

**APPEAL RECOMPUTATION
OF THE
AUDIT REPORT**

**MOUNTAIN VIEW CHILD CARE, INC.
LOMA LINDA, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

**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: Edward Walker Jr.**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 12, 2013

Cynthia Capetillo
Chief Financial Officer
Mountain View Child Care, Inc.
1720 Mountain View Avenue
Loma Linda, CA 92354

In the Matter of:

MOUNTAIN VIEW CHILD CARE, INC.
HOME OFFICE
FISCAL PERIOD ENDED DECEMBER 31, 2010
CASE NUMBERS: NF13-1210-221J-PW AND NF13-1210-222J-PW

The Comparison of Reported and Audited Home Office Cost and supporting schedules in the above matter have been revised pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated on April 30, 2013.

Enclosed are the following:

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

The revised home office cost will be incorporated, by separate adjustment, into each applicable facility's revised schedules.

Original Signed By

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

TABLE OF CONTENTS

SCHEDULES

- 1 - COMPARISON OF AUDITED AND REVISED HOME OFFICE COST**
- 2 - SUMMARY OF DIRECT AND ALLOCATED POOL COST**
- 3 - ALLOCATION OF POOLED EXPENSES**
- 4 - DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS**
- 5 - STATEMENT OF REIMBURSABLE COSTS**

COMPARISON OF AUDITED AND REVISED
HOME OFFICE COST

HOME OFFICE:
MOUNTAIN VIEW CHILD CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

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

1. Totally Kids	1437149556	12/31/10	\$1,555,132	\$1,562,165	\$7,033
2. Circlebrook	1669509402	12/31/10	123,408	123,961	553
3. Kidship	1265569354	12/31/10	102,014	102,536	522
4. Sun Valley Totally Kids	1669462784	12/31/10	1,285,517	1,292,276	6,759
5.				0	0
6.				0	0
7.				0	0
8.				0	0
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

\$3,066,070	\$3,080,937	\$14,867
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SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:
MOUNTAIN VIEW CHILD CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

CHAIN COMPONENTS 1	PROVIDER 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. Totally Kids	1437149556	12/31/10	\$407,275	\$1,154,890	\$1,562,165
2. Circlebrook	1669509402	12/31/10	33,113	90,848	123,961
3. Kidship	1265569354	12/31/10	16,266	86,270	102,536
4. Sun Valley Totally Kids	1669462784	12/31/10	182,366	1,109,910	1,292,276
5.			0	0	0
6.			0	0	0
7.			0	0	0
8.			0	0	0
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
TOTALS			<u>\$639,020</u>	<u>\$2,441,917</u>	<u>\$3,080,937</u>
			(To Sch 1)		

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:
MOUNTAIN VIEW CHILD CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY 1	Allocation Statistics Base: Accumulated Cost 2	Percent 3	Allocation Pool Expenses 4
Program Services (Rev)	\$21,964,850	100.0000%	\$2,441,917
Nonprogram Services (Rev)		0.0000%	0
TOTAL	\$21,964,850	100.0000%	\$2,441,917

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	PROVIDER NPI	Audit Revision	Allocation Statistic: (Accum Cost)	Allocated Pool Expense (Col 3 X UCM)
1. Totally Kids	1437149556		10,388,129	\$1,154,890
2. Circlebrook	1669509402		817,167	90,848
3. Kidship	1265569354		776,017	86,270
4. Sun Valley Totally Kids	1669462784		9,983,537	1,109,910
5.				0
6.				0
7.				0
8.				0
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

21,964,850 \$2,441,917

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	0.111174
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:
MOUNTAIN VIEW CHILD CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

CHAIN COMPONENTS 1	PROVIDER NPI	AUDITED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				REVISED TOTAL 7
			3	4	5	6	
1. Totally Kids	1437149556	\$407,275	\$0	\$0	\$0	\$0	\$407,275
2. Circlebrook	1669509402	33,113	0	0	0	0	33,113
3. Kidship	1265569354	16,266	0	0	0	0	16,266
4. Sun Valley Totally Kids	1669462784	182,366	0	0	0	0	182,366
5.		0	0	0	0	0	0
6.		0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
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
TOTALS		\$639,020	\$0	\$0	\$0	\$0	\$639,020

(To Sch 2)

STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:
MOUNTAIN VIEW CHILD CARE, INC.FISCAL PERIOD ENDED:
DECEMBER 31, 2010

ACCOUNT DESCRIPTION 1	AUDITED POOLED COSTS 2	COST REVISIONS 3	POOLED COST SUBTOTAL 4	DIRECT COST 5	REVISED POOLED COSTS 6
		(Revs 1,2,3)	(Col 2 + Col 3)		(Col 4 - Col 5)
1. Salary Regional	\$379,821		\$379,821		\$379,821
2. Salary-Others	408,198		408,198		408,198
3. Payroll Taxes	83,703		83,703		83,703
4. Employee Benefits	701,538		701,538		701,538
5. Travel	5,576		5,576		5,576
6. Entertainment			0		0
7. Automobile	3,820		3,820		3,820
8. Depreciation-Building			0		0
9. Depreciation-Equipment			0		0
10. Other Depreciation and Amortization			0		0
11. Leases and Rentals	12,280		12,280		12,280
12. Interest-Mortgage			0		0
13. Interest-Other	308,548		308,548		308,548
14. Taxes and Licenses	10,234		10,234		10,234
15. Legal and Accounting	99,276	14,867	114,143		114,143
16. Insurance	0		0		0
17. Telephone	31,562		31,562		31,562
18. Utilities			0		0
19. Office Supplies	59,080		59,080		59,080
20. Nonprogram			0		0
21. Printing and Forms	115		115		115
22. Plant Operations			0		0
23. Housekeeping			0		0
24. Dietary			0		0
25. Social Services			0		0
26. Professional Services	105,244		105,244		105,244
27. Minor Equipment/Repairs	1,129		1,129		1,129
28. Employee Recruitment	1,349		1,349		1,349
29. Fines and Penalties			0		0
30. Conferences	5,104		5,104		5,104
31. Prior Year Income/Expense			0		0
32. Net Transportation			0		0
33. Maintenance Contracts			0		0
34. Contract Labor			0		0
35. Dues and Subscriptions	10,148		10,148		10,148
36. Donations			0		0
37. Bank Charges	200,326		200,326		200,326
38. Other Income	0		0		0
TOTAL EXPENSES	\$2,427,050	\$14,867	\$2,441,917	\$0	\$2,441,917
				(To Sch 4)	(To Sch 3)

Provider Name				Fiscal Period			Provider NPI		Revisions	
MOUNTAIN VIEW CHILD CARE, INC.				JANUARY 1, 2010 THROUGH DECEMBER 31, 2010			HOME OFFICE		3	
Report References							Explanation of Revisions	As Audited	Increase (Decrease)	As Revised
Audit Report			Revised Report							
Rev. No.	Sch.	Line	Col.	Sch.	Line	Col.				
<u>REVISIONS TO AUDITED COSTS</u>										
	5	15	6	5	15	6	Legal and Accounting	\$99,276		
1							Revision to adjustment 9. To reverse the accounting fee adjustment based upon the Appeals' Report of Findings, Issue 1.		\$3,090	
2							Revision to adjustment 10. To reverse the legal expense adjustment based upon the Appeals' Report of Findings, Issue 2.		6,777	
3							Revision to adjustment 11. To reverse the legal expense adjustment based upon the Appeals' Report of Findings, Issue 3.		<u>5,000</u> \$14,867	\$114,143