



Northeast Audit Services, Inc.

Physical Audit Results

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CASE #: 432100 **CARRIER #:** 210
INSURED NAME: Jones Family Electric Inc.
INSURED ADDRESS: 825 Murray Street
CITY: Jackson **STATE:** NY **ZIP:** xxxxx
CARRIER: ABC Insurance Company
AGENT: Williams Agency Inc.
POLICY #: WC123456789 **AGENT PHONE:** (716) 555-9876
POLICY PERIOD: 07/01/06 **TO** 07/01/07
AUDIT PERIOD: 07/01/06 **TO** 07/01/07
REP #: 3119 **AUDIT DATE:** 8/1/2007

State	Code	Terminology	Estimate	Actual	% change
NY	8809	Executive Officers	26,000	26,000	0%
NY	5190	Electrical Wiring - NYSPLP-3	140,000	117,000	-16%
		Total	166,000	143,000	-14%

Special Notes: (office use only)

Northeast Audit Services, Inc.

PREMIUM AUDIT SUMMARY

CARRIER: <u>ABC Insurance Company</u>	POL. #: <u>WC123456789</u>	POL. PERIOD: <u>07/01/06</u> TO <u>07/01/07</u>
INSURED: <u>Jones Family Electric Inc.</u>	LOCATION: <u>Jackson, NY</u>	AUDIT PERIOD: <u>07/01/06</u> TO <u>07/01/07</u>

DESCRIPTION OF OPERATIONS

Case # 432100

Jones Family Electric Inc. is a family run business specializing in electrical contracting. Insured has been working in the WNY area as a subcontractor for ten years. They install electrical wiring, outlets, and panel boxes in new and existing commercial and industrial buildings. All work is commercial in nature and is subject to Territory 3 of the "New York State Contractors Payroll Limitation Program". Mary Jones is the President. She bids the jobs from "Dodge" reports. Her husband and two sons are licensed electricians. Ken assists Mary in bidding the jobs in addition to working with and supervising Albert and Austin. A review of the cash disbursements journal did not disclose the use of subcontractors, casual labor or temporary employment agencies. No other operations were disclosed during the course of the audit.

ENTITY TYPE: Corporation

OFFICERS, OWNERS, PARTNERS	TITLE	DESCRIPTION OF DUTIES	CODE	GROSS	USED
Mary Jones	President	Finance & Accounting	8809	0	26,000
		Bids Jobs from Plans			

STATE	CODE	TERMINOLOGY	EXPOSURE
NY	8809	Executive Officers	26,000
NY	5190	Electrical Wiring - NYSPLP-3	117,000
		Total	143,000

SOURCE OF DATA	
Paychex Payrolls	<input checked="" type="checkbox"/>
Earnings Record	<input type="checkbox"/>
General Ledger	<input type="checkbox"/>
Cash Disbursements	<input checked="" type="checkbox"/>
Check Book	<input type="checkbox"/>
Sales Journal	<input type="checkbox"/>
Insured Summary	<input type="checkbox"/>

VERIFICATION	
941's	
3Q-2006	35,100
4Q-2006	35,100
1Q-2007	35,100
2Q-2007	35,100
Total	140,400
Officer to Min	26,000
Excess Payroll	-23,400
Total	143,000

LOCATION OF RECORDS	
Mary Jones	
825 Murray Street	
Jackson, NY xxxxx	
Ph (716) 555-1258	

CONDITION OF RECORDS	
<input checked="" type="checkbox"/>	Good
<input type="checkbox"/>	Fair(Explain)
<input type="checkbox"/>	Poor(Explain)
VERIFICATION SOURCE	
<input checked="" type="checkbox"/>	94's
<input type="checkbox"/>	Unemployment Records
<input type="checkbox"/>	Sale Tax Reports
<input type="checkbox"/>	None(Explain)

AUDIT REFLECTS	
Bonuses	
Commissions	
Board & Lodging	
Tips	
Sub Contractors	
Excess Wages	<input checked="" type="checkbox"/>
Overtime	
Casual Labor	
410Ks or IRAS	
Classification Chg	

Northeast Audit Services, Inc.

Worksheet

CARRIER: ABC Insurance Company POL. # WC123456789 POL.Period: 7/1/2006 TO 7/1/2007
INSURED: Jones Family Electric Inc. LOCATION: Jackson, NY AUD Period 7/1/2006 TO 7/1/2007

Summary

#8809 Executive Officers	
Gross Payroll	0
Mary Jones to NYS Minimum	26,000
Total	<u>26,000</u>
#5190 Electrical Wiring NYSPLP-3	
Gross Payroll	140,400
NYSPLP-3 Excess over \$750/Week	-23,400
Total	<u>117,000</u>
Grand Total	<u>143,000</u>

NYSPLP-3 denotes Territory 3 of the New York State Contractors Payroll Limitation Program

Northeast Audit Services, Inc.

Worksheet

CARRIER: ABC Insurance Company POL. # WC123456789 POL. Period: 7/1/2006 TO 7/1/2007
 INSURED: Jones Family Electric Inc. LOCATION: Jackson, NY AUD Period 7/1/2006 TO 7/1/2007

	NYSPLP-3					NYSPLP-3			
	5190	5190	5190	5190		5190	5190	5190	5190
	Ken Jones	Albert Jones	Austin Jones	Total		Ken Jones	Albert Jones	Austin Jones	Total
7/7/06	1,000	900	800	2,700	Prior	46,000	41,400	36,800	124,200
7/14/06	1,000	900	800	2,700	5/25/07	1,000	900	800	2,700
7/21/06	1,000	900	800	2,700	6/1/07	1,000	900	800	2,700
7/28/06	1,000	900	800	2,700	6/8/07	1,000	900	800	2,700
8/4/06	1,000	900	800	2,700	6/15/07	1,000	900	800	2,700
8/11/06	1,000	900	800	2,700	6/22/07	1,000	900	800	2,700
8/18/06	1,000	900	800	2,700	6/29/07	1,000	900	800	2,700
8/25/06	1,000	900	800	2,700	Total	52,000	46,800	41,600	140,400
9/1/06	1,000	900	800	2,700					
9/8/06	1,000	900	800	2,700					
9/15/06	1,000	900	800	2,700					
9/22/06	1,000	900	800	2,700					
9/29/06	1,000	900	800	2,700					
10/6/06	1,000	900	800	2,700					
10/13/06	1,000	900	800	2,700					
10/20/06	1,000	900	800	2,700					
10/27/06	1,000	900	800	2,700					
11/3/06	1,000	900	800	2,700					
11/10/06	1,000	900	800	2,700					
11/17/06	1,000	900	800	2,700					
11/24/06	1,000	900	800	2,700					
12/1/06	1,000	900	800	2,700					
12/8/06	1,000	900	800	2,700					
12/15/06	1,000	900	800	2,700					
12/22/06	1,000	900	800	2,700					
12/29/06	1,000	900	800	2,700					
1/5/07	1,000	900	800	2,700					
1/12/07	1,000	900	800	2,700					
1/19/07	1,000	900	800	2,700					
1/26/07	1,000	900	800	2,700					
2/2/07	1,000	900	800	2,700					
2/9/07	1,000	900	800	2,700					
2/16/07	1,000	900	800	2,700					
2/23/07	1,000	900	800	2,700					
3/2/07	1,000	900	800	2,700					
3/9/07	1,000	900	800	2,700					
3/16/07	1,000	900	800	2,700					
3/23/07	1,000	900	800	2,700					
3/30/07	1,000	900	800	2,700					
4/6/07	1,000	900	800	2,700					
4/13/07	1,000	900	800	2,700					
4/20/07	1,000	900	800	2,700					
4/27/07	1,000	900	800	2,700					
5/4/07	1,000	900	800	2,700					
5/11/07	1,000	900	800	2,700					
5/18/07	1,000	900	800	2,700					
Total	46,000	41,400	36,800	124,200					

P.O. Box 220 Mt. Morris, NY 14510-0220
 PHONE 585-658-3560~ FAX 585-658-4213 ~ EMAIL bgardner@northeastauditservices.com

Northeast Audit Services, Inc.

Worksheet

CARRIER: ABC Insurance Company POL. # WC123456789 POL.Period: 7/1/2006 TO 7/1/2007
 INSURED: Family Electric Inc LOCATION: Niagara Falls , NY AUD Period 7/1/2006 TO 7/1/2007

Excess 1	NYSPLP-3		NYSPLP-3		NYSPLP-3		Total
	5190	Excess	5190	Excess	5190	Excess	Excess
	Ken Jones	\$750	Albert Jones	\$750	Albert Jones	\$750	\$750
7/7/06	1,000	250	900	150	800	50	450
7/14/06	1,000	250	900	150	800	50	450
7/21/06	1,000	250	900	150	800	50	450
7/28/06	1,000	250	900	150	800	50	450
8/4/06	1,000	250	900	150	800	50	450
8/11/06	1,000	250	900	150	800	50	450
8/18/06	1,000	250	900	150	800	50	450
8/25/06	1,000	250	900	150	800	50	450
9/1/06	1,000	250	900	150	800	50	450
9/8/06	1,000	250	900	150	800	50	450
9/15/06	1,000	250	900	150	800	50	450
9/22/06	1,000	250	900	150	800	50	450
9/29/06	1,000	250	900	150	800	50	450
10/6/06	1,000	250	900	150	800	50	450
10/13/06	1,000	250	900	150	800	50	450
10/20/06	1,000	250	900	150	800	50	450
10/27/06	1,000	250	900	150	800	50	450
11/3/06	1,000	250	900	150	800	50	450
11/10/06	1,000	250	900	150	800	50	450
11/17/06	1,000	250	900	150	800	50	450
11/24/06	1,000	250	900	150	800	50	450
12/1/06	1,000	250	900	150	800	50	450
12/8/06	1,000	250	900	150	800	50	450
12/15/06	1,000	250	900	150	800	50	450
12/22/06	1,000	250	900	150	800	50	450
12/29/06	1,000	250	900	150	800	50	450
1/5/07	1,000	250	900	150	800	50	450
1/12/07	1,000	250	900	150	800	50	450
1/19/07	1,000	250	900	150	800	50	450
1/26/07	1,000	250	900	150	800	50	450
2/2/07	1,000	250	900	150	800	50	450
2/9/07	1,000	250	900	150	800	50	450
2/16/07	1,000	250	900	150	800	50	450
2/23/07	1,000	250	900	150	800	50	450
3/2/07	1,000	250	900	150	800	50	450
3/9/07	1,000	250	900	150	800	50	450
3/16/07	1,000	250	900	150	800	50	450
3/23/07	1,000	250	900	150	800	50	450
3/30/07	1,000	250	900	150	800	50	450
4/6/07	1,000	250	900	150	800	50	450
4/13/07	1,000	250	900	150	800	50	450
4/20/07	1,000	250	900	150	800	50	450
4/27/07	1,000	250	900	150	800	50	450
5/4/07	1,000	250	900	150	800	50	450
5/11/07	1,000	250	900	150	800	50	450
5/18/07	1,000	250	900	150	800	50	450
To Excess 2	46,000	11,500	41,400	6,900	36,800	2,300	20,700

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Worksheet

CARRIER: ABC Insurance Company POL. # WC123456789 POL.Period: 7/1/2006 TO 7/1/2007
 INSURED: Jones Family Electric Inc. LOCATION: Jackson, NY AUD Period 7/1/2006 TO 7/1/2007

Excess 2	NYSP-3		NYSP-3		NYSP-3		Total
	5190	Excess	5190	Excess	5190	Excess	
	Ken Jones	\$750	Albert Jones	\$750	Albert Jones	\$750	Excess
							\$750
From Excess 1	46,000	11,500	41,400	6,900	36,800	2,300	20,700
5/25/07	1,000	250	900	150	800	50	450
6/1/07	1,000	250	900	150	800	50	450
6/8/07	1,000	250	900	150	800	50	450
6/15/07	1,000	250	900	150	800	50	450
6/22/07	1,000	250	900	150	800	50	450
6/29/07	1,000	250	900	150	800	50	450
Total	52,000	13,000	46,800	7,800	41,600	2,600	23,400
Total Gross	140,400						
Total Excess	-23,400						
Chargeable	117,000						

Northeast Audit Services, Inc.

Audit Notes

CARRIER	<u>ABC Insurance Company</u>	Policy No.	<u>WC123456789</u>	Policy From	<u>07/01/06</u>	To	<u>07/01/07</u>
INSURED	<u>Jones Family Electric Inc.</u>	Location	<u>Jackson, NY</u>	Audit From	<u>07/01/06</u>	To	<u>07/01/07</u>

Notes: (Alt + Enter for new line)

Exit interview was completed with Mary Jones who was in agreement with the audit findings. Auditor explained the deduction of the New York State Payroll Limitation Program.
Overtime: No overtime paid this audit period.

Insured Jones Family Electric Inc.

Policy # WC123456789

Audit Required Working With:

Records In Poor Condition:

Time lost while insured obtained the necessary records:

Unusual Bookkeeping System:

Multiple Records System:

Other:

Auditor had to calculate the excess payroll for the New York State Contractors Payroll Limitation Program.

Field Representative:

Rep # 3119

INSURED Jones Family Electric Inc. **POLICY #** WC123456789
ADDRESS Jackson, NY **CARRIER** ABC Insurance Company

AUDIT RESULTS FOR THIS INSURED HAS DEVELOPED

CLASSIFICATION CHANGES

ADD CODE #(s) _____
Classification(s) _____

DELETE CODE #(s) _____
Classification(s) _____

CHANGE IN ENTITY TO:

- Insured Name Should Read: _____
- Corporation _____
- Partnership _____
- Individual _____

Effective Date of Change: _____

ADDRESS SHOULD READ:

Effective Date of Change: _____

ACTUAL EXPOSURES AS COMPARED TO ESTIMATED VARY BY MORE THAN 25% (EXPLAIN BELOW)

Exposure is down in 5190 "Electrical Wiring..." because the estimate did not adjust for the excess payroll developed for the New York State Contractors Payroll Limitation Program.

UNINSURED OR UNDERINSURED SUBCONTRACTOR FOUND AT TIME OF AUDIT PLEASE REFER TO SUBCONTRACTOR SCHEDULE AS ATTACHED

EMPLOYEE LEASING DISCLOSED

COMMENTS

AUDIT QUESTIONABLE DUE TO:

- RECORDS MADE AVAILABLE
- LACK OF COOPERATION
- OTHER: _____
