

**HUMBOLDT STATE UNIVERSITY**  
**CHILDREN'S CENTER**

**REPORT ON EXAMINATION**  
**OF FINANCIAL STATEMENTS**  
**AND ADDITIONAL INFORMATION**

**YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for 2012)**

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December 5, 2013

Trustees of  
**Humboldt State University**  
Arcata, California

**INDEPENDENT AUDITORS' REPORT**

***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities of the **Humboldt State University Children's Center** (a program of Humboldt State University, an Agency of the State of California) as of and for the year ended June 30, 2013, and the related notes to the financial statements, as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Government's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Government's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the **Humboldt State University Children's Center**, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note A, the financial statements of **Humboldt State University Children's Center** are intended to present the financial position and the changes in financial position, and cash flows of only that portion of the business-type activities of Humboldt State University that is attributable to the transactions of the program. They do no purport to, and do not, present fairly the financial position of Humboldt State University, an agency of the State of California as of June 30, 2013 or the changes of its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the program's basic financial statements. The Schedule of Expenditures of Federal and State Awards and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### ***Other Reporting Required by Government Auditing Standards***

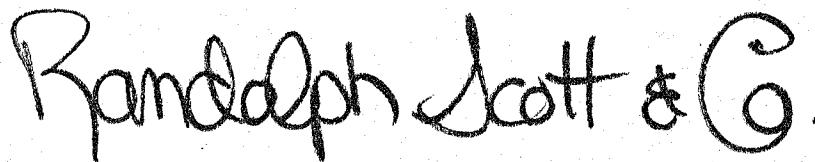
In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2013 on our consideration of **Humboldt State University Children's Center** (a program of Humboldt State University, an Agency of the State of California)'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

Trustees of  
**Humboldt State University**  
December 5, 2013

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Government's internal control over financial reporting and compliance.

***Report on Summarized Comparative Information***

We have previously audited **Humboldt State University Children's Center** (a program of Humboldt State University, an Agency of the State of California)'s June 30, 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Randolph Scott & Co." with a stylized flourish at the end of the "o" in "Co."

**Certified Public Accountants, Inc.**  
Novato, California

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**  
**(with Comparative totals for 2012)**

	<u>Business-Type Activities</u> <u>2013</u>	<u>Business-Type Activities</u> <u>2012</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 247,270	\$ 231,888
Receivables (Note B):		
Parent fees, net of allowance of \$0 and \$0 respectively.	30,740	20,181
Governments	52,340	10,346
Capital assets, net (Note C)	<u>124,786</u>	<u>2,571</u>
Total assets	<u>455,136</u>	<u>264,986</u>
<b>Liabilities:</b>		
Accounts payable	6,241	8,051
Due to funder	84,470	35,519
Unearned revenue	1,866	-
CDE Reserve (Note D)	<u>23,093</u>	<u>18,090</u>
Total liabilities	<u>115,670</u>	<u>61,660</u>
<b>Net Position:</b>		
Net investment in capital assets	124,786	2,571
Unrestricted	<u>214,680</u>	<u>200,755</u>
Total net position	<u>\$ 339,466</u>	<u>\$ 203,326</u>

The accompanying notes are an integral part of these financial statements.

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for 2012)**

	Program Revenues		Net Revenue / (Expenses) and Changes in Net Assets	
Functions/Programs	Charges for Services	Operating Grants and Contributions	Business- Activities 2013	Business- Activities 2012
	Expenses		Primary Govt.	
<b>Primary government:</b>				
<b>Business-type activities</b>				
Child care	\$ 903,092	\$ 295,789	\$ (3,705)	\$ 20,066
Child meals	35,667	35,667	-	-
Total business-type activities	938,759	639,265	(3,705)	20,066
Total primary government	\$ 938,759	\$ 639,265	\$ (3,705)	\$ 20,066
<b>General revenues:</b>				
Unrestricted investment earnings			1,971	1,602
Unrestricted donations			6,312	5,401
Miscellaneous revenue			9,348	1,371
Total general revenues			17,631	8,374
<b>Change in net position</b>			13,926	28,440
Additions to capital assets / direct charges (Note A)			130,000	-
Depreciation of capital assets / direct charges (Note A)			(7,786)	(1,286)
<b>Net position - beginning</b>			203,326	176,172
<b>Net position - ending</b>			\$ 339,466	\$ 203,326

The accompanying notes are an integral part of these financial statements.

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2013**  
**(With Comparative Totals For 2012)**

	Enterprise Funds	
	2013	2012
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 247,270	\$ 231,888
Receivables (Note B):		
Parent fees, net of allowance of \$0 and \$0	30,740	20,181
Other governments	52,340	10,346
Total current assets	330,350	262,415
Noncurrent assets:		
Capital assets:		
Property and equipment (Note C)	124,786	2,571
Total noncurrent assets	124,786	2,571
Total assets	\$ 455,136	\$ 264,986
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	\$ 6,241	\$ 8,051
Due to funder:	84,470	35,519
Unearned revenue:	1,866	-
CDE reserve (Note D)	23,093	18,090
Total current liabilities	115,670	61,660
<b>Net Position:</b>		
Net investment in capital assets	124,786	2,571
Unrestricted	214,680	200,755
Total net position	339,466	203,326
Total Liabilities and Net Position	\$ 455,136	\$ 264,986

The accompanying notes are an integral part of these financial statements.



**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for 2012)**

	Enterprise Funds	
	2013	2012
<b>Operating revenues:</b>		
Charges for service	\$ 295,789	\$ 205,914
Humboldt State University support	231,346	223,806
Total operating revenues	<u>527,135</u>	<u>429,720</u>
<b>Operating expenses:</b>		
Salaries and related expenses	784,281	692,823
Supplies	85,064	80,092
Repairs & improvements	5,995	14,320
Rent and occupancy	7,342	-
Insurance	3,828	3,791
Administration of Humboldt State University	20,900	21,000
Audit and consulting services	8,865	6,250
Travel	7,724	4,504
Other expenses	14,760	4,578
Total operating expenses	<u>938,759</u>	<u>827,358</u>
Operating (loss)	<u>(411,624)</u>	<u>(397,638)</u>
<b>Non-operating revenues (expenses)</b>		
Interest and investment income	1,971	1,602
State grants and contracts	204,695	249,994
Federal grants and contracts	203,224	167,710
Private source contributions	6,312	5,401
Miscellaneous revenue	9,348	1,371
Total non-operating revenue	<u>425,550</u>	<u>426,078</u>
Net income (loss) before transfers	13,926	28,440
Changes to net position:		
Additions to capital assets / direct charges (Note A)	130,000	0
Depreciation of capital assets / direct charges (Note A)	<u>(7,786)</u>	<u>(1,286)</u>
Change in net position	136,140	27,154
<b>Net position - beginning</b>	<u>203,326</u>	<u>176,172</u>
<b>Net position - ending</b>	<u>\$ 339,466</u>	<u>\$ 203,326</u>

The accompanying notes are an integral part of these financial statements.

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for 2012)**

	Enterprise Funds	
	2013	2012
<b>Cash flows from operating activities:</b>		
Receipts from parent fees	\$ 285,350	\$ 208,873
Receipts from child care food programs	32,088	33,954
Receipts from operating grants	565,063	621,344
Contribution receipts	15,660	6,772
Interest income	1,971	1,602
Payments for general child development	(849,082)	(777,041)
Payments for child care food	(35,667)	(35,081)
Net cash provided (used) by operating activities	15,383	60,423
<b>Cash flows from investing activities:</b>		
Equipment purchases, net of amounts charged to net position	-	-
Equipment removal	-	-
Net cash provided (used) by investing activities	-	-
<b>Cash flows from capital financing activities:</b>		
No activity	-	-
Net cash provided (used) by capital financing activities	-	-
Net increase in cash and cash equivalents	15,383	60,423
<b>Cash and cash equivalents - beginning of year</b>	231,887	171,465
<b>Cash and cash equivalents - end of year</b>	\$ 247,270	\$ 231,888
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Net income (loss) before transfers	\$ 13,926	\$ 28,440
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	7,786	1,286
Less depreciation charged to net position	(7,786)	(1,286)
(Increase) decrease in accounts receivable	(52,553)	16,747
Increase (decrease) in accounts payable	(1,810)	(11,641)
Increase (decrease) in due to California Dept. of Education	48,951	35,519
Increase (decrease) in unearned Revenue	1,866	-
Increase (decrease) in CDE reserve	5,003	(8,642)
Total adjustments	1,457	31,983
Net cash provided by operating activities	\$ 15,383	\$ 60,423

The accompanying notes are an integral part of these financial statements.

# HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for 2012)

### NOTE A - GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### General

The **Humboldt State University Children's Center** (HSUCC) is a campus-based child care facility located at Humboldt State University in Arcata, California. The organization is a program of the Humboldt State University (HSU) administration. HSUCC provides a child development program and a nutrition program, and serves the young children of HSU students, faculty and staff. The Children's Center also provides an instructional setting that allows students to work with children. HSUCC receives funds from the California Department of Education (CDE), HSU support, and parent fees. HSUCC is a program of Humboldt State University and therefore is a government entity.

Since this is a program-specific audit of one fund within a department of the University and not an audit of Humboldt State University as a whole, the required MD&A disclosure of a local government audit is not included so as to not be misleading to the reader.

#### Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) as applied to governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

#### Accrual Basis

The Organization maintains its accounting records on the accrual basis.

#### Fund Accounting

The organization's accounts are maintained on the basis of fund accounting through HSU as an Enterprise fund. This fund is considered a separate account entity for this reporting. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transaction related to specific HSUCC function or activities. The operation of the fund is accounted for within a set of self-balancing accounts.

#### Basis of Presentation

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the Children's Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

# HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for 2012)

### NOTE A - GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

#### Basis of Presentation - Continued

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statements of activities present a comparison between direct expenses and program revenues for each identified activity of the business-type, and for each function or program of the governmental activities of the Organization. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of services offered by the program and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program.

*Fund Financial Statements* - Fund financial statements report detailed information about the Organization. Their focus is on major funds rather than reporting funds by type. Each major governmental aid fund is presented in a separate column. And all non-major funds are aggregated into one column. The Organization consists solely of one major fund.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. Proprietary fund's operating statements present increases (e.g., revenues) and decreases (expenses) in net total assets.

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net position, and revenues and expenses for the reporting period. Actual results could differ from those estimates.

#### Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Both Government-wide and Fund financial statements are prepared using the accrual basis of accounting.

# HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for 2012)

### NOTE A - GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

#### Basis of Accounting – (Continued)

##### *Revenues, Exchange and Non-exchange Transactions*

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the organization receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met.

Revenues received under contracts from CDE are determined under a stipulated formula. The formula is applied as part of the required year-end audit procedures and the resultant computations determine whether money must be refunded to the state by the Organization.

##### *Expenditures / Expenses*

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on a flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred.

#### Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of their acquisition date. Not included as cash equivalents are funds restricted as to their use, regardless of liquidity or maturity dates of investments.

The Organization's cash funds are invested with other HSU cash funds in accordance with guidelines from the Office of the Chancellor of the California State University system. Income and/or gains and losses on investments are recognized quarterly by HSUCC when allocated by HSU.

#### Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of uninsured cash balances. The Organization places its cash deposits with Humboldt State University who then places them in high-credit quality financial institutions.

# HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for 2012)

### NOTE A - GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

#### Concentration of Credit Risk – (Continued)

At times, balances in the Organization's cash accounts may exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Organization did not have any uninsured balances as of June 30, 2013.

#### Concentration of Revenue Sources

During the year ended June 30, 2013, the Organization had two major revenue sources that accounted for approximately 59% of the total revenue of the Organization. The California Department of Education accounted for approximately 39%, while Humboldt State University accounted for approximately 20% of the total revenue.

#### Fair Values of Financial Instruments

The following methods and assumptions were used to estimate the fair value of financial instruments:

*Cash and cash equivalents:* The carrying amount reported in the statement of net position for cash and cash equivalents approximates its fair value.

*Funding receivable and Unearned Revenue:* The carrying amounts of funding receivable and unearned revenue in the balance sheet approximates fair value.

#### Capital Assets and Depreciation

The Organization records purchased property and equipment at cost, and donated fixed assets at fair market value on the date received. Capital Assets purchased in connection with the restricted funds of the California Department of Education (CDE) are expensed during the grant period. These purchases are also capitalized in the equipment fund, and depreciated over their useful lives. Depreciation is shown as a reduction to the restricted fund balance. Retirements are reflected as decreases to the furniture and equipment account, with a corresponding reduction in the restricted fund balance. In accordance with funding terms and conditions, title to those assets is retained by the State.

As further discussed in Note C, property and equipment not purchased with grant funds are depreciated by the straight-line method over the estimated useful lives of the respective assets. The capital asset balance presented in the statement of net position consists of assets with a value of \$5,000 or more.

# HUMOBLDT STATE UNIVERSITY CHILDREN'S CENTER

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for 2012)

### NOTE A - GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

#### Accrued Liabilities and Long-Term Debt

All accrued liabilities are reported in the government-wide financial statements as well as the proprietary fund financial statements. For governmental fund financial statements, the accrued liabilities are generally reported as governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. When applicable, long-term debt paid from governmental funds, are not recognized as a liability in the fund financial statements until due.

#### Receivables

Receivables at June 30, 2013 consisted of parent fees, state meal reimbursement and general child care grant reimbursement. Parent fee receivables are reflected on the statement of net assets net of allowances for doubtful accounts. The allowance for doubtful receivables is determined based upon an annual review of account balances, including the age of the balance. See Note B for further detail of receivables.

#### Allocation of Expenses

Administrative expenses (except where noted below) are charged to specific operating programs using estimated percentages. These percentages are based on time and effort studies performed by management. In general, other administrative expenses such as rent, maintenance, equipment, supplies, and travel, are charged as actual costs to the appropriate programs.

#### Accounting in Accordance with ASC 958-605

To be consistent with the financial reporting of Humboldt State University, the Organization (a program of HSU) has elected not to follow Financial Accounting Standards Board ASC 958-605, *Accounting for Contributions Received and Contributions Made*, which requires an organization to report contribution when they are received. If the Organization did elect to follow ASC 958-605, the Organization's Temporarily Restricted Net Assets would be zero.

#### Summarized Financial Information For 2012:

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

**HUMOBLDT STATE UNIVERSITY CHILDREN'S CENTER**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for 2012)**

**NOTE B –RECEIVABLES**

At June 30, 2013, accounts receivable consisted of the following:

Governments:		
CDE Grants Receivable and other	\$	44,275
Child and Adult Care Food Program		7,065
Head Start, pass-through funding		1,000
Subtotal Governments Receivable		<u>52,340</u>
Parent Fees		<u>30,740</u>
Total Receivables	\$	<u><u>83,080</u></u>

**NOTE C – CAPITAL ASSETS**

At June 30, 2013, equipment consisted of the following:

	<u>Cost /</u> <u>Basis</u>	<u>Accum.</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>
Building	\$ 130,000	\$ 6,500	\$ 123,500
Equipment	<u>20,238</u>	<u>18,952</u>	<u>1,286</u>
	<u><u>\$ 150,238</u></u>	<u><u>\$ 25,452</u></u>	<u><u>\$ 124,786</u></u>

For the year ended June 30, 2013, depreciation expense charged directly to restricted net position was \$7,786.

**NOTE D – CDE RESERVE**

Child development contractors with the California Department of Education (CDE) are allowed, with prior CDE approval, to maintain a reserve account from earned but unexpended child development contract funds. Transfers from a reserve account are considered restricted income for child development programs, but may be applied to any of the contracts that are eligible to contribute to that particular program type.

HSUCC maintains a reserve account for Center Based contracts, and funds are deposited into an interest bearing account. The reserve account balance at June 30, 2013 was \$23,093, which is recorded as an asset in the cash account. Also, upon termination of all child development center-based contracts with CDE, HSUCC would have to return the reserve funds to CDE, so the reserve account is recorded as a liability in the amount of \$23,093.



**HUMOBOLDT STATE UNIVERSITY CHILDREN'S CENTER**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for 2012)**

**NOTE E – HUMBOLDT STATE UNIVERSITY SUPPORT**

The following is a schedule of contributions made to the Organization from Humboldt State University:

Unrestricted:		
HSU General Fund Support	\$	194,892
HSU Associated Student Body		<u>36,454</u>
	\$	<u><u>231,346</u></u>

As noted above, HSU provides facilities and communications for use by HSUCC. The support is calculated by applying a fee based on the square footage of facilities provided by the University. In addition, HSU also provides monetary assistance with salaries, benefits and other operating expenses. The amounts are shown as off-setting support and expense on the Statements of Activities.

**NOTE F – NUTRITION**

HSUCC had a nutrition agreement with CDE for Child and Adult Care Food Programs, as reported in the *Schedule of Expenditures of Federal and State Awards*. However, no nutrition audit report schedules are included in the audit because (1) the audit disclosed no nutrition overpayments, underpayments, or program findings; (2) the contractor did not request reimbursement of audit costs; and (3) the audit is not a program-specific nutrition audit.

**NOTE G - COMMITMENT AND CONTINGENCY**

**Commitment**

The Organization conducts its operations on property owned by the HSU. Facility costs of rent, utilities and custodial services for the administrative services of the Children's Center are paid for by the University's general fund. Future lease commitment to the University in excess of one year is as follows:

Year ending:		
June 30, 2014	\$	12,300
June 30, 2015		2,050
	\$	<u><u>14,350</u></u>

**HUMOBLDT STATE UNIVERSITY CHILDREN'S CENTER**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2013**  
**(With Comparative Totals for 2012)**

**NOTE G - COMMITMENT AND CONTINGENCY – (Continued)**

**Contingency**

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grants. The Organizations management is of the opinion that the organization has complied with the terms of all grants.

The Organization has evaluated their financial position and activities from the June 30, 2013 year end of this report through December 5, 2013 which is the date that the financial statements were available to be issued. No material subsequent event items that required recognition or disclosure were identified.

ADDITIONAL INFORMATION

**HUMBOLDT STATE UNIVERSITY**  
**CHILDREN'S CENTER**  
**SCHEDULE OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2013**

Grantor / Pass-Through Grantor / or Program Title	Federal CFDA Number	Entity Identifying Number	Grant Award Amount		Total	Revenue Earned / Expenditures		
			Federal	State		Federal	State	Total
<b>U.S. Department of Health &amp; Human Services:</b>								
<u>Pass-Through Program From:</u>								
<u>California Department of Education-</u>								
General Child Care Center	93.596 / 93.575	CCTR - 1049	\$ 122,621	\$ 99,447	\$ 222,068	\$ 94,452	\$ 76,601	\$ 171,053
Facilities Renovation and Repair	--	CRPM - 1013	-	8,374	8,374	-	-	-
Facilities Renovation and Repair	--	CRPM - 2019	-	19,449	19,449	-	2,997	2,997
California State Preschool	93.596 / 93.575	CSPP - 1101	44,426	142,867	187,293	38,900	125,097	163,997
<u>Northcoast Children's Services Inc-</u>								
Head Start	93.600	09CH0054/35	34,205	-	34,205	34,205	-	34,205
<b>Total U. S. Department of Health &amp; Human Services</b>			<b>\$ 201,252</b>	<b>\$ 270,137</b>	<b>\$ 471,389</b>	<b>\$ 167,557</b>	<b>\$ 204,695</b>	<b>\$ 372,252</b>
<b>U.S. Department of Agriculture:</b>								
<u>Pass-Through Program From:</u>								
<u>California Department of Education-</u>								
Child Care Food Program - Center Based	10.558	12-1221-OA	\$ 35,667	\$ -	\$ 35,667	\$ 35,667	\$ -	\$ 35,667
<b>Total U. S. Department of Agriculture</b>			<b>\$ 35,667</b>	<b>\$ -</b>	<b>\$ 35,667</b>	<b>\$ 35,667</b>	<b>\$ -</b>	<b>\$ 35,667</b>
<b>Total Federal and State Awards</b>			<b>\$ 236,919</b>	<b>\$ 270,137</b>	<b>\$ 507,056</b>	<b>\$ 203,224</b>	<b>\$ 204,695</b>	<b>\$ 407,919</b>

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Humboldt State University Childrens Center, and is presented on the accrual basis of accounting. The Federal 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER  
COMBINING STATEMENT OF ACTIVITIES BY PROGRAM  
YEAR ENDED JUNE 30, 2013**

	California Department of Education			University & Other Support	Total 2013
	Children's Center	CRPM-1013	CRPM-2019		
<b>Revenues:</b>					
California Dept. of Education - Child Development	\$ 335,050	\$	2,997	\$	338,047
California Dept. of Education - Food Program	35,667				35,667
Head Start support	34,205				34,205
Grant income - other	36,102			195,244	231,346
Donations and support				6,312	6,312
Charges for service	295,789			219	295,789
Interest income	1,752			9,348	1,971
Other					9,348
Total revenues	738,565	0	2,997	211,123	952,685
<b>Expenditures</b>					
Salaries and related expenses	589,445			194,836	784,281
Supplies	84,990			74	85,064
Repairs & improvements	899		2,997	2,099	5,995
Rent and occupancy	7,342				7,342
Insurance	3,828				3,828
Administration of Humboldt State University	20,900				20,900
Audit and consulting services	8,865			2,712	8,865
Travel	5,012			674	7,724
Other expenses	14,086				14,760
Total expenditures	735,367	0	2,997	200,395	938,759
Change in net position	3,198	0	0	10,728	13,926
Changes to net position:					
Transfers					0
Additions to capital assets / direct charges				130,000	130,000
Depreciation of capital assets / direct charges				(7,786)	(7,786)
<b>Net position - beginning</b>	28,440	0	0	174,886	203,326
<b>Net position - ending</b>	\$ 31,638	\$ 0	\$ 0	\$ 177,828	\$ 339,466



**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**

December 5, 2013

Trustees of  
**Humboldt State University**  
Arcata, California

**Independent Auditors' Report**

We have audited, 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, the financial statements of **Humboldt State University Children's Center (HSUCC)**; a program of Humboldt State University, which comprise the statement of net position as of June 30, 2013, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **HSUCC's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **HSUCC's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **HSUCC'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 misstatement on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important 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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined previously. However, material weaknesses may exist that we have not identified.

**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***

**Compliance and Other Matters**

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

**Purpose of this Report**

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



**Certified Public Accountants, Inc.  
Novato, California**

**SUPPLEMENTAL REPORTING REQUIREMENTS  
FOR THE CALIFORNIA DEPARTMENT OF EDUCATION**



**HUMBOLDT STATE UNIVERSITY CHILDREN CENTER**

**GENERAL INFORMATION**

**YEAR ENDED JUNE 30, 2013**

Agency Name: Humboldt State University Children's Center

Address of Agency: 1 Harpst Street  
Arcata, CA 95521

Type of Agency: A program of Humboldt State University

California Department of Education,  
Project Numbers: CCTR-2048 General Child Care and Dev  
CRPM-1013 Facilities Renovation and Repair  
CRPM-2019 Facilities Renovation and Repair  
CSPP-2099 California State Preschool

Executive Director: Susan Rosen

Report Period: Fiscal Year Ended June 30, 2013

Schedule of Daily Hours: 7:30 a.m. to 5:30 p.m.

Number of Days Operation: Various

CALIFORNIA DEPARTMENT OF EDUCATION  
HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER  
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES  
YEAR ENDED JUNE 30, 2013

	General Center CCTR-2048 & State Preschool CSPP - 2099	Facilities Renovation & Repair CRPM - 1013	Facilities Renovation & Repair CRPM - 2019	Non-CDE Humboldt University Support	Total Expenditures Children's Center
Direct Payments to Providers	\$	\$	\$	\$	\$
1000 Certified Salaries	299,433				299,433
2000 Classified Salaries	158,918			103,850	262,768
3000 Employee Benefits	131,094			90,986	222,080
4000 Books and Supplies	84,990			74	85,064
5000 Services / Other					
6000 Operating Expenses	60,932		2,997	5,485	69,414
Capital Outlay					
Depreciation					
Start-Up					
Indirect Costs					
<b>Total Expenses Claimed for Reimbursement</b>	<u>735,367</u>	-	2,997	200,395	938,759
Supplemental expenses					
<b>TOTAL EXPENDITURES</b>	<u>\$ 735,367</u>	<u>\$ -</u>	<u>\$ 2,997</u>	<u>\$ 200,395</u>	<u>\$ 938,759</u>

NOTE: 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.

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**  
**SCHEDULE OF EQUIPMENT EXPENDITURES AND**  
**SCHEDULE OF EXPENDITURES FOR BUILDINGS AND IMPROVEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**Equipment**

**UNIT COST UNDER \$7,500 PER ITEM -**

None.

**UNIT COST OVER \$7,500 PER ITEM**  
**WITH PRIOR WRITTEN APPROVAL -**

None.

**UNIT COST OVER \$7,500 PER ITEM**  
**WITHOUT PRIOR WRITTEN APPROVAL -**

None.

**TOTAL EQUIPMENT EXPENDITURES** \$           -

**Buildings & Improvements**

**UNIT COST UNDER \$10,000 PER ITEM-**

None.

**UNIT COST OVER \$10,000 PER ITEM**  
**WITH PRIOR WRITTEN APPROVAL -**

None

**UNIT COST OVER \$10,000 PER ITEM**  
**WITHOUT PRIOR WRITTEN APPROVAL -**

None.

**TOTAL BUILDING & IMPROVEMENTS** \$           -

NOTE: Agency's Capitalization Threshold is \$5,000.

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**

**COMBINING SCHEDULE OF ADMINISTRATIVE COSTS**  
**RELATING TO CALIFORNIA DEPARTMENT OF EDUCATION PROGRAMS**

**FOR THE YEAR ENDED JUNE 30, 2013**

General Center CCTR-2048 & State Preschool CSP - 2099
---

Salaries and Benefits	\$	52,938
Insurance		3,828
Audit Fee		6,700
Business Service Fee		20,900
<i>Total Administrative Costs</i>	\$	<u>84,366</u>

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

Agency Name: Humboldt State University Children's Center Vendor No. 12 - 3060

Fiscal Year Ended: June 30, 2013 Contract No. CCTR - 2048

Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

SECTION I - CERTIFIED CHILDREN OF ENROLLMENT	DAYS	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		201		201	1.700	341.700
Three-quarters-time		17		17	1.275	21.675
One-half-time		124		124	0.935	115.940
<i>FCCH Infants (up to 18 months)</i>						
Full-time plus		-		-	1.652	-
Full-time		-		-	1.400	-
Three-quarters-time		-		-	1.050	-
One-half-time		-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>						
Full-time-plus		-		-	1.652	-
Full-time		2,711		2,711	1.400	3,795.400
Three-quarters-time		731		731	1.050	767.550
On-half-time		198		198	0.770	152.460
<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		34		34	1.100	37.400
Three-quarters-time		-		-	0.825	-
One-half-time		-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>						
Full-time-plus		-		-	1.298	-
Full-time		-		-	1.100	-
Three-quarters-time		-		-	0.825	-
One-half-time		-		-	0.605	-
<i>Severely Disabled</i>						
Full-time-plus		-		-	1.770	-
Full-time		-		-	1.500	-
Three-quarters-time		-		-	1.125	-
One-half-time		-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>		4,016	-	4,016		5,232.125
<b>DAYS OF OPERATION</b>		218	-	218		
<b>DAYS OF ATTENDANCE</b>		3,942	-	3,942		

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

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

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

Agency Name: Humboldt State University Children's Center

Vendor No. 12 - 3060

Fiscal Year Ended: June 30, 2013

Contract No. CCTR - 2048

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. <b>DAYS OF ENROLLMENT</b>	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	189		189	1.700	321.300
Three-quarters-time	80		80	1.275	102.000
One-half-time	120		120	0.935	112.200
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	2,134		2,134	1.400	2,987.600
Three-quarters-time	326		326	1.050	342.300
On-half-time	521		521	0.770	401.170
<i>Three Years and Older</i>					
Full-time-plus	-		-	1.180	-
Full-time	-		-	1.000	-
Three-quarters-time	-		-	0.750	-
One-half-time	-		-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>3,370</b>	<b>-</b>	<b>3,370</b>		<b>4,266.570</b>

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







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

Agency Name: Humboldt State University Children's Center Vendor No. 12 - 3060

Fiscal Year Ended: June 30, 2013 Contract No. CSPP - 2099

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. <b>DAYS OF ENROLLMENT</b>	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.1800	-
Full-time	2,582		2,582	1.0000	2,582.000
Three-quarters-time	1,789		1,789	0.7500	1,341.750
One-half-time	596		596	0.6172	367.851
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	-		-	0.9000	-
One-half-time	-		-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6172	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>4,967</b>	<b>-</b>	<b>4,967</b>		<b>4,291.601</b>

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

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

Agency Name: Humboldt State University Children's Center Vendor No. 12 - 3060

Fiscal Year End: June 30, 2013 Contract No. CCTR - 2048

Insert Any Commingled Contract No. CSPP - 2099

SECTION III - REVENUE	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$32,201	\$3,466	\$35,667
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify): Head Start		34,205	34,205
<b>Subtotal</b>	\$32,201	\$37,671	\$69,872
Transfer from Reserve			0
Contract #			0
Family Fees for Certified Children	7,075		7,075
Contract # CCTR - 2048			
	14,451		14,451
Contract # CSPP - 2099			
Interest Earned on Apportionments	1,904	(152)	1,752
Contract # CCTR - 2048			
	0		0
Contract # CSPP - 2099			
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children	274,265	(2)	274,263
Other (Specify):			0
<b>TOTAL REVENUE</b>	\$329,896	\$37,517	\$367,413

**SECTION IV - REIMBURSABLE EXPENSES**

<i>Direct Payments to Providers (FCCH Only)</i>	\$0	\$0	\$0
1000 Certificated Salaries	299,433		299,433
2000 Classified Salaries	262,768	(103,850)	158,918
3000 Employee Benefits	222,361	(91,267)	131,094
4000 Books and Supplies	84,629	361	84,990
5000 Services and Other Operating Expenses	67,321	(6,389)	60,932
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			0
Contract #			0
Contract #			0
Indirect Costs. Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$936,512	(\$201,145)	\$735,367
<b>TOTAL ADMINISTRATIVE COSTS</b> (included in section IV above)	\$121,220	\$0	\$121,220

FOR CDE-A&I USE ONLY:

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

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

YES

NO - Explain any discrepancies.

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

YES

NO - Explain any discrepancies.

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

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

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

Agency Name: Humboldt State University Children's Center Vendor No. 12 - 3060  
 Fiscal Year End: June 30, 2013 Contract No. CRPM - 1013  
 Contract Term From: 7/1/2011 To: 6/30/2014  
 Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

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

<b>SECTION II - REIMBURSABLE EXPENSES</b>				
1000 Certificated Salaries	\$0	\$0	\$0	\$0
2000 Classified Salaries				0
3000 Employee Benefits				0
4000 Books and Supplies				0
5000 Services and Other Operating Expenses	8,374			8,374
6100/6200 Other Approved Capital Outlay				0
6400 New Equipment (program-related)				0
6500 Replacement Equipment (program-related)				0
Depreciation or Use Allowance				0
<b>NONREIMBURSABLE EXPENSES</b>				
6100-6500 Nonreimbursable Capital Outlay				0
Other (Specify):				0
				0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT (Subsidized and Nonsubsidized)</b>	<b>\$8,374</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,374</b>
<b>FOR CDE-A&amp;I USE ONLY:</b>				

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

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

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

Agency Name: Humboldt State University Children's Center Vendor No. 12 - 3060  
 Fiscal Year End: June 30, 2013 Contract No. CRPM - 2019  
 Contract Term From: 7/1/2012 To: 630/2015  
 Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

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

<b>SECTION II - REIMBURSABLE EXPENSES</b>				
1000 Certificated Salaries	\$0	\$0	\$0	\$0
2000 Classified Salaries				0
3000 Employee Benefits				0
4000 Books and Supplies				0
5000 Services and Other Operating Expenses		2,997		2,997
6100/6200 Other Approved Capital Outlay				0
6400 New Equipment (program-related)				0
6500 Replacement Equipment (program-related)				0
Depreciation or Use Allowance				0
<b>NONREIMBURSABLE EXPENSES</b>				
6100-6500 Nonreimbursable Capital Outlay				0
Other (Specify):				0
				0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT (Subsidized and Nonsubsidized)</b>	\$0	\$2,997	\$0	\$2,997
<b>FOR CDE-A&amp;I USE ONLY:</b>				

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

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

## AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: Humboldt State University Children's Center

Fiscal Year End: June 30, 2013

Vendor No. 12 - 3060

Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

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

**LAST YEAR:**

<b>1. Beginning Balance</b> (must equal ending balance from Last Year's AUD 9530-A)	\$18,090	\$0	\$18,090
<b>2. Plus Transfers from Contracts to Reserve Account</b> (based on last year's post-audit CDFS 9530, Section IV):			
Contract No. <span style="float: right;">CCTR - 1049</span>	\$0	\$4,851	\$4,851
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred from Contracts to Reserve Account	0	4,851	4,851
<b>3. Less Excess Reserve to be Billed</b> (enter as a positive amount any excess amount calculated by CDFS on last year's post-audit CDFS 9530)	\$0		\$0
<b>4. Ending Balance on Last Year's Post-Audit CDFS 9530</b>	\$18,090	\$4,851	\$22,941

**THIS YEAR:**

<b>5. Plus Interest Earned This Year on Reserve Funds</b> (column A must agree with this year's CDFS 9530-A, Section II)	\$152	\$0	\$152
<b>6. Less Transfers to Contracts from Reserve Account</b> (column A amounts must agree with this year's CDFS 9530-A, Section III; and column C amounts must be reported on this year's AUD forms for respective contracts):			
Contract No.	\$0	\$0	\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Contracts from Reserve Account	0	0	0
<b>7. Ending Balance on June 30, 2013</b> (column A must agree with this year's CDFS 9530-A, Section IV)	\$18,242	\$4,851	\$23,093

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

## HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER

### NOTES TO SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2013

#### NOTE A – STATE CLAIMS

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under this contract to the extent considered necessary to assure ourselves that the amounts claimed by the agency were proper.

#### NOTE B – ATTENDANCE RECORDS

Attendance records are being maintained in accordance with the requirements of the California State Department of Education, Child Development Division. The original supporting records that substantiate child attendance, including sign-in and sign-out sheets and daily attendance records, agree with the child attendance data reported for apportionment purposes.

Sample Results:

1. The audit sample results indicated that the subsidized families are charged approximately the same fees for service as the non-subsidized families.
2. From our sample of children's files, and CD-9400's, we considered that parent fees are assessed correctly and collected and recorded properly.
3. We found nothing in our sample to indicate that support services to subsidized children and their families, as needed pursuant to the funding terms and conditions, were not available.

#### NOTE C – DAYS OF OPERATION

During the 2012-2013 fiscal year, Humboldt State University Children's Center was operational 218 days for the General Center Child Care and the State Preschool.

#### NOTE D – AUDIT COSTS

Humboldt State University Children's Center accrued audit costs of \$6,700 for the fiscal year ended June 30, 2013.

**HUMBOLDT STATE UNIVERSITY CHILDREN'S CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

**SECTION I: SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- |   |       |     |       |   |    |
|---|-------|-----|-------|---|----|
| * Material weakness(es) identified?                     | _____ | yes | _____ | X | no |
| * Significant deficiency(ies) identified?               | _____ | yes | _____ | X | no |
| * Noncompliance material to financial statements noted? | _____ | yes | _____ | X | no |

Programs Subjected to Audit Procedures as Major Program  
None.

**SECTION II: FINANCIAL STATEMENTS FINDINGS**

PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS  
None.

SIGNIFICANT DEFICIENCY(IES)  
None.

SIGNIFICANT DEFICIENCY(IES) – MATERIAL WEAKNESSES  
None.