

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

PATERSON INTERNAL AUDIT UNIT
GILMORE MEMORIAL PRESCHOOL, INC.
FISCAL YEAR 2015-2016
MARCH 2017

**NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
GILMORE MEMORIAL PRESCHOOL, INC.
FISCAL YEAR 2015-2016**

Distribution List of Final Audit Report

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**NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
GILMORE MEMORIAL PRESCHOOL, INC.
FISCAL YEAR 2015-2016**

EXECUTIVE SUMMARY

The Paterson Internal Audit Unit conducted an audit of Gilmore Memorial Preschool, Inc. (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 2015-2016.

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 \$207,335.72.
- The provider had accounting irregularities including expenses charged to the wrong location and charged to the wrong line item in the budget.
- The provider made unallowable expenditures.
- The provider failed to provide adequate fidelity bond coverage.

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 2015 through June 2016. 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 16 day summer enrichment program during the month of July 2015.

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.

**NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
GILMORE MEMORIAL PRESCHOOL, INC.
FISCAL YEAR 2015-2016**

- The provider maintained a financial system that provided timely, accurate, current and complete disclosure of all financial activities related to the NJDOE agreement.
- 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.

GILMORE MEMORIAL PRESCHOOL, INC. I AND II

Gilmore Memorial Preschool, Inc. is a nonprofit childcare center providing services to the children of Paterson, New Jersey. The center has two locations; Gilmore Memorial Preschool I (Site I) located at 505 East 22nd Street, Paterson and Gilmore Memorial Preschool II (Site II) located at 69-75 Montclair Avenue, Paterson. The provider was budgeted to serve a combined total of 180 NJDOE children for FY 2015-2016 with the approved budget for Site I of \$1,502,820 and for Site II of \$1,065,922, for a combined total of \$2,568,742.

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 \$207,335.72.

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 Site I by \$101,228.77 and Site II by \$106,106.95 (see exhibit A).

Recommendation:

The auditors recommend the district recovers \$207,335.72 from this provider.

Finding 2: The provider had accounting irregularities including expenses charged to the wrong location and charged to the wrong line item in the budget.

**NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
GILMORE MEMORIAL PRESCHOOL, INC.
FISCAL YEAR 2015-2016**

The auditors noted accounting irregularities including:

- Several instances of expenditures that were charged to the incorrect line item. Examples include expenditures charged to building/grounds maintenance/repair totaling \$2,825.00 for Site I should have been charged to security equipment. The auditors allowed those expenditures under security. A \$3,944.00 expense for Site I for a telephone system was incorrectly charged to classroom technology. The telephone system should have been expensed as an indirect cost. A \$221.68 expense charged to Site I cleaning supplies from Costco was clearly marked as food items. This was disallowed for two reasons: the receipt is stamped "Site II" and Site II was already at the maximum allowable budget for food.
- Several instances of expenses that were charged to the wrong location. An expense for \$1,475.00 charged to classroom technology for Site I should have been charged to Site II. A field trip for \$2,500.00 charged to Site I was incorrectly charged; only \$1,500 should have been charged to Site I and the remaining \$1,000.00 should have been charged to Site II. The provider purchased a desk and hutch totaling \$647.32 for Site II; however, it was incorrectly charged to Site I. A payment to PSE&G totaling \$597.09 was charged to Site II, but the invoice indicated the address for Site I. Accounting expenses for external audit preparation in the amount of \$11,000.00 was charged to Site II; however, the expense should have been charged to Site I, because Site II had just opened during FY 2015-2016.
- The provider made payments to several vendors that submitted invoices which lacked detail of the services that were provided. Most read "repairs", but were not specific. The expenses were charged to building/grounds maintenance/repairs and were allowed by the auditors.
- The provider made numerous partial payments when paying invoices. This practice resulted in a carryover of prior year expenses that were difficult to verify.

Recommendation:

The auditors recommend the provider enhances its current financial management system in order to provide an accurate and complete disclosure of all financial activities. The provider should ensure all expenses are properly charged to the correct line item and location. The provider should ensure that the expenditure report includes all appropriate expenses, and expenses should not be paid without a proper detailed invoice. The provider should discontinue the practice of making numerous partial payments as NJDOE funding should be sufficient to pay budgeted expenditures.

Finding 3: The provider made unallowable expenditures.

The auditors noted unallowable expenditures. Examples include the following:

**NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
GILMORE MEMORIAL PRESCHOOL, INC.
FISCAL YEAR 2015-2016**

- Two expenditures for Site I totaling \$1,142.58 (\$742.39 and \$400.19) charged to Office Equipment and Repair were prior year expenses and disallowed by the auditors.
- Expenditures for Site I totaling \$979.00 charged to Security were prior year expenses and disallowed by the auditors.
- The provider charged late fees totaling \$178.00 to the NJDOE preschool program which were disallowed by the auditors.
- The auditor disallowed two expenses for Site II due to double entry. The provider paid a water bill in February in the amount of \$180.56, which included a \$10.00 late fee. This expense was a duplicate entry, for a \$170.56 expense, which was paid in January that was classified under another indirect line item. The \$180.56 was paid and was subsequently given as a credit to the provider by the vendor because of the overpayment. The second disallowed expense noted above was originally charged to Site I, but the auditors moved it to Site II because it listed the address for Site II on the invoice. The provider made three entries with the same amount, but the invoice was only for two expenses. As a result, the auditors disallowed the amount of \$302.93, because of duplicate entries.

The auditors also noted indirect costs for the month of August that were charged to the NJDOE program which could not be included in the auditor totals because the provider chose the 10 month option for recording expenditures. Some of the expenses included approximately \$2,500.00 for insurance, \$664.00 for copier lease payments, \$455.00 for telecommunication and \$380.00 for payroll fees.

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.

Finding 4: The provider failed to provide adequate fidelity bond coverage.

In accordance with the FY 2015-2016 NJDOE Preschool contract, providers must obtain an employee fidelity bond on all employees insuring against loss from employee's dishonest acts. The bond shall be in the amount of a percentage of the current year's budget. Based on the provider's current year budget, the employee fidelity bond coverage amount should not have been less than \$130,687.00. The auditors noted the amount of employee fidelity bond coverage procured by the provider during the FY 2015-2016 was only \$100,000.00.

**NEW JERSEY DEPARTMENT OF EDUCATION
PATERSON INTERNAL AUDIT UNIT
GILMORE MEMORIAL PRESCHOOL, INC.
FISCAL YEAR 2015-2016**

Recommendation:


The provider should comply with the provisions in the contract and maintain adequate fidelity bond coverage. The provider should also supply the auditors with evidence of adequate coverage for the current fiscal year.

**Auditor:
Janeth Molina**

Submitted by:


**Daniel Sackner
Supervising Auditor**

Approved by:


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

GILMORE MEMORIAL SITE I
BUDGET VS. ACTUAL
2018/2019 FISCAL YEAR

Expense	FTE Quantity	Unit Cost / Average Unit Cost	DOE Share of Annual Credits	DOE Share of Combined Credits	Total Cost	Budget Transfers	Amortized Total Cost	YTD Total FTE Expenditure Report	Budget Amn YTD FTE Progress	Amount Due Back From Progress	YTD Total FTE Amn	Budget Amn YTD FTE Amn	Variance Amount Due Back
EDUCATIONAL PROGRAM COSTS													
Teacher Salary	7.00	\$46,051	100.00%	100.00%	\$340,764.00		339,525.00		1,239.00	1,239.00	338,526.00	2,670.00	2,670.00
Teacher Assistant Salary	7.00	\$29,099	100.00%	100.00%	\$203,693.00		180,236.00		17,457.00	17,457.00	187,693.00	20,960.00	20,960.00
Funding Teacher Assistant Salary	1.00	\$30,810	100.00%	100.00%	\$30,810.00		\$3,922.00		(3,922.00)	-	30,810.00	-	-
Teacher's Assistant Teacher Benefits	13.00	\$10,517	100.00%	100.00%	\$136,721.00		136,721.00		(4,333.00)	-	141,054.00	-	-
Substitute Teacher Salary	7.00	\$1,500	100.00%	100.00%	\$10,500.00		9,300.00		1,200.00	1,200.00	9,300.00	1,200.00	1,200.00
Substitute Teacher Salary	5.00	\$1,125	100.00%	100.00%	\$5,625.00		5,625.00		(661.00)	-	5,625.00	44.00	44.00
Classroom Materials and Supplies	7.00	\$900	100.00%	100.00%	\$6,300.00		5,780.00		(510.00)	-	5,780.00	510.00	510.00
Classroom Technology	7.00	\$787.6	100.00%	100.00%	\$5,513.20		7,024.00		976.00	976.00	6,548.00	775.51	775.51
Field Trips w/ Transportation	105.00	\$75	100.00%	100.00%	\$7,875.00		71,548.00		1,588.00	1,588.00	69,960.00	1,915.00	1,915.00
Family Worker Salary	2.00	\$35,773	100.00%	100.00%	\$71,546.00		71,546.00		(800.00)	-	70,746.00	800.00	800.00
Family Worker Benefits	2.00	\$3,090	100.00%	100.00%	\$6,180.00		7,178.00				7,178.00	279.00	279.00
Expense													
Total Cost													
Food/Related Costs (CAMP, participant, transportation costs)													
Food (for contracted preschool children only)													
Food Worker Salary (cost)	1.00	\$7,005	100.00%	100.00%	\$7,005.00		7,005.00		0.00	0.00	7,005.00	-	-
Food Worker Benefits (cost)	1.00	\$30,719	83.33%	100.00%	\$35,538.00		28,599.40		(1,241.00)	-	25,358.40	24.67	24.67
Employee Payroll Taxes (For Educational Program Participants only)	1.00	\$3,108	83.33%	100.00%	\$3,108.00		5,000.00				5,000.00	-	-
Social Security (8.33%)					\$2,583.14		45,193.51		2,583.14	2,583.14	42,610.37	-	-
Medicare (1.45%)					\$10,102		19,101.76		933.78	933.78	18,167.98	-	-
Unemployment (2.87%)					\$19,007		19,508.85		1,278.00	1,278.00	17,230.85	-	-
Disability (0.87%)					\$3,483		3,483.37		(1,200.00)	-	2,283.37	-	-
SUBTOTAL Educational Program Costs					\$97,917		\$72,917.00		25,100.00	25,100.00	47,817.00	31,100.00	31,100.00
Expense													
Total Cost													
ADMINISTRATIVE SUPPORT AND INQUIRY COSTS													
SUPPORT COSTS													
Director Salary	1.00	\$119,246	83.33%	100.00%	\$119,246.00		82,570.74		0.74	0.74	82,571.48	3.26	3.26
Director Benefits	1.00	\$13,821	83.33%	100.00%	\$13,821.00		11,601.00		1,019.00	1,019.00	12,620.00	-	-
Classical Salary	1.00	\$40,275	83.33%	100.00%	\$40,275.00		33,800.00		(1,203.00)	-	32,600.00	-	-
Classical Benefits	1.00	\$13,821	83.33%	100.00%	\$13,821.00		11,601.00		1,019.00	1,019.00	12,620.00	-	-
Guidance Salary	1.00	\$32,890	83.33%	100.00%	\$32,890.00		27,481.00		28.00	28.00	27,509.00	21.00	21.00
Guidance Benefits	1.00	\$8,108	83.33%	100.00%	\$8,108.00		6,900.00		200.00	200.00	7,100.00	-	-
Security Guard Salary	1.00	\$27,203	83.33%	100.00%	\$27,203.00		23,000.00		627.00	627.00	22,373.00	830.00	830.00
Security Guard Benefits	1.00	\$8,100	83.33%	100.00%	\$8,100.00		6,800.00		84.00	84.00	6,884.00	106.00	106.00
Social Security (8.33%)					\$10,950.98		10,950.98		(203.00)	-	10,747.98	203.00	203.00

GALLORE MEMORIAL SITE I
 BUDGET VS. ACTUAL
 2018/2019 FISCAL YEAR

Expense	FTE/Quantity	Unit Cost / Average Unit Cost	DOE Share of Costs in Contracted Classrooms	DOE Share of Annual Costs	DOE Share of Center-Wide Costs	Total Cost	Inventory Transfer	Adjusted Total Cost	YTD Total Per Professor Expenditure Budget	SUBJECT MERITS YTD PER PROFESSOR	AMOUNT DUE BACK FROM PROFESSOR	YTD TOTAL PER ALUMINUMS	BUDGET EARNED YTD PER ALUMINUMS	VARIANCE-AMOUNT DUE BACK
Medicine (1.40%)														
Lymphoma (2.00%)														
Chemotherapy (0.00%)														
Expense														
INDIRECT COSTS - SPACE COSTS														
Rent, Utilities, Other Space Costs		\$93,295	83.33%	83.33%	100.00%	\$93,295		\$93,295	\$9,400.00	(\$300,000)		\$2,694.05		
Expense														
INDIRECT COSTS - ALL OTHER ALLOWABLE INDIRECT														
Office Equipment-2000 and Newer		\$18,230	83.33%	83.33%	100.00%	\$18,230		\$18,230	11,330.00					
Office Materials and Supplies		\$3,770	83.33%	83.33%	100.00%	\$3,770		\$3,770	3,057.00					
Food-Related Paper Supplies		\$5,028	83.33%	83.33%	100.00%	\$5,028		\$5,028	3,078.00					
Cleaning Supplies		\$5,028	83.33%	83.33%	100.00%	\$5,028		\$5,028	1,854.00					
Building/Classroom Maintenance/Repair		\$18,300	83.33%	83.33%	100.00%	\$18,300		\$18,300	14,294.00					
Utilities		\$20,000	83.33%	83.33%	100.00%	\$20,000		\$20,000	21,184.00					
Telecommunications Services		\$4,300	83.33%	83.33%	100.00%	\$4,300		\$4,300	8,028.00					
Security		\$3,280	83.33%	83.33%	100.00%	\$3,280		\$3,280	1,528.00					
Insurance		\$20,000	83.33%	83.33%	100.00%	\$20,000		\$20,000	28,677.00					
Accounting Fee		\$43,472	83.33%	83.33%	100.00%	\$43,472		\$43,472	37,716.00					
Travel Registration Fees		\$3,000	83.33%	83.33%	100.00%	\$3,000		\$3,000	5,027.00					
Advertising		\$1,000	83.33%	83.33%	100.00%	\$1,000		\$1,000	1,845.00					
Subtotal of Above Administrative Budget and Indirect Costs						\$415,411		\$415,411				110,680.71	22,826.98	22,826.98
Other Approved Budgeted Costs														
Summer Equipment														
NAEYC														
Costs for classrooms 2, 3, 4 & 6														
Nursing Supplies (0.75 FTE nurse for 185 days, 7 hours per day @ \$25 per hour)														
Startup Nursing Supplies														
SUBTOTAL - Other Approved Budgeted Costs														
EXPENSES - TOTAL						\$1,089,898		\$1,089,898				1,081,891.00	161,288.27	161,288.27
Total Cost														

GILMORE MEMORIAL SITE II
BUDGET VS. ACTUAL
2019/2018 FISCAL YEAR

EXPENSE	FTE QUANTITY	LAST COST / AVERAGE UNIT COST	DOE SHARE OF CONTRACTED CHARGES	DOE SHARE OF CONTRACTED CHARGES	TOTAL COST	BUDGET TRANSFER	ADJUSTED TOTAL COST	YTD TOTAL PER PROVIDER EXPENDITURE REPORT	BUDGET MINS YTD PER PROVIDER	AMOUNT DUE BACK FROM PROVIDER	YTD TOTAL PER ALLEGATIONS	BUDGET MINS YTD PER ALLEGATIONS	VARIANCE-AMOUNT DUE BACK
INDICATIONAL PROGRAM COSTS													
Teacher Salary	5.00	\$48,082	100.00%		\$240,410		240,410.00	241,894.00	(1,484.00)	-	238,929.88	3,564.12	3,384.12
Teacher Assistant Salary	5.00	\$27,220	100.00%		\$136,100		136,100.00	136,644.00	(544.00)	-	131,140.88	4,959.12	4,959.12
Teacher/Assistant Teacher Benefits	0.83	\$23,804	100.00%		\$19,840		19,840.00	20,185.00	(345.00)	-	19,840.32	-	-
Substitute Teacher Stipend	10.83	\$11,000	100.00%		\$119,130		119,130.00	83,382.00	35,748.00	35,748.00	58,578.04	59,551.08	89,851.08
Substitute Assistant Teacher Stipend	5.00	\$1,850	100.00%		\$9,250		9,250.00	1,401.00	8,049.00	8,049.00	2,205.00	6,015.00	6,015.00
Classroom Materials and Supplies	5.83	\$1,125	100.00%		\$6,563		6,563.75	\$19.00	6,444.75	6,444.75	-	6,444.75	6,444.75
Classroom Technology	5.00	\$1,800	100.00%		\$7,800		7,800.00	7,800.00	-	-	8,380.78	2,119.22	2,119.22
Field Trips w/ Transportation	6.00	\$800	100.00%		\$4,800		4,800.00	4,000.00	-	-	4,000.00	-	-
Family Worker Salary	75.00	\$75	100.00%		\$5,625		5,625.00	5,625.00	-	-	4,170.00	1,455.00	1,455.00
Family Worker Benefits	1.00	\$35,072	83.33%		\$28,227		28,228.57	\$1,273.00	(2,448.33)	-	28,228.57	(0.00)	-
Family Worker Benefits	1.00	\$11,000	83.33%		\$8,167		8,168.67	3,649.00	4,519.67	4,519.67	8,398.68	387.01	387.01
Food-Related Costs (CAGTP participant, non-refundable costs)													
Food (for contracted preschool children only)		\$8,914	100.00%		\$8,914		8,914.20	8,914.00	0.20	0.20	8,914.20	-	-
Food Worker Salary (cook)	0.83	\$30,117	83.33%	100.00%	\$20,831		20,830.88	21,180.00	(349.12)	-	20,830.88	(0.00)	-
Food Worker Benefits (cook)	0.83	\$11,000	83.33%	100.00%	\$7,668	(2,000.00)	5,668.00	4,180.00	1,488.00	1,488.00	4,208.54	666.79	666.79
Employer Payroll Taxes (For Educational Program Positions only)													
Social Security (6.20%)					\$471,888		471,888.14	286,204.89	185,683.25	185,683.25	678,193.88	83,898.63	83,898.63
Medicare (1.45%)					\$28,588		28,588.23	27,882.00	706.23	706.23	-	-	-
Unemployment (2.80%)					\$6,686		6,686.18	6,601.00	85.18	85.18	-	-	-
Health (0.50%)					\$12,911		12,911.27	12,832.00	79.27	79.27	-	-	-
Health (0.50%)					\$2,306		2,306.88	2,204.00	102.88	102.88	-	-	-
TOTAL, Educational Program Costs					\$671,888		671,888.14	286,204.89	385,683.25	385,683.25	42,273.44	8,118.61	8,118.61
ADMINISTRATIVE SUPPORT AND INDIRECT COSTS													
SUPPORT COSTS													
Director Salary	1.00	\$88,087	83.33%	100.00%	\$68,789		68,789.17	31,500.00	37,289.17	37,289.17	31,470.17	(0.00)	-
Director Benefits	1.00	\$11,000	83.33%	100.00%	\$9,167		9,168.07	10,464.00	(1,295.93)	-	9,168.07	(0.00)	-
Director Salary	1.00	\$35,000	83.33%	100.00%	\$29,167		29,168.87	29,188.00	(19.13)	-	29,188.87	(0.00)	-
Director Benefits	1.00	\$11,000	83.33%	100.00%	\$9,167		9,168.87	3,048.00	6,120.87	6,120.87	1,898.88	4,222.01	4,222.01
Director Salary	1.00	\$32,000	83.33%	100.00%	\$25,967		25,968.87	28,118.00	(2,149.13)	-	25,968.87	(0.00)	-
Director Benefits	1.00	\$11,000	83.33%	100.00%	\$9,167		9,168.87	8,608.00	580.87	580.87	5,782.88	3,414.31	3,414.31
Social Security (6.20%)					\$8,979		8,979.80	5,187.00	3,792.80	3,792.80	1,782.80	2,010.00	2,010.00
Medicare (1.45%)					\$1,852		1,852.30	1,215.00	637.30	637.30	417.30	-	-
Unemployment (2.80%)					\$3,162		3,162.03	2,200.00	962.03	962.03	2,200.00	-	-

GILMORE MEMORIAL SITE II
BUDGET VS. ACTUAL
2018/2019 FISCAL YEAR

Expense	PTU Quantity	Unit Cost / Average Unit Cost	DOE Share of Costs in Contracted Classroom	DOE Share of Annual Costs	DOE Share of Contractible Costs	Total Cost	Budget Transfer	Adjusted Total Cost	YTD Total per Provider Expenditure Report	Budget Minus YTD per Provider	Amount Due Back from Provider	YTD Total per Auditor	Budget Minus YTD per Auditor	Variance-Amount Due Back
EXPENSE														
feability (0.50%)						\$553		\$52.86	419.00	143.86	143.86	8,819.83	3,710.88	3,710.88
EXPENSE														
INDIRECT COSTS -- SPACE COSTS														
rent, Mortgage, Other Space Costs			83.33%	100.00%	DOE Share of Contractible Costs	\$70,833		70,833.33	108,781.00	84,829.67	-	70,833.33	0.00	0.00
EXPENSE														
INDIRECT COSTS -- ALL OTHER ALLOWABLE INDIRECT														
Office Equipment \$2000 and Repair		\$ 6,000	83.33%	100.00%	DOE Share of Contractible Costs	\$5,000	2,500.00	7,500.00	10,494.00					
Office Materials and Supplies		\$ 5,000	83.33%	100.00%	DOE Share of Contractible Costs	\$4,167		4,166.67	3,800.00					
Food-Related Paper Supplies		\$ 1,380	83.33%	100.00%	DOE Share of Contractible Costs	\$1,150		1,150.00	-					
Printing Supplies		\$ 4,800	83.33%	100.00%	DOE Share of Contractible Costs	\$3,750		3,750.00	3,272.00					
Utility/Grounds Maintenance/Repair		\$ 9,500	83.33%	100.00%	DOE Share of Contractible Costs	\$7,817	28,280.00	36,106.67	28,890.00					
Utilities		\$ 15,000	83.33%	100.00%	DOE Share of Contractible Costs	\$12,500	2,800.00	15,300.00	10,339.00					
Telecommunications Services		\$ 2,500	83.33%	100.00%	DOE Share of Contractible Costs	\$2,083		2,083.33	-					
Security		\$ 2,500	83.33%	100.00%	DOE Share of Contractible Costs	\$2,083		2,083.33	20,161.00					
Insurance		\$ 15,000	83.33%	100.00%	DOE Share of Contractible Costs	\$12,500		12,500.00	1,211.00					
Accounting Fees		\$ 9,000	83.33%	100.00%	DOE Share of Contractible Costs	\$7,500		7,500.00	12,109.00					
Travel Preparation Fees		\$ 1,500	83.33%	100.00%	DOE Share of Contractible Costs	\$1,250		1,250.00	3,398.00					
Overhead		\$ 1,484	83.33%	100.00%	DOE Share of Contractible Costs	\$1,237		1,236.67	1,500.00	9,890.39	-	91,705.06	0.00	0.00
Subtotal of Above Administrative Support and Indirect Costs						\$284,369		\$284,369	\$321,793	-\$37,424	\$7,000	274,861.06	\$12,207	\$12,207
Other Approved Budgeted Costs														
Ground Equipment and Service						\$95,000		95,000.00	38,000.00			35,000.00		
Set-up Classroom Supplies						\$80,000		80,000.00	50,547.00	493.00	493.00	60,000.00		
Repair & Maintenance						\$18,000		18,000.00	10,000.00			15,000.00		
Subtotal, Other Approved Budgeted Costs						\$193,000		193,000.00	119,000.00	493.00	493.00	130,000.00		
PROVIDER PROGRAM TOTALS														
Total Cost						\$1,085,922		\$1,278,661.33	\$1,899,993.00	\$46,967.61	\$94,175.91	\$89,818.40	\$709,199.80	\$199,106.95

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: Abbott Early Childhood Education Program
Office of Fiscal Accountability and Compliance (OFAC)
 Report of Examination - (Dated) _____ OFAC Case # _____
 DATE OF BOARD MEETING: Workshop Meeting: April 5, 2017 Regular Meeting: April 19, 2017

PROVIDER CONTACT INFORMATION: Name of PROVIDER Gilmore Memorial Preschool
 NAME OF DIRECTOR Dr. Brenda Belmont Address of Provider 505 E. 22nd Street, Paterson, NJ 07514

TELEPHONE NUMBER 973-977-8977 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 \$207,335.72	The District will recover \$207,335.72 from the provider.	The District will reduce the monthly tuition payments to the provider until all funds are recovered.	Nancy Aguado-Holtje	November 2017

 Chief School Administrator
 Fiscal Specialist
 Board Secretary/Business Administrator
 Date 3-22-17 Date _____
 Date 3-24-17 Date _____
 Date _____ Date _____
 Date _____ 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: Abbott Early Childhood Education Program
Office of Fiscal Accountability and Compliance (OFAC)
Report of Examination - (Dated) _____ OFAC Case # _____
DATE OF BOARD MEETING: Workshop Meeting: April 5, 2017 Regular Meeting: April 19, 2017

PROVIDER CONTACT INFORMATION: Name of PROVIDER Gilmore Memorial Preschool
NAME OF DIRECTOR Dr. Brenda Belmont Address of Provider 505 E. 22nd Street Paterson, NJ 07514

TELEPHONE NUMBER 973-977-8977 FAX NUMBER _____

FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
2	The provider made accounting irregularities including expenses charged to the wrong line items in the budget.	The District will ensure that the expenses are charged to the appropriate line items in the budget.	Review the general ledger in detail to ensure the center complies with proper accounting procedures.	Nancy Aguado-Holtje Toni Scholing	June 2017

Allen W. Egan 3/24/17 Date Board Secretary/Business Administrator
Chief School Administrator
Toni Scholing 3-22-17 Date Provider
Fiscal Specialist

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

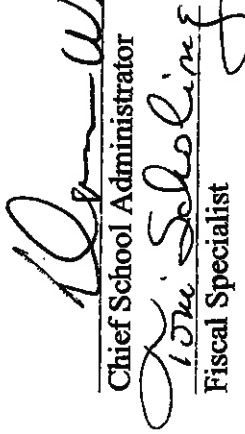
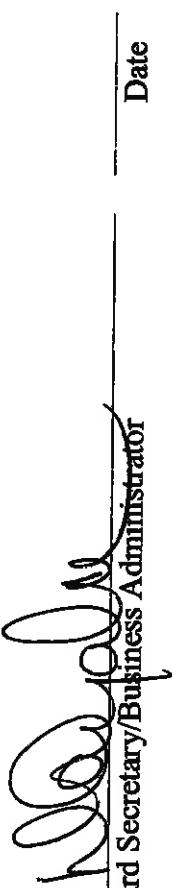
CAP# _____

NAME OF SCHOOL DISTRICT PATERSON PUBLIC SCHOOL DISTRICT COUNTY: PASSAIC

TYPE OF EXAMINATION: Abbott Early Childhood Education Program
Office of Fiscal Accountability and Compliance (OFAC)
Report of Examination - (Dated) OFAC Case # _____
Regular Meeting: April 19, 2017

PROVIDER CONTACT INFORMATION: Name of PROVIDER Gilmore Memorial Preschool
 NAME OF DIRECTOR Dr. Brenda Belmont Address of Provider 505 E. 22nd Street Paterson, NJ 07514
 TELEPHONE NUMBER 973-977-8977 FAX NUMBER _____

FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
3	The provider made 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 Tomi Scholing	June 2017


 Chief School Administrator

 Board Secretary/Business Administrator
 Date 3-24-17
 Date 3-22-17
 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: Abbott Early Childhood Education Program
Office of Fiscal Accountability and Compliance (OFAC)
 Report of Examination - (Dated) _____ OFAC Case # _____
 DATE OF BOARD MEETING: Workshop Meeting: April 5, 2017 Regular Meeting: April 19, 2017

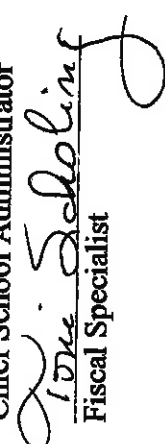
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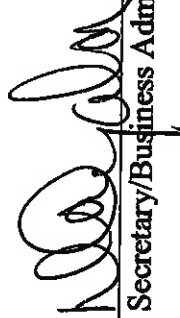
FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
4	The provider failed to provide adequate fidelity bound coverage.	The provider had appropriate bond coverage. The auditors overlooked or did not review the correct documents.	The District will continue to review bond coverage to ensure the provider continues to be in compliance with the contract.	Nancy Aguado-Holtje Toni Scholing	In Compliance FY' 2015-2016



 Chief School Administrator



 Fiscal Specialist



 Board Secretary/Business Administrator

Date 3-24-17 Date _____ Date _____
 Date 3-22-17 Date _____ Date _____
 Provider _____