

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

Financial and Compliance Report  
June 30, 2013

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

**General Information**

**June 30, 2013**

Full official name of the agency:

Associated Students of San Diego State University System

Child Development Center Program:

Project No. 37-H378-00-9, Contract Nos. CCTR-2223 and CSPP-2430

Type of agency:

Auxiliary Organization of the California State University

Address of agency headquarters:

5500 Campanile Drive  
San Diego, CA 92182

Officers:

President—Josh Morse

Executive Director—C. Brown

(All may be reached at the agency headquarters address)

Telephone number:

(619) 594-6487

Period covered by the examination:

July 1, 2012 through June 30, 2013

Number of days of operation:

241

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



## **Independent Auditor's Report on the Financial Statements and Supplementary Information**

The Board of Directors  
Child Care Fund of the Associated Students  
of San Diego State University  
San Diego, CA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Child Care Fund of the Associated Students of San Diego State University (the Fund), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); 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 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 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended, in conformity with U.S. GAAP.

## Other Matters

### *The Reporting Entity*

As discussed in Note 1 to the financial statements, 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 U.S. GAAP.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by the *Government Auditing Standards*, listed in the table of contents as supplementary information on page 10, and the accompanying supplementary information on pages 10 through 24, are presented for purposes of additional analysis as required by the California Department of Education, and are not a required part of the Fund's financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and is 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, the schedule of expenditures of federal and state awards and the other supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013 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* in considering the Fund's internal control over financial reporting and compliance.



San Diego, CA  
November 15, 2013

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

**Statement of Financial Position  
June 30, 2013**

**Assets**

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Receivables, net (Note 2)	\$	30,319
Due From Other Funds of Associated Students of San Diego State University		<u>25,528</u>
<b>Total assets</b>	<b>\$</b>	<b><u>55,847</u></b>

**Liabilities and Net Assets**

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Deferred Revenue	\$	6,015
Due to State Department of Education		<u>48,042</u>
<b>Total liabilities</b>		54,057

Commitment (Note 3)

Net Assets, unrestricted		<u>1,790</u>
<b>Total liabilities and net assets</b>	<b>\$</b>	<b><u>55,847</u></b>

See Notes to Financial Statements.

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

**Statement of Activities  
Year Ended June 30, 2013**

Changes in unrestricted net assets:	
Unrestricted support:	
State apportionments	\$ 279,749
Child care food program	59,952
California State University contribution	57,900
Other unrestricted revenues:	
Parent fees, certified children	9,062
Parent fees, noncertified children	1,614,837
Other	38,593
<b>Total unrestricted revenues and support, net of direct benefits</b>	<u>2,060,093</u>
Expenses:	
Salaries:	
Certified	824,558
Noncertified	430,227
Employee benefits	446,373
Supplies	57,655
Food supplies	110,521
Audit fee	15,300
Facility rent (Note 3)	235,764
Other operating expenses	208,289
<b>Total expenses</b>	<u>2,328,687</u>
<b>Expenses over revenue and other support</b>	<u>(268,594)</u>
Transfers:	
Transfers from Associated Students General Fund	195,764
Transfers to Associated Students Designated Fund	(49,328)
<b>Total transfers</b>	<u>146,436</u>
<b>Decrease in unrestricted net assets</b>	<u>(122,158)</u>
Net assets, beginning of year	123,948
Net assets, end of year	<u>\$ 1,790</u>

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, 2013**

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Cash Flows From Operating Activities	
Decrease in unrestricted net assets	\$ (122,158)
Adjustments to reconcile decrease in unrestricted net assets to net cash used in operating activities:	
Change in assets and liabilities:	
Decrease in receivables	12,128
Increase in liability to State Department of Education	5,646
Increase in deferred revenue	2,829
<b>Net cash used in operating activities</b>	<u><u>(101,555)</u></u>
Cash Flows From Financing Activities	
Net change in due from other funds	<u>101,555</u>
<b>Net cash provided by financing activities</b>	<u>101,555</u>
<b>Net change in cash</b>	-
Cash	
Beginning of year	-
End of year	<u><u>\$ -</u></u>

See Notes to Financial Statements.



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

**Notes to Financial Statements**

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

**Nature of organization:** The Child Care Fund (the Fund), d/b/a SDSU Child Care Center, 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.

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 Associated Students General Fund in the statement of activities. In addition, the Fund 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 Associated Students 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, 2013 represent funds that 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. There are no temporarily restricted or permanently restricted net assets as of June 30, 2013.

**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 restricted 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.

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

**Notes to Financial Statements**

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**Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

**Revenues:** The Fund generates a significant amount of revenue from providing child care services through state and federally funded programs. Revenues are recorded as unrestricted.

**Receivables:** Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a monthly review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The Fund does not charge interest on past due accounts.

**Deferred revenue:** The Fund recognizes revenue related to child care services as the services are provided. Accordingly, certain child service fees are received in advance of the service being provided and are included in deferred revenue.

**Due from other funds of Associated Students:** The amount represents the cash held by Associated Students on behalf of the Fund.

**Equipment:** Acquisitions of equipment reduce the net assets 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 (CalPERS), a multiemployer pension system that provides a contributory defined-benefit pension and postretirement benefit program for its salaried employees. CalPERS 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, 2013.

**Due to the state Department of Education:** The Fund performs an annual earnings calculation as prescribed by the California Department of Education (CDE) to determine the actual revenues earned for the year. The maximum reimbursable amount is adjusted by the percentage of actual operational days to calculate the actual amount earned. The excess amounts received from the state over the actual amount earned is the amount due to the CDE from the Fund.

**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 receivables. Actual results could differ from those estimates.

**Subsequent events:** The Fund has evaluated subsequent events through November 15, 2013, the date the financial statements were available to be issued, and has determined that there were no subsequent events to recognize in these financial statements.

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

**Notes to Financial Statements**

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**Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)**

**Income taxes:** The Fund adopted the provisions of Accounting Standards Codification (ASC) 740, *Accounting for Uncertainty in Income Taxes*. The Fund files a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to the Fund include such matters as the tax-exempt status of each entity and various positions relative to potential sources of unrelated business taxable income (UBIT). UBIT is reported on Form 990-T, as appropriate. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statement of financial position, along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Upon adoption and as of June 30, 2013, the Fund has addressed uncertainty in its income tax position, and there are no unrecognized/derecognized tax benefits requiring an accrual.

Forms 990 and 990-T filed by the Fund are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Management believes Forms 990 and 990-T have been filed appropriately. Forms 990 and 990-T filed by the Fund are no longer subject to examination for the fiscal years ended June 30, 2008 and prior.

**Note 2. Receivables**

The Fund's receivables, net, consist of the following at June 30, 2013:

State Department of Education Food Program	\$ 5,292
Parent fees	10,714
San Diego State University	14,475
Other	1,538
	<hr/>
	32,019
Less allowance for doubtful accounts	1,700
	<hr/>
	<u>\$ 30,319</u>

**Note 3. Facility Rent**

The SDSU Child Care Center operates in a facility of approximately 16,000 square feet, which is leased by Associated Students through June 30, 2014. The rental commitment through the expiration of the lease is \$235,764. Associated Students charges the Fund rent at a rate of \$1.23 per square foot on a month-to-month basis. Rent expense during the year ended June 30, 2013 was \$235,764.

## **Supplementary Information**

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

**Schedule of Expenditures of Federal and State Awards  
Year Ended June 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number/ Contract Number	Program or Award Amount			Expenditures	
			Federal	State	Total	Federal	State
<b>Federal</b>							
<b>U.S. Department of Agriculture:</b>							
Passed through State of California Department of Education: Child Care food program	10.558	H37-1548-6A	\$ 59,952	\$ -	\$ 59,952	\$ 59,952	\$ -
<b>U.S. Department of Health and Human Services:</b>							
Passed through State of California Department of Education: Child Care and Development Fund (CCDF): CCDF General Center Child Care	93.596/ 93.575	CCTR-2223	83,228	-	83,228	83,228	-
CCDF General Center Child Care (preschool only)	93.596/ 93.575	CSPP-2430	31,911	-	31,911	31,911	-
<b>Total expenditures of federal awards</b>			<u>175,091</u>	<u>-</u>	<u>175,091</u>	<u>175,091</u>	<u>-</u>
<b>State</b>							
<b>Child Development Center Program:</b>							
CCDF General Center Child Care	N/A	CCTR-2223	-	74,921	74,921	-	-
CCDF General Center Child Care (preschool only)	N/A	CSPP-2430	-	85,931	85,931	-	-
CCDF General Center Child Care	N/A	CCTR-2223/ CSPP-2430	-	-	-	-	2,149,838
CCDF Renovation and Repair Project	N/A	CRPM-2060	-	3,758	3,758	-	3,758
<b>Total expenditures of state awards</b>			<u>-</u>	<u>164,610</u>	<u>164,610</u>	<u>-</u>	<u>2,153,596</u>
<b>Total expenditures of federal and state awards</b>			<u>\$ 175,091</u>	<u>\$ 164,610</u>	<u>\$ 339,701</u>	<u>\$ 175,091</u>	<u>\$ 2,153,596</u>

N/A = Not applicable

CFDA = Catalog of Federal Domestic Assistance

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**

**Combining Statement of Activities  
Year Ended June 30, 2013**

	CCTR-2223	CSPP-2430	Food Programs CCTR-2223 CSPP-2430 Combined	CRPM-2060	Total CDE CD Contracts	Non-CDE Programs	Total
<b>Revenue and Support</b>							
Government contracts:							
Child care programs:	\$ 158,149	\$ 117,842	\$ 275,991	\$ 3,758	\$ 279,749	\$ -	\$ 279,749
Child Care Food Program, #H37-1548-6A	59,952	-	59,952	-	59,952	-	59,952
<b>Subtotal government contracts</b>	<b>218,101</b>	<b>117,842</b>	<b>335,943</b>	<b>3,758</b>	<b>339,701</b>	<b>-</b>	<b>339,701</b>
Other support:							
Unrestricted contributions and other income	96,493	-	96,493	-	96,493	-	96,493
Family fees - certified children	9,062	-	9,062	-	9,062	-	9,062
Family fees - noncertified children	1,614,837	-	1,614,837	-	1,614,837	-	1,614,837
<b>Subtotal other support</b>	<b>1,720,392</b>	<b>-</b>	<b>1,720,392</b>	<b>-</b>	<b>1,720,392</b>	<b>-</b>	<b>1,720,392</b>
<b>Total revenue and support</b>	<b>1,938,493</b>	<b>117,842</b>	<b>2,056,335</b>	<b>3,758</b>	<b>2,060,093</b>	<b>-</b>	<b>2,060,093</b>
Expenses:							
Provider payments			-	-	-	-	-
Salaries			1,254,785	-	1,254,785	-	1,254,785
Employee benefits			446,373	-	446,373	-	446,373
Books and supplies			168,176	-	168,176	-	168,176
Facility rent			235,764	-	235,764	-	235,764
Other operating expenses			197,812	-	197,812	-	197,812
Building repairs and maintenance			10,388	3,758	14,146	-	14,146
Equipment expense			11,631	-	11,631	-	11,631
Depreciation			-	-	-	-	-
In-kind contributions expense			-	-	-	-	-
General, administrative and indirect			-	-	-	-	-
<b>Total expenses</b>			<b>2,324,929</b>	<b>3,758</b>	<b>2,328,687</b>	<b>-</b>	<b>2,328,687</b>
<b>Expenses over revenue and other support</b>	<b>\$ 1,938,493</b>	<b>\$ 117,842</b>	<b>\$ (268,594)</b>	<b>\$ -</b>	<b>\$ (268,594)</b>	<b>\$ -</b>	<b>\$ (268,594)</b>

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

**Child Development Center Program  
Project No. 37-H378-00-9  
Schedule of Expenditures by State Categories  
Year Ended June 30, 2013**

Expenditures	CCTR-2223 CSPP-2430 Combined	CRPM-2060 Combined	Total CDE CD Contracts
Direct payments to providers	\$ -	\$ -	\$ -
1100 Certificated salaries	824,558	-	824,558
2000 Classified salaries	430,227	-	430,227
3000 Employee benefits	446,373	-	446,373
4000 Books and supplies	168,176	-	168,176
5000 Services and other operating expenses	433,576	-	433,576
6100/6200 Other approved capital outlay	10,388	3,758	14,146
6400 New equipment	1,113	-	1,113
6500 Replacement equipment	10,518	-	10,518
Depreciation on assets not purchased with public funds	-	-	-
Start-up expenses—service level exemption	-	-	-
Indirect costs	-	-	-
<b>Total expenses claimed for reimbursement</b>	2,324,929	3,758	2,328,687
Supplemental expenses	-	-	-
<b>Total expenditures</b>	\$ 2,324,929	\$ 3,758	\$ 2,328,687

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

**Reconciliation of CDE and GAAP Expense Reporting  
Year Ended June 30, 2013**

Expenses	CCTR-2223 CSPP-2430 Combined	CRPM-2060	Total CDE CD Contracts
Schedule of Expenditures by State Categories (CDE)	\$ 2,324,929	\$ 3,758	\$ 2,328,687
Adjustments to reconcile differences in reporting:			
Depreciation on assets funded by CDE-CD1	-	-	-
Capitalized renovation and repairs expensed on AUD forms	-	-	-
Capitalized lease expensed on AUD form	-	-	-
Capitalized carpeting expensed on supplemental AUD form	-	-	-
Capitalized equipment expensed on AUD form	-	-	-
Audit fees expensed on AUD forms (in advance of services)	-	-	-
<b>Subtotal</b>	-	-	-
<b>Combining statement of activities (GAAP)</b>	\$ 2,324,929	\$ 3,758	\$ 2,328,687



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

**Child Development Center Program  
Project No. 37-H378-00-9  
Schedule of Reimbursable Equipment Expenditures  
Year Ended June 30, 2013**

	CCTR-2223 CSPP-2430 Combined	CRPM-2060	Total CDE CD Contracts
<u>Unit Cost Under \$7,500 Per Item</u>			
Computers/classroom supplies	\$ 11,631	\$ -	\$ 11,631
Subtotal	<u>11,631</u>	<u>-</u>	<u>11,631</u>
<u>Unit Cost Over \$7,500 Per Item</u>	-	-	-
With Prior Written Approval	-	-	-
None	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
<u>Unit Cost Over \$7,500 Per Item</u>	-	-	-
Without Prior Approval	-	-	-
None	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 11,631</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,631</u></u>

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

**Child Development Center Program**

**Project No. 37-H378-00-9**

**Schedule of Reimbursable Expenditures for Renovations and Repairs**

**Year Ended June 30, 2013**

	CCTR-2223 CSPP-2430 Combined	CRPM-2060	Total CDE CD Contracts
<b>Unit Cost Under \$10,000 Per Item</b>			
Leasehold improvements	\$ 10,388	\$ 3,758	\$ 14,146
Subtotal	10,388	3,758	14,146
<b>Unit Cost \$10,000 or More Per Item</b>	-	-	-
<b>With Prior Written Approval</b>	-	-	-
None	-	-	-
Subtotal	-	-	-
<b>Unit Cost \$10,000 or More Per Item</b>	-	-	-
<b>Without Prior Approval</b>	-	-	-
None	-	-	-
Subtotal	-	-	-
<b>Total</b>	<b>\$ 10,388</b>	<b>\$ 3,758</b>	<b>\$ 14,146</b>

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

**Child Development Center Program  
Project No. 37-H378-00-9  
Schedule of Reimbursable Administrative Costs  
Year Ended June 30, 2013**

Reimbursable Administrative Costs	CCTR-2223 CSPP-2430 Combined	CRPM-2060	Total CDE CD Contracts
Salaries	\$ -	\$ -	\$ -
Employee benefits	-	-	-
Books and supplies	-	-	-
Services and other operating expense	-	-	-
Depreciation on non-CDE-funded assets used in program	-	-	-
Indirect costs	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**AUDITED 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, 2013 Contract No. CCTR-2223  
 Independent Auditor's Name: McGladrey LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-		-	2.006	-
Full-time	569		569	1.700	967.30
Three-quarters-time	92		92	1.275	117.30
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	2,479		2,479	1.400	3,470.60
Three-quarters-time	60		60	1.050	63.00
On-half-time	21		21	0.770	16.17
<i>Three Years and Older</i>					
Full-time-plus	-		-	1.180	-
Full-time	85		85	1.000	85.00
Three-quarters-time	-		-	0.750	-
One-half-time	-		-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	3,306	-	3,306		4,719.37
<b>DAYS OF OPERATION</b>	241	-	241		
<b>DAYS OF ATTENDANCE</b>	3,306	-	3,306		

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

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

**AUDITED ATTENDANCE AND FISCAL REPORT  
for Child Development Programs**

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

Fiscal Year Ended: June 30, 2013 Contract No. CCTR-2223

<b>SECTION II - NONCERTIFIED CHILDREN</b> Report all children who were not certified, but who were served at the same sites as certified children. <b>DAYS OF ENROLLMENT</b>	<b>COLUMN A</b> CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	<b>COLUMN B</b> AUDIT ADJUSTMENTS	<b>COLUMN C</b> CUMULATIVE FISCAL YEAR PER AUDIT	<b>COLUMN D</b> ADJUSTMENT FACTOR	<b>COLUMN E</b> ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-		-	2.006	-
Full-time	2,269		2,269	1.700	3,857.30
Three-quarters-time	121		121	1.275	154.28
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	9,405		9,405	1.400	13,167.00
Three-quarters-time	331		331	1.050	347.55
On-half-time	21		21	0.770	16.17
<i>Three Years and Older</i>					
Full-time-plus	-		-	1.180	-
Full-time	1,154		1,154	1.000	1,154.00
Three-quarters-time	15		15	0.750	11.25
One-half-time	15		15	0.550	8.25
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>13,331</b>	<b>-</b>	<b>13,331</b>		<b>18,715.80</b>

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

**AUDITED ATTENDANCE AND FISCAL REPORT**

**for California State Preschool Programs**

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

Fiscal Year Ended: June 30, 2013 Contract No. CSPP-2430

Independent Auditor's Name: McGladrey LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.180	-
Full-time	3,475		3,475	1.000	3,475.00
Three-quarters-time	116		116	0.750	87.00
One-half-time	16		16	0.617	9.88
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.617	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.617	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.617	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.617	-
<b>TOTAL DAYS OF ENROLLMENT</b>	3,607	-	3,607		3,571.88
<b>DAYS OF OPERATION</b>	241	-	241		
<b>DAYS OF ATTENDANCE</b>	3,607	-	3,607		

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

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

**AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs**

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

Fiscal Year Ended: June 30, 2013 Contract No. CSP-2430

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children.  DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.180	-
Full-time	16,874		16,874	1.000	16,874.00
Three-quarters-time	290		290	0.750	217.50
One-half-time	13		13	0.617	8.02
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.617	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.617	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.617	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.617	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>17,177</b>	<b>-</b>	<b>17,177</b>		<b>17,099.52</b>

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

**AUDITED 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, 2013 Contract No. CCTR-2223 & CSPP-2430

Insert Any Commingled Contract No. \_\_\_\_\_

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$ 59,953	\$ (1)	\$ 59,952
County Maintenance of Effort (EC § 8279)			-
Uncashed Checks to Providers			-
Other (Specify):			-
<b>Subtotal</b>	\$ 59,953	\$ (1)	\$ 59,952
Transfer from Reserve Contract #			-
Contract #			-
Family Fees for Certified Children Contract # 2223	4,103		4,103
Contract # 2430	4,959		4,959
Interest Earned on Apportionments Contract #			-
Contract #			-
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children	1,614,836	1	1,614,837
Other: Donations, fundraising, CSU allocation	105,494	(9,001)	96,493
<b>TOTAL REVENUE</b>	\$ 1,789,345	\$ (9,001)	\$ 1,780,344

**SECTION IV - REIMBURSABLE EXPENSES**

<i>Direct Payments to Providers (FCCH Only)</i>	\$ -	\$ -	\$ -
1000 Certificated Salaries	852,740	(28,182)	824,558
2000 Classified Salaries	430,182	45	430,227
3000 Employee Benefits	418,413	27,960	446,373
4000 Books and Supplies	168,473	(297)	168,176
5000 Services and Other Operating Expenses	198,948	234,628	433,576
6100/6200 Other Approved Capital Outlay	10,388	-	10,388
6400 New Equipment (program-related)	1,113	-	1,113
6500 Replacement Equipment (program-related)	35,715	(25,197)	10,518
Depreciation or Use Allowance			-
Start-Up Expenses (service level exemption)			-
Budget Impasse Credit Contract #			-
Contract #			-
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			-
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$ 2,115,972	\$ 208,957	\$ 2,324,929
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$ -	\$ -	\$ -

FOR CDE-A&I USE ONLY:

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

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

- YES  
 NO - Explain any discrepancies.

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

- YES  
 NO - Explain any discrepancies.

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.



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

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

Fiscal Year End: June 30, 2013 Contract No. CRPM-0097

Multi-Year Contract? (Check "No" Box **or** Enter Contract Period): No:  **or** Period: 07/01/10-06/30/13

Independent Auditor's Name: McGladrey LLP

	<b>COLUMN A1</b>	<b>COLUMN A2</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
	<b>PRIOR YEAR'S AUD 9529 ENDING BALANCE FOR THIS CONTRACT (Multi-Year Contract Only)</b>	<b>CURRENT FISCAL YEAR PER FORM CDFS 9529</b>	<b>AUDIT ADJUSTMENT INCREASE OR (DECREASE)</b>	<b>CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT</b>
<b>SECTION I - REVENUE</b>				
RESTRICTED INCOME				
Match Requirement	\$0	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)				0
Other (Specify):				0
				0
<b>Subtotal</b>	\$0	\$0	\$0	\$0
INTEREST EARNED ON APPORTIONMENTS				0
UNRESTRICTED INCOME				
Other (Specify):				0
				0
<b>TOTAL REVENUE</b>	\$0	\$0	\$0	\$0

<b>SECTION II - REIMBURSABLE EXPENSES</b>				
1000 Certificated Salaries	\$0	\$0	\$0	\$0
2000 Classified Salaries				0
3000 Employee Benefits				0
4000 Books and Supplies				0
5000 Services and Other Operating Expenses				0
6100/6200 Other Approved Capital Outlay				0
6400 New Equipment ( <i>program-related</i> )	20,000	0	0	20,000
6500 Replacement Equipment ( <i>program-related</i> )				0
Depreciation or Use Allowance				0
Indirect Costs. Rate: 0.00%				0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$20,000	\$0	\$0	\$20,000
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$0	\$0	\$0	\$0

FOR CDE-A&I USE ONLY:

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

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

Agency Name: Associated Students of San Diego State University Vendor No. H378  
 Fiscal Year End: June 30, 2013 Contract No. CRPM-2060  
 Contract Term From: 7/1/2012 To: 6/30/2013  
 Independent Auditor's Name: McGladrey LLP

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	PRIOR YEAR'S AUD 9529 ENDING BALANCE FOR THIS CONTRACT (Multi-Year Contract Only)	CURRENT FISCAL YEAR PER FORM CDFS 9529	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT
<b>SECTION I - REVENUE</b>				
<b>RESTRICTED INCOME</b>				
Prorated Portion for Nonsubsidized Enrollment	\$ -	\$ -	\$ -	\$ -
Other (Specify):				-
				-
<b>Subtotal</b>	-	-	-	-
<b>INTEREST EARNED ON APPORTIONMENTS</b>				
<b>UNRESTRICTED INCOME</b>				
Other (Specify):				-
				-
<b>TOTAL REVENUE</b>	\$ -	\$ -	\$ -	\$ -

<b>SECTION II - REIMBURSABLE EXPENSES</b>				
1000 Certificated Salaries	\$ -	\$ -	\$ -	\$ -
2000 Classified Salaries				-
3000 Employee Benefits				-
4000 Books and Supplies				-
5000 Services and Other Operating Expenses				-
6100/6200 Other Approved Capital Outlay	-	3,758	-	3,758
6400 New Equipment ( <i>program-related</i> )				-
6500 Replacement Equipment ( <i>program-related</i> )				-
Depreciation or Use Allowance				-
<b>NONREIMBURSABLE EXPENSES</b>				
6100-6500 Nonreimbursable Capital Outlay				-
Other (Specify):				-
				-
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT (Subsidized and Nonsubsidized)</b>	\$ -	\$ 3,758	\$ -	\$ 3,758
<b>FOR CDE-A&amp;I USE ONLY:</b>				

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

## AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: Associated Students of San Diego State University

Fiscal Year End: June 30, 2013

Vendor No. H378

Independent Auditor's Name: McGladrey LLP

<b>RESERVE ACCOUNT TYPE (Check One):</b> <input type="checkbox"/> Center Based <input type="checkbox"/> Resource and Referral <input type="checkbox"/> Alternative Payment	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
	PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT

**LAST YEAR:**

<b>1. Beginning Balance</b> (must equal ending balance from Last Year's AUD 9530-A)	\$ -	\$ -	\$ -
<b>2. Plus Transfers from Contracts to Reserve Account</b> (based on last year's post-audit CDFS 9530, Section IV):			
Contract No.	-	-	-
Contract No.			-
Contract No.			-
Contract No.			-
Contract No.			-
Contract No.			-
Total Transferred from Contracts to Reserve Account	-	-	-
<b>3. Less Excess Reserve to be Billed</b> (enter as a positive amount any excess amount calculated by CDFS on last year's post-audit CDFS 9530)	-		-
<b>4. Ending Balance on Last Year's Post-Audit CDFS 9530</b>	\$ -	\$ -	\$ -

**THIS YEAR:**

<b>5. Plus Interest Earned This Year on Reserve Funds</b> (column A must agree with this year's CDFS 9530-A, Section II)	\$ -	\$ -	\$ -
<b>6. Less Transfers to Contracts from Reserve Account</b> (column A amounts must agree with this year's CDFS 9530-A, Section III; and column C amounts must be reported on this year's AUD forms for respective contracts):			
Contract No.	\$ -	\$ -	\$ -
Contract No.			-
Contract No.			-
Contract No.			-
Contract No.			-
Contract No.			-
Total Transferred to Contracts from Reserve Account	-	-	-
<b>7. Ending Balance on June 30, 2013</b> (column A must agree with this year's CDFS 9530-A, Section IV)	\$ -	\$ -	\$ -

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



**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  
Child Care Fund of the Associated Students  
of San Diego State University  
San Diego, CA

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 and the *Audit Guide for the Audits of Child Development and Nutrition Programs* issued by the California Department of Education, 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, 2013, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated November 15, 2013

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McGladrey LLP*

San Diego, CA  
November 15, 2013

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

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2013**

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The following compliance findings were identified during the Fund's financial and compliance audit for the year ended June 30, 2012:

**Finding 12-01, Certified Parent Fees for General Child Care & Development Programs (CCTR) and California State Preschool Program (CSPP) Calculation of Income**

**Condition:** There was an instance in which the Fund incorrectly calculated total countable income and adjusted monthly income in the family data file.

**Effect:** Although the correct parent fee was charged, the condition noted above resulted in noncompliance with the CCTR and CSPP as the Fund incorrectly calculated total countable income within the income calculation worksheet understating gross income.

**Recommendation:** We recommended that management implement a second review process for reviewing all income calculation worksheets to reconcile to the parent's sources of income.

**Actual Resolution:** Once the total countable income and adjusted monthly income is calculated from the family data file by one of the three SDSU Child Care Center certifying agents, a second review is conducted by at least one other certifying agent to review the calculation against the income calculation worksheet and the family data files to ensure that the correct amount of income is being charged to the respective State contracts.

**Finding 12-02, Certified Parent Fees for CCTR and CSPP Programs on Emergency Closure Occurrence**

**Condition:** On September 9, 2011, the SDSU Child Care Center was closed due to a countywide power outage. The Fund submitted a declaration of emergency closure, which was reviewed and approved pursuant to California Education Code, Section 8271. The Fund received correspondence from the California Department of Education, Child Development Division allowing one day of credit for the facility closure due to emergency conditions. During the period of closure, parent fees were not to be collected from families certified for full-day subsidized services for the CCTR and CSPP Program.

**Effect:** It was noted on September 9, 2011 that parent fees from six certified families were collected on the facility closure date.

**Recommendation:** We recommended that management implement a second review process to ensure proper accounting of facility closures in accordance with state or federal correspondence.

**Actual Resolution:** These types of outages are rare in San Diego, but when there is any type of situation that creates a day when the facility needs to be closed on a normally operative day, the billing department is made aware that fees should not be charged to families certified for full-day subsidy on State contracts. In addition, all billings are reviewed by the SDSU Child Care Center Director before being sent to ensure billing is correct.