



**State of New Jersey**  
DEPARTMENT OF EDUCATION  
PO BOX 500  
TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

CHRISTOPHER D. CERF  
*Commissioner*

February 7, 2014

Ms. Cami Anderson  
State District Superintendent  
Newark Public Schools  
2 Cedar Street  
Newark, New Jersey 07102

Dear Ms. Anderson:

Attached is the internal audit report on early childhood provider Full Gospel Christian Academy. In accordance with N.J.A.C. 6A:23A-5.6 the Newark Public Schools are required to publicly review and discuss the findings in the report at the next regularly scheduled public board meeting. Within 30 days of the public meeting the district board of education shall adopt a resolution certifying that the findings were discussed in a public meeting and approving a corrective action plan to address the issues raised in the findings. The resolution shall be submitted to the Internal Audit Unit within 10 days of adoption. The findings of the audit and the board of education's corrective action plan shall be posted on the district's web site.

Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Hoffmann', written over a horizontal line.

Steven Hoffmann  
Coordinating Auditor  
NJ Department of Education  
(973) 621-2750

c: Robert Cicchino  
Ellen Wolock  
✓ Valerie Wilson  
Clarence Joffrion

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

**NEWARK INTERNAL AUDIT UNIT**  
**FULL GOSPEL CHRISTIAN ACADEMY**

**2012-2013 FISCAL YEAR**

**JANUARY 2014**

**NEW JERSEY DEPARTMENT OF EDUCATION  
NEWARK INTERNAL AUDIT UNIT  
FULL GOSPEL CHRISTIAN ACADEMY  
2012-2013 FISCAL YEAR**

**Distribution List of Final Audit Report**

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New Jersey Department of Education

Cami Anderson, State District Superintendent  
State Operated School District of Newark

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New Jersey Department of Education

Ellen Wolock, Director, Office of Preschool Education  
New Jersey Department of Education

Robert Cicchino, Director  
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New Jersey Department of Education

Steven C. Hoffmann, Coordinating Auditor  
New Jersey Department of Education

Clarence Joffrion, Supervising Auditor  
Newark Public Schools

**NEW JERSEY DEPARTMENT OF EDUCATION  
NEWARK INTERNAL AUDIT UNIT  
FULL GOSPEL CHRISTIAN ACADEMY  
2012-2013 FISCAL YEAR**

**EXECUTIVE SUMMARY**

The Newark Internal Audit Unit conducted an audit of Full Gospel Christian Academy (provider), a provider participating in the New Jersey Department of Education (NJDOE) Preschool Education Program, for compliance with the terms of the contract for the 2012-2013 fiscal year.

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

- The district owes the provider a balance of \$3,672.
- Deficiencies noted in the review of required staff credentials.

**DETAILED FINDINGS**

The Newark Internal Audit Unit reviewed the financial records and supporting documentation in accordance with the executed contract for the provider for the period July 2012 through June 2013. 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 day and 191 day school year.

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 (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, 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 provides 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.

**NEW JERSEY DEPARTMENT OF EDUCATION  
NEWARK INTERNAL AUDIT UNIT  
FULL GOSPEL CHRISTIAN ACADEMY  
2012-2013 FISCAL YEAR**

- The provider submitted the proper supporting documentation with the quarterly expenditure reports.
- The provider annually obtained signed waiver from staff members choosing to opt out of benefit coverage. The waiver must indicate proof of insurance from another source.
- The provider based all benefit expenditures on a written uniform policy.

**FULL GOSPEL CHRISTIAN ACADEMY**

Full Gospel Christian Academy is a non-profit childcare center providing services to the children of Newark, New Jersey. The center is located at 531 South Orange Avenue in Newark, and was budgeted to serve a total of 30 NJDOE children. The 2012-2013 approved budget totaled \$554,139.

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**1. NJDOE Preschool Program.**

The NJDOE funds the six hour 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.

The auditors determined that the provider under spent the budget by \$14,867. The district withheld \$18,539. The district owes the provider \$3,672 (See Exhibit A).

**Recommendation:**

The auditors recommend that the district pay the provider the sum of \$3,672.

**2. Deficiencies noted in review of required staff credentials.**

In accordance with the 2012-2013 NJDOE Preschool contract, providers must obtain the appropriate credential documentation, a CARI background check and a CHRI 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% of the center's weekly operating hours shall take a TB skin test.

**NEW JERSEY DEPARTMENT OF EDUCATION  
NEWARK INTERNAL AUDIT UNIT  
FULL GOSPEL CHRISTIAN ACADEMY  
2012-2013 FISCAL YEAR**

The auditors reviewed the personnel files for 12 NJDOE employees employed by the provider during the audit period of July 2012 through June 2013, and found the following deficiencies:


- A CHRI background check was not on file for five of the 12 employees.
- A CARI background check was not on file for four of the 12 employees.
- TB test results were not on file for five of the 12 employees.

**Recommendation:**

The auditors recommend the provider ensures all required documentation is on file and promptly obtain the missing information for active employees. The district should follow up with the provider to ensure that the CHRI, CARI and the TB test results are obtained in a timely manner.

**Auditor:**  
**Temple Garretson-White**

**Submitted by:**

  
**Clarence Joffrion**  
**Supervising Auditor**

**Approved by:**

  
**Steven C. Hoffmann**  
**Coordinating Auditor**

Full Gospel Christian Academy									
2012/2013 Fiscal Year									
Budget vs. Actual									
Expense	Total Cost	BUDGET	ADJ. BUDGET	YTD TOTAL PER PROVIDER EXPENDITURE REPORT	YTD EXPENDITURE REVIEWED BY AUDITORS	YTD EXPENDITURES APPROVED BY THE AUDITORS	VARIANCE AMOUNT DUE BACK		
<b>EDUCATIONAL PROGRAM COSTS</b>									
Teacher Salary	\$ 137,429.00	\$ 137,429.00	\$ 137,429.00	\$ 137,580.00	\$ 141,371.10	\$ 137,429.00	\$ -		
Teacher Assistant Salary	\$ 63,573.00	\$ 63,573.00	\$ 63,573.00	\$ 64,521.00	\$ 66,050.10	\$ 63,573.00	\$ -		
Floating Teacher Assistant Salary	\$ 26,009.00	\$ 26,009.00	\$ 26,009.00	\$ 25,508.00	\$ 26,754.60	\$ 26,009.00	\$ -		
Teacher/Assistant Teacher Benefits	\$ 45,000.00	\$ 45,000.00	\$ 43,000.00	\$ 39,935.00	\$ 38,099.80	\$ 38,100.00	\$ 4,900.00		
Substitute Teacher Stipend	\$ 3,000.00	\$ 3,000.00	\$ 1,715.00	\$ 2,450.00	\$ 3,295.00	\$ 1,715.00	\$ -		
Substitute Assistant Teacher Stipend	\$ 3,000.00	\$ 3,000.00	\$ 1,615.00	\$ 1,900.00	\$ 1,615.00	\$ 1,615.00	\$ -		
Classroom Materials and Supplies	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,281.00	\$ 4,454.01	\$ 4,000.00	\$ -		
Classroom Technology	\$ 1,600.00	\$ 1,600.00	\$ 600.00	\$ 420.00	\$ 907.20	\$ 600.00	\$ -		
Field Trips w/ Transportation	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 312.00	\$ 3,356.64	\$ 2,250.00	\$ -		
Family Worker Salary	\$ 17,055.33	\$ 17,055.00	\$ 17,055.00	\$ 15,469.00	\$ 17,777.00	\$ 17,055.00	\$ -		
Family Worker Benefits	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 8,281.00	\$ 8,194.22	\$ 6,000.00	\$ -		
<b>Food-Related Costs (CAFCP participant, non-reimbursable costs)</b>									
Food (for contracted preschool children only)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Food Worker Salary (cook)	\$ 5,275.33	\$ 5,275.00	\$ 5,275.00	\$ 4,987.00	\$ 5,484.85	\$ 5,275.00	\$ -		
Food Worker Benefits (cook)	\$ 791.30	\$ 791.00	\$ -	\$ -	\$ -	\$ -	\$ -		
Assistant Food Worker Salary (asst. cook)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Assistant Food Worker Benefits (asst. cook)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Employer Payroll Taxes (For Educational Program Positions only)</b>									
Social Security (6.20%)	\$ 15,831.18	\$ 15,831.00	\$ 15,831.00	\$ 16,187.00	\$ 16,969.22	\$ 15,665.60	\$ 165.40		
Medicare (1.45%)	\$ 3,702.45	\$ 3,702.00	\$ 3,702.00	\$ 3,786.00	\$ 3,968.61	\$ 3,663.73	\$ 38.27		
Unemployment (2.80%)	\$ 7,149.57	\$ 7,150.00	\$ 7,150.00	\$ 7,309.00	\$ 7,663.52	\$ 7,074.79	\$ 75.21		
Disability (0.50%)	\$ 1,276.71	\$ 1,277.00	\$ 1,277.00	\$ 1,305.00	\$ 1,368.49	\$ 1,263.36	\$ 13.65		
<b>SUBTOTAL, Educational Program Costs</b>	<b>\$ 342,942.88</b>	<b>\$ 342,942.00</b>	<b>\$ 336,481.00</b>	<b>\$ 334,231.00</b>	<b>\$ 347,329.35</b>	<b>\$ 331,288.47</b>	<b>\$ 5,192.53</b>		
<b>ADMINISTRATIVE SUPPORT AND INDIRECT COSTS</b>									
<b>SUPPORT COSTS</b>									
Director Salary	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,204.20	\$ 37,294.14	\$ 35,000.00	\$ -		
Director Benefits	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 9,875.00	\$ 10,179.89	\$ 8,500.00	\$ -		
Clerical Salary	\$ 5,773.68	\$ 5,774.00	\$ 5,774.00	\$ 5,523.00	\$ 5,798.00	\$ 5,774.00	\$ -		
Clerical Benefits	\$ 866.05	\$ 866.00	\$ 866.00	\$ -	\$ -	\$ -	\$ 866.00		
Custodian Salary	\$ 10,584.00	\$ 10,584.00	\$ 5,212.00	\$ 4,242.00	\$ 6,577.31	\$ 5,212.00	\$ -		
Custodian Benefits	\$ 1,587.60	\$ 1,588.00	\$ -	\$ -	\$ -	\$ -	\$ -		
Security Guard Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Security Guard Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Social Security (6.20%)	\$ 3,184.18	\$ 3,184.00	\$ 3,184.00	\$ 2,729.00	\$ 3,079.51	\$ 2,851.13	\$ 332.87		
Medicare (1.45%)	\$ 744.69	\$ 745.00	\$ 745.00	\$ 639.00	\$ 720.21	\$ 666.80	\$ 78.20		
Unemployment (2.80%)	\$ 1,438.02	\$ 1,438.00	\$ 1,438.00	\$ 1,232.00	\$ 1,390.74	\$ 1,287.10	\$ 150.90		
Disability (0.50%)	\$ 256.79	\$ 257.00	\$ 257.00	\$ 304.00	\$ 248.35	\$ 229.93	\$ 27.07		
<b>INDIRECT COSTS</b>									
Rent, Mortgage, Other Space Costs	\$ 70,367.35	\$ 70,367.00	\$ 79,967.00	\$ 70,369.00	\$ 79,999.40	\$ 79,967.00	\$ -		
Office Equipment >\$2000 and Repair	\$ 2,198.98	\$ 2,199.00	\$ 4,199.00	\$ 4,794.00	\$ 7,210.05	\$ 4,199.00	\$ -		
Office Materials and Supplies	\$ 439.80	\$ 440.00	\$ 1,440.00	\$ 1,304.00	\$ 2,262.37	\$ 1,440.00	\$ -		
Food-Related Paper Supplies	\$ 351.84	\$ 352.00	\$ 352.00	\$ 146.00	\$ 43.65	\$ 43.65	\$ 308.35		
Cleaning Supplies	\$ 879.59	\$ 880.00	\$ 1,671.00	\$ 1,360.00	\$ 846.48	\$ 846.48	\$ 824.52		
Food for Meetings	\$ 175.92	\$ 176.00	\$ 176.00	\$ 481.00	\$ 365.03	\$ 176.00	\$ -		
Building/Grounds Maintenance/Repair	\$ 3,518.37	\$ 3,518.00	\$ 3,518.00	\$ 1,886.00	\$ 7,670.11	\$ 3,518.00	\$ -		
Utilities	\$ 8,444.08	\$ 8,444.00	\$ 6,886.00	\$ 6,881.00	\$ 6,641.35	\$ 6,641.35	\$ 244.65		
Telecommunications Services	\$ 3,518.37	\$ 3,518.00	\$ 3,518.00	\$ 3,459.00	\$ 3,334.41	\$ 3,334.41	\$ 183.59		
Security	\$ 879.59	\$ 880.00	\$ 880.00	\$ -	\$ 864.27	\$ 864.27	\$ 15.73		
Insurance	\$ 14,073.47	\$ 14,073.00	\$ 15,661.00	\$ 16,879.00	\$ 14,950.51	\$ 14,950.51	\$ 710.49		
Accounting Fees	\$ 8,795.92	\$ 8,796.00	\$ 8,796.00	\$ 8,796.00	\$ 11,500.00	\$ 8,796.00	\$ -		
Payroll Preparation Fees	\$ 4,397.96	\$ 4,398.00	\$ 4,398.00	\$ 4,397.00	\$ 3,958.20	\$ 3,958.20	\$ 439.80		
Advertising	\$ 219.90	\$ 220.00	\$ 220.00	\$ -	\$ -	\$ -	\$ 220.00		
Staff Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Profit, if Applicable (Max of 2.5% of Ed Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Subtotal of Above Administrative Support and Indirect Costs</b>	<b>\$ 186,196.12</b>	<b>\$ 186,197.00</b>	<b>\$ 192,658.00</b>	<b>\$ 180,500.20</b>	<b>\$ 204,933.98</b>	<b>\$ 188,255.83</b>	<b>\$ 4,402.17</b>		
<b>SECURITY SERVICES</b>									
<b>SUBTOTAL, Other Approved Budgeted Costs</b>	<b>\$ 25,000.00</b>	<b>\$ 25,000.00</b>	<b>\$ 25,000.00</b>	<b>\$ 25,000.00</b>	<b>\$ 19,727.67</b>	<b>\$ 19,727.67</b>	<b>\$ 5,272.33</b>		
<b>PROVIDER PROGRAM TOTALS</b>									
<b>Total Cost</b>	<b>\$ 554,139.00</b>	<b>\$ 554,139.00</b>	<b>\$ 554,139.00</b>	<b>\$ 539,731.20</b>	<b>\$ 571,991.00</b>	<b>\$ 539,271.98</b>	<b>\$ 14,867.02</b>		
<b>DISTRICT ADJUSTMENTS (amounts withheld for items to be purchased by the district) FOR DISTRICT USE ONLY</b>									
Classroom Materials and Supplies	\$ (4,000.00)							Grand total of payments	\$ 535,600.00
Classroom Technology	\$ (1,600.00)							Amount Auditor Approved	\$ (539,272.00)
<b>Total Cost Less District Adjustments</b>	<b>\$ 548,539.00</b>							<b>Due Back To Provider</b>	<b>\$ (3,672.00)</b>