

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**MONTE VISTA CHILD CARE CENTER, INC.  
RANCHO CUCAMONGA, CALIFORNIA**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

**Audits Section—Rancho Cucamonga  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Julio M. Cueto  
Audit Supervisor: Lucia Martinez  
Auditor: Richard Cruz**



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

July 16, 2013

David Hooyenga, President  
Monte Vista Child Care Center, Inc.  
13342 Victoria Street  
Rancho Cucamonga, CA 91739

MONTE VISTA CHILD CARE CENTER, INC.  
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2011. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Comparison of Reported and Audited Home Office Cost represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Comparison of Reported and Audited Home Office Cost and supporting schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

David Hooyenga  
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If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief  
Audits Section—Rancho Cucamonga  
Financial Audits Branch

Certified

cc: Samantha A. Parola, CPA  
Wiebe & Associates  
377 N. Central Avenue  
Upland, CA 91786

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**COMPARISON OF REPORTED AND AUDITED  
HOME OFFICE COST**

HOME OFFICE:  
MONTE VISTA CHILD CARE CENTER, INC

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	NPI 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
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(From Sch 2, Col 6) (Col 5 - Col 4)

1. Turquoise	1164558714	12/31/11	\$54,836	\$60,168	\$5,332
2. Jasper	1164558714	12/31/11	55,251	60,583	5,332
3. Victoria	1164558714	12/31/11	50,726	55,437	4,711
4. Beechwood	1164558714	12/31/11	54,813	60,145	5,332
5. Realitos	1164558714	12/31/11	52,621	57,629	5,008
6. Oaks	1164558714	12/31/11	51,069	55,879	4,810
7. N. Grove	1164558714	12/31/11	54,337	59,669	5,332
8. Columbine	1164558714	12/31/11	47,514	51,942	4,428
9.				0	0
10.				0	0
11.				0	0
12.				0	0
13.				0	0
14.				0	0
15.				0	0
16.				0	0
17.				0	0
18.				0	0
19.				0	0
20.				0	0
21.				0	0
22.				0	0
23.				0	0
24.				0	0
25.				0	0

**TOTALS**

	\$421,167	\$461,451	\$40,285
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## SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:  
MONTE VISTA CHILD CARE CENTER, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	NPI 2	FISCAL YEAR END 3	DIRECT EXPENSES 4	POOLED EXPENSES 5	TOTAL DIRECT & POOLED FACILITY EXPENSE 6
			(From Sch 4)	(From Sch 3)	(Col 4 + Col 5)
1. Turquoise	1164558714	12/31/11	\$7,226	\$52,942	\$60,168
2. Jasper	1164558714	12/31/11	7,641	52,942	60,583
3. Victoria	1164558714	12/31/11	8,660	46,777	55,437
4. Beechwood	1164558714	12/31/11	7,203	52,942	60,145
5. Realitos	1164558714	12/31/11	7,902	49,727	57,629
6. Oaks	1164558714	12/31/11	8,111	47,768	55,879
7. N. Grove	1164558714	12/31/11	6,727	52,942	59,669
8. Columbine	1164558714	12/31/11	7,969	43,973	51,942
9.			0	0	0
10.			0	0	0
11.			0	0	0
12.			0	0	0
13.			0	0	0
14.			0	0	0
15.			0	0	0
16.			0	0	0
17.			0	0	0
18.			0	0	0
19.			0	0	0
20.			0	0	0
21.			0	0	0
22.			0	0	0
23.			0	0	0
24.			0	0	0
25.			0	0	0
<b>TOTALS</b>			<b>\$61,439</b>	<b>\$400,012</b>	<b>\$461,451</b>
					(To Sch 1)

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:  
MONTE VISTA CHILD CARE CENTER, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY 1	Allocation Statistics Base: Accumulated Cost 2	Percent 3	Allocation Pool Expenses 4
Program Services (Adj)	100 %	100.0000%	\$400,012
Nonprogram Services (Adj)		0.0000%	0
TOTAL	100 %	100.0000%	\$400,012

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	NPI	Audit Adjustment	Allocation Statistic: (Client Days)	Allocated Pool Expense (Col 3 X UCM)
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1. Turquoise	1164558714		2,190	\$52,942
2. Jasper	1164558714		2,190	52,942
3. Victoria	1164558714		1,935	46,777
4. Beechwood	1164558714		2,190	52,942
5. Realitos	1164558714		2,057	49,727
6. Oaks	1164558714		1,976	47,768
7. N. Grove	1164558714		2,190	52,942
8. Columbine	1164558714		1,819	43,973
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0

TOTALS

16,547 \$400,012

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Client Days)	24.174291
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:  
MONTE VISTA CHILD CARE CENTER, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	NPI	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			3	4	5	6	
1. Turquoise	1164558714	\$7,226	\$0	\$0	\$0	\$0	\$7,226
2. Jasper	1164558714	7,641	0	0	0	0	7,641
3. Victoria	1164558714	8,660	0	0	0	0	8,660
4. Beechwood	1164558714	7,203	0	0	0	0	7,203
5. Realitos	1164558714	7,902	0	0	0	0	7,902
6. Oaks	1164558714	8,111	0	0	0	0	8,111
7. N. Grove	1164558714	6,727	0	0	0	0	6,727
8. Columbine	1164558714	7,969	0	0	0	0	7,969
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
21.		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
<b>TOTALS</b>		<b>\$61,439</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,439</b>

(To Sch 2)

## STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:  
MONTE VISTA CHILD CARE CENTER, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

ACCOUNT DESCRIPTION 1	REPORTED POOLED COSTS 2	COST AUDIT ADJUSTMENTS 3	POOLED COST SUBTOTAL 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adjs 1-8)	(Col 2 + Col 3)		(Col 4 - Col 5)
1. Salaries-Officers	\$72,000	(\$3,000)	\$69,000		\$69,000
2. Salaries-Other	32,809	2,520	35,329		35,329
3. Payroll Taxes	8,642		8,642		8,642
4. Employee Benefits	7,410	480	7,890		7,890
5. Travel			0		0
6. Entertainment			0		0
7. Automobile	50,783		50,783		50,783
8. Depreciation-Building			0		0
9. Depreciation-Equipment	16,265		16,265		16,265
10. Other Depreciation and Amortization	939		939		939
11. Leases and Rentals	245		245		245
12. Interest-Mortgages	3,838	42,350	46,188		46,188
13. Interest-Other	4,832		4,832		4,832
14. Taxes and Licenses	2,831	(1,274)	1,557		1,557
15. Legal and Accounting	60,940		60,940		60,940
16. Insurance	5,064		5,064		5,064
17. Telephone	11,328		11,328		11,328
18. Utilities	3,731		3,731		3,731
19. Office Supplies	9,689	(1,766)	7,923		7,923
20. Nonprogram			0		0
21. Other-			0		0
22. Advertising and Public Relations			0		0
23. Dues and Subscriptions	3,484	(763)	2,721		2,721
24. Printing and Other Office	2,695	(816)	1,879		1,879
25. Other Professional Services	41,318	(400)	40,918		40,918
26.			0		0
27. Interest Income			0		0
28. Miscellaneous Income			0		0
29. Other Liability Insurance	15,852	2,954	18,806		18,806
30. Miscellaneous Expense-Non-Patient			0		0
31. Seminars	329		329		329
32. Repairs and Maintenance	4,703		4,703		4,703
33. Bad Debts			0		0
34.			0		0
<b>TOTAL EXPENSES</b>	<b>\$359,727</b>	<b>\$40,285</b>	<b>\$400,012</b>	<b>\$0</b>	<b>\$400,012</b>
				(To Sch 4)	(To Sch 3)

Provider Name							Fiscal Period	Provider NPI		Adjustments	
MONTE VISTA CHILD CARE CENTER, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	HOME OFFICE		8	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3099 Page or Exhibit	Line	Col.	Sch.	Line	Col					
<b>ADJUSTMENTS TO REPORTED COSTS</b>											
1	2	1	6	5	1	3	Salaries - Officers	\$72,000	(\$3,000)	\$69,000	
	2	2	6	5	2	3	Salaries - Other	32,809	2,520	35,329	
	2	4	6	5	4	3	Employee Benefits	7,410	480	7,890	
							To reconcile the reported expenses to agree with the provider's trial balance. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
2	2	12	6	5	12	3	Interest - Mortgages	\$3,838	\$42,350	\$46,188	
							To include mortgage interest expense and the costs associated with refinancing since the costs were reported at the facility level. 42 CFR 413.20, 413.24, and 413.153 CMS Pub. 15-1, Sections 202.2, 2300, and 2304				
3	2	14	6	5	14	3	Taxes and Licenses	\$2,831	(\$1,274)	\$1,557	
							To adjust property tax expense to agree with the auditor's findings. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
4	2	19	6	5	19	3	Office Supplies	\$9,689	(\$1,766)	\$7,923	
							To eliminate reclassification of payroll check expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)				
5	2	23	6	5	23	3	Dues and Subscriptions	\$3,484	(\$763)	\$2,721	
							To eliminate political contributions/lobby fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2139, 2300, and 2304				

Provider Name							Fiscal Period			Provider NPI		Adjustments
MONTE VISTA CHILD CARE CENTER, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			HOME OFFICE		8
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Cost Report			Audit Report								
	DHS 3099 Page or Exhibit	Line	Col.	Sch.	Line	Col						
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>												
6	2	24	6	5	24	3	Printing and Other Office To eliminate insufficient fund bank fees not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$2,695	(\$816)	\$1,879		
7	2	25	6	5	25	3	Other Professional Services To adjust California Long Term Care Billing expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306	\$41,318	(\$400)	\$40,918		
8	2	29	6	5	29	3	Other Liability Insurance To adjust insurance expenses to agree with the provider's insurance policy documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$15,852	\$2,954	\$18,806		