



City of Moreno Valley
Audited Financial Statements
General Child Development Program Fund
Year Ended June 30, 2016
With Report of Independent Auditors

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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, 2016, 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 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 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 opinion.



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, 2016, 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, 2016, 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. Our opinion is not modified with respect to this matter.

Other Matters

Required 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 9 to 28, 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 *CDE Audit Guide* 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.

The Summary of Meals Reported and the Schedule of CCFP Reported, Adjusted and Allowed Enrollment were presented as required by the *CDE Audit Guide*. We have applied certain limited procedures to this information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the reports submitted to California Department of Education, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016, 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 4, 2016**

City of Moreno Valley
General Child Development Program Fund
Balance Sheet
June 30, 2016

ASSETS

Due from other governments	\$ <u>60,005</u>
Total Assets	\$ <u><u>60,005</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 2,907
Due to City of Moreno Valley	27,316
State Child Development reserves	<u>29,782</u>
Total Liabilities	<u>60,005</u>

Fund Balance

	<u>-</u>
Total Liabilities and Fund Balances	\$ <u><u>60,005</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, 2016

Revenues

Grants		
State Development of Education	\$	586,995
Child Care Food Program		39,972
Parent fees		14,572
Miscellaneous		729
		729
Total Revenues		642,268

Expenditures

Classified personnel salaries		316,486
Employee benefits		158,638
Books and supplies		46,013
Services other than operating expenses		77,894
Indirect costs		43,237
		43,237
Total Expenditures		642,268

Change in fund balance

-

Fund Balance, beginning of year

-

Fund Balance, end of year

\$ -

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. 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 deferred 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, 2016, these deferred grant funds amounted to \$29,782. 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 (deferred revenue) in the amount of \$29,782.

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 City 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, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 4, 2016, 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, 2016**

Name of agency: City of Moreno Valley
 Type of agency : Municipality
 Address: City of Moreno Valley
 14177 Frederick Street
 Moreno Valley
 Program Director: Gabriel Garcia, Parks & Community Services Director
 Finance Director: Marshall Eyerman, Chief Financial Officer / City Treasurer
 Period covered by the audit: July 1, 2015 through June 30, 2016
 Number of days of operation: 250

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

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

Creekside Elementary School 13563 Heacock Street Moreno Valley, CA 92553	Opening time Closing time Number of hours open	11.00 a.m. 6.00 p.m. 7
--------------------------------------------------------------------------------	------------------------------------------------------	------------------------------

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

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

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

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

**City of Moreno Valley
General Child Development Program Fund
Schedule of Federal and State Awards
Year ended June 30, 2016**

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	\$ 39,972	\$ -	\$ 39,972	\$ 39,972	\$ -	\$ 39,972
State of California, Department of Education: Office of Child Development Child Development Programs	93.596 / 93.575	CCTR-5169	<u>271,434</u>	<u>359,952</u>	<u>631,386</u>	<u>254,336</u>	<u>347,960</u> **	<u>602,296</u>
Total Federal and State Awards			<u>\$ 311,406</u>	<u>\$ 359,952</u>	<u>\$ 671,358</u>	<u>\$ 294,308</u>	<u>\$ 347,960</u>	<u>\$ 642,268</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 *Uniform Guidance*, 2 CFR Part 200, Subpart F, *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, 2016

	<u>CCTR-5169</u>	<u>04321-CACFP 33-GM-CS</u>	<u>Total CDE Contracts</u>
Revenues			
Grants			
State Development of Education	\$ 586,995	\$ -	\$ 586,995
Child Care Food Program	-	39,972	39,972
Parent fees	14,572	-	14,572
Miscellaneous	729	-	729
	<u>602,296</u>	<u>39,972</u>	<u>642,268</u>
Total Revenues			
Expenditures			
Classified personnel salaries	316,486	-	316,486
Employee benefits	158,638	-	158,638
Books and supplies	46,013	-	46,013
Services other than operating expenses	37,922	39,972	77,894
Indirect costs	43,237	-	43,237
	<u>602,296</u>	<u>39,972</u>	<u>642,268</u>
Total Expenditures			
Change in fund balances	-	-	-
Fund Balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
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, 2016**

	<u>CCTR-5169</u>	<u>04321-CACFP 33-GM-CS</u>	<u>Total CDE Contracts</u>
Expenditures			
2000 Classified Salaries	\$ 316,486	\$ -	\$ 316,486
3000 Employee Benefits	158,638	-	158,638
4000 Books and Supplies	46,013	-	46,013
5000 Services and Other Operating Expenses	37,922	39,972	77,894
Indirect Costs	<u>43,237</u>	<u>-</u>	<u>43,237</u>
Total Expenditures Claimed for Reimbursement	<u>602,296</u>	<u>39,972</u>	<u>642,268</u>
Total Supplemental Expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 602,296</u>	<u>\$ 39,972</u>	<u>\$ 642,268</u>

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, 2016

	<u>CCTR-5169</u>	<u>04321-CACFP 33-GM-CS</u>	<u>Total CDE Contracts</u>
Schedule of Expenditure by State Categories (CDE)	\$ 602,296	\$ 39,972	\$ 642,268
Adjustment to Reconcile Differences in Reporting	-	-	-
Combining Statement of Activities (GAAP)	<u>\$ 602,296</u>	<u>\$ 39,972</u>	<u>\$ 642,268</u>

City of Moreno Valley
General Child Development Program Fund
Schedule of Reimbursable Expenditures for Renovations and Repairs
Year ended June 30, 2016

<u>Reimbursable Renovations and Repairs Expenditures</u>	<u>CCTR-5169</u>
None	\$ -
Total	<u>\$ -</u>

**City of Moreno Valley
General Child Development Program Fund
Schedule of Reimbursable Expenditures for Equipment
Year ended June 30, 2016**

<u>Reimbursable Equipment Expenditures</u>	<u>CCTR-5169</u>
None	\$ -
Total	<u>\$ -</u>

City of Moreno Valley
General Child Development Program Fund
Schedule of Reimbursable Expenditures for Administrative Costs
Year ended June 30, 2016

Reimbursable Administrative Costs	CCTR-5169
Classified Salaries and Benefits	\$ 46,034
Audit Services	5,255
Indirect Costs:	
Liability Insurance	19,866
Facility Charges	15,125
Technology Services	7,646
Administrative charge - Other post-employment Benefits	600
Total Indirect Costs	43,237
Total	\$ 94,526

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

Agency Name: CITY OF MORENO VALLEY Vendor No. 2186

Fiscal Year Ended: June 30, 2016 Contract No. CCTR-5169

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	6,005		6,005	1.000	6,005.000
Three-quarters-time	4,604		4,604	0.750	3,453.000
One-half-time	13,019		13,019	0.550	7,160.450
<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	23,628		23,628		16,618.450
DAYS OF OPERATION	250		250		
DAYS OF ATTENDANCE	23,628		23,628		

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, 2016 Contract No. CCTR-5169

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, 2016 Contract No. CCTR - 5169

	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	\$39,972		\$39,972
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$39,972	\$0	\$39,972
Transfer from Reserve Contract #			0
Contract #			0
Family Fees for Certificate			0
CCTR Program Contract # CCTR-5169	14,572		14,572
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	729		729
TOTAL REVENUE	\$55,273	\$0	\$55,273

SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>			
1000 Certificated Salaries			\$0
2000 Classified Salaries			0
3000 Employee Benefits	316,486		316,486
4000 Books and Supplies	158,759	(121)	158,638
5000 Services and Other Operating Expenses	44,062	1,951	46,013
6100/6200 Other Approved Capital Outlay	82,884	(4,990)	77,894
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. 8.00% (Rate is Self-Calculating)	48,175	(4,938)	43,237
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$650,366	(8,098)	642,268
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$97,555	(\$3,029)	94,526

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, 2016 Contract No. CCTR -5169

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE	AUDIT ADJUSTMENT	CUMULATIVE FISCAL
SECTION V - SUPPLEMENTAL REVENUE	FISCAL YEAR PER	INCREASE OR	YEAR PER AUDIT
	FORM CDES 9500	(DECREASE)	
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, 2016**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
July 2015									
Breakfast									
Full price/base rate	45	-	45	0.2900	\$ 13	0.000	\$ -	0.000	\$ -
Reduced price	203	-	203	1.3600	276	0.000	-	0.000	-
Free	840	-	840	1.6600	1,394	0.000	-	0.000	-
Lunch									
Full price/base rate	87	-	87	0.2900	25	0.000	-	0.2375	21
Reduced price	403	-	403	2.6700	1,076	0.000	-	0.2375	96
Free	1664	-	1,664	3.0700	5,108	0.000	-	0.2375	395
PM Snack									
Full price/base rate	84	-	84	0.0700	6	0.000	-	0.000	-
Reduced price	386	-	386	0.4200	162	0.000	-	0.000	-
Free	1,596	-	1,596	0.8400	1,341	0.000	-	0.000	-
					<u>9,402</u>		<u>-</u>		<u>512</u>
August 2015									
Breakfast									
Full price/base rate	13	-	13	0.2900	\$ 4	0.000	\$ -	0.000	\$ -
Reduced price	59	-	59	1.3600	80	0.000	-	0.000	-
Free	243	-	243	1.6600	403	0.000	-	0.000	-
Lunch									
Full price/base rate	24	-	24	0.2900	7	0.000	-	0.2375	6
Reduced price	113	-	113	2.6700	302	0.000	-	0.2375	27
Free	467	-	467	3.0700	1,434	0.000	-	0.2375	111
PM Snack									
Full price/base rate	74	-	74	0.0700	5	0.000	-	0.000	-
Reduced price	338	-	338	0.4200	142	0.000	-	0.000	-
Free	1,396	-	1,396	0.8400	1,173	0.000	-	0.000	-
					<u>3,550</u>		<u>-</u>		<u>143</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2016**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
September 2015									
Breakfast									
Full price/base rate	-	-	-	0.2900	\$ -	0.000	\$ -	0.000	\$ -
Reduced price	-	-	-	1.3600	-	0.000	-	0.000	-
Free	-	-	-	1.6600	-	0.000	-	0.000	-
Lunch									
Full price/base rate	-	-	-	0.2900	-	0.000	-	0.2375	-
Reduced price	-	-	-	2.6700	-	0.000	-	0.2375	-
Free	-	-	-	3.0700	-	0.000	-	0.2375	-
PM Snack									
Full price/base rate	78	-	78	0.0700	5	0.000	-	0.000	-
Reduced price	359	-	359	0.4200	151	0.000	-	0.000	-
Free	1,483	-	1,483	0.8400	1,246	0.000	-	0.000	-
					<u>1,402</u>		<u>-</u>		<u>0</u>
October 2015									
Breakfast									
Full price/base rate	1	-	1	0.2900	\$ 0	0.000	\$ -	0.000	\$ -
Reduced price	3	-	3	1.3600	4	0.000	-	0.000	-
Free	14	-	14	1.6600	23	0.000	-	0.000	-
Lunch									
Full price/base rate	2	-	2	0.2900	1	0.000	-	0.2375	0
Reduced price	7	-	7	2.6700	19	0.000	-	0.2375	2
Free	27	-	27	3.0700	83	0.000	-	0.2375	6
PM Snack									
Full price/base rate	99	-	99	0.0700	7	0.000	-	0.000	-
Reduced price	375	-	375	0.4200	158	0.000	-	0.000	-
Free	1,462	-	1,462	0.8400	1,228	0.000	-	0.000	-
					<u>1,522</u>		<u>-</u>		<u>9</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2016**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
November 2015									
Breakfast									
Full price/base rate	6	-	6	0.2900	\$ 2	0.000	\$ -	0.000	\$ -
Reduced price	23	-	23	1.3600	31	0.000	-	0.000	-
Free	89	-	89	1.6600	148	0.000	-	0.000	-
Lunch									
Full price/base rate	15	-	15	0.2900	4	0.000	-	0.2375	4
Reduced price	54	-	54	2.6700	144	0.000	-	0.2375	13
Free	212	-	212	3.0700	651	0.000	-	0.2375	50
PM Snack									
Full price/base rate	74	-	74	0.0700	5	0.000	-	0.000	-
Reduced price	278	-	278	0.4200	117	0.000	-	0.000	-
Free	1,084	-	1,084	0.8400	911	0.000	-	0.000	-
					<u>2,013</u>		<u>-</u>		<u>67</u>
December 2015									
Breakfast									
Full price/base rate	10	-	10	0.2900	\$ 3	0.000	\$ -	0.000	\$ -
Reduced price	38	-	38	1.3600	52	0.000	-	0.000	-
Free	149	-	149	1.6600	247	0.000	-	0.000	-
Lunch									
Full price/base rate	24	-	24	0.2900	7	0.000	-	0.2375	6
Reduced price	92	-	92	2.6700	246	0.000	-	0.2375	22
Free	358	-	358	3.0700	1,099	0.000	-	0.2375	85
PM Snack									
Full price/base rate	83	-	83	0.0700	6	0.000	-	0.000	-
Reduced price	317	-	317	0.4200	133	0.000	-	0.000	-
Free	1,234	-	1,234	0.8400	1,037	0.000	-	0.000	-
					<u>2,829</u>		<u>-</u>		<u>113</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2016**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
January 2016									
Breakfast									
Full price/base rate	5	-	5	0.2900	\$ 1	0.000	\$ -	0.000	\$ -
Reduced price	17	-	17	1.3600	23	0.000	-	0.000	-
Free	68	-	68	1.6600	113	0.000	-	0.000	-
Lunch									
Full price/base rate	11	-	11	0.2900	3	0.000	-	0.2375	3
Reduced price	41	-	41	2.6700	109	0.000	-	0.2375	10
Free	161	-	161	3.0700	494	0.000	-	0.2375	38
PM Snack									
Full price/base rate	84	-	84	0.0700	6	0.000	-	0.000	-
Reduced price	316	-	316	0.4200	133	0.000	-	0.000	-
Free	1,232	-	1,232	0.8400	1,035	0.000	-	0.000	-
					<u>1,918</u>		<u>-</u>		<u>51</u>
February 2016									
Breakfast									
Full price/base rate	1	-	1	0.2900	\$ 0	0.000	\$ -	0.000	\$ -
Reduced price	6	-	6	1.3600	8	0.000	-	0.000	-
Free	23	-	23	1.6600	38	0.000	-	0.000	-
Lunch									
Full price/base rate	4	-	4	0.2900	1	0.000	-	0.2375	1
Reduced price	13	-	13	2.6700	35	0.000	-	0.2375	3
Free	51	-	51	3.0700	157	0.000	-	0.2375	12
PM Snack									
Full price/base rate	93	-	93	0.0700	7	0.000	-	0.000	-
Reduced price	353	-	353	0.4200	148	0.000	-	0.000	-
Free	1,374	-	1,374	0.8400	1,154	0.000	-	0.000	-
					<u>1,548</u>		<u>-</u>		<u>16</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2016**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
March 2016									
Breakfast									
Full price/base rate	12	-	12	0.2900	\$ 3	0.000	\$ -	0.000	\$ -
Reduced price	47	-	47	1.3600	64	0.000	-	0.000	-
Free	183	-	183	1.6600	304	0.000	-	0.000	-
Lunch									
Full price/base rate	30	-	30	0.2900	9	0.000	-	0.2375	7
Reduced price	116	-	116	2.6700	310	0.000	-	0.2375	28
Free	450	-	450	3.0700	1,382	0.000	-	0.2375	107
PM Snack									
Full price/base rate	105	-	105	0.0700	7	0.000	-	0.000	-
Reduced price	398	-	398	0.4200	167	0.000	-	0.000	-
Free	1,552	-	1,552	0.8400	1,304	0.000	-	0.000	-
					<u>3,549</u>		<u>-</u>		<u>142</u>
April 2016									
Breakfast									
Full price/base rate	1	-	1	0.2900	\$ 0	0.000	\$ -	0.000	\$ -
Reduced price	7	-	7	1.3600	10	0.000	-	0.000	-
Free	26	-	26	1.6600	43	0.000	-	0.000	-
Lunch									
Full price/base rate	4	-	4	0.2900	1	0.000	-	0.2375	1
Reduced price	15	-	15	2.6700	40	0.000	-	0.2375	4
Free	60	-	60	3.0700	184	0.000	-	0.2375	14
PM Snack									
Full price/base rate	104	-	104	0.0700	7	0.000	-	0.000	-
Reduced price	394	-	394	0.4200	165	0.000	-	0.000	-
Free	1,536	-	1,536	0.8400	1,290	0.000	-	0.000	-
					<u>1,741</u>		<u>-</u>		<u>19</u>

**City of Moreno Valley
General Child Development Program Fund
Center Based Programs – Summary of Meals Reported
Year ended June 30, 2016**

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
May 2016									
Breakfast									
Full price/base rate	2	-	2	0.2900	\$ 1	0.000	\$ -	0.000	\$ -
Reduced price	10	-	10	1.3600	14	0.000	-	0.000	-
Free	33	-	33	1.6600	55	0.000	-	0.000	-
Lunch									
Full price/base rate	2	-	2	0.2900	1	0.000	-	0.2375	0
Reduced price	12	-	12	2.6700	32	0.000	-	0.2375	3
Free	40	-	40	3.0700	123	0.000	-	0.2375	10
PM Snack									
Full price/base rate	94	-	94	0.0700	7	0.000	-	0.000	-
Reduced price	470	-	470	0.4200	197	0.000	-	0.000	-
Free	1,580	-	1,580	0.8400	1,327	0.000	-	0.000	-
					<u>1,756</u>		<u>-</u>		<u>13</u>
June 2016									
Breakfast									
Full price/base rate	38	-	38	0.2900	\$ 11	0.000	\$ -	0.000	\$ -
Reduced price	189	-	189	1.3600	257	0.000	-	0.000	-
Free	635	-	635	1.6600	1,054	0.000	-	0.000	-
Lunch									
Full price/base rate	70	-	70	0.2900	20	0.000	-	0.2375	17
Reduced price	353	-	353	2.6700	943	0.000	-	0.2375	84
Free	1,186	-	1,186	3.0700	3,641	0.000	-	0.2375	282
PM Snack									
Full price/base rate	84	-	84	0.0700	6	0.000	-	0.000	-
Reduced price	415	-	415	0.4200	174	0.000	-	0.000	-
Free	1,395	-	1,395	0.8400	1,172	0.000	-	0.000	-
					<u>7,278</u>		<u>-</u>		<u>382</u>

**City of Moreno Valley
 General Child Development Program Fund
 Schedule of CCFP Reported, Adjusted and Allowed Enrollment
 Year ended June 30, 2016**

<u>Month</u>		<u>Total</u>	<u>Free</u>	<u>Reduced</u>	<u>Base</u>
July	Reported	123	95	23	5
	Allowed	0			
August	Reported	123	95	23	5
	Allowed	0			
September	Reported	123	95	23	5
	Allowed	0			
October	Reported	98	74	19	5
	Allowed	0			
November	Reported	98	74	19	5
	Allowed	0			
December	Reported	98	74	19	5
	Allowed	0			
January	Reported	98	74	19	5
	Allowed	0			
February	Reported	98	74	19	5
	Allowed	0			
March	Reported	98	74	19	5
	Allowed	0			
April	Reported	98	74	19	5
	Allowed	0			
May	Reported	114	84	25	5
	Allowed	0			
June	Reported	114	84	25	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, 2016, and the related notes to the financial statements, as listed in the table of contents, and have issued our report thereon dated November 4, 2016.

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 4, 2016**

**City of Moreno Valley
General Child Development Program Fund
Schedule of State Findings and Questioned Costs
Year ended June 30, 2016**

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, 2016

No findings or questioned costs were reported by the auditors of the General Child Development Program Fund for the year ended June 30, 2015.



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