Children, Inc Vendor No. Q621Fiscal Year Ended: June 30, 2015 Contract No. CSPP-4067Independent Auditor's Name: Price, Paige and Company

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	269		269	1.1800	317.420
Full-time	8,547		8,547	1.0000	8,547.000
Three-quarters-time	1,863		1,863	0.7500	1,397.250
One-half-time	345		345	0.6172	212.934
<i>Exceptional Needs</i>					
Full-time-plus			-	1.4160	-
Full-time			-	1.2000	-
Three-quarters-time			-	0.9000	-
One-half-time			-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6172	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.7700	-
Full-time			-	1.5000	-
Three-quarters-time			-	1.1250	-
One-half-time			-	0.6172	-
TOTAL DAYS OF ENROLLMENT	11,024	-	11,024		10,474.604
DAYS OF OPERATION	236	-	236		
DAYS OF ATTENDANCE	11,024	-	11,024		

 NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

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

AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs

Agency Name: Fresno State Programs for Children, Inc Vendor No. Q621

Fiscal Year End: June 30, 2015 Contract No. CSPP-4067

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs			\$0
County Maintenance of Effort (EC § 8279)			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
Transfer from Reserve			0
Family Fees for Certified Children	18,016		18,016
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
Other (Specify):			0
TOTAL REVENUE	\$18,016	\$0	\$18,016

SECTION IV - REIMBURSABLE EXPENSES			
1000 Certificated Salaries	\$213,593		\$213,593
2000 Classified Salaries	160,952		160,952
3000 Employee Benefits	121,822	1,369	123,191
4000 Books and Supplies	40,427		40,427
5000 Services and Other Operating Expenses	50,336	17	50,353
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (<i>program-related</i>)			0
6500 Replacement Equipment (<i>program-related</i>)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs. Rate: 0.00% (Rate is Self-Calculating)			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$587,130	\$1,386	\$588,516
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$38,759	\$66	\$38,825

FOR CDE-A&I USE ONLY:

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

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

YES
 NO - Explain any discrepancies.

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

YES
 NO - Explain any discrepancies.

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or

AUDITED ATTENDANCE AND FISCAL REPORT

for General or Migrant Center-Based Programs

Agency Name: Fresno State Programs for Children, Inc Vendor No. Q621

Fiscal Year Ended: June 30, 2015 Contract No. CCTR-4033

Independent Auditor's Name: Price, Paige and Company

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus			-	2.006	-
Full-time	1,356		1,356	1.700	2,305.200
Three-quarters-time	720		720	1.275	918.000
One-half-time	65		65	0.935	60.775
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	135		135	1.652	223.020
Full-time	3,365		3,365	1.400	4,711.000
Three-quarters-time	810		810	1.050	850.500
On-half-time	151		151	0.770	116.270
<i>Three Years and Older</i>					
Full-time-plus	-		-	1.180	-
Full-time	1,337		1,337	1.000	1,337.000
Three-quarters-time	247		247	0.750	185.250
One-half-time	207		207	0.550	113.850
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time			-	1.200	-
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
TOTAL DAYS OF ENROLLMENT	8,393	-	8,393		10,820.865
DAYS OF OPERATION	236		236		
DAYS OF ATTENDANCE	8,393		8,393		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the

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

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

Agency Name: Fresno State Programs for Children, Inc Vendor No. Q621

Fiscal Year Ended: June 30, 2015 Contract No. CCTR-4033

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. DAYS OF ENROLLMENT	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	1		1	2.006	2.006
Full-time	372		372	1.700	632.400
Three-quarters-time			-	1.275	-
One-half-time			-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
One-half-time			-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	777		777	1.400	1,087.800
Three-quarters-time	56		56	1.050	58.800
On-half-time			-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	224		224	1.180	264.320
Full-time	3,140		3,140	1.000	3,140.000
Three-quarters-time	866		866	0.750	649.500
One-half-time	134		134	0.550	73.700
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time			-	1.200	-
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
TOTAL DAYS OF ENROLLMENT	5,570	-	5,570		5,908.526

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

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

Agency Name: Fresno State Programs for Children, Inc Vendor No. Q621

Fiscal Year End: June 30, 2015 Contract No. CCTR-4033

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$70,077		\$70,077
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$70,077	\$0	\$70,077
Transfer from Reserve Contract #			0
Family Fees for Certified Children Contract #			0
CCTR Program Contract # 4033	9,372		9,372
CSPP Program Contract #			0
Interest Earned on Apportionments Contract #			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	226,105		226,105
Head Start Program (EC § 8235(b))			0
Other (Specify):	501,543		501,543
TOTAL REVENUE	\$807,097	\$0	\$807,097

SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>	\$0		\$0
1000 Certificated Salaries	341,138		341,138
2000 Classified Salaries	257,061		257,061
3000 Employee Benefits	194,567	2,187	196,754
4000 Books and Supplies	64,567		64,567
5000 Services and Other Operating Expenses	80,394	27	80,421
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit Contract #			0
Indirect Costs. Rate: 0.00% (Rate is Self-Calculating)			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$937,727	\$2,214	\$939,941
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$61,904	\$106	\$62,010

FOR CDE-A&I USE ONLY:

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

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

YES

NO - Explain any discrepancies.

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

YES

NO - Explain any

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or

**AUDITED FISCAL REPORT
for Child Development CRPM Support Contracts**

Agency Name: Fresno State Programs for Children, Inc Vendor No. Q621

Fiscal Year End: June 30, 2015 Contract No. CRPM-3008

Contract Term From: 7/1/2013 To: 6/30/2016

Independent Auditor's Name: Price, Paige and Company

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	PRIOR YEAR'S AUD 9529-CRPM ENDING BALANCE FOR THIS CONTRACT (Multi-Year Contract Only)	CURRENT FISCAL YEAR PER FORM CDFS 9529- CRPM	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT
SECTION I - REVENUE				
RESTRICTED INCOME				
Prorated Portion for Nonsubsidized Enrollment				\$0
Other (Specify):				0
Other (Specify):				0
Other (Specify):				0
Subtotal	\$0	\$0	\$0	\$0
INTEREST EARNED ON APPORTIONMENTS				0
UNRESTRICTED INCOME				
Other (Specify):				0
Other (Specify):				0
TOTAL REVENUE	\$0	\$0	\$0	\$0
SECTION II - REIMBURSABLE EXPENSES				
1000 Certificated Salaries				\$0
2000 Classified Salaries				0
3000 Employee Benefits				0
4000 Books and Supplies				0
5000 Services and Other Operating Expenses				0
6100/6200 Other Approved Capital Outlay				0
6400 New Equipment (<i>program-related</i>)	1,788	0	0	1,788
6500 Replacement Equipment (<i>program-related</i>)				0
Depreciation or Use Allowance				0
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable Capital Outlay				0
Other (Specify):				0
Other (Specify):				0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT (Subsidized and Nonsubsidized)	\$1,788	\$0	\$0	\$1,788
FOR CDE-A&I USE ONLY:				

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

ADDITIONAL INFORMATION
FOR CALIFORNIA STATE UNIVERSITY, FRESNO

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF NET POSITION
JUNE 30, 2015
(for inclusion in the California State University)

Assets:

Current Assets:

Cash and Cash Equivalents	\$ 737,844
Short-term Investments	25,785
Accounts Receivable, Net	96,190
Prepaid Expenses and Other Assets	6,464
Total Current Assets	866,283

Noncurrent Assets:

Capital Assets, Net	1,070
Total Noncurrent Assets	1,070
Total Assets	867,353

Liabilities:

Current Liabilities:

Accounts Payable	69,828
Accrued Salaries and Benefits Payable	2,702
Accrued Compensated Absences, Current Portion	2,500
Unearned Revenue	31,560
Total Current Liabilities	106,590

Noncurrent Liabilities:

Accrued Compensated Absences, Net of Current Portion	23,544
Total Noncurrent Liabilities	23,544
Total Liabilities	130,134

Net Position:

Net Investment in Capital Assets	1,070
Unrestricted	736,149
Total Net Position	\$ 737,219

See Accompanying Independent Auditors' Report

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2015
(for inclusion in the California State University)

Revenues:

Operating Revenues:	
Student Tuition and Fees	\$ 386,921
Grants and Contracts, Noncapital:	
Federal	346,317
State	461,682
Sales and Services of Auxiliary Enterprises (net of scholarship allowances of \$0)	253,493
Total Operating Revenues	<u>1,448,413</u>

Expenses:

Operating Expenses:	
Auxiliary Enterprise Expenses	1,527,388
Depreciation and Amortization	1,070
Total Operating Expenses	<u>1,528,458</u>
Operating Loss	<u>(80,045)</u>

Nonoperating Revenues:

Gifts, noncapital	92,810
Investment Income, net	1,425
Other Nonoperating Revenues	20,525
Net Nonoperating Revenues	<u>114,760</u>
Increase in Net Position	34,715

Net Position:

Net Position at Beginning of Year, as Previously Reported	<u>702,504</u>
Net Position at End of Year	<u>\$ 737,219</u>

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
OTHER INFORMATION
JUNE 30, 2015
(for inclusion in the California State University)

1. **Restricted Cash and Cash Equivalents at June 30, 2015:**

Not Applicable

2.1 **Composition of Investments at June 30, 2015:**

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Local Agency Investment Fund (LAIF)	25,785	0	25,785	0	0	0	25,785

2.3 **Restricted Current Investments at June 30, 2015 related to:**

Not Applicable

2.4 **Restricted Noncurrent Investments at June 30, 2015 related to:**

Not Applicable

3.1 **Composition of Capital Assets at June 30, 2015:**

	Balance June 30, 2014	Prior Period Adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2015
Depreciable Capital Assets								
Personal Property:								
Equipment	44,656	0	0	44,656	0	-	-	44,656
Total Depreciable Capital Assets	44,656	0	0	44,656	0	-	-	44,656
Less Accumulated Depreciation								
Personal Property:								
Equipment	(42,516)	0	0	(42,516)	(1,070)			(43,586)
Total Accumulated Depreciation	(42,516)	0	0	(42,516)	(1,070)	-	-	(43,586)
Total Capital Assets, Net	2,140	0	0	2,140	(1,070)	-	-	1,070

3.2 **Detail of Depreciation and Amortization Expense at June 30, 2015:**

Depreciation and Amortization Expense Related to Capital Assets	1,070
Amortization Related to Other Assets	0
Total Depreciation and Amortization	<u>1,070</u>

See Accompanying Independent Auditor's Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
OTHER INFORMATION
JUNE 30, 2015
(for inclusion in the California State University)

4. Long-Term Liabilities Activity Schedule:

	Balance June 30, 2014	Prior Period Adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Balance June 30, 2015	Current Portion	Long-Term Portion
Accrued Compensated Absences	19,475	0	0	19,475	38,453	(31,884)	26,044	2,500	23,544

5. Future Minimum Lease Payments:

Not Applicable

6. Long Term Debt Obligation Schedule:

Not Applicable

7. Calculation of Net Position:

7.1 Calculation of Net Position - Net Investment in Capital Assets:

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
Capital Assets, Net of Accumulated Depreciation	\$ -	\$ 1,070	\$ 1,070
Net Position - Net Investment in Capital Asset	\$ -	\$ 1,070	\$ 1,070

7.2 Calculation of Net Position - Restricted for Nonexpendable Endowments:

Not Applicable

8. Transactions with Related Entities

	Amount
Payments to University for salaries or University personnel working on contracts, grants and other programs	468,640
Payments to University for other than salaries of University personnel	8,624
Payments received from University for services, space, and programs	92,810
Amounts receivable from University	62,403
Amounts (payable to) University (enter as negative number)	-

9. Other Postemployment Benefits Obligation (OPEB):

Not Applicable

10. Pollution Remediation Liabilities under GASB Statement No. 49:

Not Applicable

11. The Nature and Amount of the Prior Period Adjustment(s) Recorded to Beginning Net Position:

Not Applicable

See Accompanying Independent Auditor's Report.