

**STATE OF NEW JERSEY**  
**DEPARTMENT OF EDUCATION**

**PATERSON INTERNAL AUDIT UNIT**

**DOROTHY'S LITTLE TOTS**

**2010-2011 FISCAL YEAR**

**OCTOBER 2011**

**NEW JERSEY DEPARTMENT OF EDUCATION  
PATERSON INTERNAL AUDIT UNIT  
DOROTHY'S LITTLE TOTS  
2010-2011 FISCAL YEAR**

**Distribution List of Final Audit Report**

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New Jersey Department of Education

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New Jersey Department of Education

Daniel Sackner, Supervising Internal Auditor  
Paterson Public Schools

**NEW JERSEY DEPARTMENT OF EDUCATION  
PATERSON INTERNAL AUDIT UNIT  
DOROTHY'S LITTLE TOTS  
2010-2011 FISCAL YEAR**

**EXECUTIVE SUMMARY**

The Paterson Internal Audit Unit conducted an audit of Dorothy's Little Tots, a provider participating in the Department of Education (DOE) Preschool Education Program, for compliance with the terms of the contract for the 2010-2011 fiscal year.

As a result of the audit, the auditors noted the following:

- The provider under spent the approved budget. As a result, the provider owes the district a balance of \$5,166.78.

**DETAILED FINDINGS**

The Paterson Internal Audit Unit reviewed the financial records and supporting documentation in accordance with the executed contract for Dorothy's Little Tots for the period September 2010 through June 2011. During this year, funds were allocated based on a presumptive budget submitted by the provider and approved by the district. The DOE budget should reflect actual costs based on a six hour and 55 minute day and 185 day school year.

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

- The day care center had a current license.
- The DOE employees had criminal history record information (CHRI) results, child abuse record information (CARI) results, Mantoux Tuberculosis (TB) 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, that each individual employed by the contracted child care center has had a criminal history background check and that 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 that 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 provides timely, accurate, current and complete disclosure of all financial activities related to the DOE agreement.
- The provider properly handled cash receipts and disbursements; and completed year-end bank reconciliation for each account handling DOE funding.
- The provider maintained the proper insurance as required by the contract.
- The provider submitted the proper supporting documentation with the quarterly expenditure reports.

**NEW JERSEY DEPARTMENT OF EDUCATION  
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2010-2011 FISCAL YEAR**

Below is a summary of the audit findings:

**DOROTHY'S LITTLE TOTS:**

Dorothy's Little Tots is a non-profit childcare center providing services to the children of Paterson, New Jersey. It is operated by the Paterson Task Force for Community Action, Inc. The center is located at 185 Carroll Street in Paterson and was budgeted to serve a total of 15 DOE children. The 2010-2011 approved DOE budget totaled \$157,525.

**1. DOE Preschool Program.**

The DOE funds the six hour and 55 minute day educational component of the DOE 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 that 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 DOE with each quarterly expenditure report. The Paterson Office of Early Childhood shall, based on their review of the quarterly expenditure reports, make prorated adjustments to subsequent monthly payments through the duration of the DOE contract.

Based on the results of this audit, the provider under spent the approved budget by \$5,166.78 (See exhibit A).

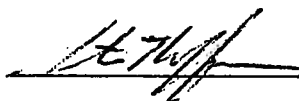
**Recommendation:**

The auditors recommend that the district Office of Early Childhood recover the \$5,166.78 from the provider.

**Auditor:  
Patricia Sewak**

**Submitted by:**

**Approved by:**



**Daniel Sackner  
Supervising Auditor**

**Steven Hoffmann  
Coordinating Auditor**

**Dorothy's Little Tots  
2010/2011 Fiscal Year  
Budget vs. Actual**

Expense	Total Cost	YTD TOTAL PER PROVIDER EXPENDITURE REPORT	BUDGET TRANSFER	BUDGET MINUS YTD PER PROVIDER	YTD TOTAL PER AUDITORS	BUDGET MINUS YTD PER AUDITORS	VARIANCE - AMOUNT DUE BACK
<b>EDUCATIONAL PROGRAM COSTS</b>							
Teacher Salary	\$52,041	\$52,036.00		\$5.00	\$52,035.90	\$5.10	\$5.10
Teacher Assistant Salary	\$24,005	\$23,893.00		\$112.00	\$23,892.40	\$112.60	\$112.60
Teacher/Assistant Teacher Benefits	\$4,082	\$1,668.00		\$2,414.30	\$2,344.95	\$1,737.35	\$1,737.35
Substitute Teacher Stipend	\$1,650	\$1,595.00		\$55.00	\$1,595.00	\$55.00	\$55.00
Substitute Assistant Teacher Stipend	\$1,125	\$1,100.00		\$25.00	\$750.00	\$375.00	\$375.00
Classroom Materials and Supplies	\$2,000	\$2,600.00	\$600.00	\$0.00	\$2,527.90	\$72.10	\$72.10
Classroom Technology	\$800	\$800.00		\$0.00	\$800.00	\$0.00	\$0.00
Field Trips w/ Transportation	\$1,125	\$1,190.00	\$65.00	\$0.00	\$1,190.00	\$0.00	\$0.00
Family Worker Salary	\$7,357	\$7,357.00		(\$0.23)	\$7,356.77	\$0.00	\$0.00
<b>Food-Related Costs (CACFP participant, non-reimbursable costs)</b>							
Food (for contracted preschool children on	\$195	\$0.00		\$194.74	\$0.00	\$194.74	\$194.74
Food Worker Salary (cook)	\$3,571	\$3,571.00		\$0.25	\$3,571.25	\$0.00	\$0.00
<b>Employer Payroll Taxes (For Educational Program Positions only)</b>							
Social Security (6.20%)	\$5,564	\$5,387.00		\$177.44	\$5,385.09	\$179.35	\$179.35
Medicare (1.45%)	\$1,301	\$1,260.00		\$41.36	\$1,259.42	\$41.94	\$41.94
Unemployment (2.80%)	\$2,513	\$2,112.00		\$400.97	\$2,000.34	\$512.63	\$512.63
Disability (0.50%)	\$449	\$319.00		\$129.75	\$322.10	\$126.64	\$126.64
<b>SUBTOTAL, Educational Program Costs</b>	<b>\$107,779</b>	<b>\$104,888.00</b>		<b>\$3,555.58</b>	<b>\$105,031.12</b>	<b>\$3,412.46</b>	<b>\$3,412.46</b>
<b>ADMINISTRATIVE SUPPORT AND INDIRECT COSTS</b>							
<b>SUPPORT COSTS</b>							
Director Salary	\$18,741	\$18,741		\$0.28	\$18,741.28	\$0.00	\$0.00
Social Security (6.20%)	\$1,162	\$1,161		\$0.96	\$1,161.96	\$0.00	\$0.00
Medicare (1.45%)	\$272	\$275		(\$3.25)	\$271.75	\$0.00	\$0.00
Unemployment (2.80%)	\$525	\$557		(\$32.24)	\$524.78	\$0.00	\$0.00
Disability (0.50%)	\$94	\$79		\$14.71	\$93.71	\$0.00	\$0.00
<b>INDIRECT COSTS</b>							
Rent, Mortgage, Other Space Costs	\$15,175	\$14,951	(\$233.00)	(\$8.71)	\$14,942.29	\$0.00	\$0.00
Office Equipment-\$2000 and Repair	\$1,510	\$1,282	(\$228.00)	\$0.20	\$1,186.80	\$95.41	\$95.41
Office Materials and Supplies	\$1,510	\$1,510		\$0.20	\$1,326.47	\$183.73	\$183.73
Food-Related Paper Supplies	\$604	\$498	(\$106.00)	\$0.08	\$498.08	\$0.00	\$0.00
Cleaning Supplies	\$302	\$300		\$2.04	\$79.27	\$222.77	\$222.77
Food for Meetings	\$113	\$113		\$0.27	\$113.27	\$0.00	\$0.00
Building/Grounds Maintenance/Repair	\$1,510	\$2,265	\$755.00	\$0.20	\$2,265.20	\$0.00	\$0.00
Telecommunications Services	\$1,133	\$1,710	\$577.00	(\$0.35)	\$1,709.65	\$0.00	\$0.00
Insurance	\$3,398	\$2,216		\$1,181.96	\$2,264.79	\$1,133.17	\$1,133.17
Accounting Fees	\$3,020	\$1,510	(\$1,510.00)	\$0.41	\$1,510.41	\$0.00	\$0.00
Payroll Preparation Fees	\$378	\$454	\$80.00	\$3.55	\$457.55	\$0.00	\$0.00
Subtotal of Above Administrative Support	\$49,447	\$47,822		\$1,160.31	\$47,147.23	\$1,635.08	\$1,635.08
<b>DISTRICT ADJUSTMENTS (amounts withheld for items to be billed by the district) FOR DISTRICT USE ONLY</b>							
Creative Curriculum.net licenses	\$299	\$299		\$0.25	\$180.00	\$119.25	\$119.25
	\$ 157,525	\$152,809	\$0.00	\$4,716.13	\$152,358.35	\$5,166.78	\$5,166.78

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: November 2, 2011

PROVIDER CONTACT INFORMATION: Name of PROVIDER Dorothy's Little Tot's  
 NAME OF DIRECTOR Blanch Harris

Address of Provider: 185 Carroll Street, Paterson, NJ 07501

TELEPHONE NUMBER (973) 279-2333 FAX NUMBER \_\_\_\_\_

FINDING/ RECOMMENDATION NUMBER	FINDING	CORRECTIVE ACTION	METHOD OF IMPLEMENTATION	INDIVIDUAL RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
1	Department of Education Preschool Program	The District will recover \$5,166.78 from the Provider.	Reduce monthly tuition payments to the Provider.	Susana Peron	January 2012

Don W. Egan 11/21/11 Date 11/16/11 Date  
 Chief School Administrator Board Secretary/Business Administrator  
Janie Schelling 10-18-2011 Date 9-20-11 Date  
 Fiscal Specialist Provider