



Audited Financial Statements
City of Moreno Valley
General Child Development Program Fund
Year ended June 30, 2015
With Report of Independent Auditors

An Independently Owned Member
McGLADREY ALLIANCE



 **Vasquez**
& Company LLP
Certified Public Accountants and Business Consultants

Audited Financial Statements
City of Moreno Valley
General Child Development Program Fund
Year ended June 30, 2015
With Report of Independent Auditors

	<u>PAGE</u>
REPORT OF INDEPENDENT AUDITORS	1
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Notes to Financial Statements	5
SUPPLEMENTARY INFORMATION	
General Information	8
Schedule of Federal and State Awards	9
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	10
Schedule of Expenditures by State Categories	11
Reconciliation of CDE and GAAP Expenditure Reporting	12
Schedule of Reimbursable Expenditures for Renovations and Repairs	13
Schedule of Reimbursable Expenditures for Equipment	14
Schedule of Reimbursable Expenditures for Administrative Costs	15
Audited Attendance and Fiscal Report	
Child Development Program	16
Audited Reserve Account Activity Report	20
Center Based Programs – Summary of Meals Reported	21
Schedule of CCFP Reported, Adjusted and Allowed Enrollment	27
INDEPENDENT AUDITORS' 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>	28
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS	30
STATUS OF PRIOR YEAR'S AUDIT FINDINGS AND QUESTIONED COSTS	31

Report of Independent Auditors

**The Honorable Mayor and Members of City Council
City of Moreno Valley
Moreno Valley, California**

Report on Financial Statements

We have audited the accompanying financial statements of the General Child Development Program Fund (the "Fund") of the City of Moreno Valley, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Fund's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Child Development Program Fund of the City of Moreno Valley, California, as of June 30, 2015, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As discussed in Note 1, the financial statements present only the General Child Development Program Fund and do not purport to, and do not, present fairly the financial position of the City of Moreno Valley, California, as of June 30, 2015, 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.

Other Matters

Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements of the General Child Development Program Fund. The accompanying supplementary information on pages 8 to 33, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2015, on our consideration of the Fund'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* in considering the General Child Development Program Fund's internal control over financial reporting and compliance.

Vasquez + Company LLP

Los Angeles, California

November 11, 2015

City of Moreno Valley
General Child Development Program Fund
Balance Sheet
June 30, 2015

ASSETS

Due from other governments	\$ <u>54,762</u>
Total Assets	\$ <u><u>54,762</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 21,650
Due to City of Moreno Valley	4,984
State Child Development reserves	<u>28,128</u>
Total Liabilities	<u>54,762</u>

Fund Balance

	<u>-</u>
Total Liabilities and Fund Balances	\$ <u><u>54,762</u></u>

See notes to financial statements.

City of Moreno Valley
General Child Development Program Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Year ended June 30, 2015

Revenues

Grants:	
State Development of Education	\$ 547,207
Child Care Food Program	42,950
Parent fees:	
Subsidy child	13,837
Miscellaneous	<u>632</u>
Total Revenues	<u>604,626</u>

Expenditures

Classified personnel salaries	271,271
Employee benefits	172,042
Books and supplies	46,677
Services other than operating expenses	72,632
Indirect costs	<u>42,004</u>
Total Expenditures	<u>604,626</u>

Change in fund balance	-
Fund Balance, beginning of year	<u>-</u>
Fund Balance, end of year	<u><u>\$ -</u></u>

See notes to financial statements.

NOTE 1 GENERAL INFORMATION

The accompanying financial statements present only the City of Moreno Valley General Child Development Program Fund (Fund). The Fund 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. The Fund receives program revenues from the California State Department of Education (CDE), Office of Child Development and the City. Families of participating children also pay a fee for these services. For additional information regarding the City of Moreno Valley, refer to the City's comprehensive annual financial report.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Fund, the accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with their nature and purpose. The Fund is accounted for as a Special Revenue Fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Fund is accounted for as a Special Revenue Fund of the City of Moreno Valley.

The Fund financial statements are reported using the current financial resources measurement focus. This means that generally, only current assets and current liabilities are included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Statements of revenues, expenditures and changes in fund balance for the Fund generally present increases (revenues) and decreases (expenditures) in net current assets.

The financial statements of the Fund have been prepared on 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. Grant funds are considered to be earned to the extent of expenditures incurred under the provisions of the grant. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

The Fund's cash balance is pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash account was recorded in each of the fund's books of accounts, and interest income was apportioned to the participating funds based on the relationship of their average monthly balances to the total of the pooled 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 on the Fund's pro-rata share of the fair value calculated by the City on 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.

Information regarding the credit risk and authorized types of deposits and investments in the City's pooled cash and investments is included in the City's comprehensive annual financial report.

Reserve Account

The Fund 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, 2015, these unearned grant funds amounted to \$28,128. Upon termination of the Program, the Fund would be required to return all remaining reserves to CDE. Accordingly the reserve account is recorded as a liability (unearned revenue) in the amount of \$28,128.

Indirect Cost Allocation

Indirect costs are allocated to the program based on the Program's pro-rata share of usage or consumption of goods and services

Rent Expenses

The Program operated at four locations during the year, all of which are either owned by the City or a school. The Program was not charged rent for the use of facilities.

NOTE 3 PARENT FEES

Parent fees represent the portion of childcare expenses that are to be paid by parents who do not qualify for the full subsidy. The parents pay the childcare providers directly for their portion of the childcare expenses.

NOTE 4 RELATED PARTY TRANSACTIONS

The Fund and the City share certain expenses such as communication network, supplies, and other internal service fund charges. The Fund is billed for these services based on actual or allocated costs.

NOTE 5 CONTINGENCIES

The Fund receives state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowed expenditures under terms of the grants, the disallowed amounts would be owed to the state or federal granting agencies. The Fund believes that any future repayments resulting from disallowances will not be material.

NOTE 6 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2015 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 11, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**City of Moreno Valley
General Child Development Program Fund
General Information
Year ended June 30, 2015**

Name of agency: City of Moreno Valley
 Type of agency : Municipality
 Address: City of Moreno Valley
 14177 Frederick Street
 Moreno Valley
 Program Director: Betsy Adams, Parks & Community Services Director
 Finance Director: Richard Teichert, Chief Financial Officer / City Treasurer
 Period covered by the audit: July 1, 2014 through June 30, 2015
 Number of days of operation: 249

Child Care Center locations: Operating Hours
School Days
(except flex day)

Armada Elementary School	Opening time	11.30 a.m.
25201 John F. Kennedy Drive	Closing time	6.00 p.m.
Sunnymead, CA 92553	Number of hours open	6 ½

Creekside Elementary School	Opening time	11.30 a.m.
13563 Heacock Street	Closing time	6.00 p.m.
Moreno Valley, CA 92553	Number of hours open	6 ½

Sunnymead Elementary School	Opening time	3.00 p.m.
24050 Dracaea Avenue	Closing time	6.00 p.m.
Moreno Valley, CA 92553	Number of hours open	3

Rainbow Ridge.	Opening time	12:00 p.m.
15950 Indian Avenue.	Closing time	6:00 p.m.
Moreno Valley, CA 92551	Number of hours open	6

School Days (flex day only)		
Opening time		12:00 p.m.
Closing time		6.00 p.m.
Number of hours open		6

Vacation Days		
Opening time		7:00 a.m.
Closing time		6.00 p.m.
Number of hours open		11

**City of Moreno Valley
General Child Development Program Fund
Schedule of Federal and State Awards
Year ended June 30, 2015**

Grantor/Program Title	CFDA Number	Grantor's Number	Award Amount			Expenditures		
			Federal	State	Total	Federal	State	Total
U.S. Department of Agriculture, passed through State of California, Department of Education: Child Nutrition and Food Distribution Division Child and Adult Care Food Program	10.558	04321-CACFP-33-GM-CS	\$ 42,950	\$ -	\$ 42,950	\$ 42,950	\$ -	\$ 42,950
State of California, Department of Education Child Development Programs	93.596 / 93.575	CCTR-4172	<u>271,434</u>	<u>321,620</u>	<u>593,054</u>	<u>249,034</u>	<u>312,642</u> **	<u>561,676</u>
Total Federal and State Awards			<u>\$ 314,384</u>	<u>\$ 321,620</u>	<u>\$ 636,004</u>	<u>\$ 291,984</u>	<u>\$ 312,642</u>	<u>\$ 604,626</u>

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

Note 1 – Basis of Presentation

The accompanying Schedule of Federal and State Awards includes expenditures of federal and state awards of the City of Moreno Valley General Child Development Program Fund. These expenditures are presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and the *Audit Guide* issued by the California Department of Education. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

City of Moreno Valley
General Child Development Program Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2015

	<u>CCTR-4172</u>	<u>04321-CACFP 33-GM-CS</u>	<u>Total CDE Contracts</u>
Revenues			
Grants:			
State Development of Education	\$ 547,207	\$ -	\$ 547,207
Child Care Food Program	-	42,950	42,950
Parent fees:			
Subsidy child	13,837	-	13,837
Full cost child	-	-	-
Miscellaneous	632	-	632
	<u>561,676</u>	<u>42,950</u>	<u>604,626</u>
Total Revenues			
Expenditures			
Classified personnel salaries	271,271	-	271,271
Employee benefits	172,042	-	172,042
Books and supplies	46,677	-	46,677
Services other than operating expenses	29,682	42,950	72,632
Indirect Costs	42,004	-	42,004
	<u>561,676</u>	<u>42,950</u>	<u>604,626</u>
Total Expenditures			
Change in fund balances	-	-	-
Fund Balances, beginning of year	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Moreno Valley
General Child Development Program Fund
Schedule of Expenditures by State Categories
Year ended June 30, 2015

	CCTR-4172	04321-CACFP 33-GM-CS	Total CDE Contracts
Expenditures			
2000 Classified Salaries	\$ 271,271	-	\$ 271,271
3000 Employee Benefits	172,042	-	172,042
4000 Books and Supplies	46,677	-	46,677
5000 Services and Other Operating Expenses	29,682	42,950	72,632
Indirect Costs	42,004	-	42,004
Total Expenditures Claimed for Reimbursement	561,676	42,950	604,626
Total Supplemental Expenditure	-	-	-
Total Expenditures	\$ 561,676	\$ 42,950	\$ 604,626

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

City of Moreno Valley
General Child Development Program Fund
Reconciliation of CDE and GAAP Expenditure Reporting
Year ended June 30, 2015

	<u>CCTR-4172</u>	<u>04321-CACFP 33-GM-CS</u>	<u>Total CDE Contracts</u>
Schedule of Expenditure by State Categories (CDE)	\$ 561,676	\$ 42,950	\$ 604,626
Adjustment to Reconcile Differences in Reporting	-	-	-
Combining Statement of Activities (GAAP)	<u>\$ 561,676</u>	<u>\$ 42,950</u>	<u>\$ 604,626</u>

City of Moreno Valley
General Child Development Program Fund
Schedule of Reimbursable Expenditures for Renovations and Repairs
Year ended June 30, 2015

<u>Reimbursable Renovations and Repairs Expenditures</u>	<u>CCTR-4172</u>
None	\$ -
Total	<u><u>\$ -</u></u>

City of Moreno Valley
General Child Development Program Fund
Schedule of Reimbursable Expenditures for Equipment
Year ended June 30, 2015

<u>Reimbursable Equipment Expenditures</u>	<u>CCTR-4172</u>
None	\$ -
Total	<u><u>\$ -</u></u>

City of Moreno Valley
General Child Development Program Fund
Schedule of Reimbursable Expenditures for Administrative Costs
Year ended June 30, 2015

<u>Reimbursable Administrative Costs</u>	<u>CCTR-4172</u>
Classified Salaries and Benefits	\$ 35,897
Liability Insurance	15,800
Facility Charges	19,404
Technology Services	6,200
Audit Services	<u>7,581</u>
Total	\$ <u><u>84,882</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, 2015 Contract No. CCTR-4172

Independent Auditor's Name: Vasquez & Company, 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			-	1.180	-
Full-time	6,929		6,929	1.000	6,929.000
Three-quarters-time	6,955		6,955	0.750	5,216.250
One-half-time	12,983		12,983	0.550	7,140.650
<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	26,867	-	26,867		19,285.900
DAYS OF OPERATION	249		249		
DAYS OF ATTENDANCE	26,858		26,858		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & 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: CITY OF MORENO VALLEY Vendor No. 2186

Fiscal Year Ended: June 30, 2015 Contract No. CCTR-4172

Independent Auditor's Name: Vasquez & Company, LLP

SECTION II - NON CERTIFIED CHILDREN	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
Report all children who were not certified, but who were served at the same sites as certified children	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT					
<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	-		-	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	-	-	-		-

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, 2015 Contract No. CCTR - 4172

	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	\$42,950		\$42,950
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$42,950	\$0	\$42,950
Transfer from Reserve Contract #			0
Contract #			0
Family Fees for Certificate			0
CCTR Program Contract # CCTR-4172	13,837		13,837
CSPP Program Contract #			0
Interest Earned on App Contract #			0
Contract #			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify): Costco Gift Certificate	632		632
TOTAL REVENUE	\$57,419	\$0	\$57,419

SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries			0
2000 Classified Salaries	271,271	0	271,271
3000 Employee Benefits	172,032	10	172,042
4000 Books and Supplies	46,673	4	46,677
5000 Services and Other Operating Expenses	68,317	4,315	72,632
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. 7.95% (Rate is Self-Calculating)	44,400	(2,396)	42,004
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$602,693	\$1,933	\$604,626
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$87,278	(\$2,396)	\$84,882

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, Early Education and Support Division:

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

- YES
 NO - Explain any discrepancies.

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

- YES
 NO - Explain any discrepancies.

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

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

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

Agency Name: CITY OF MORENO VALLEY Vendor No. 2186

Fiscal Year End: June 30, 2015 Contract No. CCTR -4172

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION V - SUPPLEMENTAL REVENUE			
Enhancement Funding			\$0
Other (Specify):			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL REVENUE	\$0	\$0	\$0
SECTION VI - SUPPLEMENTAL EXPENSES			
EXPENSES RELATED TO SUPPLEMENTAL REVENUE			
1000 Certificated Salaries			\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Other (Specify):			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL EXPENSES	\$0	\$0	\$0

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

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2015**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
July 2014									
Breakfast									
Full price/base rate	65	-	65	0.2800	\$ 18	0.000	\$ -	0.000	\$ -
Reduced price	367	-	367	1.3200	484	0.000	-	0.000	-
Free	670	-	670	1.6200	1,085	0.000	-	0.000	-
Lunch									
Full price/base rate	130	-	130	0.2800	36	0.000	-	0.2475	32
Reduced price	734	-	734	2.5800	1,894	0.000	-	0.2475	182
Free	1338	-	1,338	2.9800	3,987	0.000	-	0.2475	331
PM Snack									
Full price/base rate	128	-	128	0.0700	9	0.000	-	0.000	-
Reduced price	720	-	720	0.4100	295	0.000	-	0.000	-
Free	1,313	-	1,313	0.8200	1,077	0.000	-	0.000	-
					<u>8,886</u>		<u>-</u>		<u>545</u>
August 2014									
Breakfast									
Full price/base rate	22	-	22	0.2800	\$ 6	0.000	\$ -	0.000	\$ -
Reduced price	128	-	128	1.3200	169	0.000	-	0.000	-
Free	233	-	233	1.6200	377	0.000	-	0.000	-
Lunch									
Full price/base rate	43	-	43	0.2800	12	0.000	-	0.2475	11
Reduced price	245	-	245	2.5800	632	0.000	-	0.2475	61
Free	447	-	447	2.9800	1,332	0.000	-	0.2475	111
PM Snack									
Full price/base rate	113	-	113	0.0700	8	0.000	-	0.000	-
Reduced price	638	-	638	0.4100	262	0.000	-	0.000	-
Free	1,164	-	1,164	0.8200	954	0.000	-	0.000	-
					<u>3,753</u>		<u>-</u>		<u>182</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2015**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
September 2014									
Breakfast									
Full price/base rate	-	-	-	0.2800	\$ -	0.000	\$ -	0.000	\$ -
Reduced price	-	-	-	1.3200	-	0.000	-	0.000	-
Free	-	-	-	1.6200	-	0.000	-	0.000	-
Lunch									
Full price/base rate	-	-	-	0.2800	-	0.000	-	0.2475	-
Reduced price	-	-	-	2.5800	-	0.000	-	0.2475	-
Free	-	-	-	2.9800	-	0.000	-	0.2475	-
PM Snack									
Full price/base rate	126	-	126	0.0700	9	0.000	-	0.000	-
Reduced price	714	-	714	0.4100	293	0.000	-	0.000	-
Free	1,302	-	1,302	0.8200	1,068	0.000	-	0.000	-
					<u>1,369</u>		<u>-</u>		<u>0</u>
October 2014									
Breakfast									
Full price/base rate	1	-	1	0.2800	\$ 0	0.000	\$ -	0.000	\$ -
Reduced price	4	-	4	1.3200	5	0.000	-	0.000	-
Free	13	-	13	1.6200	21	0.000	-	0.000	-
Lunch									
Full price/base rate	2	-	2	0.2800	1	0.000	-	0.2475	0
Reduced price	11	-	11	2.5800	28	0.000	-	0.2475	3
Free	32	-	32	2.9800	95	0.000	-	0.2475	8
PM Snack									
Full price/base rate	82	-	82	0.0700	6	0.000	-	0.000	-
Reduced price	576	-	576	0.4100	236	0.000	-	0.000	-
Free	1,708	-	1,708	0.8200	1,401	0.000	-	0.000	-
					<u>1,793</u>		<u>-</u>		<u>11</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2015**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
November 2014									
Breakfast									
Full price/base rate	5	-	5	0.2800	\$ 1	0.000	\$ -	0.000	\$ -
Reduced price	33	-	33	1.3200	44	0.000	-	0.000	-
Free	97	-	97	1.6200	157	0.000	-	0.000	-
Lunch									
Full price/base rate	11	-	11	0.2800	3	0.000	-	0.2475	3
Reduced price	78	-	78	2.5800	201	0.000	-	0.2475	19
Free	230	-	230	2.9800	685	0.000	-	0.2475	57
PM Snack									
Full price/base rate	56	-	56	0.0700	4	0.000	-	0.000	-
Reduced price	394	-	394	0.4100	162	0.000	-	0.000	-
Free	1,167	-	1,167	0.8200	957	0.000	-	0.000	-
					<u>2,214</u>		<u>-</u>		<u>79</u>
December 2014									
Breakfast									
Full price/base rate	6	-	6	0.2800	\$ 2	0.000	\$ -	0.000	\$ -
Reduced price	41	-	41	1.3200	54	0.000	-	0.000	-
Free	121	-	121	1.6200	196	0.000	-	0.000	-
Lunch									
Full price/base rate	17	-	17	0.2800	5	0.000	-	0.2475	4
Reduced price	115	-	115	2.5800	297	0.000	-	0.2475	28
Free	342	-	342	2.9800	1,019	0.000	-	0.2475	85
PM Snack									
Full price/base rate	70	-	70	0.0700	5	0.000	-	0.000	-
Reduced price	487	-	487	0.4100	200	0.000	-	0.000	-
Free	1,445	-	1,445	0.8200	1,185	0.000	-	0.000	-
					<u>2,962</u>		<u>-</u>		<u>117</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2015**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
January 2015									
Breakfast									
Full price/base rate	5	-	5	0.2800	\$ 1	0.000	\$ -	0.000	\$ -
Reduced price	30	-	30	1.3200	40	0.000	-	0.000	-
Free	89	-	89	1.6200	144	0.000	-	0.000	-
Lunch									
Full price/base rate	14	-	14	0.2800	4	0.000	-	0.2475	3
Reduced price	102	-	102	2.5800	263	0.000	-	0.2475	25
Free	302	-	302	2.9800	900	0.000	-	0.2475	75
PM Snack									
Full price/base rate	69	-	69	0.0700	5	0.000	-	0.000	-
Reduced price	488	-	488	0.4100	200	0.000	-	0.000	-
Free	1,446	-	1,446	0.8200	1,186	0.000	-	0.000	-
					<u>2,743</u>		<u>-</u>		<u>103</u>
February 2015									
Breakfast									
Full price/base rate	1	-	1	0.2800	\$ 0	0.000	\$ -	0.000	\$ -
Reduced price	9	-	9	1.3200	12	0.000	-	0.000	-
Free	27	-	27	1.6200	44	0.000	-	0.000	-
Lunch									
Full price/base rate	3	-	3	0.2800	1	0.000	-	0.2475	1
Reduced price	22	-	22	2.5800	57	0.000	-	0.2475	5
Free	64	-	64	2.9800	191	0.000	-	0.2475	16
PM Snack									
Full price/base rate	70	-	70	0.0700	5	0.000	-	0.000	-
Reduced price	491	-	491	0.4100	201	0.000	-	0.000	-
Free	1,454	-	1,454	0.8200	1,192	0.000	-	0.000	-
					<u>1,703</u>		<u>-</u>		<u>22</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2015**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
March 2015									
Breakfast									
Full price/base rate	9	-	9	0.2800	\$ 3	0.000	\$ -	0.000	\$ -
Reduced price	63	-	63	1.3200	83	0.000	-	0.000	-
Free	188	-	188	1.6200	305	0.000	-	0.000	-
Lunch									
Full price/base rate	17	-	17	0.2800	5	0.000	-	0.2475	4
Reduced price	120	-	120	2.5800	310	0.000	-	0.2475	30
Free	357	-	357	2.9800	1,064	0.000	-	0.2475	88
PM Snack									
Full price/base rate	82	-	82	0.0700	6	0.000	-	0.000	-
Reduced price	574	-	574	0.4100	235	0.000	-	0.000	-
Free	1,702	-	1,702	0.8200	1,396	0.000	-	0.000	-
					<u>3,405</u>		<u>-</u>		<u>122</u>
April 2015									
Breakfast									
Full price/base rate	7	-	7	0.2800	\$ 2	0.000	\$ -	0.000	\$ -
Reduced price	44	-	44	1.3200	58	0.000	-	0.000	-
Free	131	-	131	1.6200	212	0.000	-	0.000	-
Lunch									
Full price/base rate	13	-	13	0.2800	4	0.000	-	0.2475	3
Reduced price	86	-	86	2.5800	222	0.000	-	0.2475	21
Free	256	-	256	2.9800	763	0.000	-	0.2475	63
PM Snack									
Full price/base rate	83	-	83	0.0700	6	0.000	-	0.000	-
Reduced price	579	-	579	0.4100	237	0.000	-	0.000	-
Free	1,715	-	1,715	0.8200	1,406	0.000	-	0.000	-
					<u>2,910</u>		<u>-</u>		<u>88</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2015**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
May 2015									
Breakfast									
Full price/base rate	1	-	1	0.2800	\$ 0	0.000	\$ -	0.000	\$ -
Reduced price	3	-	3	1.3200	4	0.000	-	0.000	-
Free	12	-	12	1.6200	19	0.000	-	0.000	-
Lunch									
Full price/base rate	2	-	2	0.2800	1	0.000	-	0.2475	0
Reduced price	8	-	8	2.5800	21	0.000	-	0.2475	2
Free	33	-	33	2.9800	98	0.000	-	0.2475	8
PM Snack									
Full price/base rate	94	-	94	0.0700	7	0.000	-	0.000	-
Reduced price	432	-	432	0.4100	177	0.000	-	0.000	-
Free	1,784	-	1,784	0.8200	1,463	0.000	-	0.000	-
					<u>1,790</u>		<u>-</u>		<u>11</u>
June 2015									
Breakfast									
Full price/base rate	36	-	36	0.2800	\$ 10	0.000	\$ -	0.000	\$ -
Reduced price	164	-	164	1.3200	216	0.000	-	0.000	-
Free	677	-	677	1.6200	1,097	0.000	-	0.000	-
Lunch									
Full price/base rate	69	-	69	0.2800	19	0.000	-	0.2475	17
Reduced price	321	-	321	2.5800	828	0.000	-	0.2475	79
Free	1325	-	1,325	2.9800	3,949	0.000	-	0.2475	328
PM Snack									
Full price/base rate	91	-	91	0.0700	6	0.000	-	0.000	-
Reduced price	419	-	419	0.4100	172	0.000	-	0.000	-
Free	1,730	-	1,730	0.8200	1,419	0.000	-	0.000	-
					<u>7,716</u>		<u>-</u>		<u>424</u>

**City of Moreno Valley
 General Child Development Program Fund
 Schedule of CCFP Reported, Adjusted and Allowed Enrollment
 Year ended June 30, 2015**

<u>Month</u>		<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Based</u>
July	Reported	102	62	34	6
	Allowed	0			
August	Reported	102	62	34	6
	Allowed	0			
September	Reported	102	62	34	6
	Allowed	0			
October	Reported	115	83	28	4
	Allowed	0			
November	Reported	115	83	28	4
	Allowed	0			
December	Reported	115	83	28	4
	Allowed	0			
January	Reported	115	83	28	4
	Allowed	0			
February	Reported	115	83	28	4
	Allowed	0			
March	Reported	115	83	28	4
	Allowed	0			
April	Reported	115	83	28	4
	Allowed	0			
May	Reported	123	95	23	5
	Allowed	0			
June	Reported	123	95	23	5
	Allowed	0			

**Independent Auditors' 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 Honorable Mayor and Members of City Council
City of Moreno Valley
Moreno Valley, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the General Child Development Program Fund (the "Fund") of the City of Moreno Valley, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents, and have issued our report thereon dated November 11, 2015.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vasquez + Company LLP

Los Angeles, California
November 11, 2015

**City of Moreno Valley
General Child Development Program Fund
Schedule of State Findings and Questioned Costs
Year ended June 30, 2015**

No findings or questioned costs noted.

City of Moreno Valley
General Child Development Program Fund
Status of Prior Year's Audit Findings and Questioned Costs
Year ended June 30, 2015

No findings or questioned costs were reported by the auditors of the General Child Development Program Fund for the year ended June 30, 2014.



www.vasquezcpa.com

Vasquez & Company LLP has over 45 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publically traded companies. Vasquez is a member of the McGladrey Alliance. McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. McGladrey Alliance provides its members with access to resources of RSM US LLP (formerly known as McGladrey LLP). McGladrey Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit [rsmus.com/about us](http://rsmus.com/about-us) for more information regarding RSM US LLP and RSM International. McGladrey®, the McGladrey Alliance logo and the McGladrey Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.