

Fresno State Programs for Children, Inc.

2020-21 Annual Report

**Approved by the Board of Directors
September 15, 2021**

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
JUNE 30, 2021 AND 2020**

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**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
FRESNO, CALIFORNIA
JUNE 30, 2021 AND 2020**

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**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
GENERAL INFORMATION
JUNE 30, 2021 AND 2020**

Child Development Contract Project No. 10-Q621-00-9-23254

Child Development Contract Project No. 10-Q621-00-9-25451

Federal Grant Project No. 10-Q621-00-9-13609

Federal Grant Project No. 10-Q621-00-9-15136

Child Development Contract Project No. 10-Q621-00-9-23254

Quality Rating Improvement System Block Grant No. 121780

Nonprofit Corporation

Address:

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

For the period July 1, 2020 through June 30, 2021

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, 2021**

BOARD OF DIRECTORS

Ms. Deborah S. Adishian-Astone	Fresno, California
Dr. Julie Olson-Buchanan (through 12/31/2020)	Fresno, California
Dr. Randy Yerrick (beginning 1/1/2021)	Fresno, California
Dr. Susana Hernandez	Fresno, California
Ms. Laila Elreedi	Fresno, California
Ms. Alison Garibay	Fresno, California
Dr. Sharlet Rafacz	Fresno, California
Dr. Kathleen Dyer	Fresno, California
Dr. Monica Billen	Fresno, California
Ms. Mehrzad Zarrin	Fresno, California

CORPORATE OFFICERS

Dr. Julie Olson-Buchanan (through 12/31/2020)	Chair
Dr. Randy Yerrick (beginning 1/1/2021)	Chair
Dr. Monica Billen	Vice Chair
Ms. Deborah S. Adishian-Astone	Treasurer
Dr. Kathleen Dyer	Secretary

CORPORATE DATA

Executive Offices

2771 East Shaw Avenue
Fresno, California 93710-8205
Telephone: (559) 278-0800

Auditors

Price Paige & Company
570 North Magnolia Avenue, Suite 100
Clovis, California 93611
Telephone (559) 299-9540



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021 and 2020, 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 audits 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 Programs 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.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Programs for Children as of June 30, 2021 and 2020, 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.


Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Information schedules listed on the table of contents, which are required by the California Department of Education and the California Department of Social Services, Audits & Investigations Division, CDE and CDSS Audit Guide and the Additional Information for California State University, Fresno schedules listed on the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Programs for Children's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Programs for Children's internal control over financial reporting and compliance.



Clovis, California
September 14, 2021

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 4)	\$ 1,487,946	\$ 1,226,772
Accounts Receivable - Contracts	89,334	89,197
Accounts Receivable - Other, Net (Note 2)	299,701	46,085
Prepaid Expenses	1,639	1,639
Total Current Assets	1,878,620	1,363,693
Fixed Assets:		
Equipment (Note 2)	175,734	175,734
Less Accumulated Depreciation	(116,896)	(98,850)
Total Fixed Assets	58,838	76,884
Total Assets	\$ 1,937,458	\$ 1,440,577
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses (Note 6)	\$ 135,086	\$ 109,369
Deferred Revenue (Note 2)	133,487	55,591
Total Current Liabilities	268,573	164,960
Net Assets:		
Without Donor Restrictions (Note 2)		
Undesignated	1,612,588	1,219,320
Board Designated, Capital Reserve	50,000	50,000
With Donor Restrictions (Note 2)	6,297	6,297
Total Net Assets	1,668,885	1,275,617
Total Liabilities and Net Assets	\$ 1,937,458	\$ 1,440,577

See Independent Auditor's Report and Notes to the Financial Statements.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
State Apportionment	\$ 936,154	\$ -	\$ 936,154
Federal Funds	182,456	-	182,456
University Contributions (Note 9)	116,585	-	116,585
Day Care Fees - Parent Fees	125,368	-	125,368
Student Body Fees (Note 9)	420,694	-	420,694
Interest Income	5,070	-	5,070
Donations	-	-	-
Miscellaneous	11,660	-	11,660
Net Assets Released From Restrictions	-	-	-
Total Revenues and Other Support	<u>1,797,987</u>	<u>-</u>	<u>1,797,987</u>
Expenses:			
Program Expenses - Child Care	1,276,285	-	1,276,285
Management and General	<u>128,434</u>	<u>-</u>	<u>128,434</u>
Total Expenses (Note 10)	<u>1,404,719</u>	<u>-</u>	<u>1,404,719</u>
Change in Net Assets	393,268	-	393,268
Net assets, Beginning of Year	<u>1,269,320</u>	<u>6,297</u>	<u>1,275,617</u>
Net Assets, End of Year	<u>\$ 1,662,588</u>	<u>\$ 6,297</u>	<u>\$ 1,668,885</u>

See Independent Auditor's Report and Notes to the Financial Statements.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
State Apportionment	\$ 1,006,040	\$ -	\$ 1,006,040
Federal Funds	238,743	-	238,743
University Contributions (Note 9)	31,560	10,400	41,960
Day Care Fees - Parent Fees	238,366	-	238,366
Student Body Fees (Note 9)	401,218	-	401,218
Interest Income	18,745	-	18,745
Donations	4,227	-	4,227
Miscellaneous	1,167	-	1,167
Net Assets Released From Restrictions	4,103	(4,103)	-
Total Revenues and Other Support	<u>1,944,169</u>	<u>6,297</u>	<u>1,950,466</u>
Expenses:			
Program Expenses - Child Care	1,675,740	-	1,675,740
Management and General	129,393	-	129,393
Total Expenses (Note 10)	<u>1,805,133</u>	<u>-</u>	<u>1,805,133</u>
Change in Net Assets	<u>139,036</u>	<u>6,297</u>	<u>145,333</u>
Net assets, Beginning of Year	<u>1,130,284</u>	<u>-</u>	<u>1,130,284</u>
Net Assets, End of Year	<u>\$ 1,269,320</u>	<u>\$ 6,297</u>	<u>\$ 1,275,617</u>

See Independent Auditor's Report and Notes to the Financial Statements.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 393,268	\$ 145,333
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	18,046	19,234
Increase/(Decrease) In:		
Accounts Receivable	(253,753)	(55,452)
Prepaid Expenses	-	(1,275)
Accounts Payable and Accrued Expenses	25,717	(14,741)
Deferred Revenue	77,896	21,342
Net Cash Provided/(Used) in Operating Activities	261,174	114,441
Net Increase/(Decrease) in Cash and Cash Equivalents	261,174	114,441
Cash and Cash Equivalents, Beginning of Year	1,226,772	1,112,331
Cash and Cash Equivalents, End of Year	\$ 1,487,946	\$ 1,226,772

See Independent Auditor's Report and Notes to the Financial Statements.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – GENERAL INFORMATION

Fresno State Programs for Children, Inc. (Programs for Children) is a nonprofit organization whose specific purpose is to provide child care services primarily for college students, faculty, staff and local community members in four sites at California State University, Fresno.

Programs for Children incorporated as a nonprofit public benefit corporation on December 3, 1996 and began operations on July 1, 1999. It is a tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Programs for Children have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), which require Programs for Children 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 organization. These net assets may be used at the discretion of Programs for Children’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 Programs for Children or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Basis of Accounting

Basis of accounting refers to the timing of when various financial transactions are recognized in the accounts and reported in the financial statements. The accounting records of Programs for Children are maintained using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when goods or services are received.

Adoption of New Accounting Standard

In May 2014, the FASB issued guidance (Accounting Standards Codification [ASC] 606, Revenue from Contracts with Customers) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Programs for Children adopted ASC 606 with a date of the initial application of July 1, 2020.

See Independent Auditor’s Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard (Continued)

Programs for Children applied ASC 606 using the cumulative effect method, which resulted in recognizing the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of net assets at July 1, 2020. The details of the significant changes and quantitative impact of the changes are discussed below.

As part of the adoption of ASC 606, Programs for Children elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

There were no significant changes that resulted from the adoption of ASC 606. The adoption of the new accounting policy did not have a significant impact on net income, and therefore, there was no adjustment to the opening balance of net assets. Programs for Children does not expect the adoption of the new revenue standard to have a material impact on its net income on an ongoing basis.

Revenue Recognition

A portion of Programs for Children's revenue is derived from cost-reimbursable federal and state apportionments and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Programs for Children has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Programs for Children also recognizes revenue from child care fees collected from parents. Revenue associated with child care fees are recognized at a point in time when the service is provided.

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.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit accounts and money market funds with financial institutions. Programs for Children considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. At June 30, 2021 and 2020, cash and equivalents included \$694,734 and \$416,942, respectively, held in a commercial bank of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC).

See Independent Auditor's Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit Risk

Financial instruments that potentially subject Programs for Children to concentrations of credit risk consist principally of cash and cash equivalents. Programs for Children maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Programs for Children's cash and cash equivalent accounts have been placed with high credit quality financial institutions. Programs for Children has not experienced, nor does it anticipate, any losses with respect to such accounts.

Another concentration of credit risk consists of accounts receivable. For the fiscal year ended June 30, 2021, accounts receivable are primarily from California State University, Fresno totaling approximately 75%. For the fiscal year ended June 30, 2020, accounts receivable were primarily from the California Department Education totaling approximately 65%.

Accounts Receivable

Accounts receivable 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. Allowance for doubtful accounts in the amounts of \$1,830 and \$2,625 have been established for the years ended June 30, 2021 and 2020, respectively.

Fixed Assets

Fixed assets are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The equipment useful lives range from three to ten years. Programs for Children's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Fully depreciated assets, which have economic value, are retained on the books although fully depreciated.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets release from restrictions. Programs for Children had \$6,297 and \$6,297 net assets with donor restrictions for the years ended June 30, 2021 and 2020, respectively.

Contributed fixed assets are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

See Independent Auditor's Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenues arise when resources are received by Programs for Children before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenses. In subsequent periods, when revenue recognition criteria are met and when Programs for Children has a legal claim to the resources, the liability for deferred revenues is removed from the Statements of Financial Position and revenue is recognized.

Employer Sponsored Retirement Plan

On January 23, 2019, the Board of Directors approved a conversion from a 401(k) plan to a 403(b) plan. Programs for Children completed the transition from 401(k) to 403(b) during fiscal year 2019-2020. Programs for Children's 403(b) plan 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, 2021 and 2020, respectively, totaled \$4,917 and \$6,469 and are included in employee benefits.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in Note 10 – Expenses by Natural Classification. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis as defined in Note 10.

Use of 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.

See Independent Auditor's Report.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents Programs for Children’s financial assets at June 30:

	2021	2020
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 1,487,946	\$ 1,226,772
Accounts Receivable - Contract	89,334	89,197
Accounts Receivable - Other, Net	299,701	46,085
Total Financial Assets	1,876,981	1,362,054
Less Amounts Not Available to be Used Within One Year:		
Net Assets With Donor Restrictions	6,297	6,297
Less Net Assets with Purpose Restrictions to be Met in Less Than One Year	-	-
	6,297	6,297
Financial Assets available to Meet General Expenditures Over the Next Twelve Months	\$ 1,870,684	\$ 1,355,757

Programs for Children’s goal is generally to maintain financial assets equal to 30% of the budgeted annual operating expenses or \$550,367 and \$598,459 at June 30, 2021 and 2020, respectively. As part of its liquidity plan, excess cash is invested in short-term investments including money market and State of California Local Agency Investment Fund (LAIF) accounts.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 consisted of the following:

	2021	2020
Deposits:		
Cash in Bank	\$ 93,003	\$ 88,963
Restricted Cash in Bank	6,297	6,297
Money Market	570,609	320,353
Pooled Funds:		
Cash in State of California Local Agency Investment Fund	818,037	811,159
Total	\$ 1,487,946	\$ 1,226,772

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.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 – 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>2021</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 1,487,946	\$ 1,487,946	\$ -	\$ -
Total	<u>\$ 1,487,946</u>	<u>\$ 1,487,946</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2020</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 1,226,772	\$ 1,226,772	\$ -	\$ -
Total	<u>\$ 1,226,772</u>	<u>\$ 1,226,772</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Accounts Payable - Other	\$ 52,289	\$ 16,242
Accrued Salaries and Benefits	59,090	63,566
Accrued Compensated Absences	23,707	29,561
Total	<u>\$ 135,086</u>	<u>\$ 109,369</u>

See Independent Auditor's Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7 – LEASES

Programs for Children has entered into a facility lease with California State University, Fresno effective July 1, 2021 as follows:

Use of space within the Education, Family/Food Sciences and the Home Management Buildings, 5005 N. Maple Avenue, expiring June 30, 2026.

NOTE 8 – 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 received approximately 60% and 64% of its revenues from State and Federal contracts as of June 30, 2021 and 2020, respectively. A reduction in the amounts obtained from contracts could impact the operations of Programs for Children.

Claims and Litigation

Programs for Children, during its normal course of business, may be subject from time to time to disputes and legal proceedings against it or may be indirectly impacted by litigation against the CSU or the University. This includes claim(s) against the CSU asserting that students who were enrolled in Spring 2020 are entitled to prorated refunds of Campus Fees as a result of transitioning to online instruction in response to the COVID-19 pandemic. Management, with the support of CSU counsel, believes that the entity has a valid defense against the lawsuits and will rigorously defend its position. Both management and legal counsel do not expect the ultimate outcome of any current claims or lawsuits to have a material adverse effect on Programs for Children's financial statements.

NOTE 9 – RELATED PARTIES

Programs for Children had transactions with California State University, Fresno (the University) 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 \$31,560 for each of the years ended June 30, 2021 and June 30, 2020.

A donation was received from the University President's Circle of \$0 and \$10,400 for the years ended June 30, 2021 and 2020, respectively, for student assistant wages.

Student Body Fee income allocated to Programs for Children was \$420,694 and \$401,218 for the years ended June 30, 2021 and 2020, respectively.

An allocation was received from the University of \$85,025 and \$0, for the years ended June 30, 2021 and 2020, respectively.

Programs for Children had a receivable from the University of \$288,296 and \$39,828 for the years ended June 30, 2021 and 2020, respectively.

Facility Lease for use of the University premises effective July 1, 2021 through June 30, 2026. 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 administration fees and \$0 for facilities/maintenance fees for each of the years ended June 30, 2021 and June 30, 2020.

See Independent Auditor's Report.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 – RELATED PARTIES (Continued)

In addition to the University, Programs for Children is related to California State University, Fresno Association, Inc. (Association) and The Agricultural Foundation of California State University, Fresno (Agricultural Foundation) due to common management of the entities. Programs for Children had the following transactions with the Association during the years ended June 30, 2021 and 2020:

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, 2021 and 2020 were \$80,112 and \$80,868, respectively, based on services rendered.

NOTE 10 – EXPENSES BY NATURAL/FUNCTIONAL CLASSIFICATION

The accompanying statement of activities reports certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable and systematic basis that is consistently applied by management in the preparation of its annual financial statements. All the expenses for Programs for Children are directly allocated to the functional categories by cost center. Such methodologies are deemed by management to be reasonable and appropriate and reflective of the functional purpose of each cost incurred for the respective reporting period.

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

	2021			2020		
	Program	General and Administrative	Total	Program	General and Administrative	Total
Certificated Salaries:						
Teachers	\$ 574,247	\$ -	\$ 574,247	\$ 711,084	\$ -	\$ 711,084
Supervisors	122,901	-	122,901	122,662	-	122,662
Classified Salaries:						
Instructional Aides	-	-	-	172,641	-	172,641
Clerical	27,142	-	27,142	74,215	-	74,215
Other	38,832	-	38,832	85,426	-	85,426
Administration Fees		128,434	128,434	-	129,393	129,393
Depreciation	18,046	-	18,046	19,234	-	19,234
Employee Benefits	251,542	-	251,542	320,350	-	320,350
Food Services:						
Food	26,030	-	26,030	40,650	-	40,650
Personnel	54,291	-	54,291	50,106	-	50,106
Other Food Expense	56	-	56	918	-	918
Instructional Supplies	94,548	-	94,548	29,178	-	29,178
Other Supplies	41,497	-	41,497	20,010	-	20,010
Travel and Training	-	-	-	1,271	-	1,271
Telephone	4,206	-	4,206	3,057	-	3,057
Other Operating Expenses	22,947	-	22,947	24,938	-	24,938
Total	<u>\$ 1,276,285</u>	<u>\$ 128,434</u>	<u>\$ 1,404,719</u>	<u>\$ 1,675,740</u>	<u>\$ 129,393</u>	<u>\$ 1,805,133</u>

See Independent Auditor's Report.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 11 – DISAGGREGATION OF REVENUE AND CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Performance Obligations Satisfied at a Point in Time:		
Child Care Fees	\$ 125,368	\$ 401,218
Total	<u>\$ 125,368</u>	<u>\$ 401,218</u>

Revenues from performance obligations satisfied at a point in time consist of revenue recognized from child care fees – parent fees. Revenue related to child care fees are recognized at a point in time.

NOTE 12 – CONTRACT BALANCES

Contract assets includes accounts receivable from child care fees – parent fees. Contract assets were as follows for the years ended June 30, 2021 and 2020:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>7/1/2019</u>
	<u>Closing Balance</u>	<u>Closing Balance</u>	<u>Opening Balance</u>
Contract Assets:			
Contract (Accounts) Receivable	\$ 2,195	\$ 3,239	\$ 7,354
Total	<u>\$ 2,195</u>	<u>\$ 3,239</u>	<u>\$ 7,354</u>

NOTE 13 – UNCERTAINTY

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus, COVID-19, a pandemic. Accordingly, some functions of the Programs for Children’s operations were limited to protect the health and safety of its employees and students. The financial impact that could occur as a result of the pandemic is unknown at this time.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there are no subsequent events that have occurred from June 30, 2021 through the date the financial statements were available to be issued at September 14 2021, that would require additional disclosure or adjustment.

See Independent Auditor’s Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 15 – UNCERTAIN TAX POSITIONS

Income Taxes

Programs for Children is exempt from Federal and State of California income tax under IRC section 501(c)(3) and California Revenue and Taxation Code Section 23701(d), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Programs for Children has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Programs for Children has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Generally accepted accounting principles provide 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. The Programs for Children returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

NOTE 16 – RECLASSIFICATION

Certain reclassifications were made to the 2020 financial statements in order to conform to the presentation shown. These reclassifications had no effect on the net assets at June 30, 2020.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Federal:				
U.S. Department of Agriculture Pass-through California Department of Education				
Child and Adult Care Food Program 06105-CACFP-10-NP-CS	10.558	\$ 19,384	\$ 19,384	\$ 19,384
Total U.S. Department of Agriculture		<u>19,384</u>	<u>19,384</u>	<u>19,384</u>
U.S. Department of Health and Human Services Pass-through California Department of Education Child Care and Development (CCDF) Cluster				
Child Development Programs CCTR-0035 13609	93.596	<u>129,272</u>	<u>110,485</u>	<u>110,485</u>
Child Development Programs CCTR-0035 15136	93.575	<u>58,695</u>	<u>50,160</u>	<u>50,160</u>
Total Child Care and Development (CCDF) Cluster		<u>187,967</u>	<u>160,645</u>	<u>160,645</u>
Total U.S. Department of Health and Human Services		<u>187,967</u>	<u>160,645</u>	<u>160,645</u>
Total Federal Assistance		<u>\$ 207,351</u>	<u>\$ 180,029</u>	<u>\$ 180,029</u>
State:				
Quality Rating and Improvement System Block Grant 121780		<u>\$ 67,950</u>	<u>\$ 40,908</u>	<u>\$ 40,908</u>
Child Development Programs CCTR-0035 23254		<u>538,675</u>	<u>460,368</u>	<u>460,368</u>
Child Development Programs CSPP-0077 25451		<u>434,878</u>	<u>434,878</u>	<u>434,878</u>
Total California Department of Education		<u>1,041,503</u>	<u>936,154</u>	<u>936,154</u>
Total State Assistance		<u>\$ 1,041,503</u>	<u>\$ 936,154</u>	<u>\$ 936,154</u>

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2021

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 federal information in this schedule is presented in accordance with the requirements of Uniform Guidance, 2 CFR Part 200, Subpart F. Thus, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

Programs for Children is not using the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
 COMBINING STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2021**

	<u>CCTR-0035</u>	<u>CSP-0077</u>	<u>Total</u>
Revenues:			
State Apportionment	\$ 460,368	\$ 475,786	\$ 936,154
Federal Funds	163,072	-	163,072
Child Care Food Program	19,384	-	19,384
University Contributions	116,585	-	116,585
Day Care Fees - Parent Fees	120,239	5,129	125,368
Student Body Fees	420,694	-	420,694
Interest Income	5,070	-	5,070
Donations	-	-	-
Miscellaneous	11,660	-	11,660
	<u>1,317,072</u>	<u>480,915</u>	<u>1,797,987</u>
Total Revenues			
Expenses:			
Program Expenses - Child Care	797,315	478,970	1,276,285
Management and General	76,982	51,452	128,434
	<u>874,297</u>	<u>530,422</u>	<u>1,404,719</u>
Total Expenses			
Change in Net Assets	<u>\$ 442,775</u>	<u>\$ (49,507)</u>	<u>\$ 393,268</u>

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
YEAR ENDED JUNE 30, 2021**

		<u>CCTR-0035</u>	<u>CSPP-0077</u>	<u>Total</u>
1000	Certificated Personnel Salaries	\$ 446,930	\$ 250,218	\$ 697,148
2000	Classified Personnel Salaries	73,406	41,097	114,503
3000	Employee Benefits	161,259	90,283	251,542
4000	Books and Supplies	95,157	53,275	148,432
5000	Services and Other Operating Expenses	<u>85,995</u>	<u>48,145</u>	<u>134,140</u>
	Total Expenses Claimed For Reimbursement	862,747	483,018	1,345,765
Total Supplemental Expenses		<u>-</u>	<u>40,908</u>	<u>40,908</u>
Total Expenditures		<u>\$ 862,747</u>	<u>\$ 523,926</u>	<u>\$ 1,386,673</u>

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
RECONCILIATION OF CDE AND GAAP EXPENSE REPORTING
YEAR ENDED JUNE 30, 2021**

	<u>CCTR-0035</u>	<u>CSPP-0077</u>	<u>Total CDE Contracts</u>
Schedule of Expenditures by State Categories (CDE)	<u>\$ 862,747</u>	<u>\$ 523,926</u>	<u>\$ 1,386,673</u>
Adjustments to Reconcile Difference in Reporting:			
Capitalized Equipment Expensed (AUD Forms)	-	-	-
Capitalized Renovation and Repairs Expensed (AUD Forms)	-	-	-
Prepaid Software Expensed (AUD Forms)	-	-	-
Depreciation on Assets Funded by Supplemental Revenue ¹	<u>11,549</u>	<u>6,497</u>	<u>18,046</u>
Subtotal	<u>11,549</u>	<u>6,497</u>	<u>18,046</u>
Combining Statement of Activities (GAAP)	<u>\$ 874,297</u>	<u>\$ 530,422</u>	<u>\$ 1,404,719</u>

¹ The amounts shown here were not reported on the Audited Attendance and Fiscal Reports Audited Fiscal Reports (AUD Forms)

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF REIMBURSABLE EQUIPMENT EXPENDITURES
YEAR ENDED JUNE 30, 2021**

Unit Cost Under \$7,500 Per Item	CCTR-0035	CSPP-0077	Total Costs
None	\$ -	\$ -	\$ -
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Unit Cost Over \$7,500 Per Item With Prior Written Approval	\$ -	\$ -	\$ -
None	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal			
Unit Cost Over \$7,500 Per Item Without Prior Written Approval	\$ -	\$ -	\$ -
None	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal			
Total Equipment Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES
YEAR ENDED JUNE 30, 2021**

Unit Cost Under \$10,000 Per Item	CCTR-0035	CSPP-0077	Total Costs
None	\$ -	\$ -	\$ -
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Unit Cost Over \$10,000 Per Item			
With Prior Written Approval	\$ -	\$ -	\$ -
None	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal			
Unit Cost Over \$10,000 Per Item	\$ -	\$ -	\$ -
Without Prior Written Approval	<u>-</u>	<u>-</u>	<u>-</u>
None			
Subtotal			
Total Renovation and Repair Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
 COMBINING SCHEDULE OF ADMINISTRATIVE COSTS
 YEAR ENDED JUNE 30, 2021**

Reimbursable Administrative Costs	CCTR-0035	CSPP-0077	Total Costs
Insurance	\$ 6,873	\$ 3,848	\$ 10,721
Office Supplies	7,798	4,365	12,163
Accounting Fees	51,358	28,754	80,112
Audit Fees	8,162	4,569	12,731
Other Operating Expenses	<u>2,791</u>	<u>1,563</u>	<u>4,354</u>
 Total Administrative Costs	 <u>\$ 76,982</u>	 <u>\$ 43,099</u>	 <u>\$ 120,081</u>

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
NOTES TO THE CHILD CARE AND DEVELOPMENT PROGRAM SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2021

In accordance with the applicable requirements from the Funding Terms & Conditions:

Interest Expense

Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed as a reimbursable expense for the year ended June 30, 2021.

Related Party Rent

All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent expense was claimed as a reimbursable expense for the year ended June 30, 2021.

Bad Debt

Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2021.

**California Department of Education
Audited Attendance and Fiscal Report for
California State Preschool Programs**

A U D 8501 Page 1 of 8

Fiscal Year Ending **June 30, 2021**

Contract Number **CSPP-0077**

Vendor Code **Q621**

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 1 - Days of Enrollment Certified Children

Enrollment Category	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	35		35	1.1800	41.3
Three Years and Older Full-time	4,807	3	4,810	1.0000	4,810
Three Years and Older Three-quarters-time	1,472	-51	1,421	0.7500	1,065.75
Three Years and Older One-half-time	174	-13	161	0.6193	99.7073
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	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				0.6193	0

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 1 - Days of Enrollment Certified Children (continued)

Enrollment Category	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				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL DAYS OF ENROLLMENT	6,488	-61	6,427	N/A	6,016.7573
DAYS OF OPERATION	236		236	N/A	N/A
DAYS OF ATTENDANCE	2,057	-61	1,996	N/A	N/A

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

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 3 - Revenue

Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Waived Family Fees for Certified Children (July - August)	1,667		1,667
Family Fees Collected for Certified Children (September - June)	5,129		5,129
Waived Family Fees for Certified Children (September - June)	1,758		1,758
Family Fees for Certified Children (September - June) - Subtotal	6,887		6,887
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	5,129		5,129

Comments:

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 4 - Reimbursable Expenses

Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	251,081	-863	250,218
2000 Classified Salaries	41,239	-142	41,097
3000 Employee Benefits	90,578	-295	90,283
4000 Books and Supplies	53,458	-183	53,275
5000 Services and Other Operating Expenses	47,237	908	48,145
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	483,593	-575	483,018
Total Administrative Cost (included in Section 4 above)	43,136	-37	43,099
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate:

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

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 5 - Supplemental Revenue

Supplemental Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding	40,908		40,908
Other:			
Other:			
Total Supplemental Revenue	40,908		40,908

Section 6 - Supplemental Expenses

Supplemental Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	5,762		5,762
3000 Employee Benefits			
4000 Books and Supplies	34,216		34,216
5000 Services and Other Operating Expenses	929	1	930
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses	40,907	1	40,908

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 7 - Summary

Summary Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	6,488	-61	6,427
Days of Operation	236		236
Days of Attendance	2,057	-61	1,996
Restricted Program Income			
Transfer from Reserve			
Family Fees for Certified Children (September - June)	6,887		6,887
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	483,593	-575	483,018
Total Administrative Cost	43,136	-37	43,099
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment **6,016.7573**

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 (select YES or NO from the drop-down box): **Yes**

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): **Yes**

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

**California Department of Social Services
Audited Attendance and Fiscal Report
for Child Development Programs**

Fiscal Year Ending **June 30, 2021**

Contract Number **CCTR-0035**

Vendor Code **Q621**

A U D 9500 v2 Page 1 of 8

Full Name of Contractor **Fresno State Programs for Children, Inc.**

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				2.8792	0
Infants (up to 18 months) Full-time	563		563	2.4400	1,373.72
Infants (up to 18 months) Three-quarters-time	186		186	1.8300	340.38
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time	2,118		2,118	1.8000	3,812.4
Toddlers (18 up to 36 months) Three-quarters-time	997		997	1.3500	1,345.95
Toddlers (18 up to 36 months) One-half-time	69		69	0.9900	68.31
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	675	1	676	1.0000	676
Three Years and Older Three-quarters-time	553		553	0.7500	414.75
Three Years and Older One-half-time	86		86	0.5500	47.3
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 1 - Days of Enrollment Certified Children (continued)

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				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
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL CERTIFIED DAYS OF ENROLLMENT	5,247	1	5,248	N/A	8,078.81
DAYS OF OPERATION	236		236	N/A	N/A
DAYS OF ATTENDANCE	1,059	1	1,060	N/A	N/A

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

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 2 - Days of Enrollment Non-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				2.8792	0
Infants (up to 18 months) Full-time	296		296	2.4400	722.24
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time	399		399	1.8000	718.2
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus	74		74	1.1800	87.32
Three Years and Older Full-time	1,351	40	1,391	1.0000	1,391
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.5500	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 2 - Days of Enrollment Non-Certified Children (continued)

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				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
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	2,120	40	2,160	N/A	2,918.76

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 3 - Revenue

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	19,384		19,384
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	19,384		19,384
Transfer From Reserve			
Waived Family Fees for Certified Children (July and August)	1,589		1,589
Family Fees Collected for Certified Children (September - June)	762		762
Waived Family Fees for Certified Children (September - June)			
Family Fees (September - June) - Subtotal	762		762
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	119,477		119,477
Unrestricted Income - Head Start			
Unrestricted Income - Other:	546,935	9,501	556,436
Total Revenue	686,558	9,501	696,059

Comments:

Full Name of Contractor **Fresno State Programs for Children, Inc.**

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	446,069	861	446,930
2000 Classified Salaries	73,264	142	73,406
3000 Employee Benefits	160,921	338	161,259
4000 Books and Supplies	94,972	185	95,157
5000 Services and Other Operating Expenses	83,921	2,074	85,995
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	859,147	3,600	862,747
Total Administrative Cost (included in Section 4 above)	76,636	346	76,982
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate:

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

Full Name of Contractor **Fresno State Programs for Children, Inc.**

Section 7 - Summary

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	5,247	1	5,248
Days of Operation	236		236
Days of Attendance	1,059	1	1,060
Restricted Program Income	19,384		19,384
Transfer from Reserve			
Family Fees for Certified Children (September - June)	762		762
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	859,147	3,600	862,747
Total Administrative Cost	76,636	346	76,982
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment **8,078.81**

Total Non-Certified Adjusted Days of Enrollment **2,918.76**

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 (select YES or NO from the drop-down box): **YES**

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): **YES**

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.



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, 2021, 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 14, 2021.

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) as a basis for designing 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 Programs for Children'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.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540

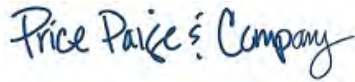
fax 559.299.2344

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the Programs for Children's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Price Paige & Company". The signature is written in a cursive, flowing style.

Clovis, California
September 14, 2021

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X No

Noncompliance material to financial statements noted?

_____ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AND STATE AWARDS

None reported.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENT FINDINGS

None reported.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AND STATE AWARDS

None reported.

**ADDITIONAL INFORMATION
FOR CALIFORNIA STATE UNIVERSITY, FRESNO**

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF NET POSITION
JUNE 30, 2021
(for inclusion in the California State University)

ASSETS

Current assets:

Cash and cash equivalents	\$	99,300
Short-term investments		1,388,646
Accounts receivable, net		389,035
Prepaid expenses and other current assets		1,639
Total current assets		1,878,620

Noncurrent assets:

Capital assets, net		58,838
Total noncurrent assets		58,838

Total assets		1,937,458
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LIABILITIES

Current liabilities:

Accounts payable		52,289
Accrued salaries and benefits		59,090
Accrued compensated absences, current portion		2,500
Unearned revenues		133,487
Total current liabilities		247,366

Noncurrent liabilities:

Accrued compensated absences, net of current portion		21,207
Total noncurrent liabilities		21,207

Total liabilities		268,573
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NET POSITION

Net investment in capital assets		58,838
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Restricted for:

Other		6,297
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Unrestricted		1,603,750
		1,603,750

Total net position		\$ 1,668,885
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See Independent Auditor's Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021
(for inclusion in the California State University)

REVENUES

Operating revenues:	
Student tuition and fees, gross	\$ 420,694
Grants and contracts, noncapital:	
Federal	182,456
State	936,154
Sales and services of auxiliary enterprises, gross	<u>125,368</u>
Total operating revenues	<u>1,664,672</u>

EXPENSES

Operating expenses:	
Auxiliary enterprise expenses	1,386,673
Depreciation and amortization	<u>18,046</u>
Total operating expenses	<u>1,404,719</u>
Operating income (loss)	<u>259,953</u>

Nonoperating revenues (expenses):

Gifts, noncapital	116,585
Investment income (loss), net	5,070
Other nonoperating revenues (expenses) - excl. interagency transfers	<u>11,660</u>
Net nonoperating revenues (expenses)	133,315
Income (loss) before other revenues (expenses)	<u>393,268</u>
Increase (decrease) in net position	393,268

NET POSITION

Net position at beginning of year, as previously reported	<u>1,275,617</u>
Net position at end of year	<u>\$ 1,668,885</u>

See Independent Auditor's Report.

**FRESNO STATE PROGRAMS FOR CHILDREN, INC.
OTHER INFORMATION
JUNE 30, 2021
(for inclusion in the California State University)**

1 Cash and cash equivalents:

Current cash and cash equivalents	\$ 99,300
Total	\$ 99,300

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
Money market funds	\$ 570,609	-	570,609
State of California Local Agency Investment Fund (LAIF)	818,037	-	818,037
Total investments	1,388,646	-	1,388,646
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 1,388,646	-	1,388,646

2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 570,609	570,609	-	-	-
State of California Local Agency Investment Fund (LAIF)	818,037	-	-	-	818,037
Total Investments	\$ 1,388,646	570,609	-	-	818,037

2.3 Investments held by the University under contractual agreements: Nothing to report

3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
Depreciable/amortizable capital assets:									
Personal property:									
Equipment	\$ 175,734	-	-	-	175,734	-	-	-	175,734
Total depreciable/amortizable capital assets	175,734	-	-	-	175,734	-	-	-	175,734
Total capital assets	175,734	-	-	-	175,734	-	-	-	175,734
Less accumulated depreciation/amortization: (enter as negative number, except for reductions, enter as positive number)									
Personal property:									
Equipment	(98,850)	-	-	-	(98,850)	(18,046)	-	-	(116,896)
Total accumulated depreciable/amortization	(98,850)	-	-	-	(98,850)	(18,046)	-	-	(116,896)
Total capital assets, net	\$ 76,884	-	-	-	76,884	(18,046)	-	-	58,838

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 18,046
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 18,046

See Independent Auditor's Report.

FRESNO STATE PROGRAMS FOR CHILDREN, INC.
OTHER INFORMATION
JUNE 30, 2021
(for inclusion in the California State University)
(Continued)

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/ Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	29,561	-	29,561	36,467	(42,321)	23,707	2,500	21,207
Total long-term liabilities	29,561	-	29,561	36,467	(42,321)	23,707	2,500	21,207

5 Capital lease obligations schedule: Nothing to report

6 Long-term debt obligations schedule: Nothing to report

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants and other programs	-
Payments to University for other than salaries of University personnel	19,535
Payments received from University for services, space, and programs	116,585
Accounts payable to University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	288,296

8 Restatements: Nothing to report

9 Natural classifications of operating expense:

	Salaries	Benefits-Other	Benefits-Pension	Benefits-OPEB	Scholarships and Fellowships	Supplies and Other Services	Depreciation and Amortization	Total Operating Expenses
Auxiliary enterprise expenses	\$ 817,413	251,542	-	-	-	317,718	-	1,386,673
Depreciation and amortizations	-	-	-	-	-	-	18,046	18,046
Total operating expenses	\$ 817,413	251,542	-	-	-	317,718	18,046	1,404,719

10 Deferred outflows/inflows of resources: Nothing to report

See Independent Auditor's Report.