

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM
JUNE 30, 2012

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GENERAL CHILD DEVELOPMENT PROGRAM

JUNE 30, 2012
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CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Moreno Valley, California

We have audited the financial statements of the General Child Development Program of the City of Moreno Valley, California, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the City of Moreno Valley's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 present only the General Child Development Program of the City of Moreno Valley and are not intended to present fairly the financial position of the City of Moreno Valley and the changes in 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 General Child Development Program of the City of Moreno Valley as of June 30, 2012, and the changes in financial position 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 December 13, 2012, on our consideration of the General Child Development Program of the City of Moreno Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The General Child Development Program has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America, has determined is necessary to supplement, although not required to be part of, the financial statements.



To the Honorable Mayor and Members of the City Council
City of Moreno Valley, California

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 10 to 32, inclusive, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In addition, the supplementary information is presented in conformity with the *Audit Guide for 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 accompanying supplementary information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Lance, Soll & Luyhard, LLP

Brea, California
December 13, 2012



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of the City Council
City of Moreno Valley, California

Compliance

We have audited the compliance of the General Child Development Program of the City of Moreno Valley (City), California, with the types of compliance requirements described in the *Audit Guide for Audits of Child Development and Nutrition Programs* issued by the California Department of Education, June 2010, for the year ended June 30, 2012. Compliance with the requirements referred to above is the responsibility of the City's management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, 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 Audits of Child Development and Nutrition Programs* issued by the California Department of Education, June 2010. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the General Child Development Program of the City of Moreno Valley occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to the General Child Development Program of the City of Moreno Valley for the year ended June 30, 2012. However, we noted certain instances of noncompliance which are described in the accompanying summary of findings and questioned costs as items 2012-1 and 2012-2.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements listed above. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on the General Child Development Program of the City of Moreno Valley in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* 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 noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected on timely basis.



Honorable Mayor and Members of the City Council
City of Moreno Valley, California

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in the internal control over compliance that we consider material weaknesses as defined above.

The City's responses to the findings identified in our audit are described in the accompanying summary of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Governing Board, and state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Lance, Soll & Lughard, LLP

Brea, California
December 13, 2012

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2012

	<u>Child Development</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets:			
Cash and investments	\$ 60,397	\$ -	\$ 60,397
Due from other governments	7,597	-	7,597
Total Assets	<u>\$ 67,994</u>	<u>-</u>	<u>67,994</u>
Liabilities:			
Accounts payable	\$ 2,418	-	2,418
Due to other governments	43,077	-	43,077
Other liabilities	10,553	-	10,553
State Child Development reserves	30,275	-	30,275
Total Liabilities	<u>86,323</u>	<u>-</u>	<u>86,323</u>
Fund Balances/Net Assets:			
Fund balances:			
Unrestricted	<u>(18,329)</u>	<u>18,329</u>	<u>-</u>
Total Fund Balances	<u>(18,329)</u>	<u>18,329</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 67,994</u>		
Net Assets:			
Unassigned		<u>(18,329)</u>	<u>(18,329)</u>
Total Net Assets		<u>\$ -</u>	<u>\$ (18,329)</u>

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Child Development</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Grants:			
State Department of Education	\$ 501,508	\$ -	\$ 501,508
Child Care Food Program	32,821	-	32,821
Child Care Food Program - At Risk	433,332	-	433,332
Parent fees:			
Subsidy child	21,086	-	21,086
Miscellaneous	258	-	258
Total Revenues	<u>989,005</u>	<u>-</u>	<u>989,005</u>
Expenditures:			
Classified personnel salaries	264,506	-	264,506
Employee benefits	179,303	-	179,303
Books and supplies	21,026	-	21,026
Services other than operating expenses	482,775	-	482,775
Indirect Costs	41,141	-	41,141
Total Expenditures	<u>988,751</u>	<u>-</u>	<u>988,751</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>254</u>	<u>-</u>	<u>254</u>
Fund Balances/Net Assets:			
Beginning of year	(18,583)	-	(18,583)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>254</u>	<u>-</u>	<u>254</u>
End of year	<u>\$ (18,329)</u>	<u>\$ -</u>	<u>\$ (18,329)</u>

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 1: Organization and Summary of Significant Accounting Policies

a. The Financial Reporting Entity

The General Child Development Program (the Program) is a program operated by the City of Moreno Valley, California (the City) to provide educational programs and care for children participating in the program. Families of participating children pay a fee for these services which are subsidized by the City and by grants from the California State Department of Education, Office of Child Development.

The City is a municipal corporation and is exempt from federal and state income taxes. Accordingly, a provision for such taxes has not been made in the accompanying financial statements.

The Financial Accounting Standards Board, which determines accounting principles for non-profit organizations, and the Government Accounting Standards Board, which determines accounting principles for governmental organizations, have agreed that organizations should be considered "governmental organizations" if its fund balance reverts to a government upon dissolution. Program operations are partially financed by transfers from the City and upon dissolution, any remaining fund balance would revert to the City, which is a government.

The Program follows generally accepted accounting principals issued by the Governmental Accounting Standards Board which includes accounting principles issued by the Financial Accounting Standards Board on or before November 30, 1989.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, while grant revenues have an availability period of 120 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Assets or Equity

1. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value based the Program's pro-rata share of the fair value calculated by the City of the entire City portfolio. The State Treasurer's Investment Pool operates in accordance with appropriate State laws and regulations. The Pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City of Moreno Valley. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

2. Receivables and Payables

All trade receivables are shown net of an allowance for uncollectibles.

4. Reserve Account

The Program is eligible to retain a portion of unearned grant funds received from the State. The reserve account is subject to terms, conditions and limitations of the grant agreement and is retained by the Program. As of June 30, 2012, the reserves' total balance was \$30,275.

5. Indirect Cost Allocation

Indirect costs are allocated to the program based on the Program's pro-rata share of usage.

6. Rent Expenses

The Program operated at five locations, all of which are either owned by the City or a school and the Program was not charged rent. The Red Maple Elementary School location closed in August 2011 and they now operate only four locations.

7. Net Deficit

Current liabilities exceeded current assets by \$18,329 which resulted from prior year expenditures that exceeded the State grant revenues earned and related parent fees. The City has indicated that it will continue to provide additional funds to ensure the continuation of the child care programs.

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012**

Note 2: Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments	<u>\$ 60,397</u>
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The Program's funds are pooled with the City of Moreno Valley's cash and investments in order to generate optimum interest income. The information required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, related to authorized investments, credit risk, etc. is available in the annual report of the City.

Note 3: Related Party Transaction

The Program and the City share certain expenses such as communication network, supplies, and other internal service charges.

Note 4: Contingency

The Program participates in federal and state grant programs which have been audited by the Program's independent auditors, in accordance with the provisions of the Federal Single Audit Act of 1996, and applicable state requirements. No cost disallowances were proposed as a result of these audits, however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Program expects such amounts, if any, to be immaterial.

Supplementary Information

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**GENERAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

Name of agency: City of Moreno Valley

Type of agency: Municipality

Address: City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

Program Director: Michael McCarty, Parks & Community Services Director

Finance Director: Richard Teichert, Financial & Administrative Services Director

Period covered by the audit: July 1, 2011 through June 30, 2012

Number of days of operation: 250

Child Care Center locations:

- Armada Elementary School
25201 John F. Kennedy Drive
Sunnymead, CA 92553
- Creekside Elementary School
13563 Heacock Street
Moreno Valley, CA 92553
- Sunnymead Elementary School
24050 Dracaea Avenue
Moreno Valley, CA 92553
- Red Maple Elementary School (Closed August 2011)
25100 Red Maple Lane
Moreno Valley, CA 92551
- Rainbow Ridge
15950 Indian Avenue
Moreno Valley, CA 92551

Child Care Center operating hours:
(All locations have the same operating hours.)

- School Days (except Wednesday)
 - Opening time
 - Closing time
 - Number of hours open
- School Days (Wednesday only)
 - Opening time
 - Closing time
 - Number of hours open
- Vacation Days
 - Opening time
 - Closing time
 - Number of hours open

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grantor/Program Title	CFDA Number	Grantor's Number	Award Amount		Expenditures		
			Federal	State	Federal	State	Total
U.S. Department of Agriculture, passed through State of California, Department of Education: Child Nutrition and Food Distribution Division	10.558	04321-CACFP -33-GM-CS	\$ 32,821	\$ -	\$ 32,821	\$ -	\$ 32,821
Child and Adult Care Food Program							
Child and Adult Care Food Program - At-Risk Snack	10.558	33-3217-5*	433,332	-	433,332	-	433,332
State of California, Department of Education General Child Care		CCTR-1195	-	528,573	528,573	-	522,598 **
Total Federal and State Awards			<u>\$ 466,153</u>	<u>\$ 528,573</u>	<u>\$ 994,726</u>	<u>\$ 466,153</u>	<u>\$ 988,751</u>

* The City has a subcontract agreement for this food services program. Therefore, per the California Department of Education Funding Terms and Conditions for Center-based Programs, Section IV, the program is excluded from the audit requirement.

** This amount includes amounts funded by the State of California, parent subsidies and miscellaneous sources.

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>CCTR-1195</u>	<u>Sub-Contract 33-3217-5</u>	<u>Total CDE Contracts</u>
Revenues and Support:			
Grants:			
State Department of Education	\$ 501,508	\$ -	\$ 501,508
Child Care Food Program	32,821	-	32,821
Child Care Food Program - At Risk	-	433,332	433,332
Parent fees:			
Subsidy child	21,086	-	21,086
Miscellaneous	258	-	258
Total Revenues and Support	<u>555,673</u>	<u>433,332</u>	<u>989,005</u>
Expenditures:			
Classified personnel salaries	264,506	-	264,506
Employee benefits	179,303	-	179,303
Books and supplies	21,026	-	21,026
Services other than operating expenses	49,443	433,332	482,775
Indirect costs	41,141	-	41,141
Total Expenditures	<u>555,419</u>	<u>433,332</u>	<u>988,751</u>
Changes in net assets	<u>\$ 254</u>	<u>\$ -</u>	<u>\$ 254</u>

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>CCTR-1195</u>	<u>Sub-Contract 33-3217-5</u>	<u>Total CDE Contracts</u>
Expenditures			
2000 Classified Salaries	\$ 264,506	\$ -	\$ 264,506
3000 Employee Benefits	179,303	-	179,303
4000 Books and Supplies	21,026	-	21,026
5000 Services and Other Operating Expenses	49,443	433,332	482,775
Indirect Costs	41,141	-	41,141
Total Expenditures Claimed for Reimbursement	<u>555,419</u>	<u>433,332</u>	<u>988,751</u>
Total Supplemental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u><u>\$ 555,419</u></u>	<u><u>\$ 433,332</u></u>	<u><u>\$ 988,751</u></u>

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

RECONCILIATION OF CDE AND GAAP EXPENDITURE REPORTING
FOR THE YEAR ENDED JUNE 30, 2012

	<u>CCTR-1195</u>
Schedule of Expenditure by State Categories (CDE)	\$ 555,419
Adjustment to Reconcile Differences in Reporting:	<u>-</u>
Subtotal	<u>-</u>
Combining Statement of Activities (GAAP)	<u><u>\$ 555,419</u></u>

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

SCHEDULE OF REIMBURSABLE EXPENDITURES FOR RENOVATIONS AND REPAIRS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Reimbursable Renovations and Repairs Expenditures</u>	<u>CCTR-1195</u>
None	\$ -
	<hr/>
Total	\$ -
	<hr/> <hr/>

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

SCHEDULE OF REIMBURSABLE EXPENDITURES FOR EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2012

<u>Reimbursable Equipment Expenditures</u>	<u>CCTR-1195</u>
None	\$ -
	<hr/>
Total	<u>\$ -</u>

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

SCHEDULE OF REIMBURSABLE EXPENDITURES FOR ADMINISTRATIVE COSTS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Reimbursable Administrative Costs</u>	<u>CCTR-1195</u>
Classified Salaries and Benefits	\$ 24,309
Liability	20,800
Facility Charges	14,142
Technology Services	6,200
Audit Services	<u>7,360</u>
Total	<u><u>\$ 72,811</u></u>

AUDITED ATTENDANCE AND FISCAL REPORT

for Child Development Programs

Agency Name: CITY OF MORENO VALLEY Vendor No. 2186

Fiscal Year Ended: June 30, 2012 Contract No. CCTR-1195

Independent Auditor's Name: LANCE, SOLL & LUNGHARD, 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	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
On-half-time	-		-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	229		229	1.180	270.220
Full-time	6,227	(29)	6,198	1.000	6,198.000
Three-quarters-time	4,851	(102)	4,749	0.750	3,561.750
One-half-time	10,857	(146)	10,711	0.550	5,891.050
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
TOTAL DAYS OF ENROLLMENT	22,164	(277)	21,887		15,921.020
DAYS OF OPERATION	250	-	250		
DAYS OF ATTENDANCE	22,143	(277)	21,866		

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:

1) Days of enrollment and attendance were overstated in November 2011 due to a number input error.

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

Agency Name: CITY OF MORENO VALLEY

Vendor No. 2186

Fiscal Year Ended: June 30, 2012

Contract No. CCTR-1195

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children.	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
DAYS OF ENROLLMENT	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	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
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	1		1	0.900	0.900
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
TOTAL DAYS OF ENROLLMENT	1	-	1		0.900

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

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

Agency Name: CITY OF MORENO VALLEY Vendor No. 2186

Fiscal Year End: June 30, 2012 Contract No. CCTR-1195
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
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$ 29,821	\$ 3,000	\$ 32,821
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	29821	3000	32821
Transfer from Reserve Contract #			0
Contract #			0
Family Fees for Certified Children Contract # CCTR-1195	20269	791	21060
Contract #			0
Interest Earned on Apportionments Contract #			0
Contract #			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	26		26
Other (Specify): Miscellaneous		258	258
TOTAL REVENUE	\$ 50,116	\$ 4,049	\$ 54,165

SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>	\$ -	\$ -	\$ -
1000 Certificated Salaries			0
2000 Classified Salaries	264506		264506
3000 Employee Benefits	179303		179303
4000 Books and Supplies	20942	84	21026
5000 Services and Other Operating Expenses	93683	-44240	49443
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit Contract #			0
Contract #			0
Indirect Costs. Rate: 8.00% (Rate is Self-Calculating)		41141	41141
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$ 558,434	\$ (3,015)	\$ 555,419
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$ 76,344	\$ (3,533)	\$ 72,811

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:
1) There are FY11/12 revenues and expenses that were not recorded prior to filing the 4th Qtr CDFS 9500.
2) Indirect costs were not properly recorded on a separate line.

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.
AUD 9500, Page 3 of 4 (FY 2011-12) California Department of Education

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: CITY OF MORENO VALLEY

Fiscal Year End: June 30, 2012

Vendor No. 2186

Independent Auditor's Name: LANCE, SOLL & LUNGHARD, LLP

RESERVE ACCOUNT TYPE (Check One):

- Center Based
 Resource and Referral
 Alternative Payment

COLUMN A	COLUMN B	COLUMN C
PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT

LAST YEAR:

	COLUMN A	COLUMN B	COLUMN C
1. Beginning Balance (must equal ending balance from Last Year's AUD 9530-A)	\$38,669	\$0	\$38,669
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
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)	\$1,302		\$1,302
4. Ending Balance on Last Year's Post-Audit CDFS 9530	\$37,367	\$0	\$37,367

THIS YEAR:

	COLUMN A	COLUMN B	COLUMN C
5. Plus Interest Earned This Year on Reserve Funds (column A must agree with this year's CDFS 9530-A, Section II)	\$143	\$0	\$143
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):			
Contract No.	\$0	\$0	\$0
Contract No.			0
Total Transferred to Contracts from Reserve Account	0	0	0
7. Ending Balance on June 30, 2012 (column A must agree with this year's CDFS 9530-A, Section IV)	\$37,510	\$0	\$37,510

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

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED
YEAR ENDED JUNE 30, 2012

	Meals			Federal			State			Cash In Lieu	
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Cash In Lieu	Meal Reimbursement
July 2011											
Breakfast											
Full price/base rate	164	-	164	0.2700	\$ 44	0.0000	\$ -	0.0000	\$ -	0.0000	\$ -
Reduced price	338	-	338	1.2100	409	0.1562	52	0.0000	-	0.0000	-
Free	588	-	588	1.5100	888	0.1562	92	0.0000	-	0.0000	-
Lunch											
Full price/base rate	312	-	312	0.2600	81	0.0000	-	0.2225	69	0.2225	69
Reduced price	641	-	641	2.3700	1,519	0.1562	101	0.2225	143	0.2225	143
Free	1,117	-	1,117	2.7700	3,094	0.1562	174	0.2225	249	0.2225	249
Supplement											
Full price/base rate	308	-	308	0.0700	22	0.0000	-	0.0000	-	0.0000	-
Reduced price	635	-	635	0.3800	241	0.0000	-	0.0000	-	0.0000	-
Free	1,106	-	1,106	0.7600	841	0.0000	-	0.0000	-	0.0000	-
					7,139		419		461		
August 2011											
Breakfast											
Full price/base rate	63	-	63	0.2700	17	0.0000	-	0.0000	-	0.0000	-
Reduced price	130	-	130	1.2100	157	0.1562	20	0.0000	-	0.0000	-
Free	226	-	226	1.5100	341	0.1562	36	0.0000	-	0.0000	-
Lunch											
Full price/base rate	109	-	109	0.2600	28	0.0000	-	0.2225	24	0.2225	24
Reduced price	224	-	224	2.3700	531	0.1562	35	0.2225	50	0.2225	50
Free	390	-	390	2.7700	1,080	0.1562	61	0.2225	87	0.2225	87
Supplement											
Full price/base rate	297	-	297	0.0700	21	0.0000	-	0.0000	-	0.0000	-
Reduced price	611	-	611	0.3800	232	0.0000	-	0.0000	-	0.0000	-
Free	1,065	-	1,065	0.7600	809	0.0000	-	0.0000	-	0.0000	-
					3,216		152		161		

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED
YEAR ENDED JUNE 30, 2012

	Meals			Federal		State		Cash In	
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Lieu	Meal Reimbursement
September 2011									
Breakfast									
Full price/base rate	-	-	-	0.2700	-	0.0000	-	0.0000	-
Reduced price	-	-	-	1.2100	-	0.1562	-	0.0000	-
Free	-	-	-	1.5100	-	0.1562	-	0.0000	-
Lunch									
Full price/base rate	-	-	-	0.2600	-	0.0000	-	0.2225	-
Reduced price	-	-	-	2.3700	-	0.1562	-	0.2225	-
Free	-	-	-	2.7700	-	0.1562	-	0.2225	-
Supplement									
Full price/base rate	265	-	265	0.0700	19	0.0000	-	0.0000	-
Reduced price	547	-	547	0.3800	208	0.0000	-	0.0000	-
Free	953	-	953	0.7600	724	0.0000	-	0.0000	-
					<u>951</u>				
October 2011									
Breakfast									
Full price/base rate	-	-	-	0.2700	-	0.0000	-	0.0000	-
Reduced price	-	-	-	1.2100	-	0.1562	-	0.0000	-
Free	-	-	-	1.5100	-	0.1562	-	0.0000	-
Lunch									
Full price/base rate	-	-	-	0.2600	-	0.0000	-	0.2225	-
Reduced price	-	-	-	2.3700	-	0.1562	-	0.2225	-
Free	-	-	-	2.7700	-	0.1562	-	0.2225	-
Supplement									
Full price/base rate	244	-	244	0.0700	17	0.0000	-	0.0000	-
Reduced price	418	-	418	0.3800	159	0.0000	-	0.0000	-
Free	1,166	-	1,166	0.7600	886	0.0000	-	0.0000	-
					<u>1,062</u>				

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM
CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED
YEAR ENDED JUNE 30, 2012**

	Meals			Federal		State		Cash In Lieu	
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Cash In Lieu	Meal Reimbursement
November 2011									
Breakfast									
Full price/base rate	26	-	26	0.2700	7	0.0000	-	0.0000	-
Reduced price	43	-	43	1.2100	52	0.1562	7	0.0000	-
Free	121	-	121	1.5100	183	0.1562	19	0.0000	-
Lunch									
Full price/base rate	44	-	44	0.2600	11	0.0000	-	0.2225	10
Reduced price	76	-	76	2.3700	180	0.1562	12	0.2225	17
Free	211	-	211	2.7700	584	0.1562	33	0.2225	47
Supplement									
Full price/base rate	236	-	236	0.0700	17	0.0000	-	0.0000	-
Reduced price	404	-	404	0.3800	154	0.0000	-	0.0000	-
Free	1,129	-	1,129	0.7600	858	0.0000	-	0.0000	-
					<u>2,046</u>		<u>71</u>		<u>74</u>
December 2011									
Breakfast									
Full price/base rate	51	-	51	0.2700	14	0.0000	-	0.0000	-
Reduced price	87	-	87	1.2100	105	0.1562	13	0.0000	-
Free	243	-	243	1.5100	367	0.1562	39	0.0000	-
Lunch									
Full price/base rate	82	-	82	0.2600	21	0.0000	-	0.2225	18
Reduced price	142	-	142	2.3700	337	0.1562	22	0.2225	32
Free	396	-	396	2.7700	1,097	0.1562	62	0.2225	88
Supplement									
Full price/base rate	231	-	231	0.0700	16	0.0000	-	0.0000	-
Reduced price	396	-	396	0.3800	150	0.0000	-	0.0000	-
Free	1,106	-	1,106	0.7600	841	0.0000	-	0.0000	-
					<u>2,948</u>		<u>136</u>		<u>138</u>

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED
YEAR ENDED JUNE 30, 2012

	Meals			Federal			State			Cash In Lieu	
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Cash In Lieu	Meal Reimbursement
January 2012											
Breakfast											
Full price/base rate	18	-	18	0.2700	5	0.0000	-	0.0000	-	0.0000	-
Reduced price	31	-	31	1.2100	38	0.1562	5	0.1562	5	0.0000	-
Free	86	-	86	1.5100	130	0.1562	13	0.1562	13	0.0000	-
Lunch											
Full price/base rate	26	-	26	0.2600	7	0.0000	-	0.0000	-	0.2225	6
Reduced price	45	-	45	2.3700	107	0.1562	7	0.1562	7	0.2225	10
Free	124	-	124	2.7700	343	0.1562	19	0.1562	19	0.2225	28
Supplement											
Full price/base rate	229	-	229	0.0700	16	0.0000	-	0.0000	-	0.0000	-
Reduced price	393	-	393	0.3800	149	0.0000	-	0.0000	-	0.0000	-
Free	1,098	-	1,098	0.7600	834	0.0000	-	0.0000	-	0.0000	-
					<u>1,629</u>		<u>44</u>				<u>44</u>
February 2012											
Breakfast											
Full price/base rate	3	-	3	0.2700	1	0.0000	-	0.0000	-	0.0000	-
Reduced price	5	-	5	1.2100	6	0.1562	1	0.1562	1	0.0000	-
Free	14	-	14	1.5100	21	0.1562	2	0.1562	2	0.0000	-
Lunch											
Full price/base rate	7	-	7	0.2600	2	0.0000	-	0.0000	-	0.2225	1
Reduced price	12	-	12	2.3700	28	0.1562	2	0.1562	2	0.2225	3
Free	33	-	33	2.7700	91	0.1562	6	0.1562	6	0.2225	7
Supplement											
Full price/base rate	213	-	213	0.0700	15	0.0000	-	0.0000	-	0.0000	-
Reduced price	365	-	365	0.3800	139	0.0000	-	0.0000	-	0.0000	-
Free	1,019	-	1,019	0.7600	774	0.0000	-	0.0000	-	0.0000	-
					<u>1,077</u>		<u>11</u>				<u>11</u>

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM
CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED
YEAR ENDED JUNE 30, 2012**

	Meals			Federal		State		Cash In Lieu	
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Lieu	Meal Reimbursement
March 2012									
Breakfast									
Full price/base rate	19	-	19	0.2700	5	0.0000	-	0.0000	-
Reduced price	34	-	34	1.2100	41	0.1562	5	0.0000	-
Free	61	-	61	1.5100	92	0.1562	10	0.0000	-
Lunch									
Full price/base rate	32	-	32	0.2600	8	0.0000	-	0.2225	7
Reduced price	57	-	57	2.3700	135	0.1562	9	0.2225	13
Free	101	-	101	2.7700	280	0.1562	16	0.2225	22
Supplement									
Full price/base rate	270	-	270	0.0700	19	0.0000	-	0.0000	-
Reduced price	487	-	487	0.3800	184	0.0000	-	0.0000	-
Free	865	-	865	0.7600	657	0.0000	-	0.0000	-
					<u>1,421</u>		<u>40</u>		<u>42</u>
April 2012									
Breakfast									
Full price/base rate	32	-	32	0.2700	9	0.0000	-	0.0000	-
Reduced price	58	-	58	1.2100	70	0.1562	9	0.0000	-
Free	102	-	102	1.5100	154	0.1562	16	0.0000	-
Lunch									
Full price/base rate	57	-	57	0.2600	15	0.0000	-	0.2225	13
Reduced price	103	-	103	2.3700	244	0.1562	16	0.2225	23
Free	182	-	182	2.7700	504	0.1562	28	0.2225	40
Supplement									
Full price/base rate	247	-	247	0.0700	17	0.0000	-	0.0000	-
Reduced price	446	-	446	0.3800	169	0.0000	-	0.0000	-
Free	792	-	792	0.7600	602	0.0000	-	0.0000	-
					<u>1,784</u>		<u>69</u>		<u>76</u>

CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM

CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED
YEAR ENDED JUNE 30, 2012

	Meals			Federal		State		Cash In	
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement	Lieu	Meal Reimbursement
May 2012									
Breakfast									
Full price/base rate	15	-	15	0.2700	4	0.0000	-	0.0000	-
Reduced price	26	-	26	1.2100	31	0.1562	4	0.0000	-
Free	46	-	46	1.5100	69	0.1562	7	0.0000	-
Lunch									
Full price/base rate	31	-	31	0.2600	8	0.0000	-	0.2225	7
Reduced price	56	-	56	2.3700	133	0.1562	9	0.2225	12
Free	99	-	99	2.7700	274	0.1562	15	0.2225	22
Supplement									
Full price/base rate	270	-	270	0.0700	19	0.0000	-	0.0000	-
Reduced price	488	-	488	0.3800	185	0.0000	-	0.0000	-
Free	867	-	867	0.7600	659	0.0000	-	0.0000	-
					<u>1,382</u>		<u>35</u>		<u>41</u>
June 2012									
Breakfast									
Full price/base rate	137	-	137	0.2700	37	0.0000	-	0.0000	-
Reduced price	247	-	247	1.2100	299	0.1562	39	0.0000	-
Free	439	-	439	1.5100	663	0.1562	69	0.0000	-
Lunch									
Full price/base rate	265	-	265	0.2600	69	0.0000	-	0.2225	59
Reduced price	477	-	477	2.3700	1,130	0.1562	74	0.2225	106
Free	847	-	847	2.7700	2,346	0.1562	132	0.2225	188
Supplement									
Full price/base rate	290	-	290	0.0700	20	0.0000	-	0.0000	-
Reduced price	523	-	523	0.3800	199	0.0000	-	0.0000	-
Free	929	-	929	0.7600	706	0.0000	-	0.0000	-
					<u>5,469</u>		<u>314</u>		<u>353</u>
Adjustments					-		-		-
GRAND TOTAL					<u>\$ 30,124</u>		<u>\$ 1,291</u>		<u>\$ 1,401</u>

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**SCHEDULE OF CCFP REPORTED, ADJUSTED AND ALLOWED ENROLLMENT
YEAR ENDED JUNE 30, 2012**

<u>Month</u>		<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Based</u>
July	Reported	113	61	35	17
	Allowed	113	61	35	17
August	Reported	113	61	35	17
	Allowed	113	61	35	17
September	Reported	113	61	35	17
	Allowed	113	61	35	17
October	Reported	105	67	24	14
	Allowed	105	67	24	14
November	Reported	105	67	24	14
	Allowed	105	67	24	14
December	Reported	105	67	24	14
	Allowed	105	67	24	14
January	Reported	105	67	24	14
	Allowed	105	67	24	14
February	Reported	105	67	24	14
	Allowed	105	67	24	14
March	Reported	90	48	27	15
	Allowed	90	48	27	15
April	Reported	90	48	27	15
	Allowed	90	48	27	15
May	Reported	90	48	27	15
	Allowed	90	48	27	15
June	Reported	90	48	27	15
	Allowed	90	48	27	15

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**SUMMARY OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

Finding #2012-1: Child days of enrollment reported were not accurate.

1. Program Information - CDE General Center Contract #CCTR-1195
2. Criteria - Funding Terms and Conditions sections VI.B, D, and F require that contractors use sign-in/out sheets as a primary source document for audit and reimbursement purposes. They also require that the submitted reports contain the days of enrollment and attendance for all children served in the program in the current reporting period and year to date.
3. Condition - During the testing of the attendance records, discovered that the contractor overreported the days of enrollment and attendance by 277 days. The wrong number of days were input from the monthly attendance and enrollment sheet for the $\frac{3}{4}$ time and $\frac{1}{2}$ time enrollment days for the Creekside location in November 2011 to the second quarter spreadsheet.
4. Questioned Costs – The total day of attendance and enrollment that were incorrectly reported as noted above is for 277 days. The difference in the adjusted days of enrollments then reported is 185.8 which when multiplied by the reimbursement rate of \$34.38 is \$6,387.80.
5. Effect and Context – The contractor over reported days of enrollment to be reimbursed. The over reported days were discovered when testing the reported days of enrollment to the sign-in/out sheets and to the monthly summaries prepared for the entire fiscal year.
6. Cause - The error occurred as a result of the Program Manager not being diligent in monthly summary preparation and no additional review was performed.
7. Recommendation - The Management Analyst should have the Program Manager review the quarterly attendance and enrollment spreadsheets for errors from the monthly attendance and enrollment spreadsheets.
8. Views of responsible officials and planned corrective action - The Management Analyst indicated that she will be more careful in monthly summary preparation and they will consider implementing the recommendation for additional review procedures by the Program Manager.

Finding #2012-2: Indirect costs were not reported on a separate line, nor were they less than the maximum rate.

1. Program Information - CDE General Center Contract #CCTR-1195
2. Criteria - Funding Terms and Conditions section V.B requires that if indirect costs are claimed, the maximum indirect cost rate is eight percent of budget categories 1000-5000.
3. Condition – The contractor did not claim indirect costs separately. The indirect costs that were included in category 5000 were greater than the 8% allowable.
4. Questioned Costs – The total indirect costs included in group 5000 was \$44,675. However, if these indirect costs were reported separately, then they were greater than 8% of the total of categories 1000-5000. The maximum allowable indirect cost when reported separately is \$41,142 which is an over the allowed amount of \$3,533.
5. Effect and Context – The contractor originally included more indirect costs than allowable.

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Finding #2012-2: Indirect costs were not reported on a separate line, nor were they less than the maximum rate. (Continued)

6. Cause - The error occurred as a result of a miscalculation. This miscalculation resulted from including the indirect costs as part of the budget groups 1000-5000 total to calculate the total allowable indirect costs.
7. Recommendation - The Management Analyst should separately show the indirect costs as allowable on the quarterly form, this will assist in preventing the miscalculation of the total allowable indirect costs.
8. Views of responsible officials and planned corrective action - The Management Analyst indicated that she will be more careful in monthly summary preparation.

**CITY OF MORENO VALLEY
GENERAL CHILD DEVELOPMENT PROGRAM**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

No matters were reported.