

**STATE OF NEW JERSEY**  
**DEPARTMENT OF EDUCATION**  
**OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE**

**PATERSON INTERNAL AUDIT UNIT**  
**EL MUNDO DE COLORES AND EL MUNDO DEL NINO**  
**FISCAL YEAR 2016-2017**  
**APRIL 2018**

**NEW JERSEY DEPARTMENT OF EDUCATION  
PATERSON INTERNAL AUDIT UNIT  
EL MUNDO DE COLORES AND EL MUNDO DEL NINO  
FISCAL YEAR 2016-2017**

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**NEW JERSEY DEPARTMENT OF EDUCATION  
PATERSON INTERNAL AUDIT UNIT  
EL MUNDO DE COLORES AND EL MUNDO DEL NINO  
FISCAL YEAR 2016-2017**

**EXECUTIVE SUMMARY**

The Paterson Internal Audit Unit conducted an audit of El Mundo De Colores and El Mundo Del Nino (provider), a provider participating in the New Jersey Department of Education (NJDOE) Preschool Education Program, for compliance with the terms of the contract for FY 2016-2017.

As a result of the audit, the following deficiencies were noted:

- The provider did not follow the approved budget. As a result, the provider owes the district a balance of \$111,312.50.
- The auditors noted minor unallowable expenditures.
- The auditors noted minor accounting irregularities.
- The auditors noted minor deficiencies in the review of required staff credentials.

**AUDIT SCOPE**

The Paterson Internal Audit Unit reviewed the financial records and supporting documentation in accordance with the executed contract for the provider for the period July 2016 through June 2017. During this period, funds were allocated based on a presumptive budget submitted by the provider and approved by the district. The NJDOE budget should reflect actual costs based on a six hour and 55 minute day and 185 day school year. Additional funds were given to the provider to operate a 15 day summer enrichment program during the month of July 2016.

The audit scope included detailed testing to determine whether or not:

- The provider had a current license.
- The NJDOE employees had criminal history record information results, child abuse record information results, Mantoux Tuberculosis test results, and applicable credentials on file. The contract requires the provider to provide proof to the district, prior to the commencement of the program, each individual employed by the contracted childcare center has had a criminal history background check and said check indicates that no criminal history record information exists on file in either the Identification Division of the Federal Bureau of Investigation or the State Bureau of Identification, which would disqualify said employee from employment pursuant to law, or the check reveals a disqualifying offense and the individual has demonstrated rehabilitation.
- The provider properly filed federal and state tax returns.
- The provider maintained a financial system that provided timely, accurate, current and complete disclosure of all financial activities related to the NJDOE agreement.

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- The provider properly handled cash receipts and disbursements; and completed year-end bank reconciliation for each account handling NJDOE funding.
- The provider maintained the proper insurance as required by the contract.
- The provider submitted the proper supporting documentation with the quarterly expenditure reports.

**EL MUNDO DE COLORES AND EL MUNDO DEL NINO**

El Mundo De Colores (EMDC) and El Mundo Del Nino (EMDN) are nonprofit childcare centers providing services to the children of Paterson, New Jersey. The provider is affiliated with the Catholic Family and Community Services, a community based organization that was established to perform charity work on behalf of the Roman Catholic Diocese of Paterson. EMDC is located at 44 Ward Street and EMDN is located at 433 Main Street in Paterson. The provider was budgeted to serve a combined total of 225 NJDOE children for FY 2016-2017 with the approved budget for EMDC of \$1,780,544 and for EMDN of \$1,610,019, for a combined total of \$3,390,563.

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**Finding 1: The provider under spent the NJDOE Preschool Education approved budget. As a result, the provider owes the district a balance of \$111,312.50**

The NJDOE funds the six hour and 55 minute educational component of the preschool program and the Department of Human Services (DHS) funds the wraparound component.

The Statement of Assurance signed by the director of the childcare center certifies the expenditure report is accurate and complete with all supporting documentation. The provider shall submit all supporting documentation including receipts for all expenditures related to the NJDOE with each quarterly expenditure report. The District Department of Early Childhood Education (district) shall, based on their review of the quarterly expenditure reports, make prorated adjustments to subsequent monthly payments through the duration of the NJDOE contract.

Based on the results of this audit, the provider under spent the approved budget for EMDC by \$50,344.27 and EMDN by \$60,968.23 (see exhibit A).

**Recommendation:**

The auditors recommend the district recovers \$111,312.50 from this provider.

**Finding 2: The auditors noted several unallowable expenditures**

The auditors noted unallowable expenditures. Examples include the following:

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- A \$670 charge to Field Trip w/Transportation incorrectly charged to the expenditure report.
- CARI fees totaling \$370 for EMDC and \$60 for EMDN charged to office materials and supplies.
- Provider paid state sales tax totaling \$131.09 on four occasions from two different vendors. The provider is a tax exempt entity and therefore should not pay any tax on expenses related to the NJDOE program.
- A \$172 charge to Office Materials and Supplies for staff lunch. Entertainment expenses, outside of food for meetings, are specifically disallowed in the guidance.
- A family worker whose last day of work was June 30, 2016 was paid her vacation days totaling \$5,252.78 in July of 2016. The charge is for the prior fiscal year (FY 2015-2016).

Per the Private Provider Expenditure Guidance for School Year 2016-2017, the providers may request to allocate funding for particularized needs under the category of Other Approved Budgeted Costs. In this line, providers may expense the cost of Child Abuse Record Information (CARI) background checks. Since the provider did not make this request, auditors did not allow the CARI fees noted above.

**Recommendation:**

The auditors recommend the provider enhances its current financial management system in order to correct the finding noted above. The provider should only charge allowable costs to the NJDOE program. In the future, the provider should request funding for CARI fees when their license is up for renewal.

**Finding 3: The auditors noted minor accounting irregularities**

The auditors noted minor accounting irregularities including:

- The provider incorrectly charged expenses totaling \$1,467.76 for EMDC to building grounds/maintenance/repair from Grovo Learning. The charges are for platform licenses for online training. Furthermore, the provider charged the same expenses to Office Materials and Supplies for EMDN.
- The provider counted wrap-around payments made to one family worker and one floating assistant teacher on the expenditure report. Wrap-around payments represent salary for hours outside of the NJDOE program. The total included for the family worker is \$170.72 and for the floating assistant teacher is \$84.09.
- Charges for alarms/monitoring were not consistently charged to the same account.
- Expenditures were charged to the incorrect line item. One example was a \$1,079.20 charged to Classroom Technology for accounting software. A charge of

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\$205.00 for boiler troubleshooting was charged to Office Equipment/Repair. Auditors moved the expenditures to the correct line item.

**Recommendation:**

The auditors recommend the provider enhances its current financial management system in order to ensure that expenses are correctly and consistently charged to the correct account.

**Finding 4: The auditors noted minor deficiencies in the review of required staff credentials**

In accordance with the 2016-2017 NJDOE Preschool contract, providers must obtain the appropriate credential documentation, Mantoux Tuberculosis test results, a child abuse record information background check and a criminal history record information fingerprint background check for all staff members who will be working at the center on a regularly scheduled basis in order to secure a new or renewal license. Staff members whose duties require contact with children for at least 20 percent of the center's weekly operating hours shall take a TB skin test.

The auditors reviewed the personnel files for 59 NJDOE employees employed by the provider during the audit period of July 2016 to June 2017, and found the following deficiencies:

- A TB test result for a substitute teacher who started working as of May 2017 was not on file during the audit period FY 2016-2017. The provider instructed the employee to be retested and provided the auditors with the TB result with a date of March of 2018.
- A CHRI background check result was not on file for a teacher who worked for two weeks during the start of the school year. Upon request to the Central Fingerprint Unit, results were received in a letter dated March 15, 2018.


**Recommendation:**

The auditors recommend that the provider ensures that all required documentation is on file.

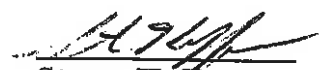
**Auditor:**

**Janeth Molina**

**Submitted by:**

  
**Daniel Sackner**  
**Supervising Auditor**

**Approved by:**

  
**Steven Hoffmann**  
**Director, State-  
Operated Audit Unit**

EL MUNDO DE COLORES  
BUDGET VS. ACTUAL  
2016/2017 FISCAL YEAR

Expense	FTE/ Quantity	Unit Cost/ Average Unit Cost	DOE Share of Costs in Contracted Classrooms	Total Cost	TRANSFER	ADJUSTED BUDGET	TOTAL EXP PER PROVIDER	BUDGET VARIANCE	PER PROVIDER TO BE RECLAIMED	YTD TOTAL PER AUDITORS	BUDGET MINUS YTD PER AUDITORS	VARIANCE- AMOUNT DUE BACK
<b>EDUCATIONAL PROGRAM COSTS</b>												
Teacher Salary	8.00	\$52,278	100.00%	\$418,223		418,223.00	400,953.00	17,270.00	17,270.00	400,513.08	17,709.92	17,709.92
Teacher Assistant Salary	8.00	\$27,695	100.00%	\$221,081		221,081.00	228,357.00	(7,276.00)	-	221,081.00	-	-
Floating Teacher Assistant Salary	1.33	\$90,911	100.00%	\$41,112		41,111.63	41,135.00	(23.37)	-	40,495.85	611.77	611.77
Teacher/Assistant Teacher Benefits	17.33	\$15,003	100.00%	\$260,004		260,004.13	258,247.00	1,757.13	1,757.13	259,020.98	6,983.15	6,983.15
Substitute Teacher Stipend	8.00	\$1,100	100.00%	\$8,800		8,800.00	8,199.00	601.00	601.00	6,600.00	2,200.00	2,200.00
Substitute Assistant Teacher Stipend	9.33	\$1,100	100.00%	\$10,263		10,263.00	6,188.00	4,075.00	4,075.00	7,700.00	2,563.00	2,563.00
Classroom Materials and Supplies	8.00	\$1,500	100.00%	\$12,000	(3,200.00)	8,800.00	8,310.00	490.00	490.00	8,310.13	489.87	489.87
Classroom Technology	8.00	\$800	100.00%	\$5,400	3,200.00	9,600.00	9,638.00	(38.00)	-	7,974.43	1,625.57	1,625.57
Field Trips w/ Transportation	120.00	\$55	100.00%	\$10,200		10,200.00	8,428.00	1,772.00	1,772.00	7,758.25	2,441.75	2,441.75
Family Worker Salary	1.60	\$32,043	100.00%	\$51,268		51,268.06	60,210.00	(8,941.94)	-	51,268.06	(0.00)	-
Family Worker Benefits	1.60	\$12,408	100.00%	\$19,852		19,852.20	22,236.00	(2,383.80)	-	19,852.20	(0.00)	-
<b>Expense</b>												
<b>Total Cost</b>												
<b>Food-Related Costs (CACEP participants, non-reimbursable costs)</b>												
Food (for contracted preschool children only)		\$10,701	100.00%	\$10,701		10,700.72	11,204.00	(503.28)	-	10,700.72	-	-
Food Worker Salary (cook)	1.00	\$30,463	83.33%	\$25,386		25,386.10	29,842.00	(3,455.90)	-	25,386.10	-	-
Food Worker Benefits (cook)	1.00	\$1,029	83.33%	\$858		857.54	918.00	(60.46)	-	857.54	0.00	0.00
<b>Employer Payroll Taxes (for Educational Program Positions only)</b>												
Social Security (6.20%)				\$48,120		48,120.23	47,981.00	139.23	139.23			
Medicare (1.45%)				\$11,254		11,253.95	11,221.00	32.95	32.95			
Unemployment (2.80%)				\$21,732		21,731.72	21,668.00	62.72	62.72			
Disability (0.50%)				\$3,881		3,880.66	3,869.00	11.66	11.66			
<b>SUBTOTAL Educational Program Costs</b>				<b>\$1,181,134</b>		<b>1,181,133.92</b>	<b>1,177,605.00</b>	<b>3,528.92</b>	<b>26,211.67</b>	<b>1,149,642.62</b>	<b>38,091.30</b>	<b>38,091.30</b>
<b>Expense</b>												
<b>Total Cost</b>												
<b>ADMINISTRATIVE SUPPORT AND INDIRECT COSTS</b>												
<b>SUPPORT COSTS</b>												
Director Salary	1.00	\$85,276	83.33%	71,063		71,063.40	75,658.00	(4,594.60)	-	71,063.40	-	-
Director Benefits	1.00	\$18,121	83.33%	\$15,101		15,100.79	15,088.00	17.79	17.79	15,083.50	17.29	17.29
Clerical Salary	1.00	\$39,486	83.33%	27,905		27,904.65	54,357.00	(26,452.35)	-	27,904.65	-	-
Clerical Benefits	1.00	\$12,621	83.33%	\$10,517		10,517.10	13,203.00	(2,685.90)	-	10,517.10	(0.00)	-

EL MUNDO DE COLORES  
BUDGET VS. ACTUAL  
2016/207 FISCAL YEAR

Expense	FTE/ Quantity	Unit Cost / Average Unit Cost	DOE Share of Costs in Contracted Classrooms	Total Cost	TRANSFER	ADJUSTED MIDOE BUDGET	TOTAL EXP PER PROVIDER	BUDGET VARIANCE	PER PROVIDER TO BE RECLAIMED	YTD TOTAL PER AUDITORS	BUDGET MINUS YTD PER AUDITORS	VARIANCE- AMOUNT DUE BACK
Custodian Salary	1.34	\$30,529	83.33%	34,090		34,090.44	37,607.00	(3,516.56)	-	34,090.44	(0.00)	-
Custodian Benefits	1.00	\$9,378	83.33%	\$7,815		7,815.26	8,600.00	(784.74)	-	7,815.26	0.00	0.00
Security Guard Salary	1.00	\$18,387	83.33%	15,322		15,322.10	17,331.00	(2,008.90)	-	15,322.10	-	-
Security Guard Benefits	1.00	\$9,543	83.33%	\$7,953		7,952.61	7,641.00	311.61	311.61	7,641.22	311.39	311.39
Social Security (6.20%)				\$9,200		9,199.60	11,467.00	(2,267.40)	-			
Medicare (1.45%)				\$2,152		2,151.52	2,682.00	(530.48)	-			
Unemployment (2.80%)				\$4,155		4,154.66	5,179.00	(1,024.34)	-			
Disability (0.50%)				\$742		741.90	925.00	(183.10)	-	15,675.94	571.73	571.73
<b>INDIRECT COSTS - SPACE COSTS</b>												
Rent, Mortgage, Other Space Costs		\$120,521	83.33%	100,434		100,434.40	100,434.00	0.40	0.40	\$100,434.16	0.24	0.24
<b>INDIRECT COSTS - ALL OTHER ALLOWABLE INDIRECT</b>												
Office Equipment \$2000 and Repair		\$15,500	83.33%	\$12,917		12,916.67	8,031.00	4,885.67				
Office Materials and Supplies		\$12,691	83.33%	\$10,575		10,575.42	10,027.00	548.42				
Food-Related Paper Supplies		\$5,061	83.33%	\$4,218		4,217.50	5,004.00	(786.50)				
Cleaning Supplies		\$20,000	83.33%	\$16,667		16,666.67	14,436.00	2,230.67				
Food for Meetings		\$0	83.33%	\$0		-	-	-				
Building/Grounds Maintenance/Repair		\$94,115	83.33%	\$78,429		28,428.92	24,884.00	3,544.92				
Utilities		\$55,371	83.33%	\$46,142		46,142.25	34,883.00	11,259.25				
Telecommunications Services		\$7,500	83.33%	\$6,250		6,250.00	8,122.00	(1,872.00)				
Security		\$3,374	83.33%	\$2,811		2,811.38	2,728.00	83.38				
Insurance		\$38,854	83.33%	\$32,379		32,378.50	43,528.00	(11,149.50)				
Accounting Fees		\$45,000	83.33%	\$37,500		37,500.00	37,500.00	-				
Payroll Preparation Fees		\$7,872	83.33%	\$6,560		6,559.88	9,431.00	(2,871.13)	5,873.17	\$199,721.33	4,725.84	4,725.84
<b>Subtotal of Above Administrative Support and Indirect Costs</b>												
				\$510,896		510,895.60	548,741.00	(37,845.40)	6,202.97	505,269.10	5,626.49	5,626.50
<b>Other Approved Budgeted Costs</b>												
Nursing Services (0.40 FTE nurse for 185 days, 7 hours per day @\$55 per hour)				\$28,490		28,490.00	25,395.00	3,095.00	3,095.00	\$25,394.68	3,095.32	3,095.32
NAEYC				\$2,375		2,375.00	650.00	1,725.00	1,725.00	\$650.00	1,725.00	1,725.00
Summer Enrichment				\$55,699		55,699.00	67,706.00	(12,007.00)	-	\$54,826.19	872.81	872.81
Nursing Supplies				\$1,950		1,950.00	1,017.00	933.00	933.00	\$1,016.66	933.34	933.34
<b>SUBTOTAL, Other Approved Budgeted Costs</b>												
				\$88,514		88,514.00	94,768.00	(6,254.00)	5,753.00	81,867.53	6,626.47	6,626.47
<b>Total Cost</b>												
				\$1,780,544		1,780,543.51	1,821,110.00	(40,570.49)	38,167.64	1,790,199.25	50,344.26	50,344.27



EL MUNDO DEL NINO  
BUDGET VS ACTUAL  
2016/2017 FISCAL YEAR

Expense	FTE/ Quantity	Unit Cost/ Average Unit Cost	DOE Share of Costs in Contracted Classrooms	Total Cost	TRANSFER	ADJUSTED NIDOE BUDGET	TOTAL EXP PER PROVIDER	BUDGET VARIANCE	PER PROVIDER TO BE RECLAIMED	YTD TOTAL PER AUDITORS	BUDGET MINUS YTD PER AUDITORS	VARIANCE- AMOUNT DUE BACK
<b>EDUCATIONAL PROGRAM COSTS</b>												
Teacher Salary	7.00	\$50,878	100.00%	\$356,146		356,146.00	346,062.00	10,084.00	10,084.00	341,111.41	15,034.59	15,034.59
Teacher Assistant Salary	7.00	\$30,244	100.00%	\$211,705		211,705.00	213,978.00	(2,273.00)	-	210,985.32	719.68	719.68
Floating Teacher Assistant Salary	1.00	\$30,610	100.00%	\$30,610		30,610.00	31,098.00	(488.00)	-	30,610.00	-	-
Teacher/Assistant Teacher Benefits	15.00	\$13,356	100.00%	200,343.25		200,343.25	202,331.00	(1,987.75)	-	200,343.25	0.00	0.00
Substitute Teacher Stipend	7.00	\$1,100	100.00%	\$7,700		7,700.00	7,767.00	(67.00)	-	5,610.00	2,090.00	2,090.00
Substitute Assistant Teacher Stipend	8.00	\$1,100	100.00%	\$8,800		8,800.00	9,692.00	(892.00)	-	7,150.00	1,650.00	1,650.00
Classroom Materials and Supplies	7.00	\$1,500	100.00%	\$10,500	(2,100.00)	8,400.00	9,152.00	(752.00)	-	8,400.00	-	-
Classroom Technology	7.00	\$800	100.00%	\$5,600	2,100.00	7,700.00	8,171.00	(471.00)	-	7,700.00	-	-
Field Trips w/ Transportation	105.00	\$85	100.00%	\$8,925		8,925.00	7,804.00	1,121.00	1,121.00	7,809.50	1,121.50	1,121.50
Family Worker Salary	1.40	\$28,048	100.00%	\$39,266.53		39,266.53	39,732.00	(5,334.53)	5,334.53	39,661.10	5,365.43	5,365.43
Family Worker Benefits	1.00	\$23,119	100.00%	\$23,119.48		23,119.48	6,005.00	17,114.48	17,114.48	7,495.96	15,623.52	15,623.52
<b>Expense</b>												
		Unit Cost/ Average Unit Cost	DOE Share of Annual Costs	Total Cost								
<b>Food-Related Costs (CACFP participants, non-reimbursable costs)</b>												
Food (for contracted preschool children only)		\$12,306	100.00%	\$12,306		12,306.19	12,705.00	(398.81)	-	\$12,306.19	-	-
Food Worker Salary (cook)	1.00	\$31,934	83.33%	\$26,112		26,112.00	29,375.00	(2,737.00)	2,737.00	23,374.68	2,737.12	2,737.12
Food Worker Benefits (cook)	1.00	\$23,380	83.33%	\$19,484		19,483.63	8,085.00	11,394.63	11,394.63	8,085.56	11,398.07	11,398.07
<b>Employer Payroll Taxes (for Educational Program Positions only)</b>												
Social Security (6.20%)				\$42,181		42,181.05	40,191.00	1,990.05	1,990.05			
Medicare (1.45%)				\$9,885		9,884.92	9,400.00	464.92	464.92			
Unemployment (2.80%)				\$19,050		19,049.51	18,151.00	898.51	898.51			
Disability (0.50%)				\$3,402		3,401.70	3,241.00	160.70	160.70	70,953.83	3,543.35	3,543.35
<b>SUBTOTAL Educational Program Costs</b>				\$1,035,114		1,035,114.26	990,944.00	44,170.26	51,499.82	975,611.00	59,503.26	59,503.26
<b>Expense</b>												
		Total Cost	DOE Share of Annual Costs	Total Cost								
<b>ADMINISTRATIVE SUPPORT AND INDIRECT COSTS</b>												
<b>SUPPORT COSTS</b>												
Director Salary	1.00	\$85,276	83.33%	\$71,063		71,063.40	75,658.00	(4,594.60)	-	71,063.40	-	-
Director Benefits	1.00	\$29,184	83.33%	24,320		24,320.34	24,042.00	278.34	278.34	24,041.91	278.43	278.43
Clerical Salary	1.00	\$35,560	83.33%	29,634		29,633.55	32,919.00	(3,285.45)	-	29,633.55	-	-
Clerical Benefits	1.00	\$4,298	83.33%	3,577.64		3,577.64	3,749.00	(171.36)	-	3,577.64	0.00	0.00
Custodian Salary	1.00	\$27,823	83.33%	23,185		23,185.45	25,955.00	(2,769.55)	-	23,185.45	-	-
Custodian Benefits	1.00	\$22,998	83.33%	19,165		19,165.28	19,917.00	(751.72)	-	19,165.28	0.00	0.00

EL MUNDO DEL NINO  
BUDGET VS ACTUAL  
2016/2017 FISCAL YEAR

Expense	FTE/ Quantity	Unit Cost / Average Unit Cost	DOE Share of Costs in Contracted Classrooms	DOE Share of Center-Wide Costs	Total Cost	TRANSFER	ADJUSTED NIDOE BUDGET	TOTAL EXP PER PROVIDER	BUDGET VARIANCE	PER PROVIDER TO BE RECLAIMED	YTD TOTAL PER AUDITORS	BUDGET MINUS YTD PER AUDITORS	VARIANCE- AMOUNT DUE BACK
Security Guard Salary	1.00	\$33,218	83.33%	100.00%	27,682		27,681.53	35,200.00	(7,518.48)	-	27,681.53	(0.00)	-
Security Guard Benefits	1.00	\$23,557	83.33%	100.00%	\$19,631		19,631.00	21,445.00	(1,814.00)	-	19,631.00	(0.00)	-
Social Security (6.20%)					\$9,397		9,396.96	10,523.00	(1,126.04)	-			
Medicare (1.45%)					\$2,198		2,197.66	2,461.00	(263.32)	-			
Unemployment (2.80%)					\$4,244		4,243.79	4,753.00	(509.21)	-			
Disability (0.50%)					\$758		757.82	849.00	(91.18)	-	15,979.65	616.59	616.59
<b>INDIRECT COSTS - SPACE COSTS</b>													
Expense		Total Cost	DOE Share of Annual Costs	DOE Share of Center-Wide Costs	Total Cost								
Rent, Mortgage, Other Space Costs		\$109,487	83.33%	100.00%	86,198		86,197.61	86,198.00	(0.39)	-	86,197.50	0.11	0.11
<b>INDIRECT COSTS -- ALL OTHER ALLOWABLE INDIRECT</b>													
Office Equipment \$2000 and Repair		\$8,000	83.33%	100.00%	\$6,667		6,666.67	6,101.00	565.67	-			
Office Materials and Supplies		\$10,000	83.33%	100.00%	\$8,333		8,333.33	9,297.00	(963.67)	-			
Food-Related Paper Supplies		\$5,789	83.33%	100.00%	\$4,824		4,823.88	5,004.00	(180.12)	-			
Cleaning Supplies		\$11,484	83.33%	100.00%	\$9,570		9,570.00	6,998.00	2,572.00	-			
Food for Meetings		\$0	83.33%	100.00%	\$0					-			
Building/Grounds Maintenance/Repair		\$32,000	83.33%	100.00%	\$26,667		26,666.67	34,898.00	(8,231.33)	-			
Utilities		\$38,884	83.33%	100.00%	\$49,070		49,070.00	35,685.00	13,385.00	-			
Telecommunications Services		\$6,426	83.33%	100.00%	\$5,355		5,355.00	5,909.00	(554.00)	-			
Security		\$5,789	83.33%	100.00%	\$4,824		4,823.88	5,973.00	(1,149.13)	-			
Insurance		\$34,564	83.33%	100.00%	\$28,803		28,803.25	30,109.00	(1,305.75)	-			
Accounting Fees		\$36,757	83.33%	100.00%	\$30,631		30,631.13	30,631.00	0.13	-			
Payroll Preparation Fees		\$5,045	83.33%	100.00%	4,204		4,204.38	6,928.00	(2,723.63)	-	1,415.17	0.17	0.17
<b>Subtotal of Above Administrative Support and Indirect Costs</b>													
					\$500,000		500,000.21	521,202.00	(21,201.79)	-	1,695.50	885.29	885.30
<b>Other Approved Budgeted Costs</b>													
Nursing Services (0.40FTE nurse for 185 days, 7 hours per day @ \$55 per hour)					\$28,490		\$28,490	25,039.00	3,451.00	-	\$25,394.68	\$3,095	3,095.92
NAEYC					\$2,375		\$2,375	650.00	1,725.00	-	\$650.00	\$1,725	1,725.00
Summer Enrichment					\$44,040		\$44,040	49,069.00	(5,029.00)	-	\$49,759.65	\$280	280.35
<b>SUBTOTAL Other Approved Budgeted Costs</b>													
					\$74,905		\$74,905	74,758.00	147.00	-	69,804.33	5,100.67	5,100.67
<b>Total Cost</b>													
					\$1,610,019		\$1,610,019	1,586,904.00	23,115.47	-	1,544,520.25	65,499.21	65,499.22
<b>LESS CREDIT FOR CALETTE DANCES MA-3 STEP SALARY INCREASE</b>													
													(4,500.09)
													60,999.23

**NEW JERSEY DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
EARLY CHILDHOOD EDUCATION LIMITED REVIEW RESPONSE  
CORRECTIVE ACTION PLAN**

CAP# \_\_\_\_\_

NAME OF SCHOOL DISTRICT PATERSON PUBLIC SCHOOL DISTRICT COUNTY: PASSAIC

TYPE OF EXAMINATION: State Mandated Early Childhood Education Program  
Office of Fiscal Accountability and Compliance (OFAC)  
Report of Examination - (Dated) \_\_\_\_\_ OFAC Case # \_\_\_\_\_

DATE OF BOARD MEETING: Workshop Meeting: May 2, 2018 Regular Meeting: May 16, 2018

PROVIDER CONTACT INFORMATION: Name of PROVIDER El Mundo de Colores/El Mundo del Niño  
NAME OF DIRECTOR Ms. Laura Zariffe & Mr. Joseph Murray Address of Provider 44 Ward St. Paterson, NJ 07501 (El Mundo de Colores) & 433 Main St. Paterson, NJ 07501

TELEPHONE NUMBER 973-523-0919 (Colores) 973-279-7100 (Niño) FAX NUMBER \_\_\_\_\_

FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1	The provider under spent the NJDOE Preschool Education budget by \$111,312.50	The District will have fully recovered \$111,312.50 from the provider as of June 2018.	The District reduced the monthly tuition payments to the provider, starting in December 2017 and ending in June 2018 at which point all funds will be recovered.	Nancy Aguado-Holtje	June 2018

Eileen A. Lopez 5/23/18 Judith L. Matthews 5/23/18  
 Chief School Administrator Date Board Secretary/Business Administrator Date

Fiscal Specialist \_\_\_\_\_ Date \_\_\_\_\_ Provider \_\_\_\_\_ Date \_\_\_\_\_

NEW JERSEY DEPARTMENT OF EDUCATION  
 OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
 EARLY CHILDHOOD EDUCATION LIMITED REVIEW RESPONSE  
 CORRECTIVE ACTION PLAN

CAP# \_\_\_\_\_

NAME OF SCHOOL DISTRICT PATERSON PUBLIC SCHOOL DISTRICT COUNTY: PASSAIC

TYPE OF EXAMINATION: State Mandated Early Childhood Education Program  
 Office of Fiscal Accountability and Compliance (OFAC)

DATE OF BOARD MEETING: Workshop Meeting: May 2, 2018 OFAC Case # \_\_\_\_\_  
Regular Meeting: May 16, 2018

PROVIDER CONTACT INFORMATION: Name of PROVIDER El Mundo de Colores/El Mundo del Niño

NAME OF DIRECTOR Ms. Laura Zariffe & Mr. Joseph Murray Address of Provider 44 Ward St. Paterson, NJ 07501 (El Mundo de Colores) & 433 Main St. Paterson, NJ 07501

TELEPHONE NUMBER 973-523-0919 (Colores) 973-279-7100 (Niño) FAX NUMBER \_\_\_\_\_ TYPE OF \_\_\_\_\_

FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
2	The provider charged unallowable expenditures	The District will ensure that unallowable expenditures are not charged to NJDOE	Review the general ledger in detail. Direct the provider to comply with District and accounting procedures.	Nancy Aguado-Holtje  Nicholas Flattery	June 2018 and periodically.

*Cecilia Lopez* 5/23/18 *Richard J. Matthews* 5/23/18  
 Chief School Administrator Date Board Secretary/Business Administrator Date

Fiscal Specialist \_\_\_\_\_ Date \_\_\_\_\_ Provider \_\_\_\_\_ Date \_\_\_\_\_

**NEW JERSEY DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
EARLY CHILDHOOD EDUCATION LIMITED REVIEW RESPONSE  
CORRECTIVE ACTION PLAN**

CAP# \_\_\_\_\_

NAME OF SCHOOL DISTRICT PATERSON PUBLIC SCHOOL DISTRICT COUNTY: PASSAIC

TYPE OF EXAMINATION: State Mandated Early Childhood Education Program  
Office of Fiscal Accountability and Compliance (OFAC)  
Report of Examination - (Dated) \_\_\_\_\_ OFAC Case # \_\_\_\_\_  
DATE OF BOARD MEETING: Workshop Meeting: May 2, 2018 Regular Meeting: May 16, 2018

PROVIDER CONTACT INFORMATION: Name of PROVIDER El Mundo de Colores/El Mundo del Niño  
NAME OF DIRECTOR Ms. Laura Zariffe & Mr. Joseph Murray Address of Provider 44 Ward St. Paterson, NJ 07501 (El Mundo de Colores) & 433 Main St. Paterson, NJ 07501

TELEPHONE NUMBER 973-523-0919 (Colores) 973-279-7100 (Niño) FAX NUMBER \_\_\_\_\_ TYPE OF \_\_\_\_\_

FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
3	The auditors noted minor accounting irregularities	The District will direct the provider to comply with the District's procedures to ensure that error are corrected in a timely manner	Review the "General Ledger" in detail to ensure that the center complies with the District's procedures	Nancy Aguado-Holtje Nicholas Flattery	May 2018 and periodically.

Eileen Stoffer 5/23/18  
Chief School Administrator Date

Richard L. Matthews  
Board Secretary/Business Administrator Date

5/23/18  
Date

Fiscal Specialist

Date

Provider

Date

**NEW JERSEY DEPARTMENT OF EDUCATION  
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE  
EARLY CHILDHOOD EDUCATION LIMITED REVIEW RESPONSE  
CORRECTIVE ACTION PLAN**

CAP# \_\_\_\_\_

TYPE OF EXAMINATION: State Mandated Early Childhood Education Program  
Office of Fiscal Accountability and Compliance (OFAC)  
Report of Examination - (Dated) \_\_\_\_\_ OFAC Case # \_\_\_\_\_  
DATE OF BOARD MEETING: Workshop Meeting: May 2, 2018 Regular Meeting: May 16, 2018

PROVIDER CONTACT INFORMATION: Name of PROVIDER El Mundo de Colores/El Mundo del Niño  
NAME OF DIRECTOR Ms. Laura Zariffe & Mr. Joseph Murray Address of Provider 44 Ward St. Paterson, NJ 07501 (El Mundo de Colores) & 433 Main St. Paterson, NJ 07501

TELEPHONE NUMBER 973-523-0919 (Colores) 973-279-7100 (Niño) FAX NUMBER \_\_\_\_\_ TYPE \_\_\_\_\_  
OF \_\_\_\_\_

FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
4	The auditors noted deficiencies in the review of staff credentials	Upon notification that new staff is hired at the preschool, the District will inform the preschool, in writing, that a proper background check is performed and that the records be available upon request	Upon notification that new staff is hired at the preschool and after the preschool performs the proper background checks, the District will request a copy for review	Nancy Aguado-Holtje  Nicholas Flattery	May 2018 and periodically.

Cecelia Lopez  
Chief School Administrator

Richard J. Mather  
Board Secretary/Business Administrator

5/23/18  
Date

5/23/18  
Date

Fiscal Specialist \_\_\_\_\_ Date \_\_\_\_\_  
Provider \_\_\_\_\_ Date \_\_\_\_\_