

REPORT PACKAGE COVER PAGE

**R. GONZALEZ MANAGEMENT, INC.,
LOSANGELES, CALIFORNIA**

**COMPLIANCE ATTESTATION EXAMINATION
OF THE TITLE IV STUDENT FINANCIAL ASSISTANCE PROGRAMS**

FOR THE FISCAL YEAR ENDING JUNE 30, 2013

**BARRY GLASSER & COMPANY
A Professional Accountancy Corporation**

AUDITOR INFORMATION SHEET

NAME OF INSTITUTION: R. Gonzalez Management, Inc.

INSTITUTIONAL ADDRESS: 3560 S. La Cienega Blvd. Ste G
Los Angeles, California 90016

EIN NUMBER: 953400055

DUNS NUMBER: 021854765

TEL.NO. (323) 730-8700

FAX.NO. (323) 730-8701

OWNER: Rafael Gonzalez

CONTACT PERSON & TITLE: Rafael Gonzalez, President

LEAD AUDITOR: Prema Thavamani

EMAIL ADDRESS: BGLASSER@PACBELL.NET

HOME STATE LICENSE: 15755

FIRM'S NAME: BARRY GLASSER & COMPANY
ADDRESS: 30423 Canwood Street Suite # 218
Agoura Hills, CA 91301

TEL. NO. 818-874-9940 FAX NO. 818-874-9945

**REPORT ON COMPLIANCE WITH SPECIFIED
REQUIREMENTS APPLICABLE TO THE SFA PROGRAMS**

Independent Auditor's Report

Board of Directors
R. Gonzalez Management, Inc.
Los Angeles, California

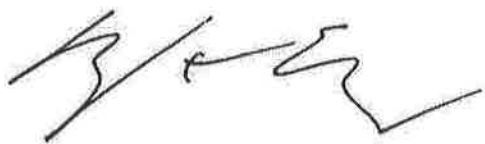
We have examined management assertions that R. Gonzalez Management, Inc. (Institution) complied with the specified compliance requirements regarding Institutional Eligibility and Participation, Reporting including: Reporting of the Fiscal Operations Report and Application to Participate (FISAP), GAPS Reporting, Pell Direct Loan COD, and Student Status Confirmation Reports (SSCR), Student Eligibility, Disbursements, Refunds/Return of Title IV Funds, GAPS and Cash Management, Perkins Loans, Administrative Capability, Close Outs (when applicable), Servicer Eligibility, and Servicer's Systems and Internal Control listed in Section IV of the U.S. Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institution and Institution Servicers*, relative to participation in the Federal Student Assistance Programs during the year ended June 30, 2013. Management is responsible for the Institution's compliance with those requirements. Our responsibility is to express an opinion on the Institution's compliance based on our examination.

Our examination was made in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and the Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institution and Institution Servicers*, issued by the U.S. Department of Education, Office of the Inspector General, [2000 Revision] and accordingly, included examining, on a test basis, evidence about the Institution's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Institution's compliance with specified requirements.

In our opinion, R. Gonzalez Management, Inc. complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2013.

This report is intended for use of the audit committee, management, the independent auditors of its customers, and the U.S. Department of Education and is not intended to be and should not be used by anyone other than these specified parties

Barry Glasser & Company

A handwritten signature in black ink, appearing to read 'B. Glasser', with a stylized, sweeping flourish at the end.

Agoura Hills, California
July 30, 2013

SERVICER INFORMATION SHEET

R. Gonzalez Management Inc.
3560 S. La Cienega Blvd. Ste G
Los Angeles, CA 90016
Tel No. (213) 730-8700
Fax No. (213) 730-8701
Rafael Gonzalez
President and Contact Person

Lead Auditor	Barry Glasser
Firms' Name	Barry Glasser & Company
Address	30423 Canwood St. Suite 218 Agoura Hills, CA 91301
Tel No.	(818) 874-9940
Fax No.	(818) 874-9945

Division of Responsibility for Compliance Requirements

Compliance Requirement	Responsibility of the Institution	Responsibility of RGM	Explanation of Divided Responsibility
I. Computer operations			
A. Terminal and software security	X	X	(a)
B. Data integrity	X	X	(a)
C. System and data backup	X	X	(a)
D. Disaster recovery plan	X	X	(a)
II. Cash management			
A. Drawdowns	X	X	(a)
B. Authorization vs. expenditures	X	X	(a)
C. Reconcile G/L to bank	X	X	(a)
D. Bank Account notes federal funds	X		
III. Financial reports			
A. FISAP	X	X	(a)
B. GAPS	X	X	(a)
C. Pell Direct Loan COD	X	X	(a)

Compliance Requirement	Responsibility of the Institution	Responsibility of RGM	Explanation of Divided Responsibility
IV. Institution eligibility			
A. Participation agreement/ECAR	X		
B. Accreditation status	X		
C. Admissions policy	X		
D. Eligible programs	X		
E. Calculation of institution eligibility ratios	X		
F. Licensure	X		
G. Administrative capability Items	X		
V. Students eligibility			
A. High school diploma or equivalent or ability to benefit	X	X	(a)
B. Regularly enrolled in eligible program	X	X	(a) (1)
C. Citizen or permanent resident	X	X	(a)
D. Satisfactory progress	X	X	(a) (2)
E. Default/refund status	X	X	(a)
F. Social Security number match requirements	X	X	(a)
G. Other requirements	X	X	(a)
VI. Coordination of programs			
A. Financial aid organization	X	X	(a)
B. Other information available	X	X	(a)
C. Needs analysis	X	X	(a)
D. Professional judgment documentation	X		
VII. Administrative capability			
A. Student file maintenance	X		
B. Record retention	X		
C. Verification	X		
VIII .Disbursements			
A. Financial aid transcripts/NSLDS information	X	X	(a)
B. Independent/Dependent status determination	X	X	(a)
C. Timing and amount of disbursements	X	X	(a)
IX. Refunds or overpayments			
A. Refund Policy	X		
B. Return of Title IV calculations	X	X	(a)
C. Refund calculations	X	X	(a)
D. Overpayment calculations	X	X	(a)
E. Disbursement and account for refunds/overpayments	X	X	(a)

Compliance Requirement	Responsibility of the Institution	Responsibility of RGM	Explanation of Divided Responsibility
X. Institutional disclosure			
A. Accuracy of institutional data	X		
B. Disclosure to students	X		
XI. Pell grant			
A. Types of expenditures allowed	X	X	(a)
B. Program performance			
1. Calculation and disbursement of award	X	X	(a)
2. Timing of payment; cutoff dates for receipts of ISARs	X	X	(a)
C. Financial reports	X	X	(a)
XII. Campus-based programs (general)			
A. Types of expenditures allowed			
1. Program expenditures	X	X	(a)
2. Administrative cost allowance	X	X	(a)
B. Program performance			
1. Accuracy of FISAP data	X	X	(a)
2. System of need analysis, etc.	X	X	(a)
XIII. Campus-based programs (Perkins)			
A. Type of expenditures allowed	X	X	(a)
B. Matching	X	X	(a)
C. Program Performance			
1. Student eligibility	X	X	(a)
2. Approved promissory note	X		
3. Due diligence	X	X	(a)
4. Repayment records	X	X	(a)
D. Special compliance requirements			
1. Minimum cash balance; cash planning	X	X	(a)
2. Treatment of interest earned on Perkins loan balance	X	X	(a)
XIV. Campus-based programs (FSEOG)			
A. Eligible expenditures	X	X	(a)
B. Matching	X	X	(a)
C. Selection of students for FSEOG awards	X		

Compliance Requirement	Responsibility of the Institution	Responsibility of RGM	Explanation of Divided Responsibility
XV. Campus-based programs (FWS)			
A. Types of expenditures and employment allowed	X		
1. Types of employment allowed			
2. Types of expenditures	X	X	(a)
B. Matching	X	X	(a)
C. Program performance			
1. Selection of students for employment	X		
2. Approval of time sheets and payments for students	X		
D. Special compliance requirements			
1. JLD and CSJLD programs	X		
2. CS programs (7% minimum)	X		
3. Tutoring and reading	X		
XVI. Federal Family Educational Loan (FFEL)			
A. Program performance			
1a. Determination of eligibility	X	X	(a)
1b. Completion of application	X		
2. Default reduction	X		
3. Entrance and exit counseling	X		
4. Loan disbursement	X		
5. EFT roster reconciliation	X		
6. Eligibility for disbursement	X		
B. Status reporting			
1. Receipt and match of SSCR/NSLDS		X	
2. Change in enrollment status	X		
C. Special compliance requirements			
1. Refund policy	X		
2. Refunds to lenders	X		
XVII. Federal Direct student Loan Program (FDLP)			
A. Program performance			
1. Determination of eligibility	X	X	(a)
2. Entrance and exit counseling	X	X	(a)
3. Exporting and importing electronic files to/from the LOC	X		
4. Loan disbursements	X	X	(a)
5. Monthly data matching including:			
1. Loan and cash detail records	X	X	(a)
2. Summary Records	X	X	(a)
B. FDLP status reporting			
1. Receipt and match of SSCR/NSLDS		X	
2. Update data in enrollment status	X		

(a) RGM provides software to its customers accessible through the internet, to its main frame and web systems. The institutions enter data into the system. The software verifies that the data element is present and that it meets Federal guidelines; however, the institution is making the determination that the data is correct and properly documented at the institution's location.

(1) RGM clients determine which programs are eligible.

(2) RGM clients establish satisfactory progress policies and maintain academic records. Clients input students' grades and attendance from its records and the software applies the appropriate standards in determining student eligibility.

R. Gonzalez Management, Inc.

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

POPULATION:

NUMBER OF SCHOOLS

100

NUMBER OF PERKINS SCHOOLS

2

SAMPLE

NUMBER OF SFA SCHOOLS

10

SFA ACCOUNTS REVIEWED

100

NUMBER OF PERKINS SCHOOLS

1

PERKINS ACCOUNTS REVIEWED

23**

*****All accounts in portfolio tested. Prior years of testing have resulted in no exceptions and since there have been no procedural changes, the sample is deemed sufficient.***

There are no exceptions during the current audit period.

There are no prior findings.