

Michael E. Nawrocki  
Ernest Patrick Smith



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Lauren M. Agunzo  
John K. Hoffman  
Darin V. Iacobelli  
David M. Tellier

July 10, 2020

**VIA EMAIL**

Ms. Kathi Kivi  
District Clerk  
East Ramapo Central School District  
105 South Madison Avenue  
Spring Valley, NY 10977

**Re: Claims Audit Report for June 2020**

Dear Ms. Kivi:

Enclosed please find a copy of our Claims Audit Report for June 2020. Please distribute a copy to the Assistant Superintendent for Finance and distribute a copy to each of the Board members of the East Ramapo Central School District.

Thank you for your assistance in this matter.

Sincerely yours,

*Darin V. Iacobelli*

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Darin V. Iacobelli, CPA

Enclosure



July 10, 2020

**VIA EMAIL**

Board of Education  
East Ramapo Central School District  
105 South Madison Avenue  
Spring Valley, NY 10977

***Re: Claims Audit Report for the Month of  
June 1, 2020 through June 30, 2020***

Board of Education:

We have completed our claims auditing services to the East Ramapo Central School District covering the time period of June 1, 2020 through June 30, 2020. The services we performed, as outlined within our proposal, include reviewing all claims against the District. The purpose of this report is to update the Board of Education on work performed to date, our findings, and recommendations.

For ease of reference we have categorized the remainder of this report as follow:

**Claims Audit Services**

**Exhibits**

**CLAIMS AUDIT SERVICES**

The claims audit services performed on each claim against the District consisted of:

1. Verification of the accuracy of invoices and claim forms.
2. Ensuring proper approval of all purchases; checking that purchases constitute legal expenses of the school district.
3. Determining that purchase orders have been issued in accordance with Board of Education policy, and applicable state law.

*Board of Education  
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*Re: Claims Audit Report for the Month of  
June 1, 2020 through June 30, 2020*

4. Comparison of invoices or claims with previously approved contracts.
5. Reviewing price extensions, claiming of applicable discounts, inclusion of shipping and freight charges.
6. Approving all charges that are presented for payment which are supported with documentary evidence indicating compliance with all pertinent laws, policies and regulations.

Over the time period of June 1, 2020 through June 30, 2020 we have audited **1,491** claims against the District in the amount of **\$15,467,423.15** (See attached Exhibit I). We made inquiries and/or observations into **75** claims in the amount of **\$1,074,935.41**. It should be noted that currently, there are no outstanding inquiries in regard to the audit of claims made against the District for the period of July 1, 2019 through June 30, 2020. We have summarized the inquiries and/or observations as well as the resolutions within Exhibit II.

Please note that for comparative purposes, we have attached Exhibit II – “Summary of Inquiries/Resolutions” for each of the prior months, if applicable.

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We trust that the foregoing comments are clear. If you have any questions or you would like to discuss this matter further, please contact me at 631-756-9500.

Very truly yours,

*Nawrocki Smith LLP*

**Claims Audit By Fund**  
**East Ramapo Central School District**  
**Exhibit I**  
**June 2020**

Legend:	
A - General	H - Capital
C - School Lunch	TA - Trust & Agency
F - Special Aid	CM - Scholarship

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
06/04/20	06/03/20	241	A	77	3,934,489.78	5	47,367.16	5	-	410752-410828
06/04/20	06/03/20	244	A	3	131,322.17	1	92,104.67	1	-	410829-410831
06/04/20	06/03/20	239	C	6	57,629.34	2	56,676.10	2	-	16410-16415
06/04/20	06/03/20	242	F	27	514,332.45	9	229,334.81	9	-	53372-53398
06/04/20	06/03/20	243	H	1	12,417.71	1	12,417.71	1	-	364
06/04/20	06/03/20	240	TA	2	55,380.68	1	550.50	1	-	37115-37116
<b>TOTAL</b>				<b>116</b>	<b>\$ 4,705,572.13</b>	<b>19</b>	<b>\$ 438,450.95</b>	<b>19</b>	<b>-</b>	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
06/18/20	06/17/20	247	A	109	3,858,090.20	21	213,454.69	21	-	410832-410940
06/30/20	06/17/20	249	A	1099	632,537.20	1	578.40	1	-	410941-412039
06/18/20	06/17/20	252	A	1	1,624.80	-	-	-	-	412040
06/18/20	06/17/20	250	C	5	699,766.78	2	93,193.64	2	-	16416-16419; Wire
06/18/20	06/17/20	253	F	68	1,922,615.16	14	263,749.08	14	-	53399-53466
06/18/20	06/17/20	248	H	1	948.40	-	-	-	-	365
06/18/20	06/17/20	251	CM	2	1,200.00	-	-	-	-	2636-2637
<b>TOTAL</b>				<b>1285</b>	<b>\$ 7,116,782.54</b>	<b>38</b>	<b>\$ 570,975.81</b>	<b>38</b>	<b>-</b>	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
06/26/20	06/25/20	256	A	1	2,716,237.06	-	-	-	-	412041
06/26/20	06/25/20	257	A	3	69,548.82	-	-	-	-	412042-412044
<b>TOTAL</b>				<b>4</b>	<b>\$ 2,785,785.88</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
06/30/20	06/29/20	262	A	81	838,533.21	18	65,508.65	18	-	412045-412125
06/30/20	06/29/20	260	C	1	800.00	-	-	-	-	16420
06/30/20	06/29/20	261	H	1	713.62	-	-	-	-	366
06/30/20	06/29/20	258	TA	2	18,235.77	-	-	-	-	37142-37143
06/30/20	06/29/20	259	CM	1	1,000.00	-	-	-	-	2638
<b>TOTAL</b>				<b>86</b>	<b>\$ 859,282.60</b>	<b>18</b>	<b>\$ 65,508.65</b>	<b>18</b>	<b>-</b>	

<b>GRAND TOTAL</b>				<b>1491</b>	<b>\$ 15,467,423.15</b>	<b>75</b>	<b>\$ 1,074,935.41</b>	<b>75</b>	<b>-</b>	
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\*Payroll Warrants are included for informational purposes only and have not been reviewed.

Check Date	Payroll Run Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
06/05/20	06/05/20	238	TA	42	2,239,109.58	-	-	-	-	37103-37114; Wires
06/08/20	06/08/20	245	TA	5	28,198.49	-	-	-	-	Wires
06/19/20	06/19/20	246	TA	42	2,204,754.75	-	-	-	-	37117-37128; Wires
06/26/20	06/26/20	254	TA	9	4,043,295.74	-	-	-	-	37129-37131; Wires
06/30/20	06/30/20	255	TA	22	552,072.91	-	-	-	-	37132-37138; Wires
<b>TOTAL</b>				<b>120</b>	<b>\$ 9,067,431.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**East Ramapo Central School District**  
**Claims Audit - Analysis by Number of Inquiries & Dollar Value**  
**Summary of Inquiries / Resolutions and Percentage of Total Claims & Dollar Value of Claims**  
**Exhibit II**  
**2019 / 2020 YTD**

Reason For Inquiry	Resolution	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Incorrect accounts payable amount	Adjust next invoice	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Incorrect accounts payable amount	Amount adjusted prior to payment	4 1.00%	2 0.72%	4 0.26%	4 0.78%	2 0.36%	3 0.18%
Paid sales tax	Adjust next invoice	- 0.00%	1 0.36%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Paid sales tax	Amount adjusted prior to payment	- 0.00%	- 0.00%	1 0.07%	1 0.19%	1 0.18%	- 0.00%
Incorrect remittance address	Address verified	3 0.75%	1 0.36%	1 0.07%	9 1.75%	8 1.46%	1 0.06%
Insufficient supporting documentation	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Invoice date precedes purchase order date	Noted by Business Office	15 3.75%	22 7.97%	29 1.91%	64 12.43%	50 9.11%	28 1.71%
Invoice over 90 days outstanding	Verified not a duplicate payment	18 4.50%	8 2.90%	17 1.12%	12 2.33%	19 3.46%	6 0.37%
Missing receiving or approval signature	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Not an original invoice or receipt	Copy or fax accepted	1 0.25%	- 0.00%	1 0.07%	- 0.00%	1 0.18%	1 0.06%
Receipts not itemized	Noted by Business Office	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
<b>Total Number (#) of Inquiries</b>		<b>41 10.25%</b>	<b>34 12.32%</b>	<b>53 3.49%</b>	<b>90 17.48%</b>	<b>81 14.75%</b>	<b>39 2.38%</b>
<b>Total Claims Audited</b>		<b>400 100.00%</b>	<b>276 100.00%</b>	<b>1,517 100.00%</b>	<b>515 100.00%</b>	<b>549 100.00%</b>	<b>1,639 100.00%</b>
<b>Total Outstanding Inquiries</b>		<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>

Reason For Inquiry	Resolution	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Incorrect accounts payable amount	Adjust next invoice	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Incorrect accounts payable amount*	Amount adjusted prior to payment*	133,979.01 1.09%	2,998.35 0.02%	17,065.84 0.11%	154,758.97 1.02%	312,950.57 2.16%	7,663.08 0.04%
Paid sales tax	Adjust next invoice	- 0.00%	511.13 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Paid sales tax*	Amount adjusted prior to payment*	- 0.00%	- 0.00%	340.88 0.00%	339.67 0.00%	3,223.33 0.02%	- 0.00%
Incorrect remittance address	Address verified	2,554.80 0.02%	22,617.80 0.18%	10,468.00 0.07%	13,142.84 0.09%	123,695.20 0.85%	313.36 0.00%
Insufficient supporting documentation	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Invoice date precedes purchase order date	Noted by Business Office	1,801,840.05 14.68%	248,271.82 1.99%	337,544.72 2.13%	1,039,796.30 6.89%	2,083,390.29 14.38%	4,653,601.19 24.74%
Invoice over 90 days outstanding	Verified not a duplicate payment	181,233.64 1.48%	44,535.77 0.36%	3,420,515.14 21.58%	19,965.94 0.13%	300,920.01 2.08%	103,501.46 0.55%
Missing receiving or approval signature	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Not an original invoice or receipt	Copy or fax accepted	315.91 0.00%	- 0.00%	465.22 0.00%	- 0.00%	528.48 0.00%	17.62 0.00%
Receipts not itemized	Noted by Business Office	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
<b>Total Value (\$) of Inquiries</b>		<b>\$ 2,119,923.41 17.27%</b>	<b>\$ 318,934.87 2.56%</b>	<b>\$ 3,786,399.80 23.89%</b>	<b>\$ 1,228,003.72 8.13%</b>	<b>\$ 2,824,707.88 19.49%</b>	<b>\$ 4,765,096.71 25.33%</b>
<b>Total Claims Audited</b>		<b>\$ 12,275,690.30 100.00%</b>	<b>\$ 12,458,211.40 100.00%</b>	<b>\$ 15,848,004.36 100.00%</b>	<b>\$ 15,101,481.37 100.00%</b>	<b>\$ 14,491,278.22 100.00%</b>	<b>\$ 18,809,839.42 100.00%</b>
<b>Total Outstanding Inquiries</b>		<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>

\* Note: Inquiry Amounts for each month reflect the entire check amounts associated with each incorrect accounts payable amount and paid sales tax inquires.  
The table below reflects each month's actual net adjustment for incorrect accounts payable amount and paid sales tax inquires.

Reason For Inquiry	Resolution	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Incorrect accounts payable amount*	Amount adjusted prior to payment*	\$ (24,074.35) -0.20%	\$ (0.80) 0.00%	\$ (215.53) 0.00%	\$ (7,277.15) -0.05%	\$ (30,000.40) -0.21%	\$ 659.70 0.00%
Paid sales tax*	Amount adjusted prior to payment*	\$ - 0.00%	\$ - 0.00%	\$ (26.06) 0.00%	\$ (28.45) 0.00%	\$ (0.10) 0.00%	\$ - 0.00%
<b>Total Claims Audited</b>		<b>\$ 12,251,615.95 100.00%</b>	<b>\$ 12,458,210.60 100.00%</b>	<b>\$ 15,847,762.77 100.00%</b>	<b>\$ 15,094,175.77 100.00%</b>	<b>\$ 14,461,277.72 100.00%</b>	<b>\$ 18,810,499.12 100.00%</b>

**East Ramapo Central School District**  
**Claims Audit - Analysis by Number of Inquiries & Dollar Value**  
**Summary of Inquiries / Resolutions and Percentage of Total Claims & Dollar Value of Claims**  
**Exhibit II**  
**2019 / 2020 YTD**

Reason For Inquiry	Resolution	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Incorrect accounts payable amount	Adjust next invoice	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Incorrect accounts payable amount	Amount adjusted prior to payment	3 0.46%	2 0.35%	5 0.38%	1 0.32%	2 0.72%	3 0.20%
Paid sales tax	Adjust next invoice	- 0.00%	- 0.00%	- 0.00%	- 0.00%	1 0.36%	- 0.00%
Paid sales tax	Amount adjusted prior to payment	1 0.15%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Incorrect remittance address	Address verified	2 0.31%	3 0.52%	1 0.08%	- 0.00%	2 0.72%	3 0.20%
Insufficient supporting documentation	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Invoice date precedes purchase order date	Noted by Business Office	35 5.40%	31 5.38%	5 0.38%	14 4.49%	16 5.80%	29 1.95%
Invoice over 90 days outstanding	Verified not a duplicate payment	15 2.31%	10 1.74%	3 0.23%	4 1.28%	15 5.43%	39 2.62%
Missing receiving or approval signature	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Not an original invoice or receipt	Copy or fax accepted	1 0.15%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	1 0.07%
Receipts not itemized	Noted by Business Office	2 0.31%	- 0.00%	- 0.00%	- 0.00%	2 0.72%	- 0.00%
<b>Total Number (#) of Inquiries</b>		<b>59 9.10%</b>	<b>46 7.99%</b>	<b>14 1.07%</b>	<b>19 6.09%</b>	<b>38 13.77%</b>	<b>75 5.03%</b>
<b>Total Claims Audited</b>		<b>648 100.00%</b>	<b>576 100.00%</b>	<b>1,308 100.00%</b>	<b>312 100.00%</b>	<b>276 100.00%</b>	<b>1,491 100.00%</b>
<b>Total Outstanding Inquiries</b>		<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>

Reason For Inquiry	Resolution	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Incorrect accounts payable amount	Adjust next invoice	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Incorrect accounts payable amount*	Amount adjusted prior to payment*	19,986.28 0.12%	5,208.41 0.04%	9,147.68 0.15%	9,558.00 0.06%	5,543.60 0.05%	4,216.16 0.03%
Paid sales tax	Adjust next invoice	- 0.00%	- 0.00%	- 0.00%	- 0.00%	10,422.23 0.09%	- 0.00%
Paid sales tax*	Amount adjusted prior to payment*	301.17 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Incorrect remittance address	Address verified	19,818.34 0.12%	3,155.50 0.02%	9.43 0.00%	- 0.00%	848,879.29 7.64%	127,335.06 0.82%
Insufficient supporting documentation	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Invoice date precedes purchase order date	Noted by Business Office	2,395,068.57 14.98%	607,790.38 4.25%	90,834.88 1.47%	81,498.32 0.51%	1,812,909.31 16.33%	515,612.76 3.33%
Invoice over 90 days outstanding	Verified not a duplicate payment	16,112.96 0.10%	100,542.62 0.70%	819,521.04 13.30%	58,097.73 0.36%	1,918,413.75 17.28%	400,183.43 2.59%
Missing receiving or approval signature	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Not an original invoice or receipt	Copy or fax accepted	1,636.36 0.01%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	27,588.00 0.18%
Receipts not itemized	Noted by Business Office	639.45 0.00%	- 0.00%	- 0.00%	- 0.00%	6,520.51 0.06%	- 0.00%
<b>Total Value (\$) of Inquiries</b>		<b>\$ 2,453,563.13 15.34%</b>	<b>\$ 716,696.91 5.01%</b>	<b>\$ 919,513.03 14.92%</b>	<b>\$ 149,154.05 0.94%</b>	<b>\$ 4,602,688.69 41.45%</b>	<b>\$ 1,074,935.41 6.95%</b>
<b>Total Claims Audited</b>		<b>\$ 15,989,693.05 100.00%</b>	<b>\$ 14,308,953.86 100.00%</b>	<b>\$ 6,163,626.12 100.00%</b>	<b>\$ 15,951,717.05 100.00%</b>	<b>\$ 11,104,599.70 100.00%</b>	<b>\$ 15,467,423.15 100.00%</b>
<b>Total Outstanding Inquiries</b>		<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>none</b>

\* Note: Inquiry Amounts for each month reflect the entire check amounts associated with each incorrect accounts payable amount and paid sales tax inquires.  
The table below reflects each month's actual net adjustment for incorrect accounts payable amount and paid sales tax inquiries.

Reason For Inquiry	Resolution	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Incorrect accounts payable amount*	Amount adjusted prior to payment*	\$ 13,850.10 0.09%	\$ 0.74 0.00%	\$ 3.17 0.00%	\$ (7.20) 0.00%	\$ (698.17) -0.01%	\$ (279.82) 0.00%
Paid sales tax*	Amount adjusted prior to payment*	\$ (1.33) 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%
<b>Total Claims Audited</b>		<b>\$ 16,003,541.82 100.00%</b>	<b>\$ 14,308,954.60 100.00%</b>	<b>\$ 6,163,629.29 100.00%</b>	<b>\$ 15,951,709.85 100.00%</b>	<b>\$ 11,103,901.53 100.00%</b>	<b>\$ 15,467,143.33 100.00%</b>