Child Care Fund of the Associated Students of San Diego State University

Financial and Compliance Report
June 30, 2008

McGladrey & Pullen
Certified Public Accountants

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Child Care Fund of the Associated Students of
San Diego State University

General Information

June 30, 2008

Full official name of the agency:
Associated Students of San Diego State University

Child Development Center Program
Project No. 37-H378-00-7 Contract No. CCTR-7316

Type of agency:
Auxiliary Organization of the California State University

Address of agency headquarters:
5500 Campanile Drive
San Diego, California 92182

Officers:
President—J. Poet
Executive Director—D. Cornthwaite
Associate Director—S. Heiser
(All may be reached at the agency headquarters address)

Telephone number:
(619) 594-6487

Period covered by the examination:
July 1, 2007 through June 30, 2008

Number of days of operation:
245

Scheduled hours of operation each day:
For children over the age of 18 months—7:00 a.m. to 6:00 p.m., or 11 hours per day
For infants—8:00 a.m. to 4:00 p.m., or 8 hours per day

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report on the Financial Statements

The Board of Directors
Associated Students of San Diego State University
San Diego, California

We have audited the accompanying statement of financial position of the Child Care Fund of the Associated Students of San Diego State University (the Fund) as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Fund are intended to present the financial position and the changes in financial position of only that portion of the Associated Students of San Diego State University that is attributable to the transactions of the Fund. They do not purport to, and do not, present fairly the financial position of the Associated Students of San Diego State University, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2008 on our consideration of the Fund's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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an affiliation of separate and independent legal entities.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying schedule of receipts and expenditures of federal and state awards, listed in the table of contents as supplementary information on page 9, is presented for purposes of additional analysis and is not a required part of the Fund's financial statements. The accompanying supplementary information on pages 9 through 23 is presented for purposes of additional analysis as required by the California Department of Education, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, which are in conformity with the *Audit Guide for the Audits of Child Development and Nutrition Programs* issued by the California Department of Education, and all other laws, regulations and sub-grant requirements. In our opinion, this additional information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

San Diego, California
November 12, 2008

Child Care Fund of the Associated Students of San Diego State University

Statement of Financial Position
June 30, 2008

Assets	
Receivables, net (Note 2)	$ 40,750
Due from Other Funds of Associated Students of San Diego State University	72,775
Total assets	$ 113,525
Liabilities and Net Assets	
Deferred revenue	$ 7,540
Deposits	3,280
Due to State Department of Education	4,337
Total liabilities	15,157
Net Assets, unrestricted	71,868
Net Assets, temporarily restricted	26,500
Total net assets	98,368
Total liabilities and net assets	$ 113,525

See Notes to Financial Statements.

Child Care Fund of the Associated Students of San Diego State University

Statement of Activities
Year Ended June 30, 2008

Changes in unrestricted net assets:	
Revenues and other support:	
State apportionments	$ 418,553
Child care food program	58,811
Parent fees, certified children	25,969
Parent fees, noncertified children	1,414,273
California State University contribution	57,900
Other	49,829
	2,025,335
Expenses:	
Salaries:	
Certified	782,104
Noncertified	431,539
Employee benefits	384,757
Supplies	42,227
Food services	100,371
Audit fee	17,000
Facility rent (Note 3)	211,200
Other expenses	209,546
	2,178,744
Expenses over revenue and other support	(153,409)
Transfers:	
Transfers from Associated Students General Fund	163,200
Transfers to Associated Students Designated Fund	(65,517)
	97,683
Decrease in unrestricted net assets	(55,726)
Changes in temporarily restricted net assets: Contributions	26,500
Decrease in net assets	(29,226)
Beginning of year	127,594
End of year	$ 98,368

See Notes to Financial Statements.

Child Care Fund of the Associated Students of San Diego State University

Statement of Cash Flows
Year Ended June 30, 2008

Cash Flows from Operating Activities	
Decrease in unrestricted net assets	$ (55,726)
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Increase in receivables	(1,531)
Decrease in deposits	(12,024)
Increase in liability to State	493
Increase in deferred revenue	1,689
Net cash (used in) operating activities	(67,099)
Cash Flows from Financing Activities	
Net change in due from other funds	40,599
Proceeds from contribution restricted for investment in equipment	26,500
Net cash provided by financing activities	67,099
Net change in cash	-
Cash	
Beginning of year	-
End of year	$ -

See Notes to Financial Statements.

Note 1. Nature of Organization and Summary of Significant Accounting Policies

The Child Care Fund (the Fund) is a fund administered by the Associated Students of San Diego State University (Associated Students) (a California not-for-profit auxiliary organization of California State University) and accounts for activities associated with offering child care services to students, faculty, staff and members of the community. These financial statements include only the operating accounts of the Fund and are not intended to present the financial position or results of operations of Associated Students.

Associated Students is exempt from federal and state income taxes. In order to maintain that status, it is precluded from making certain expenditures, principally in support of third parties. Management believes no such expenditures have been made.

The Fund contracts annually with the State of California for aid. These contracts are funded in part by the federal government through the State of California. Support needed to fund the Child Care program beyond any contract revenue, parent fees and any other miscellaneous sources is obtained from the General Fund of Associated Students and reflected as a transfer from the General Fund in the statement of activities. In addition, the Child Care program is provided certain facilities and other services for its operations by Associated Students.

Future facility and equipment replacement funding requirements are provided for and reflected as a transfer to the Designated Fund in the statement of activities.

A summary of significant accounting policies is as follows:

Basis of accounting and reporting: The Fund's financial statements present net assets and revenues classified as unrestricted, temporarily restricted and permanently restricted. These classifications are based on the existence or the absence of donor-imposed restrictions related to contributions and are summarized as follows:

Unrestricted net assets consist of net assets that are neither permanently restricted nor temporarily restricted by external stipulations.

Temporarily restricted net assets consist of unspent amounts that are subject to specific external restrictions that can be fulfilled by actions of the Fund or by the passage of time.

Permanently restricted net assets consist of amounts received with externally imposed stipulations that the funds be held in perpetuity. Generally, the income earned on such amounts is available for use by the Fund for the benefit of the program.

Unrestricted net assets at June 30, 2008 represent funds which are fully available, at the discretion of management and the board of directors, for the Fund to utilize in any of its programs or supporting services.

Temporarily restricted net assets at June 30, 2008 represent funds received from a grant restricted for the purpose of investing in new playground landscaping. These funds will be classified as unrestricted when the expenditures are made for this purpose.

Contributions: Contributions, including unconditional promises to give or to provide services, are recognized in the year the promise is made as opposed to when assets are received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted contributions. Temporarily restricted net assets are reclassified to unrestricted net assets at such time as the Fund has fulfilled the donor-imposed restriction. Contributions where donor-imposed restrictions both arose and expired in the same fiscal year are reported as unrestricted contributions.

Note 1. Nature of Organization and Summary of Significant Accounting Policies, Continued

Equipment: Acquisitions of equipment reduce the fund balance of the Fund through a transfer to the Plant Fund of Associated Students. The Plant Fund is not included in the Fund's financial statements.

Deferred employee benefits: Associated Students is a member of the California Public Employees' Retirement System (PERS), a multi-employer pension system which provides a contributory defined-benefit pension and postretirement benefit program for its salaried employees. PERS functions as an investment and administrative agent for participating entities within the State of California.

Further information about the pension and postretirement benefit programs can be obtained from the financial statements of Associated Students for the year ended June 30, 2008.

Use of estimates: The preparation of financial statements 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. Significant estimates include, but are not limited to, assessing the collectibility of accounts receivable. Actual results could differ from those estimates.

Note 2. Receivables

Child Care Fund receivables, net, consist of the following at June 30, 2008:

State Department of Education Food Program	$	9,661
Parent fees		18,544
Other receivables		14,475
		42,680
Less allowance for doubtful accounts		1,930
	$	40,750

Note 3. Facility Rent

The Children's Center operates in a facility of approximately 16,000 square feet which is owned by Associated Students. Associated Students charges the Fund rent at a rate of $1.10 per square foot on a month-to-month basis.

Supplementary Information

Schedule of Receipts and Expenditures of Federal and State Awards
Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantors' Number/ Contract Number	Program or Award Amount	Receipts	Expenditures
Federal					
U.S. Department of Agriculture:					
Passed through State of California Department of Education:					
Child Care food program	10.558	37-1548-6A	$ 56,019	$ 46,815	$ 56,019
U.S. Department of Health and Human Services:					
Passed through State of California Department of Education:					
Child development division:					
One-time-only instructional materials grant	93.575	CIMS-7525	1,449	1,449	1,449
Child care and development facilities—capacity project	93.575	CCAP-7321	2,974	2,974	2,974
Total federal awards			$ 60,442	$ 51,238	$ 60,442
State					
Child development center program:					
Private	N/A	CCTR-7316	$ 414,130	$ 418,467	$ 2,178,743
Child Care food program	N/A	37-1548-6A	2,792	2,334	2,792
Total state awards			$ 416,922	$ 420,801	$ 2,181,535

N/A = Not applicable

Expenditures per this schedule are reported using the same basis of accounting as that used for the Statement of Activities on page 5 of the financial statements.

Child Care Fund of the Associated Students of San Diego State University — **Schedule 2**

Child Development Center Program
Project No. 37-H378-00-7, Contract No. CCTR-7316
Schedule of Renovation and Repair Expenditures
Year Ended June 30, 2008

Unit cost under $10,000 per item	$ -
Unit cost over $10,000 with CDE approval	-
Unit cost over $10,000 without CDE approval	-
	$ -

Child Care Fund of the Associated Students of San Diego State University — **Schedule 3**

Child Development Center Program
Project No. 37-H378-00-7, Contract No. CCTR-7316
Schedule of Equipment Expenditures
Year Ended June 30, 2008

Expenditures under $7,500 unit cost equipment	$ 23,744
Expenditures under $7,500 unit cost with CDE approval	-
Expenditures over $7,500 unit cost without CDE approval	-
	$ 23,744

Child Care Fund of the Associated Students of San Diego State University **Schedule 4**

Child Development Center Program
Project No. 37-H378-00-7, Contract No. CCTR-7316
Schedule of Administrative Costs
Year Ended June 30, 2008

Administrative salaries, office	$	-
Supervisor salaries, office		-
Employee benefits		-
Payroll taxes		-
Books and supplies		-
Contractual services		-
Audit and legal		17,000
Travel and conference		-
Rentals		-
Janitorial equipment and supplies		-
Insurance		-
Telephone and utilities		-
Other operating costs		-
	$	17,000

Child Care Fund of the Associated Students of San Diego State University **Schedule 5**

Child Development Center Program
Project No. 37-H378-00-7
Schedule of Expenditures by State Categories
Year Ended June 30, 2008

	CCTR-7316 Allowable*	CCAP-7321 Allowable*	CIMS-7525 Allowable*	Non-allowable*	Total
1100 Teachers' salaries	$ 782,104	$ -	$ -	$ -	$ 782,104
2100 Salaries of instructional aides	431,539	-	-	-	431,539
3000 Employee benefits	384,757	-	-	-	384,757
4300 Instructional materials and supplies	42,227	-	-	-	42,227
4500 Other supplies	-	-	-	-	-
4700 Food services	100,371	-	-	-	100,371
	1,740,998	-	-	-	1,740,998
5400 Insurance	24,038	-	-	-	24,038
5500 Utilities and housekeeping services	127,322	-	-	-	127,322
5600 Contracts, rents and leases	211,200	-	-	-	211,200
5700 Legal, election and audit	17,000	-	-	-	17,000
5800 Other services and operating expenses	34,443	-	-	-	34,443
	414,003	-	-	-	414,003
4000 Books and supplies	-	2,974	1,449	-	4,423
6400 Equipment (program related)	23,743	-	-	-	23,743
	23,743	2,974	1,449	-	28,166
Total expenditures	$ 2,178,744	$ 2,974	$ 1,449	$ -	$ 2,183,167

* Allowable expenditures are those expenditures eligible for reimbursement by the California Department of Education subject to the maximum reimbursable amount, as stipulated in the CCTR contract.
Nonallowable expenditures are ineligible for reimbursement per the terms of the CCTR and support contracts.

AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for Child Development Programs

Agency Name: Associated Students of San Diego State University Vendor No. H378

Fiscal Year Ended: June 30, 2008 Contract No. CCTR-7316

Independent Auditor's Name: McGladrey & Pullen, LLP

SECTION I - CERTIFIED CHILDREN	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT						
Infants (up to 18 months)						
Full-time-plus	101	0		0	2.006	0
Full-time	103	1,572		1,572	1.700	2,672
Three-quarters-time	105	268		268	1.275	342
One-half-time	107	14		14	0.935	13
FCCH Infants (up to 18 months)						
Full-time-plus	101A	0		0	1.652	0
Full-time	103A	0		0	1.400	0
Three-quarters-time	105A	0		0	1.050	0
One-half-time	107A	0		0	0.770	0
Toddlers (18 up to 36 months)						
Full-time-plus	101B	0		0	1.652	0
Full-time	103B	3,291		3,291	1.400	4,607
Three-quarters-time	105B	276		276	1.050	290
One-half-time	107B	4		4	0.770	3
Three Years and Older						
Full-time-plus	111	60		60	1.180	71
Full-time	113	4,258		4,258	1.000	4,258
Three-quarters-time	115	719		719	0.750	539
One-half-time	117	10		10	0.550	6
Exceptional Needs						
Full-time-plus	121	0		0	1.416	0
Full-time	123	0		0	1.200	0
Three-quarters-time	125	0		0	0.900	0
One-half-time	127	0		0	0.660	0
Limited and Non-English Proficient						
Full-time-plus	131	0		0	1.298	0
Full-time	133	0		0	1.100	0
Three-quarters-time	135	0		0	0.825	0
One-half-time	137	0		0	0.605	0
Children at Risk of Abuse or Neglect						
Full-time-plus	141	0		0	1.298	0
Full-time	143	0		0	1.100	0
Three-quarters-time	145	0		0	0.825	0
One-half-time	147	0		0	0.605	0
Severely Handicapped						
Full-time-plus	151	0		0	1.770	0
Full-time	153	0		0	1.500	0
Three-quarters-time	155	0		0	1.125	0
One-half-time	157	0		0	0.825	0
TOTAL DAYS OF ENROLLMENT	190	10,472	0	10,472		12,802
DAYS OF OPERATION	169	245	0	245		
DAYS OF ATTENDANCE	179	10,191	0	10,191		

☐ NO NONCERTIFIED CHILDREN - Check this box and continue to Section III if no noncertified children were enrolled in the program.

AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for Child Development Programs

Agency Name: Associated Students of San Diego State University Vendor No. H378

Fiscal Year Ended: June 30, 2008 Contract No. CCTR-7316

Commingled Contract No. (If Any)

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified but were served at the same site(s) as certified children.	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT						
Infants (up to 18 months)						
Full-time-plus	201	0		0	2.006	0
Full-time	203	2,823		2,823	1.700	4,799
Three-quarters-time	205	166		166	1.275	212
One-half-time	207	0		0	0.935	0
FCCH Infants (up to 18 months)						
Full-time-plus	201A	0		0	1.652	0
Full-time	203A	0		0	1.400	0
Three-quarters-time	205A	0		0	1.050	0
One-half-time	207A	0		0	0.770	0
Toddlers (18 up to 36 months)						
Full-time-plus	201B	0		0	1.652	0
Full-time	203B	9,078		9,078	1.400	12,709
Three-quarters-time	205B	366		366	1.050	384
One-half-time	207B	1		1	0.770	1
Three Years and Older						
Full-time-plus	211	9		9	1.180	11
Full-time	213	17,588		17,588	1.000	17,588
Three-quarters-time	215	555		555	0.750	416
One-half-time	217	47		47	0.550	26
Exceptional Needs						
Full-time-plus	221	0		0	1.416	0
Full-time	223	0		0	1.200	0
Three-quarters-time	225	0		0	0.900	0
One-half-time	227	0		0	0.660	0
Limited and Non-English Proficient						
Full-time-plus	231	0		0	1.298	0
Full-time	233	0		0	1.100	0
Three-quarters-time	235	0		0	0.825	0
One-half-time	237	0		0	0.605	0
Children at Risk of Abuse or Neglect						
Full-time-plus	241	0		0	1.298	0
Full-time	243	0		0	1.100	0
Three-quarters-time	245	0		0	0.825	0
One-half-time	247	0		0	0.605	0
Severely Handicapped						
Full-time-plus	251	0		0	1.770	0
Full-time	253	0		0	1.500	0
Three-quarters-time	255	0		0	1.125	0
One-half-time	257	0		0	0.625	0
TOTAL DAYS OF ENROLLMENT	290	30,633	0	30,633		36,146

AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for Child Development Programs

Agency Name: Associated Students of San Diego State University Vendor No. H378

Fiscal Year End: June 30, 2008 Contract No. CCTR-7316

Independent Auditor's Name: McGladrey & Pullen, LLP

SECTION III - REVENUE	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
CCF/National School Lunch Program	302	$58,811	$0	$58,811
Restricted income for operating costs	308	0		0
Maintenance of Effort	339	0		0
Other (*specify*):	312	0		0
SUBTOTAL	310	58,811	0	58,811
TRANSFER FROM RESERVE FUND	311	0		0
FAMILY FEES FOR CERTIFIED CHILDREN		25,969		25,969
State General Fund	329			
Federal Fund	331			
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS		0		0
State General Fund	349			
Federal Fund	350			
NON-RESTRICTED INCOME				
Parent fees for noncertified children	356	1,414,273		1,414,273
Cal Learn Program	358	0		0
Other (*specify*):	362	134,229		134,229
TOTAL REVENUE	390	$1,633,282	$0	$1,633,282

SECTION IV - EXPENSES

REIMBURSABLE EXPENSES				
Direct Payments to Providers (FCCH Only)	401			
1000 Certificated Salaries	402	$782,104	$0	$782,104
2000 Classified Salaries	404	431,539		431,539
3000 Employee Benefits	406	384,757		384,757
4000 Books and Supplies	408	142,598		142,598
5000 Services/Other Operating Expenses	412	420,746		420,746
6100/6200 Other Approved Capital Outlay	413	0		0
6400 New Equipment (*program-related*)	414	5,074		5,074
6500 Replace Equipment (*program-related*)	416	18,670		18,670
Depreciation or Use Allowance	439	0		0
Start-Up Expenses (service level exemption)	447	0		0
Start-Up/Close-Down Expenses (migrant)	449	0		
Indirect Costs -- Rate: 0.00%	459	0		0
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay	479	24,387		24,387
Other nonreimbursable expenses (*specify*): Fundraising expenses	489	5,645		5,645
TOTAL EXPENSES	490	$2,215,520	$0	$2,215,520
TOTAL ADMINISTRATIVE COST (in Sec. IV)	690	$17,000	$0	$17,000

Independent Auditor's Certifications on meeting the requirements of the California Department of Education, Child Development Division:

Attendance records are being maintained as required (check YES or NO):

[X] YES

[ ] NO - Explain any discrepancies.

Attendance data reported in Column C of pages 1 and 2 agree with the original supporting records, such as sign-in/sign-out sheets and daily attendance records (check YES or NO):

[X] YES

[ ] NO - Explain any discrepancies.

COMMENTS:

AUDITED FINAL REVENUE AND EXPENDITURE REPORT
for One-Time-Only Contracts

Agency Name: Associated Students of San Diego State University — Vendor No. H378

Fiscal Year End: June 30, 2008 — Contract No. CCAP-7321

Independent Auditor's Name: McGladrey & Pullen, LLP

SECTION I - REVENUE	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program			$0
Cal Learn Program			0
Restricted income for operating costs			0
Maintenance of Effort			0
Other *(specify):*			0
Subtotal Restricted Program Income	$0	$0	0
FAMILY FEES FOR CERTIFIED CHILDREN			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS			0
NON-RESTRICTED INCOME			
Parent fees for noncertified children			0
Other *(specify):*			0
Subtotal Revenue for Current Fiscal Year	0	0	0
Revenue Earned in Prior Years			0
TOTAL REVENUE	$0	$0	$0

SECTION II - EXPENDITURES

REIMBURSABLE			
1000 Certificated Salaries			$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	$2,974		2,974
5000 Services and Other Operating Expenses			0
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (*program-related*)			0
6500 Equipment Replacement (*program-related)*			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Indirect Costs -- Rate:			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay			0
Other nonreimbursable expenses (*specify*):			0
Subtotal Expenses for Current Fiscal Year	2,974	0	2,974
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	2,974	$0	2,974
TOTAL ADMINISTRATIVE COST (included in section II above)	$0		$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report.

AUDITED FINAL REVENUE AND EXPENDITURE REPORT
for One-Time-Only Contracts

Agency Name: Associated Students of San Diego State University Vendor No. H378

Fiscal Year End: June 30, 2008 Contract No. CIMS-7525

Independent Auditor's Name: McGladrey & Pullen, LLP

SECTION I - REVENUE	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program			$0
Cal Learn Program			0
Restricted income for operating costs			0
Maintenance of Effort			0
Other (*specify*):			0
Subtotal Restricted Program Income			0
FAMILY FEES FOR CERTIFIED CHILDREN			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS			0
NON-RESTRICTED INCOME			
Parent fees for noncertified children			0
Other (*specify*):			0
Subtotal Revenue for Current Fiscal Year	0	0	0
Revenue Earned in Prior Years			0
TOTAL REVENUE	$0	$0	$0

SECTION II - EXPENDITURES

REIMBURSABLE			
1000 Certificated Salaries			$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	$1,449		1,449
5000 Services and Other Operating Expenses			0
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (*program-related*)			0
6500 Equipment Replacement (*program-related*)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Indirect Costs -- Rate:			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay			0
Other nonreimbursable expenses (*specify*):			0
Subtotal Expenses for Current Fiscal Year	1,449	0	1,449
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	$1,449	$0	$1,449
TOTAL ADMINISTRATIVE COST (included in section II above)	$0		$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report.

AUDITED FINAL RESERVE ACCOUNT CASH ACTIVITY REPORT
CENTER BASED PROGRAMS

Agency Name: Associated Students of San Diego State University — Vendor No. H378

Fiscal Year End: June 30, 2008

Federally Insured Bank Name: Wells Fargo

Independent Auditor's Name: McGladrey & Pullen, LLP

CENTER BASED RESERVE ACCOUNT	COLUMN A PER AGENCY'S ACCOUNTING LEDGER	COLUMN B PER ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C PER AUDIT
BEGINNING CASH BANK BALANCE - Last Fiscal Year's Ending Cash Bank Balance (Not from CDFS 9530)	$0	$0	$0
PLUS CASH DEPOSITED TO RESERVE ACCOUNT FROM CONTRACT(S) - During Fiscal Year Being Audited:			
Contract No.	0	0	0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Reserve Account	0	0	0
SUBTOTAL	0	0	0
PLUS INTEREST DEPOSITED TO RESERVE ACCOUNT CONTRACT(S) - During Fiscal Year Being Audited:			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Reserve Account	0	0	0
ENDING CASH BANK BALANCE - Fiscal Year Being Audited	$0	$0	$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report.

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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*

The Board of Directors
Associated Students of San Diego State University
San Diego, California

We have audited the financial statements of the Child Care Fund of the Associated Students of San Diego State University (the Fund) as of and for the year ended June 30, 2008, and have issued our report thereon dated November 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item finding number 08-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

McGladrey & Pullen LLP is a member firm of RSM International,
an affiliation of separate and independent legal entities.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and the State of California Department of Education, and is not intended to be, and should not be, used by anyone other than those specified parties.

McGladrey & Pullen, LLP

San Diego, California
November 12, 2008

Child Care Fund of the Associated Students of San Diego State University

Schedule of Child Care Findings and Questioned Costs
Year Ended June 30, 2008

A. Significant Deficiencies in Internal Control over Financial Reporting

Finding 08-01, Internal Reporting

Condition: The Fund's financial reporting processes did not include a review of contributions as restricted or unrestricted for the fund. There was also no financial report review by operational personnel responsible for reporting grant revenues and expenditures to the State for consistency and accuracy of reporting.

Effect: The conditions noted above resulted in the misclassification of an unspent restricted contribution as unrestricted in the current year, and an error in recording and reporting grant revenue expended and earned in the prior year as deferred revenue in the prior year.

Recommendation: We recommend that management review its financial reporting procedures as it relates to the Fund to prevent errors in reporting at the Fund level.

Corrective Action Plan: Management will review financial reporting procedures over the Fund to improve the accuracy of financial reporting at the Fund level.

B. Compliance Findings

None noted.

Child Care Fund of the Associated Students of San Diego State University

Summary Schedule of Child Care Prior Audit Findings
Year Ended June 30, 2008

There were no audit findings noted during the year ended June 30, 2007.