

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

Financial and Compliance Report  
June 30, 2011

## Contents

General Information	1
Independent Auditor's Report on the Financial Statements and Supplementary Information	2-3
Financial Statements	
Statement of financial position	4
Statement of activities	5
Statement of cash flows	6
Notes to financial statements	7-9
Supplementary Information	
Schedule of Expenditures of Federal and State Awards	10
Combining Statement of Activities	11
Schedule of Expenditures by State Categories	12
Reconciliation of CDE and GAAP Expense Reporting	13
Schedule of Reimbursable Equipment Expenditures	14
Schedule of Reimbursable Expenditures for Renovations and Repairs	15
Schedule of Reimbursable Administrative Costs	16
AUD 9500—Audited attendance and fiscal report for child development programs— Contract No. CCTR-0247	17-18
AUD 8501—Audited attendance and fiscal report for California state preschool programs— Contract No. CSPP-0449	19-20
AUD 9500—Audited attendance and fiscal report for child development programs— Contract Nos. CCTR-0247 and CSPP-0449	21
AUD 9529—Audited fiscal report for child development support contracts: Contract No. CRPM-8120	22
Contract No. CRPM-0097	23
AUD 9530-A—Audited reserve account activity report	24
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 <i>Government Auditing Standards</i>	25-26
Schedule of Child Care Findings and Responses	27
Summary Schedule of Prior Audit Findings	28

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

**General Information**

**June 30, 2011**

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-0247 and CSPP-0449

Type of agency:

Auxiliary Organization of the California State University

Address of agency headquarters:

5500 Campanile Drive  
San Diego, CA 92182

Officers:

President—G. Mack

Executive Director—D. Cornthwaite

Associate Director—C. Brown

(All may be reached at the agency headquarters address)

Telephone number:

(619) 594-6487

Period covered by the examination:

July 1, 2010 through June 30, 2011

Number of days of operation:

242

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

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, 2011, and 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 opinions 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, 2011, and the changes in its net assets and the 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 7, 2011 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal and state awards, listed in the table of contents as supplementary information on page 10, 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 10 through 24 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, the additional information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Irvine, CA  
November 7, 2011

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

**Statement of Financial Position  
June 30, 2011**

**Assets**

---

Receivables, net (Note 2)	\$ 34,335
Due from Other Funds of Associated Students of San Diego State University	94,691
<b>Total assets</b>	<u><u>\$ 129,026</u></u>

**Liabilities and Net Assets**

---

Deferred Revenue	\$ 4,404
Deposits	60
Due to State Department of Education	14,641
<b>Total liabilities</b>	<u>19,105</u>

Commitment (Note 3)

Net Assets, unrestricted	109,921
<b>Total liabilities and net assets</b>	<u><u>\$ 129,026</u></u>

See Notes to Financial Statements.

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

**Statement of Activities  
Year Ended June 30, 2011**

---

**Changes in unrestricted net assets:**

Unrestricted support:	
State apportionments	\$ 414,010
Child care food program	68,965
California State University contribution	57,900
Other unrestricted revenues:	
Parent fees, certified children	24,095
Parent fees, noncertified children	1,563,927
Other	30,711
<b>Total unrestricted revenues and support, net of direct benefits</b>	<u>2,159,608</u>

Expenses:

Salaries:	
Certified	789,528
Noncertified	470,187
Employee benefits	456,684
Supplies	46,441
Food supplies	107,162
Audit fee	14,500
Facility rent (Note 3)	211,200
Other operating expenses	232,446
<b>Total expenses</b>	<u>2,328,148</u>
<b>Expenses over revenue and other support</b>	<u>(168,540)</u>

Transfers:

Transfers from Associated Students General Fund	151,198
Transfers to Associated Students Designated Fund	(25,167)
<b>Total transfers</b>	<u>126,031</u>
<b>Decrease in unrestricted net assets</b>	<u>(42,509)</u>

Net Assets at Beginning of Year	152,430
Net Assets at End of Year	<u>\$ 109,921</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, 2011**

<b>Cash Flows From Operating Activities</b>	
Decrease in net assets	\$ (42,509)
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Change in assets and liabilities:	
Receivables	14,562
Deposits	(9,810)
Liability to State	(12,556)
Deferred revenue	(129)
<b>Net cash used in operating activities</b>	<b>(50,442)</b>
<b>Cash Flows From Financing Activities</b>	
Net change in due from other funds	50,442
<b>Net cash provided by financing activities</b>	<b>50,442</b>
<b>Net change in cash</b>	<b>-</b>
<b>Cash</b>	
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**

---

**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 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 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, 2011 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. There are no temporarily restricted net assets or permanently restricted net assets as of June 30, 2011.

**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.

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

**Notes to Financial Statements**

---

**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 of San Diego State University:** 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 which 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, 2011.

**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 state Department of Education 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 7, 2011, 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**

---

**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 statements 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, 2011, 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, 2007 and prior.

**Note 2. Receivables**

The Fund's receivables, net, consist of the following at June 30, 2011:

State Department of Education Food Program	\$ 4,651
State Department of Education Facilities Renovation and Repair Program	7,378
Parent fees	8,751
San Diego State University	15,255
	<hr/>
	36,035
Less allowance for doubtful accounts	1,700
	<hr/>
	<u>\$ 34,335</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. Associated Students charges the Fund rent at a rate of \$1.10 per square foot on a month-to-month basis. Rent expense during the year ended June 30, 2011 was \$211,200.

## **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, 2011**

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	37-1548-6A	\$ 66,111	\$ -	\$ 66,111	\$ 66,111	\$ -
<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 Renovation and Repair Project CCDF Renovation and Repair Project	93.575 93.575	CRPM-8120 CRPM-0097	20,000 20,000 40,000 106,111	- - - -	20,000 20,000 40,000 106,111	- 14,600 14,600 80,711	- - - -
<b>Total expenditures of federal awards</b>							
<b>State</b>							
<b>Child development center program:</b>							
CCDF General Center Child Care	N/A	CCTR-0247	-	265,341	265,341	-	-
CCDF General Center Child Care (preschool only)	N/A	CSP-0449	-	148,710	148,710	-	-
CCDF General Center Child Care	N/A	CCTR-0247/	-	-	-	-	-
	N/A	CSP-0449	-	-	-	-	2,244,583
Child Care food program		37-1548-6A	-	2,854	2,854	-	2,854
<b>Total expenditures of state awards</b>			-	416,905	416,905	-	2,247,437
<b>Total expenditures of federal and state awards</b>			\$ 106,111	\$ 416,905	\$ 523,016	\$ 80,711	\$ 2,247,437

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, 2011**

	CCTR-0247	CSPP-0449	Combined	CRPM-8120 CRPM-0097	Total CDE CD Contracts	Non-CDE Programs	Total
<b>Revenue and Support</b>							
Government contracts:							
Child care programs:							
Child Care Food Program, #H37 1548-6A	\$ 257,882	\$ 141,528	\$ 399,410	\$ 14,600	\$ 414,010	\$ -	\$ 414,010
	68,965	-	68,965	-	68,965	-	68,965
<b>Subtotal government contracts</b>	<b>326,847</b>	<b>141,528</b>	<b>468,375</b>	<b>14,600</b>	<b>482,975</b>	<b>-</b>	<b>482,975</b>
<b>Other Support</b>							
Unrestricted contributions and other income	88,611	-	88,611	-	88,611	-	88,611
Transfers from CD reserves	-	-	-	-	-	-	-
Family fees - certified children	20,055	4,040	24,095	-	24,095	-	24,095
Family fees - noncertified children	1,563,927	-	1,563,927	-	1,563,927	-	1,563,927
Interest income	-	-	-	-	-	-	-
<b>Subtotal other support</b>	<b>1,672,593</b>	<b>4,040</b>	<b>1,676,633</b>	<b>-</b>	<b>1,676,633</b>	<b>-</b>	<b>1,676,633</b>
<b>Total revenue and support</b>	<b>1,999,440</b>	<b>145,568</b>	<b>2,145,008</b>	<b>14,600</b>	<b>2,159,608</b>	<b>-</b>	<b>2,159,608</b>
<b>Expenses</b>							
Provider payments	-	-	-	-	-	-	-
Salaries	-	-	1,259,715	-	1,259,715	-	1,259,715
Employee benefits	-	-	456,684	-	456,684	-	456,684
Books and supplies	-	-	153,603	-	153,603	-	153,603
Facility rent	-	-	211,200	-	211,200	-	211,200
Other operating expenses	-	-	191,806	-	191,806	-	191,806
Building repairs and maintenance	-	-	35,965	14,600	50,565	-	50,565
Equipment expense	-	-	4,575	-	4,575	-	4,575
Depreciation	-	-	-	-	-	-	-
In-kind contributions expense	-	-	-	-	-	-	-
General, administrative and indirect	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>2,313,548</b>	<b>14,600</b>	<b>2,328,148</b>	<b>-</b>	<b>2,328,148</b>
<b>Expenses over revenue and other support</b>	<b>\$ 1,999,440</b>	<b>\$ 145,568</b>	<b>\$ (168,540)</b>	<b>\$ -</b>	<b>\$ (168,540)</b>	<b>\$ -</b>	<b>\$ (168,540)</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, 2011**

Expenditures	CCTR-0247 CSPP-0449 Combined	CRPM-8120 CRPM-0097	Total CDE CD Contracts
Direct payments to providers	\$ -	\$ -	\$ -
1100 Certificated salaries	789,528	-	789,528
2000 Classified salaries	470,187	-	470,187
3000 Employee benefits	456,684	-	456,684
4000 Books and supplies	153,603	-	153,603
5000 Services and other operating expenses	403,006	-	403,006
6100/6200 Other approved capital outlay	35,965	14,600	50,565
6400 New equipment	-	-	-
6500 Replacement equipment	4,575	-	4,575
Depreciation on assets not purchased with public funds	-	-	-
Start-up expenses—service level exemption	-	-	-
Indirect costs	-	-	-
<b>Total expenses claimed for reimbursement</b>	<b>2,313,548</b>	<b>14,600</b>	<b>2,328,148</b>
Supplemental expenses	-	-	-
<b>Total expenditures</b>	<b>\$ 2,313,548</b>	<b>\$ 14,600</b>	<b>\$ 2,328,148</b>

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

**Reconciliation of CDE and GAAP Expense Reporting  
Year Ended June 30, 2011**

Expenses	CCTR-0247 CSPP-0449 Combined	CRPM-8120 CRPM-0097	Total CDE CD Contracts
Schedule of Expenditures by State Categories (CDE)	\$ 2,313,548	\$ 14,600	\$ 2,328,148
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>	<b>\$ 2,313,548</b>	<b>\$ 14,600</b>	<b>\$ 2,328,148</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 Equipment Expenditures**

**Year Ended June 30, 2011**

	CCTR-0247 CSPP-0449 Combined	CRPM-8120 CRPM-0097	Total CDE CD Contracts
<b>Unit Cost Under \$7,500 Per Item</b>			
Computers/classroom supplies	\$ 4,575	\$ -	\$ 4,575
Subtotal	4,575	-	4,575
<b>Unit Cost Over \$7,500 Per Item With Prior Written Approval</b>			
None	-	-	-
Subtotal	-	-	-
<b>Unit Cost Over \$7,500 Per Item Without Prior Approval</b>			
None	-	-	-
Subtotal	-	-	-
<b>Total</b>	<b>\$ 4,575</b>	<b>\$ -</b>	<b>\$ 4,575</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 Expenditures for Renovations and Repairs**

**Year Ended June 30, 2011**

	CCTR-0247 CSPP-0449 Combined	CRPM-8120 CRPM-0097	Total CDE CD Contracts
<b>Unit Cost Under \$10,000 Per Item</b>			
Leasehold improvements	\$ 35,965	\$ 14,600	\$ 50,565
Subtotal	35,965	14,600	50,565
<b>Unit Cost \$10,000 or More Per Item With Prior Written Approval</b>			
None	-	-	-
Subtotal	-	-	-
<b>Unit Cost \$10,000 or More Per Item Without Prior Approval</b>			
None	-	-	-
Subtotal	-	-	-
<b>Total</b>	<b>\$ 35,965</b>	<b>\$ 14,600</b>	<b>\$ 50,565</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, 2011**

	CCTR-0247 CSPP-0449 Combined	CRPM-8120 CRPM-0097	Total CDE CD Contracts
Reimbursable Administrative Costs			
Salaries	\$ 1,259,715	\$ -	\$ 1,259,715
Employee benefits	456,684	-	456,684
Books and supplies	153,603	-	153,603
Services and other operating expense	403,006	-	403,006
Depreciation on non-CDE-funded assets used in program	-	-	-
Indirect costs	-	-	-
<b>Total</b>	<b>\$ 2,273,008</b>	<b>\$ -</b>	<b>\$ 2,273,008</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, 2011 Contract No. CCTR-0247  
 Independent Auditor's Name: McGladrey & Pullen, LLP

SECTION I - CERTIFIED CHILDREN ENROLLMENT	DAYS OF	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
<i>Infants (up to 18 months)</i>						
Full-time-plus		-	-	-	2.006	-
Full-time		1,717	-	1,717	1.700	2,918.90
Three-quarters-time		98	-	98	1.275	124.95
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		3,479	(1)	3,478	1.400	4,869.20
Three-quarters-time		183	-	183	1.050	192.15
On-half-time		9	-	9	0.770	6.93
<i>Three Years and Older</i>						
Full-time-plus		-	-	-	1.180	-
Full-time		284	-	284	1.000	284.00
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>		5,770	(1)	5,769		8,396.13
<b>DAYS OF OPERATION</b>		242	-	242		
<b>DAYS OF ATTENDANCE</b>		5,770	-	5,770		

☐ **NO NONCERTIFIED CHILDREN** - Check this box 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, 2011 Contract No. CCTR-0247

<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	2,377	-	2,377	1.700	4,040.90
Three-quarters-time	40	-	40	1.275	51.00
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	8,863	-	8,863	1.400	12,408.20
Three-quarters-time	248	-	248	1.050	260.40
On-half-time	-	-	-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	-	-	-	1.180	-
Full-time	-	-	-	1.000	-
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>	<b>11,528</b>	<b>-</b>	<b>11,528</b>		<b>16,760.50</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, 2011 Contract No. CSPP-0449

Independent Auditor's Name: McGladrey & Pullen, 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	-	-	-	1.1800	-
Full-time	4,145	-	4,145	1.0000	4,145.000
Three-quarters-time	95	-	95	0.7500	71.250
One-half-time	2	-	2	0.6172	1.234
<i>Exceptional Needs</i>					
Full-time-plus	-	-	-	1.4160	-
Full-time	-	-	-	1.2000	-
Three-quarters-time	-	-	-	0.9000	-
One-half-time	-	-	-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-	-	-	1.2980	-
Full-time	-	-	-	1.1000	-
Three-quarters-time	-	-	-	0.8250	-
One-half-time	-	-	-	0.6172	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-	-	-	1.2980	-
Full-time	-	-	-	1.1000	-
Three-quarters-time	-	-	-	0.8250	-
One-half-time	-	-	-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-	-	-	1.7700	-
Full-time	-	-	-	1.5000	-
Three-quarters-time	-	-	-	1.1250	-
One-half-time	-	-	-	0.6172	-
<b>TOTAL DAYS OF ENROLLMENT</b>	4,242	-	4,242		4,217.484
<b>DAYS OF OPERATION</b>	242	-	242		
<b>DAYS OF ATTENDANCE</b>	4,242	-	4,242		

☐ **NO NONCERTIFIED CHILDREN** - Check this box 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, 2011 Contract No. CSPP-0449

<b>SECTION II - NONCERTIFIED</b>	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>	<b>COLUMN D</b>	<b>COLUMN E</b>
<b>CHILDREN</b> Report all children who were not certified, but who were served at the same sites as certified children	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<b>DAYS OF ENROLLMENT</b>					
<i>Three and Four Year Olds</i>					
Full-time-plus	-	-	-	1.1800	-
Full-time	18,949	1	18,950	1.0000	18,950.000
Three-quarters-time	243	-	243	0.7500	182.250
One-half-time	31	-	31	0.6172	19.133
<i>Exceptional Needs</i>					
Full-time-plus	-	-	-	1.4160	-
Full-time	-	-	-	1.2000	-
Three-quarters-time	-	-	-	0.9000	-
One-half-time	-	-	-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-	-	-	1.2980	-
Full-time	-	-	-	1.1000	-
Three-quarters-time	-	-	-	0.8250	-
One-half-time	-	-	-	0.6172	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-	-	-	1.2980	-
Full-time	-	-	-	1.1000	-
Three-quarters-time	-	-	-	0.8250	-
One-half-time	-	-	-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-	-	-	1.7700	-
Full-time	-	-	-	1.5000	-
Three-quarters-time	-	-	-	1.1250	-
One-half-time	-	-	-	0.6172	-
<b>TOTAL DAYS OF ENROLLMENT</b>	19,223	1	19,224		19,151.383

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





**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, 2011 Contract No. CRPM-8120

Multi-Year Contract? (Check "No" Box ☐ or Enter Contract Period): No: ☐ or Period: 09/15/08 - 6/30/11

Independent Auditor's Name: McGladrey & Pullen, LLP

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	LAST 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>				
RESTRICTED INCOME				
Match Requirement	\$0	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)	0	0	0	0
Other (Specify):	0	0	0	0
				0
<b>Subtotal</b>	\$0	\$0	\$0	\$0
INTEREST EARNED ON APPORTIONMENTS	0	0	0	0
UNRESTRICTED INCOME				
Other (Specify):	0	0	0	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	0	0	0
3000 Employee Benefits	0	0	0	0
4000 Books and Supplies	0	0	0	0
5000 Services and Other Operating Expenses	0	0	0	0
6100/6200 Other Approved Capital Outlay	20,000	0	0	20,000
6400 New Equipment ( <i>program-related</i> )	0	0	0	0
6500 Replacement Equipment ( <i>program-related</i> )	0	0	0	0
Depreciation or Use Allowance	0	0	0	0
Indirect Costs. Rate: 0.00%	0	0	0	0
FOR CDE-A&I USE ONLY:				
<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
COMMENTS - If necessary, attach additional sheets to explain adjustments:				

☒ **NO SUPPLEMENTAL REVENUES OR EXPENSES** - Check this box and omit next page 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, 2011 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 & Pullen, LLP

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	LAST 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>				
RESTRICTED INCOME				
Match Requirement	\$0	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)	0	0	0	0
Other (Specify):	0	0	0	0
<b>Subtotal</b>	\$0	\$0	\$0	\$0
INTEREST EARNED ON APPORTIONMENTS	0	0	0	0
UNRESTRICTED INCOME				
Other (Specify):	0	0	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	0	0	0
3000 Employee Benefits	0	0	0	0
4000 Books and Supplies	0	0	0	0
5000 Services and Other Operating Expenses	0	0	0	0
6100/6200 Other Approved Capital Outlay	0	14,600	0	14,600
6400 New Equipment ( <i>program-related</i> )	0	0	0	0
6500 Replacement Equipment ( <i>program-related</i> )	0	0	0	0
Depreciation or Use Allowance	0	0	0	0
Indirect Costs. Rate: 0.00%	0	0	0	0
FOR CDE-A&I USE ONLY:				
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$0	\$14,600	\$0	\$14,600
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$0	\$0	\$0	\$0

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

<b>AUDITED RESERVE ACCOUNT ACTIVITY REPORT</b>			
Agency Name: <u>Associated Students of San Diego State University</u>			
Fiscal Year End: <u>June 30, 2011</u>		Vendor No. <u>H378</u>	
Independent Auditor's Name: <u>McGladrey &amp; Pullen, LLP</u>			
<b>RESERVE ACCOUNT TYPE (Check One):</b> <input checked="" type="checkbox"/> <b>Center Based</b>  <input type="checkbox"/> <b>Resource and Referral</b>  <input type="checkbox"/> <b>Alternative Payment</b>	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
	PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT
<b>LAST YEAR:</b>			
1. Ending Balance on Last Year's AUD 9530-A	\$0	\$0	\$0
2. Plus Transfers from Contracts to Reserve Account (based on last year's post-audit CDFS 9530, Section IV):			
Contract No.	\$0	\$0	\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred from Contracts to Reserve Account	0	0	0
3. Less Excess Reserve to be Billed (enter as a positive amount any excess amount calculated by CDFS on last year's post-audit CDFS 9530)	\$0	\$0	\$0
4. Ending Balance on Last Year's Post-Audit CDFS 9530	\$0	\$0	\$0
<b>THIS YEAR:</b>			
5. Plus Interest Earned This Year on Reserve Funds (column A must agree with this year's CDFS 9530-A, Section II)	\$0	\$0	\$0
6. Less Transfers to Contracts from Reserve Account (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):			
Regular Transfer to: Contract No.	\$0	\$0	\$0
Contract No.			0
Contract No.			0
Special Funds Transfer to: Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Contracts from Reserve Account	0	0	0
7. Ending Balance on June 30, 2011 (column A must agree with this year's CDFS 9530-A, Section IV)	\$0	\$0	\$0
<b>COMMENTS - If necessary, attach additional sheets to explain adjustments:</b>			



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

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, 2011, and have issued our report thereon dated November 7, 2011. 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, and the *Audit Guide for the Audits of Child Development and Nutrition Programs* issued by the California Department of Education.

**Internal Control Over Financial Reporting**

Management of the Fund is responsible for establishing and maintaining effective 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 an 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.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Child Care Findings and Responses as Finding 11-01.

The Fund's response to the finding identified in our audit is described in the accompanying Schedule of Child Care Findings and Responses. We did not audit the Fund's response and, accordingly, we express no opinion on it.

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

*McGladrey & Pullen, LLP*

Irvine, CA  
November 7, 2011

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

**Schedule of Child Care Findings and Responses  
Year Ended June 30, 2011**

---

**A. Significant Deficiencies in Internal Control Over Financial Reporting**

No matters were reported.

**B. Compliance Findings**

**Finding 11-01, Attendance Record Maintenance for California State Preschool Program (CCTR)**

**Condition:** There was a missing parent's signature on the sign in/out sheet and the child was counted as having attended.

**Effect:** The condition noted above resulted in noncompliance with the CCTR reporting requirements as specified by the California Department of Education (CDE). There were no questioned costs relating to submission of the incorrect forms during the fiscal year ended June 30, 2011.

**Recommendation:** We recommend that the management implement a process for reviewing sign in/out sheets to ensure all required signatures reconcile to the monthly attendance summaries. We also recommend that each teacher should review the sign in/out sheets for his/her classroom to make sure the necessary signatures are obtained at the end of each day.

**Corrective Action Plan:** Going forward, Master Teachers will take the lead in ensuring that families sign in and out daily as they greet children at the beginning and end of each day. They will also review the sign in/out sheets for their classroom at the end of their day, to ensure both in/out times and full signatures are present for each child in the classroom daily. They will talk directly to any family who misses a signature. All members of the Front Desk team will be assigned a specific classroom to monitor for attendance. They will conduct monthly reviews of all sign in/out sheets and reconcile attendance records. Any family with a missing or incomplete signature is issued a written warning with a reminder of the importance of completing sign in/out daily as required by our state funded contract. An additional review of attendance records for each classroom will be conducted by another Front Desk team member who will highlight any additional missing signatures that may not have been picked up on previous review. Any page with a missing or incomplete signature will be copied for review by office supervisor who will remove the day from attendance and ensure that CDE is not billed. Attendance summaries will be reviewed at monthly Front Desk staff meetings and families who continue to miss signatures will be identified. A meeting will be scheduled with the cottage supervisor and the office supervisor to reinforce the importance of signing in and out each day in compliance with CDE.

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

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2011**

---

The following compliance findings were identified during the Fund's financial and compliance audit for the year ended June 30, 2010:

**A. Compliance Findings**

**Finding 10-01, Quarterly Reporting for California State Preschool Program (CSPP)**

**Audit Finding:** The Fund submitted the incorrect quarterly forms for reporting attendance and fiscal reporting for CSPP during the fiscal year ended June 30, 2010. The Fund submitted a 9500 form rather than an 8501 form, which is the required form for CSPP.

**Corrective Action Taken:** Management implemented a process for reviewing all grant contracts for applicable compliance requirements. Although the Fund did not incur any penalty or fine relating to the submission of these forms during the fiscal year ended June 30, 2010, management will ensure that the correct forms are submitted on a go-forward basis for this program.