

BLIND BROOK-RYE UNION FREE SCHOOL DISTRICT

Agreed-Upon Procedures

Capital Fund Project

As of October 8, 2021

BLIND BROOK-RYE UNION FREE SCHOOL DISTRICT

Capital Fund Project

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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

The Board of Education and the Audit Committee
Blind Brook-Rye Union Free School District:

We have performed the procedures described in Schedules A, B and C (the Schedules) on the capital fund project, consisting of the Ridge Street School, the Enrichment Center and the Middle School and High School lab extension (the Project) of the Blind Brook-Rye Union Free School District (the District) as of October 8, 2021. The District's management is responsible for the District's Project.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the Project of the District as of October 8, 2021. Additionally, the Audit Committee of the District has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in the Schedules.

We were engaged by the District to perform this engagement to apply agreed-upon procedures and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and we did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Project of the District as of October 8, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the District and the Audit Committee, and is not intended to be and should not be used by anyone other than these specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York
November 16, 2021

BLIND BROOK-RYE UNION FREE SCHOOL DISTRICT
 Schedule of Agreed-Upon Procedures and Findings
 As of October 8, 2021

1. Procedure:

Using the schedule of project finances, prepared by the District consultant, as a starting point, review all invoices and payments related to the capital project which consist of construction management, architecture, construction and various miscellaneous costs, including related change orders and proposed change orders, as well as settlement agreements.

Findings:

There are differences in the change orders (C.O.) reported on the schedule of project finances (the Schedule) and the American Institute of Architects documents (AIA) which are the documents received from the contractors that contain completed billing.

<u>Contract</u>	<u>Differences</u>
Ridge Street School Plumbing	(1) C.O. #15 is missing from the AIA but there is \$30,624 on the Schedule. (2) C.O. #2 is negative \$500 on the AIA but missing from the Schedule. (3) AIA includes a second C.O. #4 for \$2,639 which is not on the Schedule. The first C.O. #4 for \$3,403 on the AIA agrees to the Schedule.
Ridge Street School Electrical	(4) AIA and the Schedule includes C.O. #39, however previous C.O.s #1-6, 15, 27, 35 and 37 totaling negative \$68,928 noted on the Schedule are excluded from the AIA.
High School/Middle School General Construction	(5) C.O. #13 is \$0 on the AIA but is \$4,969 on the Schedule. (6) C.O. #28 is \$34,311 on the AIA but is \$33,242 on the Schedule.
High School/Middle School Mechanical	(7) C.O. #1 is \$0 on the AIA but is \$10,628 on the Schedule. (8) C.O. #4 is \$2,770 on the AIA but is missing from the Schedule.
High School/Middle School Electrical	(9) C.O.s #1-11 totaling \$21,969 on the Schedule are not on the AIA.

All change orders above on the Schedule agree to the Board of Education's approved Board minutes. The AIAs should be updated to reflect the correct change orders.

2. Procedure:

Review all contracts and reconcile all invoices and payments with contracts, and verify contract balances and retainage for each contract.

Findings:

There are differences in the retainage on the Schedule and the AIAs. The differences were driven by the Schedule not being updated for changes in the retainage percentages as well as one instance where a journal entry was entered into the wrong cell which did not update the retainage.

<u>Contract</u>	<u>Retainage per Schedule</u>	<u>Retainage per AIA</u>	<u>Differences</u>
High School/ Middle School General Construction	\$ 202,202	20,000	182,202*
High School/ Middle School Mechanical	13,570	2,756	10,814**
High School/ Middle School Plumbing	10,966	5,495	<u>5,471*</u>
			<u>\$ 198,487</u>

* The District’s consultant updated the Schedule as he agreed that the AIA was correct.

** The District’s consultant does not agree with the retainage from the AIA that was calculated by changing the retainage from 5% to 1%.

Ridge Street School Plumbing has a difference in retainage between the AIA and the confirmation received from the vendor of \$10,780. The AIA shows \$85,089 while the confirmation shows \$95,869 of retainage payable. Both are received from the contractor and therefore the contractor’s documents do not agree to each other. The AIA amount of \$85,089 is properly 5% of the balance of the work performed to date and reflected in the Schedule.

Ridge Street School Electrical has a difference in retainage between the AIA and the confirmation received from the vendor of \$13,455. The AIA shows \$134,490 while the confirmation shows \$147,945 of retainage payable. Both are received from the contractor and the contractor’s documents do not agree to each other. The AIA amount of \$134,490 is properly 5% of the balance of the work performed to date and reflected in the Schedule.

Ultimately the Schedule and corresponding information on Schedule C reflects the correct information.

3. Procedure:

Review all allowances and credits issued related to the Project.

Findings:

There are differences noted between the signed off allowance authorization forms (Allowance Forms) and the Schedule. The Allowance Forms are used to document approval of the allowances. These forms are signed off by the contractor, the construction manager and the architect.

<u>Contract</u>	<u>Allowance #</u>	Amount per Allowance <u>Forms</u>	Amount per <u>Schedule</u>	<u>Differences</u>
Ridge Street	AA-01	\$ 17,426	19,036	(1,610)*
School General	AA-11	41,709	5,850	35,859*
Construction	AA-12	11,496	-	<u>11,496*</u>
				<u>\$ 45,745</u>

* The District's consultant updated the Schedule as he agreed the Allowance Forms were correct.

There are differences between the Schedule and the AIAs.

<u>Contract</u>	<u>Differences</u>
Ridge Street School General Construction	(1) AIA shows \$212,029 of allowances work performed while \$596 of allowances remain. The Schedule shows \$162,470 of allowances work performed while \$50,155 of allowances remain. Both total \$212,625 in permissible contractual allowances.
Ridge Street School Mechanical	(2) No supporting signed off allowance authorization forms could be provided. (3) Allowance #AA-01 shows \$25,000 remaining on the AIA but \$25,000 used on the Schedule.
Ridge Street School Plumbing	(4) AIA shows contractual allowances #2 \$40,000, #3 \$22,500 and #4 \$22,500, totaling \$95,000, but these allowances are not on the Schedule.
Ridge Street School Electrical	(5) Schedule shows three allowances of \$3,750, totaling \$11,250, that are not on the AIA.
High School/Middle School Electrical	(6) AIA shows \$52,550 of allowances performed and no allowances remaining. The Schedule shows \$12,131 of allowances work performed while \$40,119 of allowances remaining. Both total \$52,250 in permissible contractual allowance.

Ultimately the Schedule and corresponding information on Schedule C reflects the correct information.

4. Procedure:

Reconcile expense detail by contract with payments in the District's financial system and with outstanding fiscal obligations incurred but not yet posted in the financial system.

Findings:

No findings noted.

5. Procedure:

Expenditures of the Project have been subjected to the following procedures:

- a. Support for the amount paid has been reviewed.
- b. Agreed scope of services described in invoice to contract terms.
- c. Information related to the expenditure was reviewed noting agreement as to:
 - i. Check date
 - ii. Check number
 - iii. Invoice number
 - iv. Invoice and check amounts
- d. Documentation of invoices for payment was reviewed noting approval by:
 - i. The applicable contract specialist
 - ii. The applicable project manager
 - iii. The applicable District financial personnel
- e. All invoices and payments will be reviewed and reconciled to the contracts.

Findings:

There was one expenditure on the Schedule for \$5,290 that was determined to not exist. Per the District Treasurer this expenditure was recorded as accounts payable as of June 30, 2020 but the District was never billed for this service. This amount is improperly included on the Schedule.

Ultimately the Schedule and corresponding information on Schedule C reflects the correct information.

6. Procedure:

Communicate with construction manager, general contractor and other appropriate third party to summarize estimated costs to complete the capital project.

Findings:

No findings noted. See Schedule B for estimated future costs to compete the Project and Schedule C for estimated total costs.

BLIND BROOK-RYE UNION FREE SCHOOL DISTRICT
 Schedule of Estimated Future Costs
 As of October 8, 2021

Construction Project	Description of Work to be Performed	Unaudited Estimated Future Costs	Total	Confirmation Sent	Confirmation Received
Ridge Street School	General Construction (1)	\$ 6,424,761		Yes	No
	Mechanical (2)	341,329		Yes	No
	Plumbing	268,563		Yes	Yes
	Electrical	1,444,852		Yes	Yes
	Incidentals (3)	940,052		No	N/A
	General Construction (8)	22,360		No	N/A
	Electrical (4)	<u>149,000</u>	9,590,917		No
High School/ Middle School	General Construction	44,383		Yes	Yes
	Mechanical	2,970		Yes	Yes
	Plumbing	-		Yes	Yes
	Electrical (5)	<u>25,869</u>	73,222	Yes	No
Enrichment Center	Completed	<u>-</u>	-	No	N/A
Unallocated (7)	Architecture	377,711		Yes	Yes
	Construction Manager (6)	<u>542,602</u>	<u>920,313</u>	Yes	Yes
Total			<u>\$ 10,584,452</u>		

The above estimated costs are based off the schedule of project finances unless noted above that a confirmation was received, in which this estimated cost is based off of the vendors' estimates. Unaudited future costs above are the costs to complete which consist of contractual and change order balances.

- (1) A confirmation was sent to Niram, Inc. but was not returned. The amount was estimated by the District's consultant as contract balance to complete plus 7% of contract balance to complete. Consultant added note this may need to increase to 10%. For the balance above, 7% was used.
- (2) A confirmation was sent to Clean Air Quality Service, Inc. but not returned. The amount was estimated by the District's consultant as contract balance to complete plus 10% of contract balance to complete.
- (3) The amount was estimated by the District's consultant. Incidentals include furniture and equipment, administrative, insurance, legal, testing and inspection costs.
- (4) Per District's consultant cost is to Gemba "for furnishing and installing new RSS PA system." Updated information obtained November 5, 2021. The District is not in agreement with these numbers.
- (5) A confirmation was sent to Talt Electric but not returned. The amount was estimated by the District's consultant as contract balance.
- (6) SCC Construction Management Group estimated cost based on a range to complete of 9-11 months which would be June 2022 and August 2022, respectively. Above reflects the 11 month amount. Had 9 months been used this cost would have been \$446,438. The District is not in agreement with these numbers.
- (7) Construction Manager and Architecture costs to date were allocated by construction project by the District's consultant on the schedule of project finances. The estimated future costs of this work was determined by confirmations sent to the vendors. The vendors did not allocate between construction projects and therefore these future costs are classified as unallocated. It is presumed that a majority of these costs will be related to the Ridge Street School project. The District is not in agreement with these numbers.
- (8) Per District's consultant cost is to Acocella "for paving of walking path required by SED inspection." Updated information obtained November 5, 2021.

BLIND BROOK-RYE UNION FREE SCHOOL DISTRICT
 Schedule of Costs to Date and Estimated Total Costs
 As of October 8, 2021

Construction Project	Description of Work	Unaudited Costs to Date	Unaudited Estimated Future Costs from Schedule B	Total Estimated Costs	Original Contract Original Budget	Change Orders Change in Estimate	Revised Contract Revised Budget
Ridge Street School	General Construction	\$ 20,182,235	6,424,761	26,606,996	23,701,000	2,485,685	26,186,685
	Mechanical	4,073,468	341,329	4,414,797	2,975,000	1,408,767	4,383,767
	Plumbing	1,701,787	268,563	1,970,350	1,759,000	238,092	1,997,092
	Electrical	2,689,806	1,444,852	4,134,658	3,535,000	445,589	3,980,589
	Incidentals	734,335	940,052	1,674,387	2,422,221	(1,225,033)	1,197,188
	Architecture	1,968,092	-	1,968,092	1,798,231	169,861	1,968,092
	Construction Manager	1,269,873	-	1,269,873	1,014,869	255,004	1,269,873
	General Construction	-	22,360	22,360	-	22,360	22,360
	Electrical (4)	-	149,000	149,000	-	149,000	149,000
		<u>32,619,596</u>	<u>9,590,917</u>	<u>42,210,513</u>	<u>37,205,321</u>	<u>3,949,325</u>	<u>41,154,646</u>
High School/ Middle School	General Construction	4,016,052	44,383	4,060,435	3,670,388	393,947	4,064,335
	Mechanical	272,800	2,970	275,770	273,000	10,628	283,628
	Plumbing	219,780	-	219,780	233,000	665	233,665
	Electrical	770,100	25,869	795,969	774,000	21,969	795,969
	Incidentals	145,856	-	145,856	267,500	(121,644)	145,856
	Architecture	206,648	-	206,648	199,803	6,844	206,647
	Construction Manager	165,672	-	165,672	343,560	(177,888)	165,672
		<u>5,796,908</u>	<u>73,222</u>	<u>5,870,130</u>	<u>5,761,251</u>	<u>134,521</u>	<u>5,895,772</u>
Enrichment Center	General Construction	335,352	-	335,352	324,300	11,052	335,352
	Incidentals	1,889	-	1,889	-	-	-
		<u>337,241</u>	<u>-</u>	<u>337,241</u>	<u>324,300</u>	<u>11,052</u>	<u>335,352</u>
Unallocated (2)	Architecture	-	377,711	377,711	-	-	-
	Construction Manager (4)	-	542,602	542,602	-	-	-
		<u>-</u>	<u>920,313</u>	<u>920,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 38,753,745</u>	<u>10,584,452</u>	<u>49,338,197</u>	<u>43,290,872</u>	<u>4,094,898</u>	<u>47,385,770</u>
Excess (deficit)				<u>(4,638,197)</u>	<u>1,409,128</u>		<u>(2,685,770)</u>
October 2017 bond authorization				<u>\$ 44,700,000</u>	<u>44,700,000</u>		<u>44,700,000</u>

(1) The above unaudited cost to date, original contract, change orders and revised contract amounts are based off of the schedule of project finances prepared by the District's consultants.

(2) Construction Manager and Architecture costs to date were allocated by construction project by the District's consultant on the schedule of project finances. The estimated future costs of this work was determined by confirmations sent to the vendors. The vendors did not allocate between construction projects and therefore these future costs are classified as unallocated. It is presumed that a majority of these costs will be related to the Ridge Street School project. The District is not in agreement with these numbers.

(3) Incidentals include furniture and equipment, administrative, insurance, legal, testing and inspection costs.

(4) The District is not in agreement with these numbers.