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December 5, 2025

VIA EMAIL - TOWN CLERK@TOWNOFNEWLEBANON.COM

Town Clerk
Town of New Lebanon
P.O. Box 328
14755 State Route 22
New Lebanon, NY 12125

Re: Request for Proposal - Forensic Auditing Services for Fiscal Years 2017-2025

Dear Town Clerk:

We appreciate the opportunity to participate in the Town of New Lebanon ("Town") search for a professional forensic audit service provider. We have prepared this proposal in accordance with the requirements outlined within the Request for Proposal. Nawrocki Smith understands the scope of services in respect to the Request for Proposal and meets all of the minimum requirements outlined within.

Why Choose Nawrocki Smith?

We appreciate the fact that selecting a forensic audit firm is not an easy task. We offer you the following reasons why we believe our firm is best suited to serve the needs of the Town:

- Our consultative approach is an important resource to our clients. We don't just do, we think as we do. In this manner, ideas and suggestions are brought to your attention throughout the course of our work.
- We will assign only experienced, seasoned professionals in carrying out the required services.
- Our timing is like clockwork. If we commit, we deliver. We are available to commence our work immediately.
- We are very fair when it comes to fees. You will find our rates and fee structure to be reasonable.

We have enclosed our formal proposal for professional forensic audit services. Nawrocki Smith is independent of the Town as defined by the U.S. General Accounting Office's Government Auditing Standards. Once you and your colleagues have reviewed our proposal, we would be happy to discuss any questions you may have. I am convinced we are the right Firm for the Town and I give you my personal assurance that all of our resources will be brought to bear to ensure full satisfaction. Thank you for providing our Firm with this opportunity. If you require any further information, please feel free to contact me at (631) 756-9500, extension 209.

Sincerely yours,

Darin V. Iacobelli, CPA/CFF, CIA, CFE



Address

100 Motor Parkway
Hauppauge NY



Phone

P: 631.756.9500
F: 631.756.9818



Email

info@ns.cpa
www.ns.cpa



TOWN OF NEW LEBANON

TECHNICAL PROPOSAL

FORENSIC AUDITING SERVICES FOR FISCAL YEARS 2017 - 2025

December 5, 2025

CONTACT PERSON

Darin V. Iacobelli, CPA/CFF, CIA, CFE

Partner

631.756.9500 EXT. 209

dvi@ns.cpa

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Executive Summary – Experts In Forensic Audit & Accounting

Nawrocki Smith is qualified to perform forensic audit services as evidenced below:

1

INDUSTRY LEADERSHIP: LI - IIA, LI - ACFE,

The Firm started in 1986 and has over 35 years of experience providing accounting and auditing services. Leadership: Lauren Agunzo (CPA, CIA) - Board Member of Long Island Chapter of the Institute of Internal Auditors, Darin Iacobelli (CPA, CIA, CFE) and Dimitris Bantileskas (CPA, CIA) - Board Member of the Long Island Chapter of Certified Fraud Examiners. Dimitris Bantileskas - Sits on the on the NYSSCPA Cybersecurity Committee. Our employees hold various professional designations:

- Certified Public Accountants (20)
- Certified Internal Auditors (5)
- Certified Fraud Examiners (6)
- Certified in Financial Forensics (6)
- ISACA Cybersecurity Audits (1)
- AICPA SOC for Cybersecurity Certificates (2)

2

FORENSIC ACCOUNTING & CONSULTING CLIENT TYPES

Townships, Villages, Counties, Libraries, School Districts, Water Districts, Park Districts, Non-Profits, Healthcare Providers, National Laboratory, Higher Education, Distributors, Manufacturers, Financial Services, Banks, Credit Unions, Law Firms, Insurance Companies and District Attorneys.

3

FORENSIC ACCOUNTING ENAGEMENTS

For over 100 Organizations

Investigated matters on behalf of Boards, Trustees, Insurance Companies and Counsel that pertained to alleged improper expenses and required immediate due diligence/forensic accounting and dispute resolution services.

4

FORENSIC AUDITS OF PURCHASING & EXPENDITURES

For over 50 Organizations

Analyze purchasing, expenditure & vendor selection process in accordance with policy, procedure and applicable laws to identify fraud, collusion and/or control deficiencies.

5

FORENSIC & INTERNAL CONTROL AUDITS OF CAPITAL PROJECTS & FUND BALANCE

For over 25 Organizations

Review of internal controls and systems on construction planning and monitoring, capital project funding and payments, including fund balance, bond schedules, recordkeeping, and reporting.

6

FORENSIC AUDITS OF FINANCIAL ACCOUNTS AND REPORTING

For over 100 Organizations

Analyze Bank Reconciliations, Treasury and Check Signing, Audit Logs, Financial Reporting, Identify questionable transactions, assess Governance, Internal Controls and Committee and Board levels activity. Analyze purchasing, expenditure & vendor selection process in accordance with policy, procedure and applicable laws to identify fraud, collusion, and/or internal control deficiencies.

7

TOWN EXPERTISE

Provide external and internal audit services for the following Townships:

Town of East Hampton, Town of Southampton, Town of Brookhaven, Town of Huntington, Town of Hempstead

8

EXPERT TESTIMONY, DEPOSITION PREPARATION/ ASSISTANCE

For over 100 Matters

Prepare expert reports and assist clients through dispute process related to fraud and forensic accounting matters.

Remote & Onsite Internal Controls Audit Services

Nawrocki Smith has extensive experience in providing forensic audit and consulting services on a remote and on-site basis. We are committed to meeting the forensic audit requirements and we continue to have an excellent "delivery" record of quality, timely and proven value-added results related to compliance, process improvement and risk management.

Nawrocki Smith has tailored its remote services to meet the specific needs for clients located in:

Client Location by State

- | | |
|----------------|-----------------|
| • Colorado | • Connecticut |
| • Florida | • Illinois |
| • Maine | • Massachusetts |
| • New Jersey | • New York |
| • Ohio | • Oregon |
| • Rhode Island | • Virginia |
| • Washington | • Wisconsin |

Client Location by New York County

- | | |
|-----------------------------|-------------------|
| • Nassau & Suffolk Counties | • Monroe County |
| • Westchester County | • Orange County |
| • Rockland County | • Putnam County |
| • Sullivan County | • Ulster County |
| • Wayne County | • Dutchess County |

The future of remote forensic audit services looks promising as organizations continue to adopt digital transformation. Here are some examples of remote forensic audit services provided recently to our clients:

- Data Analytics
- Automated workflow systems
- Electronic request and approval of transactions
- Cybersecurity internal controls

As it is likely that remote auditing will continue to evolve and become common in the future, we continue delivering ongoing forensic audit services without disrupting critical operational areas when traditional in- person audits aren't feasible.

EFFICIENCY

We have found that virtual audits can often be more efficient than onsite audits because the forensic audit team does not have to travel to the client's office and set up and take down computers. Our forensic audit team has virtual tools to perform functions efficiently and effectively without sacrificing face-to-face time with audit clients, such as video conferencing software like most companies have already begun using.

FLEXIBILITY

We also have found that virtual audits provide our clients with more flexibility in scheduling of audit fieldwork to meet your internal deadlines. With many clients we have implemented a hybrid model of mixing the onsite audit process with a virtual audit. With documents sent to us in advance of scheduled onsite fieldwork, we are able to test significant items, pull samples, and compile questions so that while onsite, we are able to focus and streamline our inquiries and testing to limit the disruption to an organization's day-to-day operations. Additionally, many audits can be performed 100% remotely which provides for great flexibility.

DATA SECURITY

Nawrocki Smith has taken many steps in protecting the data security and privacy of our clients' information including the encryption of the data on our laptops, restricting all drives and ports on the laptops, and installing a lo-jack tracking system on each laptop to retrieve or decommission the laptop if it is lost or stolen. Our data security controls have been reviewed by Fortune 500 insurance companies and the results were excellent, as we were found to meet their vendor qualification standards.

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Firm Background

Nawrocki Smith LLP (the “Firm”) is a regional public accounting firm with offices in Hauppauge, New York. The Firm was founded in 1986 and is comprised of eight partners, two of whom were previously associated with one of our nation’s largest public accounting firms and four of whom have each dedicated a minimum of the past twenty years to Nawrocki Smith and to the success of its clients. The Firm employs approximately seventy (70) associates and support staff and services a diverse clientele throughout the Eastern United States.

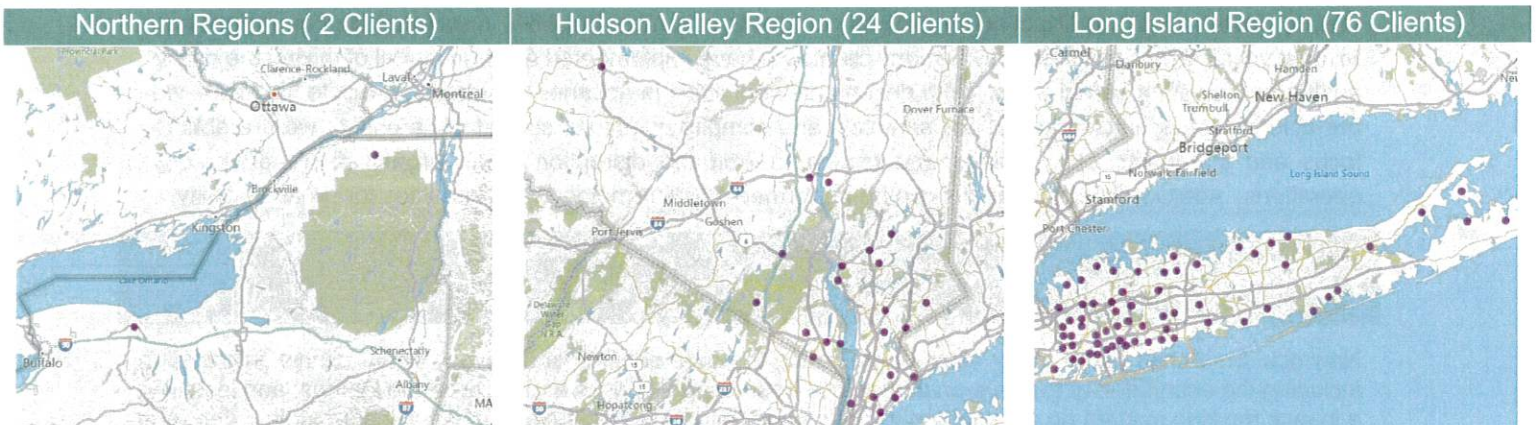
Nawrocki Smith LLP currently provides accounting and auditing services to over 200 government and not-for-profit organizations throughout the New York Metropolitan area, and is considered by many to be one of the leading accounting firms in this area. Nawrocki Smith is a full service accounting firm with various disciplines, inclusive of: External Audit, Internal Audit, Tax & Accounting, Business Valuation, Forensic Accounting and Dispute Resolution Services. Our clients include counties, townships, villages, libraries, higher education, public and private school districts, distributors, manufacturers, financial services, banks, credit unions, non-profits, healthcare providers, insurance carriers, and law firms across the United States as well as numerous other closely held concerns. Specifically, within the governmental industry, Nawrocki Smith services over 70 internal audit clients, 40 external audit clients, 20 claims audit clients, and 30 cybersecurity audit clients.

Nawrocki Smith is qualified to perform the services. Our internal audit team is serviced by four (4) Partners and twenty (20) experienced staff. Our team of dedicated forensic audit professionals has audited over one thousand (1,000) matters requiring extensive internal audit skills.

As a member firm in the Private Companies Practice Section of the American Institute of Certified Public Accountants, we have recently undergone a peer review of our Firm’s quality control procedures in rendering professional services. We are proud to announce that the results of our peer review were exceptional and for the ninth consecutive peer review, we received the highest quality rating.

Our Firm is also a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. Our Partner, John Hoffman, sits on the Board of various insurance associations and organization as well as the Healthcare Committee of the New York State Society of Certified Public Accountants. Additionally, individuals of our Firm are members of the Association of Certified Fraud Examiners, an organization whose mission is to educate and train professionals in the specialty areas of forensic accounting and investigative auditing, and the Institute of Internal Auditors, an organization committed to education and excellence in internal auditing. Our Managing Partner, Lauren M. Agunzo, is Past President and current Board Member of the Institute of Internal Auditors Long Island Chapter. Our Partners, Darin Iacobelli and Dimitris Bantileskas, sit on the Board of the Long Island Chapter of Certified Fraud Examiners. Our Partner, Ernest Patrick Smith, has taught numerous Forensic Accounting classes and frequently lectures to other professionals on this topic.

Provided below is a graphical snapshot of our municipality presence in New York State:



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We recognize that no two organizations are the same. Each has specific needs and requirements when it comes to their internal audit professionals. We pride ourselves on tailoring a plan for providing services to each client situation. The following provides an overview as to how we view necessary engagement characteristics: Communication, Responsiveness, Creativity, Efficiency and Timeliness.



We provide high quality, timely and value-added services.



Communications

We believe it is important for an organization to maintain a continuous exchange of ideas with its forensic auditors. We intend to maintain an ongoing dialogue with Town throughout the assignment to provide timely input and to avoid any “surprises” along the way.



Responsiveness

Town's forensic auditors should be sensitive to its needs and respond to its questions or concerns on a timely basis. We recognize the importance of follow-up and assure you that we will do everything possible to provide you with easy access to our Firm and immediate action in responding to your needs and questions.



Creativity

Town should expect its forensic auditors to provide ideas and suggestions throughout each assignment. Our similar engagements allow for us to draw on those experiences to bring forth creative and unique approaches, as deemed necessary.



Efficiency & Timeliness

The forensic audit services provided to Town should be well planned, efficiently executed and completed on a timely basis. Upon appointment, we would meet with you and develop an effective plan in order to address all of your requirements.

Why Choose Nawrocki Smith?



Experience. Our track record of performance is evidence that we're very good at what we do. We know what to look for, what to listen for, and our experienced professionals know how to provide you with the information that will be most useful for you. You will find that our experience drives your success.



Accountability. Nawrocki Smith stands behind its work and, when necessary, we stand up for our clients. Accountability is an integral part of our Firm's culture. We know you count on us to do what we promise, timely and accurately, adhering to the highest standards. We take that responsibility very seriously. So, when we commit, we deliver. Just ask our clients!



Commitment. We make an investment in our clients with genuine interest in, and concern for, your organization. When Nawrocki Smith goes to work for you, our expectation is for a long-term relationship. It's the nature of our business because the better we know you and understand how you operate and why, the better we can serve you.



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2. Independence

Nawrocki Smith is independent of Town as defined by the U.S. General Accounting Office's Government Auditing Standards. Nawrocki Smith does not maintain interest, contractual or otherwise, on-going or previous, with any companies or individuals with whom Town does business with respect to the services required by this RFP. Nawrocki Smith is not aware of any potential conflicts of interest in providing these services to Town.

Nawrocki Smith LLP has not had a professional relationship with the Town of Greenburgh in the past five (5) years.

3. Licensure

Nawrocki Smith has been licensed and is active in public accounting for over thirty-five (35) years and is in good standing with the New York State Board of Accountancy. Nawrocki Smith, as well as the Partners and Managers of the firm, are licensed to practice in the State of New York. Please see **Exhibit 1** for license information from the Office of the Professions, New York State Education Department.

Provided below is information of the size of the Firm and each of the Partners of Nawrocki Smith.

Nawrocki Smith staffing levels:

Partners	8
Directors	2
Senior Managers	4
Managers	3
Supervisors	8
Seniors	17
Staff	23
Administrative	5
Total	70

Nawrocki Smith encourages professional education and growth as evidenced by its firm wide 40-hour CPE requirement for CPA's and non-CPA's.

Nawrocki Smith employees hold various professional designations which we believe are vital to performing related services:

 CPA	Certified Public Accountant (CPA)	21
 CPA CFF	Certified in Financial Forensics (CFF)	6
 CFE	Certified Fraud Examiner (CFE)	6
 CIA	Certified Internal Auditor (CIA)	5
 CITP	Certified Information Technology Professional (CITP)	4
 CVA	Certified Valuation Analyst (CVA)	3
 CPA ABV	Accredited in Business Valuation (ABV)	2
 CGFM	Certified Government Financial Manager (CGFM)	2
 AICPA SOC 2	SOC for Cybersecurity Certificate (AICPA)	2
	Certificate in Cybersecurity Audit	1

Information regarding the size of our internal audit staff is provided below:

Staff Level	Forensic Audit Department	Engagement
Partners	3	3
Senior Managers	2	2
Managers	-	-
Supervisors	2	2
Senior Associates	8	2
Staff Associates	10	2
Administrative	2	2
Total	27	13

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Provided below are specific recent examples of Nawrocki Smith investigative engagements that involved law enforcement and legal representation:

Grand Jury Testimony, Suffolk County

Testified in respect to the usage of restricted funds by Township officials and in a separate matter on the audit process for governmental entities.

Report Presentations: Suffolk and Nassau County District Attorney

Numerous reports written by Nawrocki Smith, as a result of our investigations, have been provided directly to the District Attorney's office for review. Upon request, we have provided verbal presentations of the reports and were asked to engage in question and answer sessions for the District Attorney's consideration of the various matters.

Report Presentation: Federal Bureau of Investigations/ Internal Revenue Service

A recent Nawrocki Smith investigative report written in respect to Life Insurance claims was provided to west coast offices of the FBI and IRS. The subject of the investigation recently plead guilty and was sentenced to 51 months in prison for mail fraud and aggravated identity theft with two insurance companies.

Expert Witness Testimony & Deposition, Federal and State Courts

Nawrocki Smith has been named as experts in numerous matters in the Federal and various State courts in the United States. The firm's Partners and Managers have substantial amounts of experience and expertise in complex governmental and insurance related matters regarding fraud and loss of earnings.

Conduct Investigations in conjunction with State Comptroller Offices Officials

Nawrocki Smith worked closely with the State Comptroller's office during the investigation of the largest Long Island School District Fraud in recent history. We also worked closely with the Federal Department of Education as other school district frauds were uncovered shortly thereafter.

Report Presentations: In-House and Outside Counsel

Nawrocki Smith has investigated numerous employee theft matters on behalf of its clients. Our work in this regard has resulted in accurate recovery of assets and our reports, at times, have been utilized by local law enforcement officials.

Report Presentations: Board/Trustee Members and Management Team

Many internal investigations conducted by Nawrocki Smith are presented to the Board and Management committees of the organization. Such recent verbal and written presentations included investigations into:

- Employee theft of time
- Employee theft and misuse of cash
- Employee theft of information technology assets
- Partner theft of time and related compensation
- Vendor relationships and procurement
- Vendor contract analysis and dispute resolution
- CEO abuse of financial behaviors
- Executive Director due diligence

Loss of Income Analysis Expertise

Nawrocki Smith LLP has over 30 years of experience analyzing loss of income claims arising from insurance related matters, shareholder disputes, wrongful death, wrongful termination and other litigated or non-litigated disputes. We are known experts throughout the country and often testify in regard to such matters. We have analyzed a wide array of business entity types and industries in respect to the following claims for lost income:

- Disability loss of income insurance claims
- Business Interruption loss of income claims
- Employee theft and dishonesty claims
- Wrongful termination loss of income claims
- Wrongful death loss of income claims
- Workers compensation claims
- Life and health claims




4. Qualifications and Experience



35 YEARS OF FORENSIC ACCOUNTING & AUDIT EXPERIENCES

Provided below is a summary of our current professional experiences in the **forensic accounting** area:

			
Fraud & Forensic Financial Investigations	Improper Expense Analysis	Asset Tracing	Internal Control and Risk Assessments
			
Discovery & Deposition Assistance	Wage & Hour Investigations	Compliance Reviews	Data Analytics
			
Quantifying Hidden Revenue & Assets	Performance Management	Fraud Awareness & Prevention	Financial Risk Management Analysis

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Nawrocki Smith is in the forefront of providing professional accounting, auditing, and forensic accounting services, evidenced by its related memberships, involvement and lectures as noted below.



ACTIVE MEMBERSHIPS

- American Institute of Certified Public Accountants
- New York State Society of Certified Public Accountants
- Institute of Internal Auditors
- Association of College & University Auditors
- Association of Certified Fraud Examiners
- Independent Private Sector Inspector General
- School District Internal Audit Alliance
- Private Companies Practice Section of the AICPA
- AICPA Governmental Audit Quality Center
- New York State Government Finance Officers' Association, Inc.
- Information Systems Audit and Control



ACTIVE LEADERSHIP

- Board Member – Long Island Chapter of Certified Fraud Examiners
- Board Member – Institute of Internal Auditors
- Board Members – School District Internal Audit Alliance
- Board Member - NYSSCPA's Public School Committee



RELATED LECTURES

2025

- Nov-25 Inter Agency Council (IAC NY) – "Data Privacy & Cybersecurity Compliance: Role Clarification For Agency Officers"
- Oct-25 Board Retreat – "Best Practices for Effective Operations of the School District Board of Education and Audit Committee"
- Sep-25 ACUA – "Cybersecurity Audits Trends for Higher Education Institutions"
- Mar-25 NYSCATE – "Enhancing Cybersecurity in K-12: Monroe-Woodbury CSD's Journey with NIST CSF Adoption"

2024

- Aug-24 ACUA – "Cybersecurity Audits With NIST Framework & CIS Controls"
- May-24 RIC One – "Cybersecurity Audits With NIST Framework & CIS Controls"

2023

- Nov-23 NYSBA – "Cybersecurity Audits With NIST Framework & CIS Controls"
- Jan-23 Institute of Internal Auditors – "Cybersecurity audits With NIST Framework & CIS Controls"

2022

- Jan-22 Nassau-Suffolk School Board Association – "Making the Cybersecurity Grade. How School Boards Can Lead Cybersecurity Efforts"

2021

- Mar-21 Nassau Library System – "Internal Controls & Fraud Prevention"
- Feb-21 Institute of Internal Auditors – "Life Insurance Fraud Case Study"
- Jan-21 Institute of Internal Auditors – "Data Analytics with Microsoft Excel"
- Jan-21 Institute of Internal Auditors – "Key Performance Indicators for Internal Auditors"

2020

- Oct-20 New York State Society of Certified Public Accountants (NYSSCPA) – "Impact of Cyber Crime"
- Feb-20 Institute of Internal Auditors – Fraud Conference - "20 Years Gone – Where are They?"

2019

- Nov-19 Long Island Certified Fraud Examiner Chapter – "What Is your Fraud IQ?"
- Oct-19 New York State Association of Municipal Purchasing Officials (SAMPO) – "Accounts Payable Best Practices & Fraud Prevention Techniques"
- Mar-19 Institute of Internal Auditors – Information Technology Conference - "SOC for Cybersecurity"
- Mar-19 New York State Government Finance Officers' Association, Inc. (NYSGFOA) – "Establishing A Code of Ethics For Public Administration"
- Feb-19 Institute of Internal Auditors – Fraud Conference - "Fraud In Our Backyard-Annual Update"

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- **Complete information on federal or state desk reviews or any disciplinary action pending during the past three (3) years**

There are no litigation actions taken against our firm within the last three (3) years that could impact our ability to serve as the internal auditor for Town in the capacity required in the RFP.

Nawrocki Smith has not been subject to any federal or state desk reviews or field reviews of its audits/special engagements during the past three (3) years. There are no past or present civil or criminal legal investigations, or pertinent litigation and/or regulatory actions during the past three (3) years with state regulatory bodies or professional organizations that could impact our ability to serve as the District's forensic accountants in the capacity required in the RFP.

- **Most Recent External Quality Control Review**

See **Exhibit 2** for our most recent Peer Review letter which represents the eleventh (11th) consecutive year of receiving the most favorable results possible. Our Peer Reviews have included government engagements such as Towns, Villages, Libraries, and School Districts. In light of our extensive work with some very high profile school districts (including the Roslyn School District), we have undergone a review of our audit work by the Office of the New York State Comptroller. The results of this audit were excellent, as we were one of the few CPA firms audited in our area which was found to meet professional standards by the Comptroller. As the independent auditors for the employee benefit plans for Long Island's largest private company, we were recently audited by the U.S. Department of Labor, which found our audit work to be satisfactory with no exceptions.

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5. Leadership, Supervisory, and Staff Qualifications and Experience

Provided below is a description of the qualification and experience of the personnel likely assigned to this engagement. The biographies and resumes of the Partners and key staff are enclosed. Note: All 3 Partners hold the CFF credential as well as other relevant forensic credentials. (Please see **Exhibit 3**)



P. DIMITRIS BANTILESKAS,
 CPA/CFF/CITP, CVA, CFE,
 Certificate in Cybersecurity Audit

Advisory Partner

Twenty (20) years of experience providing forensic accounting, internal audit, and cybersecurity audit services for governmental, not-for-profit, for-profit, financial institution and insurance companies. Current Board Member of the Long Island Chapter of Certified Fraud Examiners.



DARIN V. IACOBELLI,
 CPA/CFF, CIA, CFE

Engagement Partner

Over Twenty-five (25) years of experience providing forensic accounting, internal audit and dispute resolution services to governments. Current Board Member of the Long Island Chapter of Certified Fraud Examiners and Member of Independent Private Sector Inspector Generals.



LAUREN M. AGUNZO,
 CPA/CFF, CIA

Advisory Partner

Over twenty (20) years of experience providing internal audit, forensic accounting and dispute resolution services. Board Member of the Institute of Internal Auditors Long Island Chapter. Member of the NYSSCPA Public School Committee.

Provided below are the names and credentials of the additional associates that might be assigned to this engagement:

Donna Tepper, CPA, CIA – Senior Manager	Fifteen (15) years of experience providing forensic audit services to school districts, not-for-profit and other governmental organizations.
Jennifer Morris, CPA, CIA, CFE – Senior Manager	Twelve (12) years of experience providing forensic audit services to school districts, not-for-profit and other governmental organizations
Michael Reinhart - Supervisor	Ten (10) years of experience providing forensic audit services to school districts, not-for-profit and other governmental organizations.
Kyle Zaharatos - Supervisor	Ten (9) years of experience providing forensic audit services to school districts, not-for-profit and other governmental organizations.
Jack Blakley - Senior Associate	4 years of forensic audit experience
Nicholas Russo – Senior Associate	4 years of forensic audit experience
Elizabeth Mojica - Staff Associate	2 years of forensic audit experience
Layla Rolleri – Staff Associate	2 years of forensic audit experience

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We maintain a structured quality review process to ensure the accuracy, consistency, and reliability of our internal audits. Each engagement is led by an experienced engagement partner who provides oversight throughout planning, fieldwork, and reporting. All workpapers and supporting documentation are reviewed by the Senior Manager to confirm technical accuracy and adherence to the audit program, and then by the Engagement Partner for overall quality, and sufficiency of evidence.

Our firm is characterized by long-term organizational stability, exceptionally low attrition, and strong team continuity. Our proposed engagement team has worked together on numerous similar projects over several years, fostering deep collaboration, efficiency, and shared institutional knowledge. Our commitment to staff development, mentorship, and career advancement has created a highly engaged team, ensuring clients benefit from consistent, experienced professionals throughout the duration of each engagement.

The team above has obtained at least **40** hours of continuing professional education annually while employed with Nawrocki Smith. Those courses have included, but were not limited to internal auditing, governmental accounting and auditing, financial management and accounting, and fraud detection/protection.

The team above has extensive experience in providing the following services:

- Internal audit and internal control evaluations
- Forensic accounting engagements
- Dispute resolution services
- Fraud investigation
- Agreed-upon procedures assignments
- Litigation consulting services

Nawrocki Smith is available to begin this project immediately and is committed to providing full-time resources to meet the deadlines of the Town. Our team is dedicated to forensic accounting and audit and is always available at moment's notice to assist the Town.

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6. Similar Engagements with Other Municipal Government Entities

Nawrocki Smith has extensive experience in providing forensic accounting and consulting services to entities for over thirty-five (35) years. We encourage Town to contact any and all clients. **Exhibit 4** contains our complete governmental client listing. Provided below is a sample of forensic audit engagements performed in last five (5) years similar to the services required within the Town RFP.

1 Forensic Audit on Fund Balance

Client's Name: **East Ramapo School District**
Contact: **Linda E. Macias, Ed.D. – Asst. Super. for Business**
Floral Park-Bellerose School District (Formally at East Ramapo School District)
Phone Number: **516-434-2730**
Engagement Partner: **Darin Iacobelli, CPA**
Advisory Partner: **Dimitris Bantileskas, CPA**

Description of Services

Conducted a detailed review of historical financial records, transactions, and accounting entries over a three year period. Met with the District's Administrators to identify key sources of information and access internal records. Reconstructed their financial budget, identifying discrepancies in reporting and budgeting errors.

2 Forensic Audit on General Fund

Client's Name: **William Floyd School District**
Contact: **David Beggins, Asst. Super. for Business**
Phone Number: **631-874-1684**
Engagement Partner: **Dimitris Bantileskas, CPA**
Advisory Partner: **Dimitris Bantileskas, CPA**

Description of Services

Conducted a detailed Scholarship transactions for accuracy and appropriateness. This including collection and recording of funds, eligibility of candidates, disbursements of funds and notifications of awards and reconciliations..

3 Internal Audit/ Forensic Accounting Audit on Capital Projects

Client's Name: **Mahopac School District**
Contact: **Alyssa Murray**
Phone Number: **845-628-3415**
Engagement Partner: **Darin Iacobelli, CPA**
Advisory Partner: **Dimitris Bantileskas, CPA**

Description of Services

This analysis consisted of assessing financial activities, reviewing the purchasing laws, policies, and internal controls surrounding the management, contract award and administration, procurement, change orders, and payments from capital funds. Analyzed budget appropriations, capital project files, vendor and purchase approval processes, and record keeping such as quotes, purchase orders, change orders, and invoices.

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4 **Forensic Audit on Grants**

Client's Name: **Riverhead Central School District**
Contact: **Dr. Marianne Cartisano**
Phone Number: **631-369-6708**
Engagement Partner: **Dimitris Bantileskas, CPA, CFE**
Advisory Partner: **Darin Iacobelli, CPA, CFE**

Description of Services

This analysis consisted of a comprehensive review of federal and state grants. We reviewed disbursements and supporting documentation, and assessed the accuracy and reliability of grant reporting practices. Assessed fund utilization and adherence to regulatory requirements.

5 **Internal/ Forensic Audit on Medicaid Reimbursement**

Client's Name: **Yonkers City School District**
Contact: **Cristina Jarufe – Budget Analyst**
Phone Number: **914-376-8086**
Engagement Partner: **Darin Iacobelli, CPA**
Advisory Partner: **Dimitris Bantileskas, CPA**

Description of Services

This analysis consisted of a comprehensive review of billing records, claims submissions, and reimbursements. We analyzed Medicaid claims and supporting documentation to detect unclaimed or misreported services. Assessed compliance with Medicaid regulations regarding the reporting and reimbursement processes.

6 **Forensic Analysis of Bank Transactions**

Client's Name: **Rockland County District Attorney's Office**
Contact: **William McCabe**
Phone Number: **845-731-4126**
Engagement Partner: **Dimitris Bantileskas, CPA, CFE**

Description of Services

Forensic accounting services consisted of examining, analyzing and explaining the financial records of individuals and business firms and forming opinions about the information based on the evidence.

7 **Forensic Audit on Purchasing, Cash Disbursements, And Administrative Contracts**

Client's Name: **Mamaroneck Public Library**
Contact: **Trish Byrne**
Phone Number: **914-698-1250**
Engagement Partner: **Darin Iacobelli, CPA, CFE**

Description of Services

Performed forensic accounting services to assess the former Business Manager's interim financial reporting to the Board and certain financial transactions related to bank reconciliations, wire transfers, direct debits, ACH, accounts payables, credit card utilization, payroll and cash receipts.



Town of New Lebanon
Proposal for Forensic Auditing Services For Fiscal years 2017 – 2025
December 5, 2025






• **Other Notable Municipality Engagements**

Nawrocki Smith has extensive experience in providing external and internal audit services to municipalities and governmental organizations for over thirty five (35) years. The following list provides a summary of our municipality and governmental clients.

	<p>Rockland County Joseph Pyzowski County Project Manager 845-638-5060 Services: Close Out Audits & Consulting Services</p>		<p>Suffolk County Steve Forst Chief Accountant 631-852-5519 Services: Close Out Audits</p>
	<p>Sullivan County Angela Chevalier County Auditor 845-807-0547 Services: Co-Source Internal Audit Services</p>		<p>Wayne County Heidi Barbour Audit & Contract Specialist 315-946-5405 Services: Accounting Procedural M:</p>
	<p>Town of East Hampton Rebecca Hansen Town Administrator 631-324-6888 Services: External Audit Services</p>		<p>Town of Southampton Maria Moore Town Supervisor 631-702-1890 Services: External Audit Services</p>
	<p>Town of Brookhaven Tamra Branson Commissioner of Finance 631-451-6680 Services: External Audit Services</p>		<p>Incorporated Village of Farmingdale Brian Harty Administrator/Clerk - Treasurer 516-249-0093 Services: External Audit Services</p>

7. Specific Audit Approach

Nawrocki Smith understands the scope of services and meets all of the minimum requirements outlined within. At a minimum Nawrocki Smith expects to: 1) Conduct Planning 2) Gather Evidence, 3) Conduct Interviews, 4) Perform Analytical Procedures and 5) Issue a Final Report. We anticipate issuing a draft report to the Town within 30 days of completing the scheduled field work. We estimate carrying out the following phases for each assignment:

 <p style="text-align: center;">PHASE 1 PLANNING</p>	<p>We develop a work plan from the onset of any assignment to obtain a clear understanding of the existing controls and a working knowledge of the area to be audited. The work plan outlines the team's key roles and responsibilities and the scope and procedures to maximize the efficiency of the audit.</p>
 <p style="text-align: center;">PHASE 2 GATHERING EVIDENCE</p>	<p>We carefully search for and review documents (electronic and hard copy) related to the audit. In some instances, we circulate a document request letter to appropriate individuals requesting that they provide the forensic audit team with the documents related to certain areas.</p>
 <p style="text-align: center;">PHASE 3 INTERVIEWS</p>	<p>We conduct interviews to understand how procedures are carried out. Information obtained during the interview may also identify additional areas that need to be pursued over the course of the audit. The selection of interviewees and the sequence and timing of interviews will be carefully planned with the Town.</p>
 <p style="text-align: center;">PHASE 4 ANALYTICAL PROCEDURES</p>	<p>We apply analytical procedures to identify the existence of unusual transactions or events, amounts, patterns or ratios and trends that may indicate matters that have investigative and/or financial-statement implications.</p>
 <p style="text-align: center;">PHASE 5 REPORT WRITING</p>	<p>A final written report will be issued to the Town upon completion of the assignment and each of the subjected projects. Report content will include a description of work performed, results of testing performed, and recommendation for improvement.</p>

The testing of controls will be based upon the current approved Town policies and a thorough review of the procedures in place at the Town to enforce such policies and consideration of all regulatory requirements applicable to each functional area of the Town.

The approach to drawing audit samples and the type and extent of analytical procedures to be used in this engagement will be determined during the course of our work.

The work related to providing forensic audit services to Town will be performed at a location most efficient to the assignment, whether at our Hauppauge office and/or on-site at Town offices and other various locations as necessary.

**Town of New Lebanon
 Proposal for Forensic Auditing Services For Fiscal years 2017 – 2025
 December 5, 2025**

Our approach to conducting a forensic audit consists of obtaining an in-depth understanding of the operations and mission of Town. We will be reviewing policies, procedures, and internal controls pertaining to Town's areas of interest. The objective of our analysis will be to identify misappropriation, detect irregularities in the accounting and reporting, and assess on-compliance with regulations related to budget development and monitoring, accounting and reporting, fund balance, banking, accounts payable, revenue, accounts receivables, capital projects, grants, payroll, employee benefits, and fixed assets for the fiscal years 2020 through 2023. We will interview key personnel to obtain knowledge as to each individual's job duties and involvement as they pertain to the above process, day-to-day responsibilities, who they report to, and who they supervise. Our report will include a description of work performed and an assessment of possible improvements pertaining to the Town internal controls. Examples of forensic audit areas include:

Analysis of Fund Financial Records

- General Fund A Townwide
- General Fund B Town Outside Village and all related departments
- Town's major governmental funds
- Enterprise Fund, including the Consolidated Water District and Rumbrook Pump Station
- Internal service funds
- Non-major governmental funds, including Library, Nutrition, Highway, and special purpose funds

Forensic Analysis

General Ledger & Financial Statements	Analyze transactions for unusual entries, reclassifications, or unsupported adjustments. Reconcile financial statements to supporting schedules.
Banking & Cash	Review reconciliations for accuracy, timeliness, and unexplained items. Test deposits and disbursements for proper authorization and segregation of duties.
Payroll & Benefits	Verify accuracy of employee pay and benefits. Identify duplicate payments, or irregular adjustments.
Accounts Payable/Receivable	Test vendor and billing records for completeness, legitimacy, and timeliness. Assess segregation of duties and approval processes.
Capital Projects & Assets	Trace expenditures to supporting documentation. Confirm existence of assets and review additions/deletions for proper authorization.
Grants & Restricted Funds	Review compliance with grant agreements and allowable costs. Trace expenditures to funding sources. Assess timeliness and accuracy of reporting.
Budget & Fund Balances	Compare adopted vs. actual budgets. Test budget transfers for authorization and documentation. Review budget account classifications and adjustments.
Departmental Receipts	Perform sample testing of departmental cash receipts to verify deposit completeness and reconciliation.



Town of New Lebanon
Proposal for Forensic Auditing Services For Fiscal years 2017 – 2025
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Forensic Audits Process

We incorporate fraud detection into routine audit activity in efforts to mitigate the risks of financial reporting and reputational fraud.

- Fraud Awareness Training
- Fraud Risk Assessments
- Business Valuations
- Fraud Investigations
- Identifying Hidden Assets
- Due Diligence
- Governmental Program
- Discovery/Deposition
- Economic Damage

We will plan our investigation to achieve the following:



Conduct interviews to aid in the planning and execution of case data collection relevant to the matter.



Accumulate the data and marshal the necessary analytical tasks to either support or refute the legal theories presented. If requested, assist in any hearings, conferences and settlement negotiations.



Prepare a concise summary of the documents reviewed along with a statistical information on incurred losses and findings/recommendation.



Re-evaluate recommendations if provided with additional information from Town.



If warranted, aggregate conclusions during the assignment, followed by the submission of an expert report, testify at deposition or trial and/or critique the opposing expert's report.

Billing Rates

Provided below is our billing rates for this project. As the scope of work is refined and agreed upon and other variable become known, Nawrocki Smith will be able to provide a fee range for services.

Partner	\$250 per hour
Senior Manager	\$225 per hour
Manager	\$200 per hour
Supervisor	\$175 per hour
Senior	\$150 per hour
Staff	\$125 per hour

The services provided will be planned to utilize staff levels skills for efficiency and cost effective purposes.

Town of New Lebanon
Proposal for Forensic Auditing Services For Fiscal years 2017 – 2025
December 5, 2025

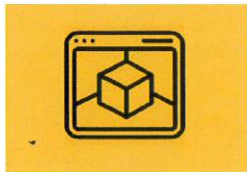
- **Use of Technology in the Forensic Audit**

Nawrocki Smith has been a pioneer in providing accounting and audit services on a remote basis. We have over 35 years of extensive experience in audit related matters, and we strive to reduce business risk exposures and contribute to your organization's performance goals. We carry out the following for each audit serviced on a remote basis:



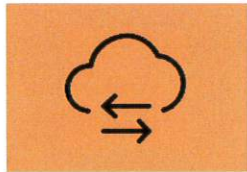
REMOTE MEETINGS

Nawrocki Smith is available to address clients' needs and mobilize at a moment's notice. We will designate two individuals to be available to Town over the phone or video conference within 30 minutes of the request. This would be to communicate at a level necessary to meet the Library's immediate needs regarding, changes, critical situations and/or normal day to day business needs.



SYSTEMS

Nawrocki Smith has extensive knowledge in the use of the audit function for the software packages utilized by many Municipalities (**QuickBooks, Munis, Great Plains, PeopleSoft, NewWorld, Ceridian, nVision, Finance Manager, WINCAP, eFinance Plus, etc.**). We have experience working with designated laptop/desktop configured to client security policies, VPN log in credentials to access client systems/servers under client permissions, and virtual desktop applications with 2-Factor Authentication (2FA) provided by the client to access their systems and file servers.



DOCUMENT

Nawrocki Smith has excellent "delivery" records of quality and timely, and useful information by uploading documents into our secure portal, sharing documents on client based cloud storage services. (e.g. OneDrive, Dropbox, Box, etc.), and transmitting documents through secure and encrypted emails. (Client has 24/7 access to team via e-mail, text, phone, e-fax)



DATA SECURITY

Nawrocki Smith utilizes state of the art technology to collect, store, and analyze the data required to perform the services, with emphasis on proprietary, confidential material handling as needed during each internal audit assignment. Nawrocki Smith has also taken many steps in protecting the data security and privacy of our client's information. Examples of these steps are the encryption of the data on our laptops, restricting all drives and ports on the laptops to only Nawrocki Smith approved devices (i.e. Flash Drives, External Storage Devices) and installing a lo-jack tracking system on each laptop to retrieve or decommission the laptop if it is lost or stolen.



DATA ANALYTICS

To analyze the integrity of the accounting data. Examples of some of the tests performed include Benford's law application, vendor database analyses, comparison of addresses of employees to vendors, gaps in sequences of checks and purchase orders, etc. Data Analytics and Data Mining are utilized to extract data and extend the work that is designed to be performed in a specific risk area.

8. Identifying/Anticipating Potential Audit Problems

Nawrocki Smith LLP does not anticipate any potential audit problems. We have extensive experience in internal audit related matters, and we strive to reduce business risk exposures and contribute to your organization's performance goals.

Some of the challenges in performing work in this respect will be the availability of records and supporting documents as well the format of the documents and data contained within. However, when such a problem arises, Nawrocki Smith conducts internal brain-storming sessions to determine the next best steps to complete the task with a high degree of confidence in a most efficient manner possible. Where necessary we would consult with District in regard to the issues that arise and possible solutions in moving forward. Nawrocki Smith has worked on claims audit, internal audit, external audit, forensic accounting and litigation consulting matters for the past 35 years and has experience in identifying and overcoming issues as they arise in engagements.

9. Report Format

Attached please find **Exhibit 5** our Sample Report - Forensic Audit Services.

Value-Added Considerations

Because of our extensive experience in forensic accounting and internal audit related matters we strive to build strong business relationships with our clients. From start to finish you can rely on our quality work for addressing the unique financial intricacies of such projects. In addition to analyzing financial statements, pursuing evidence, and identifying assets, our added value services include the following:



EVALUATE STRENGTHS

Evaluating the strengths and weaknesses of the financial evidence and providing alternatives to locate evidential documents through practice management systems.



REDUCE RISK

Reduce business risk exposures and contribute to your organization's performance goals.



IMPROVE RESULTS

Our expertise and knowledge of internal controls, experience in your industry, business process and information technology knowledge and readily available local resources can help you improve your bottom-line results.



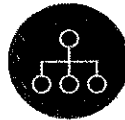
CYCLICAL TESTING

We do an in-depth cyclical testing of various business and operational areas, perform a yearly risk assessment, and provide regular updates of control risk, among many other services.



COMPLIANCE

We have extensive experience in helping our clients meet all the regulatory requirements that the internal control function satisfies.



LONG-TERM VALUE

We help you build and internal control structure that improves your organization's long-term value and provides assurance to your stakeholders.



STRENGTHEN CONTROLS

Assisting executive management in developing documents policies, procedures, forms, and checklists that strengthen internal controls



DISPUTE SERVICE SUPPORT

Providing support in dispute related matters and the identification of possible strengths and weaknesses of related perspectives.

Thank you for your consideration

OUR LONG-TERM COMMITMENT TO TOWN OF NEW LEBANON

One of our Firm's characteristics of which we are most proud is the long-term nature of our client relationships. This results from our philosophy of never taking a client for granted and always doing everything possible to fully service an organization while carrying out our responsibilities. While we can propose to do many things for the Town at this point in time, our experience with similar clients over the long-term should provide you with a certain degree of comfort that our promises will be brought to fruition. Our approach to providing professional services as discussed earlier in this proposal have been very successful, and we believe is very much consistent with the long-term needs of your Organization.

We are confident we have the experience, resources and desire to provide the Town with excellent client service.



ADDRESS

100 Motor Parkway
Hauppauge NY 11788



PHONE

P: 631.756.9500
F: 631.756.9818



EMAIL

info@ns.cpa
www.ns.cpa

Exhibits

Exhibit 1 – Firm & Partner License Information

Exhibit 2 – Firm's External Quality Review Letter

Exhibit 3 – Resumes of Proposed Team

Exhibit 4 – Firm's Client Listing

Exhibit 5 – Sample Report – Forensic Audit Services

Exhibit 6 – Equal Employment Opportunity



Address

100 Motor Parkway
Hauppauge NY 11788



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F: 631.756.9818



Email

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Exhibit 1
Firm & Partner License Information

Nawrocki Smith LLP				
Certified Public Accountancy Partnership - NYSED				
Partnership ID.	064420			
Board Approval Date	September 28, 2007			
Current Through	October 31, 2028			
Partners	License Number	Date of Licensure	Status	Registered through Date
Nawrocki, Michael E.	038557	2/2/1979	Registered	9/30/2026
Smith, Ernest, Patrick	069834	5/25/1993	Registered	12/31/2025
Agunzo, Lauren, Marie	079835	6/23/1998	Registered	9/30/2027
Hoffman, John, Kenneth	079885	6/30/1998	Registered	2/28/2027
Iacobelli, Darin, Vincent	083123	3/13/2000	Registered	3/31/2026
Tellier, David, Michael	084036	9/12/2000	Registered	7/31/2027
Angotta, Christopher, Anthony	125741	12/22/2017	Registered	7/31/2026
Bantilekas, Panagiotis, Dimitris	099699	5/7/2009	Registered	1/31/2027
Spatola, John, Matthew	104517	7/25/2010	Registered	8/31/2027



Exhibit 2

Firm's External Quality Review Letter

Report on the Firm's System of Quality Control

To the Partners of Nawrocki Smith LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Nawrocki Smith LLP (the firm), in effect for the year ended September 30, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, an audit of an employee benefit plan, and an examination of a Service Organization (SOC 2 Engagement).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nawrocki Smith LLP, in effect for the year ended September 30, 2024 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Nawrocki Smith LLP has received a peer review rating of *pass*.

Flaherty Salmin LLP

Rochester, New York

March 26, 2025



Exhibit 3

Resumes of Proposed Team



Darin V. Iacobelli, CPA/CFF, CFE – Partner

Mr. Iacobelli has twenty-five (25) years of experience in providing forensic accounting, internal audit, dispute resolution services, such as fraud investigations, insurance loss/economic damage consulting, agreed upon procedures, and other various complex matters to municipalities, insurance companies, health care providers, non-profit, and for profit entities. Mr. Iacobelli serves on the Board of the Long Island Chapter of Certified Fraud Examiners.



631-756-9500



dvi@ns.cpa



darin-v-iacobelli



ns.cpa



100 Motor Parkway, Hauppauge, NY



WORK

Forensic Accounting, Internal Audit, and Dispute Resolution Services

NAWROCKI SMITH LLP

Hauppauge, NY

- Experience in matters such as: business interruption claims, life, health and disability claims, loss of earnings/profits, wrongful termination, wrongful death, misappropriation of assets, employee theft,
- Conduct field interviews and in-depth analysis of financial documents and representations.
- Prepare report of audit findings and discuss issues with counsel, management and/or board members.
- Prepare expert reports and provide deposition assistance to counsel
- Conduct internal control risk assessments and operational and compliance audits
- Provide fraud prevention and internal control improvement consulting services
- Investigations involving counterfeit products and corporate fraud.



PROFESSIONAL PRESENTATIONS & PUBLICATIONS

February 2018
 March 2017
 October 2016
 June 2016
 May 2016
 December 2014
 May 2014
 April 2013
 February 2013
 November 2010
 May 2009
 January 2010
 October 2008
 May 2004
 June 2013
 2009 – Present
 December 1995
 August 1995

- Institute of Internal Auditors – “Nonprofit Fraud Update”
- Nawrocki Smith School Seminar – Social Media Risk Management
- NYS Association of Municipal Purchasing Officials (SAMPO) – “Ethics & Fraud for the Procurement Professional”
- Nassau ASBO – “Fraud Awareness & Internal Control Best Practices”
- McElroy, Deutsch, Mulvaney & Carpenter, LLP – “Business Interruption & Economic Damages”
- Long Island Business Seminar – “Fraud & Employee Theft on Long Island”
- NonProfit Update – “Forensic Accounting NonProfit Case Studies”
- SDIAA Conference – “Internal Audit & Forensic Accounting Case Studies”
- Eastern Claims Conference – “Forensic Accounting for Disability Claims”
- Public Schools Conference – “Internal Audit & Risk Assessment Challenges”
- NYS Association of School Business Officials – “Protecting Public Funds Treasurer Workshop”
- SDIAA Conference – “Claims Auditing, Fraud & Interviewing Techniques”
- NYS Association of School Business Officials – “Extraclassroom Activity Treasurer Workshop”
- Midwest Claims Conference – “Occupational Analysis Techniques”
- Publication – The CPA Journal: “Analyzing Local & Global Fraud”
- Publication – MBA Thesis: “Analysis of Industrial Espionage and Corporate Security”
- Publication – The Mouthpiece: “What is a Forensic Accountant”
- Publication – International AntiCounterfeiting Coalition: “The Modern Day Counterfeiter”



CERTIFICATES

- **CPA** – Certified Public Accountant (New York)
- **CFF** - Certified Financial Forensics (American Institute of Certified Public Accountants)
- **CFE** - Certified Fraud Examiner (Association of Certified Fraud Examiners)
- **CIA** - Certified Internal Auditor (Institute of Internal Auditors)



MEMBERSHIP

- **AICPA** – American Institute of Certified Public Accountants
- **NYSSCPA** - NYS Society of Certified Public Accountants
- **ACFE** – Association of Certified Fraud Examiners (Board Member LIACFE)
- **NYSASBO** – New York State Association of School Business Officials



EDUCATION

1988 - 1992

UNIVERSITY OF SCRANTON
B.S. Degree / Major: Accounting

1994 – 1996

HOFSTRA UNIVERSITY
M.B.A / Management



P. DIMITRIS BANTILESKAS, CPA/CFF/CITP, CVA, CFE - Partner

Partner with over 20 years of experience leading forensic accounting, internal audit, cybersecurity audit, and consulting engagements across public, private, and nonprofit sectors. Proven track record managing complex investigations, litigation support, and compliance audits for boards, executives, and legal counsel. Recognized for strategic leadership, industry thought leadership, and ability to strengthen governance, detect fraud, and improve organizational resilience.



631-756-9500



dbantileskas@ns.cpa



dimitris-bantileskas



ns.cpa



100 Motor Parkway, Hauppauge, NY



WORK EXPERIENCE

Partner - Forensic Accounting, Consulting, Internal Audit, Cybersecurity Audit, and Business Valuation Services

12/2004 – Present

NAWROCKI SMITH LLP

Hauppauge, NY

- Lead the firm's Internal Audit, Cybersecurity Audit, Forensic Accounting, and Consulting practices.
- Direct high-profile forensic audits and special investigations involving fraud, embezzlement, kickbacks, asset misappropriation, and contract/vendor integrity.
- Provide litigation consulting and expert witness services, including financial damage measurement (lost profits, business interruption, property damage, occupational disability).
- Serve as auditor-in-charge for cybersecurity audits, performing IT risk assessments and compliance reviews aligned with CIS Controls, NIST, and sector-specific regulations.
- Oversee enterprise-wide financial, operational, compliance, and technology audits, delivering actionable recommendations to strengthen governance, controls, and efficiency.
- Advise boards of education, executives, and external counsel on complex investigations, governance, and compliance matters.
- Mentor and develop audit teams, enhancing firm capacity in risk, controls, and cybersecurity.



EDUCATION

1999 - 2001

TEI, UNIVERSITY OF ATHENS, GREECE

Major: Business Administration

Honors: Distinguished Student Award 2000

2001 - 2004

BARUCH COLLEGE, CUNY, NEW YORK

Bachelor of Business Administration: Accounting

Honors: Golden Key International Honors Society



CERTIFICATES



CPA Certified Public Accountant (CPA) (New York)



Certified in Financial Forensics (CFF)
(American Institute of Certified Public Accountants)



Certified Information Technology Professional (CITP) (American Institute of Certified Public Accountants)



Certified Fraud Examiner (CFE)



Certified Valuation Analyst (CVA)



Certificate in Cybersecurity Audit (ISACA)



MEMBERSHIPS

- **AICPA** – American Institute of Certified Public Accountants
- **NYSSCPA** - New York State Society of Certified Public Accountants
- **ACFE** – Association of Certified Fraud Examiners
- **LIACFE** – Association of Certified Fraud Examiners – Long Island Chapter
- **NACVA** – National Association of Certified Valuation Analysts
- **NYSIU** – New York State Investigation Unit
- **ISACA** – Information Systems Audit and Control Association

P. DIMITRIS BANTILESKAS, CPA/CFF/CITP, CVA, CFE – Partner



PROFESSIONAL PRESENTATIONS

2025	
September 17, 2025	ACUA – “Cybersecurity Audits Trends for higher Education Institutions”
March 7, 2025	NYSCATE – “Enhancing Cybersecurity in K-12: Monroe-Woodbury CSD’s Journey with NIST CSF Adoption”
2024	
September 16, 2024	ACUA – “Cybersecurity Audits With NIST Framework & CIS Controls”
May 2, 2024	RIC One – “Cybersecurity Audits With NIST Framework & CIS Controls”
2023	
November 13, 2023	NYSBA – “Cybersecurity Audits With NIST Framework & CIS Controls”
January 20, 2023	Institute of Internal Auditors – “Cybersecurity Audits With NIST Framework & CIS Controls”
2022	
January 31, 2022	Nassau-Suffolk School Board Association – “Making the Cybersecurity Grade. How School Boards Can Lead Cybersecurity Efforts” – Part 2
January 6, 2022	Nassau-Suffolk School Board Association – “Making the Cybersecurity Grade. How School Boards Can Lead Cybersecurity Efforts” – Part 1
2021	
March 4, 2021	Nassau Library System – “Internal Controls & Fraud Prevention”
February 5, 2021	Institute of Internal Auditors – “Life Insurance Fraud Case Study”
January 14, 2021	Institute of Internal Auditors – “Data Analytics with Microsoft Excel”
January 15, 2021	Institute of Internal Auditors – “Key Performance Indicators for Internal Auditors”
2020	
October 22, 2020	New York State Society Certified Public Accountants (NYSSCPA) – “Impact of Cyber Crime”
2019	
November 7, 2019	Long Island Certified Fraud Examiner Chapter – “What is your Fraud IQ?”
October 24, 2019	New York State Association of Municipal Purchasing Officials (SAMPO) - Accounts Payable Best Practices & Fraud Prevention Techniques
October 11, 2019	Institute of Internal Auditors (IIA) – Annual IT Audit Conference – KPIs for Internal Auditors
March 27, 2019	New York State Government Finance Officers’ Association, Inc. (NYSGFOA) – Establishing A Code of Ethics For Public Administration
February 15, 2019	Institute of Internal Auditors (IIA) – Annual Fraud Conference – Fraud in Our Backyard
2018	
November 15, 2018	New York State Association of Municipal Purchasing Officials (SAMPO) - Accounts Payable Best Practices & Fraud Prevention Techniques
November 13, 2015	New York State Government Finance Officers’ Association, Inc. (NYSGFOA) – Establishing A Code of Ethics For Public Administration
March 15, 2018	New York State Government Finance Officers’ Association, Inc. (NYSGFOA) – Establishing A Code of Ethics For Public Administration
March 20, 2018	Nassau Association School Business Officials (NASBO) – “Internal Audit Function...10 Years Gone”
2017	
November 15, 2017	New York State Government Finance Officers’ Association, Inc. (NYSGFOA) – GFI Advanced Forum: Internal Control Best Practices
November 15, 2017	New York Anti Car Theft And Fraud Association (NYACT) – Workers’ Compensation Fraud
October 13, 2017	Institute of Internal Auditors (IIA) – Annual IT Audit Conference – Data Analytics with Microsoft Excel
September 27, 2017	Ruskin Moscou Faltischek – Financial Literacy for Lawyers (Part 2)
June 29, 2017	Ruskin Moscou Faltischek – Financial Literacy for Lawyers (Part 1)
April 26, 2017	Morrith Hock & Hamroff, LLP – Business Interruption Losses
March 24, 2017	New England Claim Association – FAQ – What is Your Financial IQ?
March 7, 2017	Nawrocki Smith – Social Media Risk Management
February 17, 2017	Institute of Internal Auditors (IIA) – Annual IT Audit Conference – Data Analytics with Microsoft Excel
Microsoft Excel	



COMPUTER SKILLS

- MS Office
- Microsoft Power BI
- Microsoft Power Query
- Lexis – Nexis
- ACL
- Oracle
- MUNIS
- Great Plains Dynamics
- WinCap
- Finance Plus
- Nvision



Lauren M. Agunzo, CPA/CFF/CITP, CIA – Partner

Lauren has extensive experience in the assurance, risk management, forensic accounting and litigation support practice at Nawrocki Smith. She joined the Practice in 1995 and has diversified experience in matters pertaining to internal audit, internal controls, insurance defense, loss of earnings, business valuation, bankruptcy and other various complex matters. Lauren provides direct assistance to counsel in various aspects of litigation-related matters. Lauren has extensive experience in the internal audit area of the firm. Currently, she is the partner in charge of various internal audit engagements relating to school districts, financial institutions, not-for profits and other municipalities. She also heads up the team that provides SAS99 –Consideration of Fraud services in our financial statement audit engagements.



631-756-9500



lagunzo@ns.cpa



Lauren-Agunzo



ns.cpa



100 Motor Parkway, Hauppauge, NY



WORK EXPERIENCE

Partner – Risk Management/Internal Audit/Forensic Accounting Services

NAWROCKI SMITH LLP

Hauppauge, NY

- Extensive experience in providing risk management/internal audit and consulting services to school districts, governments, not-for-profits and financial institutions Conduct field interviews and in-depth analysis of financial documents and representations.
- Internal audit services include operational audits, compliance audits and forensic related projects. Prepare expert reports and provide deposition assistance to counsel.
- Provide services related to Sarbanes Oxley Compliance which includes documentation of process flow and identification of key controls.
- Provide fraud prevention and internal control improvement consulting services.
- Provide litigation support services and other consulting services to counsel and other clientele in variety of complex matters including insurance claims, bankruptcy, business valuations and loss of earnings.
- Provide individual and corporate income tax compliance services.



PROFESSIONAL PRESENTATIONS & PUBLICATIONS

- Nov 2017 • NYSASBO – “Social Media & Risk Management”
- Dec 2016 • NYSASBO – “Best Practices in Internal Controls & Fraud Detection”
- May 2016 • ASBO – Nassau Chapter – “Fraud Prevention & Best Practices in Internal Controls”
- Jun 2015 • NYSASBO – “Best Practices in Internal Controls & Fraud Detection”
- Nov 2013 • NYSASBO – “How to Work with Uncle Sam”
- Nov 2011 • NYSSCPA’s Public Schools Conference – “Risk Assessment Best Practices”
- Sep 2011 • SDIAA – “Legal References for Claim Audit Issues”
- Sep 2011 • SDIAA – “Tips & Techniques of Auditing Unusual Claims”
- Jan 2011 • SDIAA – “Best Practices for Effective Operations of the Audit Committee”
- Nov 2010 • NYSSCPA’s Public Schools Conference – “Risk Assessment & New Challenges on the Horizon”
- Sep 2010 • SDIAA – “Working with Your Audit Committee: Knowing and Communicating What is Expected”
- Nov 2009 • NYSASBO – Treasurer’s Role in Capital Projects”



CERTIFICATES

- **CPA** – Certified Public Accountant (New York)
- **CIA** – Certified Internal Auditor (Institute of Internal Auditors)
- **CFF** - Certified Financial Forensics (American Institute of Certified Public Accountants)
- **CITP** - Certified Information Technology Professional (Association of Certified Fraud Examiners)



MEMBERSHIPS

- **AICPA** – American Institute of Certified Public Accountants
- **NYSSCPA** – NYS Society of Certified Public Accountants
 - **Public School Committee** – Committee Member
- **CFE** – Certified Fraud Examiner
- **IIA LI** – Institute of Internal Auditors Long Island Chapter - President
- **SDIAA** – School District Internal Auditing Alliance – Advisory Board Member
- **CFE** – Certified Fraud Examiner



EDUCATION

1991 - 1995

HOFSTRA UNIVERSITY

B.S. Degree

Major: Business Administration - Concentration: Accounting

Donna Tepper, CPA, CIA

O: 631.756.9500

dtepper@ns.cpa

Credentials

- New York State Certified Public Accountant
- Certified Internal Auditor
- Member of American Institute Corporation of Certified Public Accountants
- Member of New York State Society of Certified Public Accountants
- Member of Institute of Internal Auditors of Long Island

Experience

January 2022 - Present

Senior Manager, Internal Audit/Consulting Services ▪ Nawrocki Smith LLP, Hauppauge, NY

- Plan and perform internal audit engagements for non-profit organizations, educational institutions, governmental entities, and financial institutions.
- Internal audit services include operational audits, compliance audits and forensic related projects.
- Provide fraud prevention and internal control improvement consulting services.
- Conduct field interviews and in-depth analysis of financial and operational documents and representations.
- Provide services related to Sarbanes Oxley Compliance which includes documentation of process flow and identification of key controls.
- Present completed internal audit reports to supervisory boards and communicate recommendations to enhance the effectiveness controls and efficiencies.
- Supervise and train staff in various internal audit and consulting engagements.
- Provide internal claims audit training and oversight of staff and client engagements.

Education

Binghamton University, Binghamton, New York

May 2008

- Bachelor of Science in Accounting and Finance

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.

Jennifer Morris

CPA, CIA, CFE

O: 631.756.9500

jmorris@ns.cpa

Credentials

- New York State Certified Public Accountant
- Certified Fraud Examiner
- Certified Internal Auditor
- Member of Institute of Internal Auditors of Long Island
- Member of Association of Certified Fraud Examiners
- Member of American Institute Corporation of Certified Public Accountants

Experience

April 2011- Present

Senior Manager, Internal Audit/Consulting Services ■ **Nawrocki Smith LLP, Hauppauge, NY**

- Plan and perform internal audit and related consulting services to financial, governmental, and non-profit organizations.
- Complete audit reports to supervisory boards and communicate recommendations to enhance controls and efficiencies.
- Perform audit engagements for non-profit organizations, educational institutions, governmental entities, financial institutions, and employee benefit plans.
- Prepare financial statements and footnote disclosures in accordance with GAAP.
- Evaluate the effectiveness of internal controls and provide recommendations for improvement through management letter recommendations.
- Perform employee benefit audits for organizations of various sizes and analysis of financial activities, policies, procedures, processes, and controls.
- Perform peer reviews for employee benefit plan engagements
- Supervise and train staff in various internal audit and consulting engagements and communicate with partners

Education

St. Joseph's University, Patchogue, New York

December 2010

- Bachelor of Science in Accounting

Stony Brook University, Stony Brook, New York

May 2006

- Bachelor of Arts in English

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.

Kyle Zaharatos

O: 631.756.9500

kzaharatos@ns.cpa

Experience

October 2017- Present

Supervisor, Internal Audit ■ Nawrocki Smith LLP, Hauppauge, New York

- Plan and perform internal audit and consulting services for school districts, libraries, counties and park districts.
- Prepare and present audit reports to supervisory boards.
- Review and file 1095 forms for ACA compliance.
- Supervise and train staff in various internal audit and consulting engagements.
- Provide treasurer services to multiple clients.
- Conduct internal audit testing procedures for school districts in accordance with the Sarbanes-Oxley Act of 2002 and New York State education law.
- Develop detailed working papers to provide sufficient evidence of work completed in the execution of the audit program including testing and analyzing results.
- Develop and conduct internal audit programs for banks by assessing the effectiveness of internal controls.
- Perform forensic procedures as part of internal audit engagements to detect and investigate potential fraud, policy violations, and control weaknesses, delivering detailed findings to support risk mitigation and compliance efforts.
- Perform claims audit testing on cash disbursements for school districts.
- Prepare reports based on internal and claims audits to reflect outcomes of testing procedures.
- Communicate regularly with clients to coordinate field visits and meetings, obtain documentation, address concerns, and maintain relations.

Education

St. Joseph's University, New York

September 2013 - May 2017

- Bachelor of Science in Accounting

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.

Michael T. Reinhart

O: 631.756.9500

mreinhart@ns.cpa

Experience

October 2010- Present

Supervisor, Internal Audit ■ Nawrocki Smith LLP, Hauppauge, New York

- Plan and perform internal audit and consulting services for school districts, libraries, counties and park districts.
- Prepare and present audit reports to supervisory boards.
- Review and file 1095 forms for ACA compliance.
- Supervise and train staff in various internal audit and consulting engagements.
- Provide treasurer services to multiple clients.
- Conduct internal audit testing procedures for school districts in accordance with the Sarbanes-Oxley Act of 2002 and New York State education law.
- Develop detailed working papers to provide sufficient evidence of work completed in the execution of the audit program including testing and analyzing results.
- Develop and conduct internal audit programs for banks by assessing the effectiveness of internal controls.
- Perform forensic procedures as part of internal audit engagements to detect and investigate potential fraud, policy violations, and control weaknesses, delivering detailed findings to support risk mitigation and compliance efforts.
- Perform claims audit testing on cash disbursements for school districts.
- Prepare profit and loss statements
- Prepare reports based on internal and claims audits to reflect outcomes of testing procedures.
- Communicate regularly with clients to coordinate field visits and meetings, obtain documentation, address concerns, and maintain relations.

Education

Long Island University/C.W. Post Campus, Brookville, New York
May 2011

- Bachelor of Science in Accounting

Long Island University/C.W. Post Campus, Brookville, New York
May 2012

- Master's Degree in Business Administration

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.

Jack M. Blakley

O: 631.756.9500

jblakley@ns.cpa

Experience

April 2023- Present

Senior Associate, Internal Audit ■ Nawrocki Smith LLP, Hauppauge, New York

- Perform claims audits to assess accuracy, compliance with policy guidelines, and adherence to regulatory standards to non-for-profit organizations, school districts, BOCES, and other municipalities.
- Generate testing sheets, exhibits, and reports to ensure timely and proper communication of findings and observations to clients.
- Develop detailed workpapers to provide sufficient evidence of work completed in the execution of the audit program, including testing and analysis of payroll, cybersecurity, IT, human resources, retiree benefits, and safety/security.
- Support the development and execution of audit procedures to assess the effectiveness of internal controls on risk management and fraud prevention.
- Spearhead forensic accounting cases for litigation and dispute matters.
- Assist with preparing of reports based on internal and claims audits to reflect outcomes of testing procedures.
- Provide treasury services to clients by performing month-end bank reconciliations and journal entry verifications.

May 2022- March 2023

Finance Associate ■ ECLI-VIBES , Islandia, New York

- Managed and maintained a \$3 million budget of federal and state grants to allocate toward client expenses, overhead and salaries.
- Contributed significantly to project-based work, including leading the comprehensive overhaul of our accruals in the general ledger system, streamlining the process and ensuring accuracy.
- Served as the primary point of contact for external auditors and oversaw all audit related activities.
- Recorded accounts payable and accounts receivable through processing and paying invoices, financial requests, reimbursements, and various organizational programs.
- Facilitated month-end closeout processes, general ledger journal entries, and account reconciliations.
- Processed payroll across two separate entities

Education

Perdue University Global

May 2022

- Bachelor of Science in Finance

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.

Nicholas Russo

O: 631.756.9500

nrusso@ns.cpa

Experience

September 2021- Present

Senior Associate, Internal Audit/ Insurance Claim Consulting ■ Nawrocki Smith LLP, Hauppauge, NY

- Perform claims audits to assess accuracy, compliance with policy guidelines, and adherence to regulatory standards.
- Generate testing sheets, exhibits, and reports to ensure timely and proper communication of findings and observations to clients.
- Conduct internal audit testing procedures for school districts in accordance with the Sarbanes-Oxley Act of 2002 and New York State education law.
- Conducted claims audits to assess accuracy, compliance with policy guidelines, and adherence to regulatory standards.
- Develop detailed working papers to provide sufficient evidence of work completed in the execution of the audit program including testing and analyzing, including payroll, cybersecurity, IT, human resources, retiree benefits, and safety/security.
- Supported the development and execution of audit procedures .
- Prepare reports based on internal and claims audits to reflect outcomes of testing procedures
- Provide consulting services and prepare financial documentation and memorandums to present accurate disability insurance income and loss of earnings for insurance company clients.
- Examining of various individual/corporate tax returns and payroll statements Perform claims audit testing on cash disbursements for school districts.
- Research and data analytics of various financial documents and reports.
- Prepare spreadsheets, analysis and financial statements for various insurance claims and litigation matters.
- Perform calculations in accordance with client contracts and project requirements.
- Assist in preparation of exhibits for consulting projects, forensic engagements and litigation matters.
- Analyze documentation to assist in the determination of occupation.
- Review of insurance claims.
- Communicate regularly with clients to coordinate field visits and meetings, obtain documentation, address concerns, and maintain relations.
- Training new associates.

Education

John Jay College, New York

August 2016 – January 2020

- Bachelor of Science in Fraud Examination and Financial Forensics

John Jay College, New York

August 2020 – September 2024

- Master of Public Administration
- Advanced Certificate in Forensic Accounting

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.

Elizabeth Mojica

O: 631.756.9500

emojica@ns.cpa

Experience

April 2023- Present

Staff Associate, Internal Audit ■ Nawrocki Smith LLP, Hauppauge, New York

- Perform claims audits to assess accuracy, compliance with policy guidelines, and adherence to regulatory standards.
- Generate testing sheets, exhibits, and reports to ensure timely and proper communication of findings and observations to clients.
- Perform claims audit testing on cash disbursements for school districts.
- Conduct internal audit testing procedures for school districts in accordance with the Sarbanes-Oxley Act of 2002 and New York State education law.
- Conducted claims audits to assess accuracy, compliance with policy guidelines, and adherence to regulatory standards.
- Conduct risk assessments across key business functions to identify control weaknesses and improvement opportunities.
- Develop detailed working papers to provide sufficient evidence of work completed in the execution of the audit program including testing and analyzing, including payroll, cybersecurity, IT, human resources, retiree benefits, and safety/security.
- Supported the development and execution of audit procedures.
- Assist with preparing of reports based on internal and claims audits to reflect outcomes of testing procedures.

August 2022- April 2023

Accountant Representative ■ Marisa Schaefer State Farm Agency

- Perform administrative tasks, such as maintaining records and handling policy renewals
- Respond and resolve to customer inquiries regarding insurance availability, eligibility, coverages, policy changes, transfers, claim submissions, and billing clarification
- Process applications, payments, corrections and cancellations
- Explain features, advantages, and disadvantages of various policies to promote the sale of insurance plans

Education

CUNY John Jay College, New York

August 2019 - May 2023

- Bachelor of Science in Fraud Examination and Financial Forensics

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.

Layla Rolleri

O: 631.756.9500

lrolleri@ns.cpa

Experience

January 2023- Present

Staff Associate, Internal Audit ■ Nawrocki Smith LLP, Hauppauge, New York

- Perform claims audits to assess accuracy, compliance with policy guidelines, and adherence to regulatory standards.
- Generate testing sheets, exhibits, and reports to ensure timely and proper communication of findings and observations to clients.
- Perform claims audit testing on cash disbursements for school districts.
- Conduct internal audit testing procedures for school districts in accordance with the Sarbanes-Oxley Act of 2002 and New York State education law.
- Conducted claims audits to assess accuracy, compliance with policy guidelines, and adherence to regulatory standards.
- Conduct risk assessments across key business functions to identify control weaknesses and improvement opportunities.
- Develop detailed working papers to provide sufficient evidence of work completed in the execution of the audit program including testing and analyzing, including payroll, cybersecurity, IT, human resources, retiree benefits, and safety/security.
- Supported the development and execution of audit procedures.
- Assist with preparing of reports based on internal and claims audits to reflect outcomes of testing procedures.

October 2022- December 2022

Staff Accountant ■ Marshall and Moss , Westbury, New York

- Acquired QuickBooks knowledge
- Acquired tax program knowledge in Lacerte
- Assisted clients with record bank statements, obtaining and entering tax information
- Data Entry

Education

SUNY New Paltz, New Paltz, New York

August 2018 - May 2022

- Bachelor of Science in Accounting

Continuing Professional Education

- 40 hours of Continuing Professional Education have been obtained during the past year, including 20 hours of education in internal audit and internal controls.



Exhibit 4
Firm's Client Listing

Nawrocki Smith LLP

Internal Audit School District Clients

As of December 2025

<u>School District</u>	<u>Address</u>	<u>Town</u>	<u>Zip Code</u>	<u>Contact</u>	<u>Phone Number</u>
Babylon	50 Railroad Avenue	Babylon	11702	Deidre Lunetta	631-893-7925
Baldwin	960 Hastings Street	Baldwin	11510	James Robinson	516-434-6000
Beacon City School District	10 Education Drive	Beacon	12508	Ann Marie Quartironi	845-838-6900
Bedford	632 South Bedford Road	Bedford	10506	Jose Formoso	914-241-6018
Bethpage	10 Cherry Avenue	Bethpage	11714	Scott Harrington	516-664-4030
Brentwood	52 Third Avenue	Brentwood	11717	Stacy O'Connor	631-434-2311
Center Moriches	529 Main Street	Center Moriches	11934	Bruce Singer	631-878-0052
Chappaqua	66 Roaring Brook Road	Chappaqua	10514	Joshua Culwell-Block	914-238-7200
Comsewogue	290 Norwood Avenue	Brookhaven-Comsewogue	11776	Susan Casali	631-474-8116
East Meadow	718 The Plain Road	Westbury	11590	Jennifer Frisenda	5156-478-5737
East Moriches	523 Montauk Highway	East Moriches	11940	Dean Mittleman	631-878-0162
Eastchester	580 White Plain Road	Eastchester	10709	Shonda Merrill	914-793-6130
Franklin Essex BOCES	23 Husky Lane, PO Box 28	Malone	12953	Jamie O'Dell	518 483-6420
Franklin Square	760 Washington Street	Franklin Square	11010	Michael Goldberg	516-481-4100
Freeport	235 North Ocean Avenue	Freeport	11520	Idowu Ogundipe	516-867-5212
Half Hollow Hills	525 Half Hollow Road	Dix Hills	11746	Anne Marie Marrone Caliendo	631-592-3030
Hendrick Hudson	60 Trolley Road	Montrose	10548	Jill Figarella	914-257-5132
Hewlett-Woodmere	One Johnson Place	Woodmere	11598	Charlie Carollo	516-374-8100
Hicksville	200 Division Avenue	Hicksville	11801	Marcy Tannenbaum	516-733-2110
Islip	215 Main Street	Islip	11751	Donna Brower	631-859-2200
Jericho	99 Cedar Swamp Road	Jericho	11753	Victor Manuel	516-203-3600
Lakeland	1086 East Main Street	Shrub Oak	10588	Pam Delladona	914-245-1700
Lawrence	PO Box 477	Lawrence	11559	Jeremy Feder	631-295-7030
Liberty	115 Buckley Street	Liberty	12754	Laurene McKenna	845-292-6171
Mahopac	179 East Lake Boulevard	Mahopac	10541	Alyssa Murray	845-628-3415
Malverne	301 Wicks Lane	Malverne	11565	Christopher Caputo	516-887-6417
Miller Place	275 Route 25A, Unit #43	Miller Place	11764	Colleen Card	631-474-2700
Monroe Woodbury	278 Route 32	Central Valley	10917	Patrick Cahill	845-460-6241
Mount Pleasant	825 Westlake Drive	Thornwood	10594	Dr. Peter Giarrizzo	914-769-5500
Mount Sinai	118 North Country Road	Mount Sinai	11766	Linda F. Jensen	631-870-2563
Mount Vernon	165 North Columbus Avenue	Mount Vernon	10553	TBD	914-665-5000
Northport-East Northport	158 Laurel Avenue	Northport	11768	Robert Howard	631-262-6600
Northshore	112 Franklin Avenue	Sea Cliff	11579	James Pappas	516-277-7801
Nyack	13A Dickinson Avenue	Nyack	10960	Enrique Catalan	845-353-7000
Oceanside	145 Merle Avenue	Oceanside	11572	Dr. Jerel Cokley	516-678-1200
Oyster Bay-East Norwich	1 McCouns Lane	Oyster Bay	11771	Zachery Nyberg	516-624-6500
Pearl River	135 West Crooked Hill Road	Pearl River	10965	Lillian Richiera	845-620-3999
Peekskill City School District	1031 Elm Street	Peekskill	10566	Cynthia Hawthorne	914-737-3300
PNW BOCES	200 BOCES Drive	Yorktown Heights	10598	Ron Clamsner, Jr. ed.D	914-245-2700
Port Jefferson	550 Scraggy Hill Road	Port Jefferson	11777	Sean Leister	631-476-4413
Port Washington	100 Campus Drive	Port Washington	11050	Kathleen Manuel	516-767-5000
Portchester-Rye	113 Bowman Avenue	Port Chester	10573	Philip Salcmo	914-934-7906
Putnam Valley	171 Oscawana Lake Road	Putnam Valley	10579	Grace Chan	845-528-8125
Riverhead	814 Harrison Avenue	Riverhead	11901	Dr. Marianne Cartisano	631-369-6708
Rockland BOCES	65 Parrot Road	West Nyack	10994	Tawnya Muhlrad	845-627-4700
Rocky Point	170 Route 25A	Rocky Point	11778	Chris Van Cott	631-744-1600
Roosevelt	240 Denton Place	Roosevelt	11575	Gary Gentles	516-345-7023
Roslyn	300 Harbor Hill Road	Roslyn	11577	Susan Warren	516-801-5030
Sachem	51 School Street	Lake Ronkonkoma	11779	Michell Psarakis	631-471-1352
Scarsdale	2 Brewster Road	Scarsdale	10583	Andrew Lennon	914-721-2400
Seaford	1600 Washington Avenue	Seaford	11783	Rhonda Meserole	516-592-4004
South Country	189 Dunton Avenue	East Patchogue	11772	Jennifer Segui	631-730-1520
South Huntington	60 Weston Street	Huntington Station	11746	Michael Conway	631-425-5300
Syosset	99 Poll Lane	Syosset	11791	Dr. Patricia Rufo	516-364-5600
Three Village	PO Box 9050	East Setauket	11733	Jeff Carlson	631-730-4010
Valley Stream 30	175 North Central Avenue	Valley Stream	11580	Marcela Moran	516-285-9881
Wantagh	3301 Beltagh Avenue	Wantagh	11793	Anthony Cedrone	516-679-6308
West Babylon	200 Old Farmingdale Road	West Babylon	11704	Victoria Galante	631-376-7701
Westbury	2 Hitchcock Lane	Old Westbury	11568	Mary O'Neill	516-874-1800
Western Suffolk BOCES	507 Deer Park Avenue	Huntington Station	11746	Michael Flynn	631-549-4900
William Floyd	240 Mastic Beach Road	Mastic Beach	11951	David Beggins	631-281-0659
Yonkers	1 Larkin Center, 3rd Floor	Yonkers	10701	Cristina Jarufe	914-376-8086

Nawrocki Smith LLP

Claim Audit School District Clients

As of December 2025

<u>School District</u>	<u>Address</u>	<u>Town</u>	<u>Zip Code</u>	<u>Contact</u>	<u>Phone Number</u>
Bellmore	580 Winthrop Avenue	Bellmore	11710	Robin Lufrano	516-679-2902
Bellmore-Merrick	1260 Meadowbrook Road	North Merrick	11566	Mikalea Coni	516-992-1020
Cold Spring Harbor CSD	75 Goose Hill Road	Cold Spring Harbor	11724	Joseph Dragone	631-367-5928
East Ramapo	105 South Madison Aveue	Spring Valley	10977	Linda Macias	845-577-6061
Eastern Suffolk BOCES	201 Sunrise Highway	Patchogue	11772	Katelyn Fretto	631-687-3134
Great Neck	345 Lakeville Road	Great Neck	11020	John O'Keefe	516-441-4020
Huntington	50 Tower Street	Huntington Station	11746	Dr. Rubie Harris	631-673-2121
Levittown	150 Abbey Lane	Levittown	11756	Michael Fabiano	516-434-7007
Longwood	35 Yaphank Middle Island Road	Middle Island	11953	Janet Bryan	631-345-2796
Merrick	21 Babylon Road	Merrick	11566	Ryan Butler	516-992-7240
New Hyde Park	1950 Hillside Avenue	New Hyde Park	11040	Michael Frank	516-434-2300
New Rochelle	515 North Avenue	New Rochelle	10801	Bill Pastore	914-576-4240
Plainedge	241 Wyngate Drive	Massapequa	11758	Peter Porrazzo	516-992-7462
Plainview-Old Bethpage	106 Washington Avenue	Plainview	11803	Chris Dillon	516-434-3050
Rochester City School District	131 W. Broad Street	Rochester	14614	Anissa Henry-Wheeler	585-262-8352
Sewanhaka	77 Landau Avenue	Floral Park	11001	Kevin O'Brien	516-488-9800

Nawrocki Smith LLP

External Audit School District Clients

As of December 2025

<u>School District</u>	<u>Address</u>	<u>Town</u>	<u>Zip Code</u>	<u>Contact</u>	<u>Phone Number</u>
Byram Hills Central School District	10 Tripp Lane	Armonk	10504	Kelly Siebert	914-273-4082
Commaack UFSD	480 Clay Pitts Road	East Northport	11731	Laura A. Newman	631-912-2005
Deer Park UFSD	1881 Deer Park Avenue	Deer Park	11729	Marguerite Jiminez	631-274-4020
East Rockaway UFSD	443 Ocean Avenue	East Rockaway	11518	Michael VanWart	516-887-8300
Elmont Union Free School District	135 Elmont Road	Elmont	11003	Thomas Galante	516-326-5500
Elwood School District	100 Kenneth Avenue	Elwood	11740	Lorraine Dunkel	631-266-5400
Farmingdale UFSD	50 Vancott Avenue	Farmingdale	11735	Michael Motisi	516-752-6506
Garden City UFSD	56 Cathedral Avenue	Garden City	11530	Dana DiCapua	516-478-1042
Island Trees UFSD	74 Farmedge Road	Levittown	11756	Susan Unhold	516-520-2115
Kings Park Central School District	180 Lawrence Road	Kings Park	11754	Shannon Meehan	631-269-3329
Locust Valley CSD	22 Horse Hollow Rd	Locust Valley	11560	Toni Meliambro	516-277-5040
Lynbrook Public Schools	111 Atlantic Avenue	Lynbrook	11563	Dr. Paul J. Lynch	516-887-0258
Mattituck-Cutchogue	385 Depot Lane	Cutchogue	11935	Charlie Delargy	631-298-4242
Mineola UFSD	121 Jackson Avenue	Mineola	11501	Andrew Casale	516-237-2050
North Babylon	5 Jardine Place	North Babylon	11703	Olivia Buatsi	631-620-7000
North Bellmore Schools	2616 Martin Avenue	N. Bellmore	11710	Amy Joyce	516-992-3000
Rye Neck UFSD	310 Hornidge Road	Mamaroneck	10543	Carolyn Mahar	914-777-5210
Sayville UFSD	99 Greeley Avenue	Sayville	11782	Robert Bartels	631-244-6510
Shelter Island UFSD	33 North Ferry Rd.	Shelter Island	11964	Maryann Impastato	631-749-0302
Tuxedo UFSD	1 Tornado Drive	Tuxedo	10987	Jeffery White	845-351-2296
Uniondale UFSD	933 Goodrich Street	Uniondale	11553	Mary Martinez-Lagnado	516-560-8800

Nawrocki Smith LLP

Non-School District Governmental Client Listing
As of December 2025

<u>Government</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Contact</u>	<u>Phone Number</u>
<u>COUNTIES</u>						
Suffolk County - Department of Public Works	335 Yaphank Avenue	Yaphank	NY	11980	Diane Forte, CPA - Chief Auditor	631-853-4760
Rockland County	11 New Hempstead Road	New City	NY	10956	Steven Grogan	845-364-3862
Sullivan County	100 North Street	Noticello	NY	12701	Angela Chevalier	845-807-0547
Wayne County	16 William Street	Lyons	NY	14489	Kristen Scott, CFE	315-946-5404
<u>TOWNS</u>						
Town of East Hampton	159 Pantigo Road	East Hampton	NY	11937	Len Bernard, Budget Officer	631-324-4141
Town of Huntington EDC		Huntington	NY	11743	Jefferson, Leah	
Town of Hempstead		Hempstead	NY	11550	Town of Hempstead	(516) 812-3260
Town of Southampton	116 Hampton Rd.	Southampton	NY	11968	Len Marchese, Comptroller	631-283-6000
Town of Southampton Housing Authority		Hampton Bays	NY	11946	Town of Southampton Housing Aut	
Town of Brookhaven	One Independence Hill	Farmingville	NY	11738	Tamara Wright, Comptroller	631-451-6500
Town of North Hempstead		Manhasset	NY	11030	Town of North Hempstead	
The Town of Huntington		Huntington	NY	11743	The Town Of Huntington	(631) 351-2847
<u>VILLAGES</u>						
Incorporated Village of Islandia	1100 Old Nichols Rd	Islandia	NY	11749	Dorman, Allan	(631) 348-1133
Incorporated Village of Bayville	34 School Street	Bayville	NY	11709	Robert Denatale	(516) 628-1439
Incorporated Village of Brookville	18 Horse Hill Road	Brookville	NY	11545	Serota, Daniel	(516) 626-0973
Incorporated Village of East Hills	209 Harbor Hills Road	East Hills	NY	11576	Koblentz, Michael	
Incorporated Village of Hempstead	99 Nichols Court	Hempstead	NY	11550	Waylyn Nobbs	(516) 489-3400
Incorporated Village of Lake Grove	980 Hawkins Avenue	Lake Grove	NY	11755	Scottaline, Robert	(631) 585-2000
Incorporated Village of Northport	224 Main Street	Northport	NY	11768	Damon McMullen	(631) 261-7502
Incorporated Village of Westbury	235 Lincoln Place	Westbury	NY	11590	Cavallaro, Paul	(516) 334-1700
Incorporated Village of West Hampton Dunes	4 Arthur Street	Westhampton Bc	NY	11979	Gary Vegliante	(631) 288-6571
Incorporated Village of Williston Park	494 Willis Avenue	Williston Park	NY	11596	Ehrbar, Paul	(516) 746-2193
Incorporated Village of Hewlett Harbor	449 Pepperidge Rd	Hewlett Harbor	NY	11557	Village of Hewlett Harbor	(516) 374-3806
Incorporated Village of Tarrytown	One Depot Plaza	Tarrytown	NY	10591	Antoinette Morales	914-631-7873
Incorporated Village of Lloyd Harbor	32 Middle Hollow Rd	Huntington	NY	11743	Village Treasurer	631-549-8893
<u>LIBRARIES</u>						
Seaford Public Library	2334 Jackson Avenue	Seaford	NY	11783	Frank McKenna, Director	516-221-1334
Babylon Public Library	24 South Carll Avenue	Babylon	NY	11702	Neely McCahey, Director	631-422-0548
Sachem Public Library	150 Holbrook Road	Holbrook	NY	11741	Judith Willner, Director	631-588-5024
Middle Country Public Library	101 Eastwood Blvd.	Centereach	NY	11720	Sophia Serlis-McPhillips, Director	631-585-9393
Island Trees Public Library	38 Farmedge Road	Levittown	NY	11714	Michelle Vaccarelli, Director	516-731-2211
Freeport Memorial Library	144 W. Merrick Rd.	Freeport	NY	11520	Ken Bellafori, Director	516-379-3274
Wantagh Public Library	3285 Park Avenue	Wantagh	NY	11793	Joan Morris, Director	516-221-1200
Penninsula Public Library	280 Central Avenue	Lawrence	NY	11559	Carolynn Matulewicz, Director	516-239-3262
Syosset Public Library	225 S. Oyster Bay Road	Syosset	NY	11791	Christine Belling, Director	516-921-7161
Chappaqua Public Library	195 South Greeley Avenue	Chappaqua	NY	10514	Jennifer Daddio	914-238-4779
Long Beach Public Library	111 West Park Avenue	Long Beach	NY	11561	Jill Brennan Lessard	516-432-7201
<u>SPECIAL DISTRICTS</u>						
Carle Place Water District	578 Mineola Avenue	Carle Place	NY	11514	Theresa Alexandro	516-333-0540
Mattituck Park District	1690 Bailie Beach Road	Mattituck	NY	11952	David Prokop	631-821-1314
TOH Sanitation District No. 7	90 Mott St	Oceanside	NY	11572	Austin Graff	516-766-8700



Exhibit 5
Sample Report – Forensic Audit Services



School District

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Scope of Engagement

Pursuant to the request of the School District (the “District”), and in accordance with the December 2, 2021 engagement letter, we have performed agreed upon procedures pertaining to select records and transactions of the District. We performed analytical and testing procedures and assessed internal controls surrounding purchasing, cash disbursements, and administrative contracts for the period of January 1, 2020 through September 30, 2021.

The purpose of this report is to communicate the work performed to date and summarize our observations. Our findings and observations expressed herein are based on our work performed to date, and we reserve the right to supplement, update, or otherwise modify this report at a later date if relevant information comes to our attention.

Work Performed

Pursuant to our December 2, 2021 engagement letter, we assessed internal controls in the following areas:

- General purchasing governance.
- Purchasing, contracting, requisitioning, purchase order processes, bid processes, procurement.
- Capital projects expenditures.
- Bank reconciliations.

Subsequently, at the request of the Board, we also assessed transactional information and internal controls in the following areas:

- School District expenditures pertaining to the Boiler project and boiler purchase.
- School District expenditures pertaining to Dialectical Behavior Therapy (DBT) training.
- Central Office administrative contracts pertaining to the former Superintendents of Schools and former Directors of Finance.
- Central Office expenditures pertaining to the Data Director.

Our analysis consisted of the following:

1. Examined documents provided by the Central Office, including but not limited to the following:
 - a. Budget proposals for the School District for the fiscal years 2018/2019 and 2019/2020.
 - b. Budget proposals for the Central Office for the fiscal years 2019/2020 and 2020/2021.
 - c. Bank reconciliation reports for the months of February 2020, April 2020, June 2020, July 2020, January 2021, and April 2021.
 - d. Various Board of Education minutes.
 - e. Budget status reports for the School District for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (As of April 20, 2022).
 - f. Budget status reports for the Central Office for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (As of April 20, 2022).
 - g. Budget transfer reports for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (As of December 16, 2021).
 - h. Budget transfer report for the fiscal year 2021/2022 (As of March 29, 2022).
 - i. Expenditure reports for the School District for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (As of September 2021).

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- j. Expenditure reports for the Central Office for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (As of November 2021).
 - k. Audited financial statements for the fiscal years 2017/2018, 2018/2019, and 2019/2020.
 - l. General ledger detail for the School District for the fiscal year 2020/2021.
 - m. Central Office directory.
 - n. Voucher packets, invoices, purchase orders, contracts, and supporting documentation for select transactions for the period of January 1, 2020 through September 30, 2021.
 - o. Journal entry reports for the School District for the fiscal years 2019/2020 and 2020/2021.
 - p. Board approved policies (██████ – Purchasing Procedures, ██████ – Soliciting Prices, Bids, Quotes, ██████ – Contracts)
 - q. “Town of ██████, Connecticut - Report on the Results of the Procedures Performed at the ██████ Board of Education” issued by PFK O’Conner Davies, dated April 22, 2019.
 - r. Trial balances for the fiscal years 2020/2021 and 2021/2022 (As of February 7, 2022).
 - s. User permission report as of March 7, 2022.
 - t. Vendor listing report as of March 7, 2022.
 - u. Vendor payment history report for the fiscal year 2020/2021.
 - v. Project Proposal for Heating System Renovation at ██████, invoice, status report, and other pertinent records regarding the boiler purchase submitted by ██████ dated June 21, 2021.
 - w. Administrative contracts pertaining to the former Superintendents of Schools (██████ and ██████) and Directors of Finance (██████ and ██████).
 - x. Payroll reports pertaining to the former Superintendents of Schools (██████ and ██████) and Directors of Finance (██████ and ██████).
 - y. Job description pertaining to the Data Analyst Position.
2. Initial planning and interviews with the Audit Committee, Board President, Director of Finance, Human Resource Manager, and Senior Accountant. During our meetings, we had the opportunity to review documents and direct inquiries regarding transactional records, supporting documents, and timely reporting. The purpose of these interviews was to obtain knowledge as to each individual’s job duties, the various business records maintained, day-to-day responsibilities, who they reported to, and who they supervised.
3. Prepared analysis and report. Assessed possible improvements pertaining to the internal controls of the Central Office. Such recommendations are presented within each applicable report section.
4. An audit exit conference was held on (date) with the Audit Committee and Superintendent of Schools. The results, findings, and recommendations contained in this report were discussed with those attending.

Executive Summary

We have been engaged to perform a forensic audit based on agreed upon procedures to address concerns expressed by the Board of Education pertaining to certain internal control processes and expenditures for the Boiler Project, Dialectical Behavior Therapy (DBT) training, and the purchasing, managing administrative contracts, and budgeting in the Central Office during the period of January 1, 2020 through September 30, 2021. Based on the work performed, we did not identify any improprieties. However, we identified internal control deficiencies within the purchasing and accounts payable processes for which we have made recommendations.

Provided below is a summary of the results of our analysis:

Analysis of School District Boiler Purchase

The District undertook a boiler project during the fiscal years 2020/2021 and 2021/2022. On June 21, 2021, the District received a proposal in the amount of \$225,360 from [REDACTED] (“[REDACTED]”) for heating system renovations and chemical treatment at [REDACTED]. On June 29, 2021, the former Director of Finance, [REDACTED], approved the contract with the vendor on behalf of the District. During the period of July 2021 through December 2021, the Boiler Project was in-process, the vendor issued four (4) invoices, and the District has made payments in the aggregate amount of \$167,120. We have summarized below the financial history, including the original budget (\$0), adjusted budget (\$225,360), actual expenditures (\$167,160), and remaining adjusted budget balance (\$58,200) for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (as of April 20, 2022)

<u>Fiscal Year</u>	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>YTD Expenditures</u>	<u>Balance</u>
2019/2020	-	-	-	-
2020/2021	-	-	-	-
2021/2022 (As of April 20, 2022)	-	225,360	167,160	58,200

We made the following observations regarding the District’s internal controls over the boiler purchase:

- The Central Office did not provide support that it followed the District’s purchasing policies [Policy [REDACTED] – Purchasing Procedures and Policy [REDACTED] – Soliciting Prices (Bids and Quotations)] for the following:
 - Obtain at least three (3) competitive bids for contracts and purchases of supplies, materials, equipment, and contractual services in the amount of \$10,000 or more.
 - Require sealed bidding for contracts or purchases greater than \$25,000.
 - The former Superintendent of Schools notifies the Board of Education of the boiler project contract with [REDACTED].

Analysis of School District Dialectical Behavior Therapy (DBT) Training Expenses

On February 23, 2021, the District reviewed and approved the [REDACTED] (“[REDACTED]”) proposal of \$40,000 to conduct Dialectical Behavior Therapy (DBT) training during the fiscal year 2020/2021. The Central Office made available to us information indicating that during Fall 2021, [REDACTED] provided services and issued an invoice for \$15,500. Based on our analysis of the expenditures reports, we observed that the District made payments in the aggregate amount of \$20,000 from the general and grants funds.

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The District budgeted \$5,000 for psychological services in the general fund account code 1-01-35-2140-330-00-3 each fiscal year 2019/2020, 2020/2021, and 2021/2022. During the fiscal year 2020/2021, the District increased its budget by a net adjustment of \$34,121 to \$39,191 and reported expenditures of \$18,000. We have summarized below the financial history, including the original budget, adjusted budget, and actual expenditures for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (as of September 2021)

<u>Fiscal Year</u>	<u>Function (General Fund)</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Adjusted Budget</u>	<u>YTD Expenditures</u>	<u>Difference</u>
2019/2020	1-01-35-2140-330-00-3 - Psychological Services	5,000	-	5,000	-	5,000
2020/2021	1-01-35-2140-330-00-3 - Psychological Services	5,000	34,121	39,121	18,000	21,121
2021/2022 (As of Sep 2021)	1-01-35-2140-330-00-3 - Psychological Services	5,000	-	5,000	-	5,000

We made the following observations regarding the District's internal controls over the Dialectical Behavior Therapy (DBT) Training Expenses:

- The District could not make available bidding information to support that the District followed its purchasing policies.
- The District could not make available an approved and assigned contract to support the District's engagement with [REDACTED], and applicable expenses.
- The District could not make available invoices to support the variance of \$4,500 between the submitted invoice of \$15,500 and the aggregate payments of \$20,000.
- Based on the limited information provided, we were unable to determine the utilization of the remaining balance of \$21,121 during the fiscal year 2020/2021.

Analysis of Central Office Administrative Contracts

We have analyzed the administrative contracts, payroll reports, and expenditure reports for the former Superintendents of School and Directors of Finance employed by the Central Office during the fiscal years 2019/2020, 2020/2021, and 2021/2022. The following table summarizes the Administrators' start and end dates and total compensation during the period analyzed:

<u>Position/ Name</u>	<u>Start Date</u>	<u>End Date</u>	<u>Total Compensation from Start to End Date (*)</u>	<u>Expense Reimbursements</u>
Superintendent Of Schools				
[REDACTED]	07/01/16; 07/30/21	07/31/20; 09/24/21	\$184,625	\$250
[REDACTED]	08/27/20	07/19/21	\$123,656	\$2,562
Director Of Finance				
[REDACTED]	07/01/17; 09/01/21	11/02/20; 09/30/21	\$169,589	\$650
[REDACTED]	11/16/20	09/24/21	\$151,105	\$5,365

(*) Total compensation during employment, including gross salary, adjustments, unused vacation days, prior year salaries, additional compensation, and board annuities.

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We made the following observations regarding the District’s internal controls over the Administrative contracts:

- We noted that the Central Office did not maintain records in a consistent manner pertaining to Administrator contracts, salary adjustments, number of unused vacation days, prior year salary, board annuity, and expense reimbursements.

Analysis of Central Office Data Analyst Position

During the fiscal year 2019/2020, the Board of Education approved the Data Analyst position for the Central Office with a salary of \$80,000 per year. The Data Analyst would have been responsible for accurately gathering, organizing, analyzing, reporting student and school improvement data, forecasting, reporting, and tracking operational metrics for school budgets and facilities operations. It was represented that the Central Office administration decided to delay the hiring process for this position due to COVID-19 as the mode of school participation varied from remote learning, hybrid, and in-person, and the State Department of Education waived the state standardized testing. During the fiscal year 2020/2021, \$18,798 of the funds allocated for the Data Analyst position were utilized to purchase a software application, “██████████,” and \$46,269.60 was reallocated to the three (3) Districts. During the fiscal year 2021/2022, the Board of Education decided to hire a Director of Technology & Digital Learning instead of a Data Analyst. The Central Office could not make available the District with a budget plan for allocating funds for changes in positions.

Provided below is a summary of the fund allocation for the Data Analyst position:

<u>Category</u>	<u>Amount</u>
Data Analyst Budget (Beginning Balance)	80,000
Transfer from Account 112-Non Certified to Account Code 330-Other Professional Services	(29,798)
2020/2021 Unexpended Budget Returned to Districts	(46,270)
Subtotal	(76,068)
Data Analyst Budget (Ending Balance)	3,932

Recommendations

Based on the representations made by the District and the documents made available to us, we have made the following recommendations aimed at improving the District’s internal control environment:

Budgeting

- When generating estimates for the annual budget, the Director of Finance should consider the actual expenditures and revenues from prior years, quotes, bids, and contracts currently in place or proposed, and letters from providers or vendors that note changes in rates for the following school year.
- In addition to assessing the administrative needs, the Central Office should provide the Board of Education with its budget plans for allocating funds for changes in positions.

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Purchasing

- All competitive bidding and requests for proposals be coordinated and centralized through the Central Office and authorized by the Director of Finance.
- Pursuant to the District's Policy [REDACTED] - Soliciting Prices (Bids and Quotations), the Central Office should obtain at least three (3) competitive bids for all contracts and purchases of supplies, materials, equipment, and contractual services in the amount of \$10,000 or more.
- The Superintendent of Schools and Director of Finance should notify the Board Chairman of all competitive bidding and requests for proposals in the amount of \$10,000 or more.

Cash Disbursements

- Each department that orders goods or services should assemble complete voucher or claim packages containing requisition orders, purchase orders, quotes, contract sheets, packing slips, and invoices.
- The Accounts Payable Clerk should confirm that claims submitted by employees for reimbursement are supported by conference/travel request forms, certificates of attendance, and proof of payment to ensure relevance and completeness of the employees' attendance at the claimed conferences.
- The District should limit the check printing and signing authority to an individual who is not responsible for approving vendor contracts or recording invoices to the financial application system.
- The District should consider assigning a separate person from the Central Office and delegate the responsibility for auditing claims to conduct a thorough and deliberate audit of expenditures.

Vendor Maintenance/Application Controls

- The District should explore the application capabilities in eFinance Plus for generating automatic vendor edit reports pertaining to vendor name changes. These reports should be reviewed monthly.
- The District should consider conducting a vendor database analysis.
- The Central Office should review the eFinance Plus user permissions and verify the appropriateness of permissions on an individual employee basis. The Central Office should disable the transaction permissions to override accounts and purchase order balances from the Senior Accountant and Accounts Payable Clerk user permission roles.

Human Resources

- The Central Office should ensure that employee personnel files include any and all contracts, salary adjustments, number of unused vacation days, prior year salary, board annuity, and expense reimbursements to support their pay rates and additional entitlements agreed to the employment agreements.

The additional detail on each item listed above is provided within the remaining pages of this report.

Analysis of Purchasing Internal Controls

Background

We have identified the following purchasing processes currently carried out by each Party:

<u>Party</u>	<u>Function</u>
Board of Education	Approves purchasing policies.
Superintendent of Schools	Approves vendor contracts. Electronically signs checks for payment.
Director of Finance/ Purchasing Agent	Oversees the Central Office purchasing and accounts payable function. Negotiates contracts with vendors. Approves requisitions for purchases and purchase orders and reviews bids and requests for proposals. Reviews documentation and awards engagement to the lowest responsible dollar offeror. Approves contracts, under Superintendent’s designation. Reviews voucher packets and approves checks for payment. Reviews and approves bank reconciliations.
Senior Accountant	Oversees cash disbursements; accounts payable/receivable; budget inquiries and data entry; account code inquiries. Responsible for maintaining user permissions in the eFinance Plus accounting system. Prepares bank reconciliations.
Accounts Payable Clerk	Compiles voucher packets and enters payment information into the eFinance Plus accounting system. Responsible for purchase orders, encumbrances, accounts payable/receivable, budget transfers, and inquiries.
Building Level Administrators/Secretaries	Prepare requisitions, receive goods, compare receipts to packing slips, and send completed receiving purchase orders to the Central Office.

The District has Board approved policies that provide guidance on purchasing, competitive bidding thresholds, and entering into contracts. According to the policies:

- Policy [REDACTED] – Purchasing Procedures: The duties of purchasing shall be centralized under the Director of Finance, who shall be responsible for all purchase transactions for the District. The Superintendent of Schools, or designee, shall sign purchase orders and other purchase obligations. For the purpose of this policy, only the Director of Finance shall be deemed the designee of the Superintendent of Schools for the signing of purchase orders and other purchase obligations.
- Policy [REDACTED] – Contracts: All contracts between the District and outside agencies shall be prepared under the supervision of the Superintendent or designee, and where appropriate, subject to the approval of the legal adviser to the District.
- Policy [REDACTED] - Soliciting Prices (Bids and Quotations): All contracts and purchases of supplies, materials, equipment, and contractual services in the amount of \$10,000 or more shall be based, when possible, on at least three competitive bids. All purchases less than \$10,000 may be made in the open market, but shall, when possible, be based on at least three competitive quotations or prices. This amount is established locally, but [REDACTED] requires sealed bidding for contracts or purchases greater than \$25,000. In an emergency situation, these requirements may be waived by the Superintendent of Schools. The Superintendent of Schools shall notify the Board Chairman as soon as possible and the entire Board of Education at the next regularly scheduled meeting.

The District has implemented an electronic requisition module in eFinance Plus whereby requests for purchases are reviewed through multiple approval levels. The Senior Accountant is the systems administrator for eFinance Plus and assigns user permissions and account codes to users.

The Director of Finance reviews the quote information, specifications to confirm material and pricing terms, and other supporting documentation attached to the requisition order in eFinance Plus. Upon review, the

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Director of Finance reviews and signs off on the requisition order in eFinance Plus and the system generates a PDF copy of the purchase order.

Vendors deliver the goods at each building as designated by the purchase order. The Requestor inspects the items and compares them to the packing slip for accuracy. If goods received are damaged or inaccurate, the Requestor contacts the vendor to resolve discrepancies or request a new item. If all goods are received and accurate, the Requestor signs the receiving copy of the purchase order. The building level Secretary forwards the receiving copy of the purchase order to the Accounts Payable Clerk for payment verification and processing.

Vendors issue invoices to the Central Office. The Accounts Payable Clerk processes vendor payments, including commercial account card payments and employee reimbursements. Payment packets typically include the purchase order, corresponding invoice(s), copy of the check, and any additional supporting documentation. Voucher packets are maintained in the Central Office.

The Senior Accountant has access to District's bank accounts and reviews daily bank activity on the website. The Senior Accountant prints from eFinance Plus the beginning and ending balances of the cash receipts and disbursements journals for each account. The Senior Accountant reconciles the transaction activity listed on the bank statement to the transaction activity listed on the cash receipts and disbursements journals. The Director of Finance reviews the bank reconciliation reports.

Observation/Recommendation #1

Although not required, The District has not established a claims audit function to segregate the functions of the management's purchase of goods and services and the function of authorization of payments for those goods and services.

➤ ***The District should consider assigning a separate person from the Central Office, or a vendor, the responsibility of auditing claims prior to payment. This would include conducting a thorough and deliberate audit of all expenditures before payment is released. In order to keep the claims auditing function as independent as possible, discussions regarding the approval of specific claims should be directed to the Board of Education rather than to the Department Head, who may have placed or approved the purchase in question. The following criteria should be applied to the audit of claims:***

- ***Is the claim for a valid and legal purpose?***
- ***Was the purchase authorized and approved pursuant to policy requirements?***
- ***Are there sufficient appropriations to pay the claim?***
- ***Is the claim mathematically correct?***
- ***Is the claim sufficiently itemized?***
- ***Does the claim meet the legal and policy requirements in relation to competitive bidding?***
- ***Has this claim been paid before, in whole or in part?***
- ***Does the attached documentation support the claim being audited?***
- ***Were the goods or services actually received?***

If the Claims Auditor is satisfied that the claim is a legal obligation and proper charge against the District, the Claims Auditor may initial, sign or stamp each claim to indicate approval. The review function of the accounts payable checks, supporting documentation, and check registers should be documented and provided in a summary form to the Board of Education.

Observation/Recommendation #2

The Accounts Payable Clerk has the ability to set up payments and print checks in eFinance Plus by utilizing the Superintendent's electronic signature on check stock which creates a segregation of duties risk.

- *The District should limit the check printing and signing authority to an individual who is not responsible for approving vendor contracts or recording invoices to the financial application system. The Central Office should maintain a log of the individual's signature disk usage whereby the individual indicates the date, time, funds, and applicable check sequences. Segregating check preparation and check signing from the preparation and approval of claims prevents an employee from making improper purchases, approving them for payment, and then preparing the check to pay for such purchases without being detected.*

Observation/Recommendation #3

The District has not established a process to review the "Vendor Name Change Report" from eFinance Plus.

- *The District should explore the application capabilities in eFinance Plus for generating automatic vendor edit reports pertaining to vendor name changes. The Purchasing Agent should review and sign off on the above reports on a monthly basis. This control will assist in ensuring the accuracy and completeness of the vendor database and applicable payments.*

Observation/Recommendation #4

A complete vendor database analysis has not been performed. The lack of review of the vendor database is a risk as unauthorized vendors may exist and unauthorized payments can be processed undetected. Currently, the Senior Accountant, Accounts Payable Clerk, and Business Operations Manager have access to add, delete, and edit a vendor within eFinance Plus. The vendors provide the Accounts Payable Clerk with Form W9 - Request for Taxpayer Identification Number and Certification and non-disclosure agreement.

- *The District should consider conducting a vendor database analysis. This will allow the District to assess the current status of the database and, at the same time, identify solutions for ongoing maintenance of the vendor database. This will help ensure only vendors with ongoing authorized business activities with the District are active and prevent duplicate payments to vendors with multiple entries in the database.*

Observation/Recommendation #5

The Central Office has not set up controls in the eFinance Plus accounting system to prevent processing a requisition or a purchase order if funds are not available in the applicable account code. Currently, the Senior Accountant and Accounts Payable Clerk can override the account budget codes and purchase order balances by processing requisitions or purchase orders that may result in creating negative account balances.

- *We recommend that the Central Office disable the transaction permissions, allowing users to override accounts and purchase order balances from the Senior Accountant and Accounts Payable Clerk user permission roles. This will ensure that the system prevents users from overriding the District's budgetary process and enhance the oversight controls over the system's account reporting.*

Competitive Bidding & Request for Proposals:

Observation/Recommendation #6

We selected a random sample of 15 vendors subject to competitive bidding and requests for proposals purchasing procedures during the period analyzed. We have tested the bid packets against our audit criteria and made the following observations:

- The bid packets for seven (7) out of the 15 vendors selected were not made available to assess whether the purchasing was in compliance with the District's Policy [REDACTED] – Purchasing procedures.
 - The contracts for three (3) out of 15 vendors selected were not made available to assess whether the agreement between the District and the vendors were in compliance with the District's Policy [REDACTED] – Business Contracts.
 - The purchase order for one (1) out of the 15 vendors selected was not made available to determine whether the vendor, amount, and description agree to the bid award/contract.
- *We recommend that all competitive bidding and requests for proposals be coordinated and centralized through the Central Office and authorized by the Director of Finance. The District should make every effort to consistently obtain all required documentation from vendors and retain it for future reference. This will ensure that purchase orders are properly supported and in compliance with District's policy.*

The Central Office should ensure that vendor contracts specify the roles and responsibilities of the Central Office and the vendor. Written agreements define the contractual relationship and responsibilities between the Central Office and the vendor, including what services will be provided, when they will be provided, how they will be provided, and at what cost.

All purchasing forms (Requests for Quotes, Requisition Orders, and Purchase Orders) should be utilized in a consistent manner and include specific details about the items or services to be purchased, including quantity, costs, model numbers, terms of sale, availability of funds, and approvals to purchase. Purchasing forms allow comparisons between items requested and purchased in terms of descriptions, quantities, and prices. Forms are also used to record the approval to purchase and thereby limit unauthorized purchases from occurring. Proper utilization of forms provides an audit trail on the purchasing process from start to finish.

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Request for Quotations:

Observation/Recommendation #7

We selected a random sample of 15 purchase orders subject to price quotation purchasing procedures during the period analyzed. We have tested the voucher packets for each of the selected purchase orders against our audit criteria and made the following observations:

- The quotes for 14 out of the 15 vendors selected were not made available to assess whether the purchasing was in compliance with the District's Policy [REDACTED] – Purchasing procedures.
 - The contracts for 11 out of 15 vendors selected were not made available to assess whether the agreement between the District and the vendors were in compliance with the District's Policy [REDACTED] – Business Contracts.
 - The purchase order for one (1) out of the 15 vendors selected was not made available to determine whether the vendor, amount, and description agree to the bid award/contract.
- *See Recommendation #6.*

Cash Disbursements

Observation/Recommendation #8

We selected a random sample of fifteen (15) cash disbursements made during the period analyzed and tested these transactions against our audit criteria. Based on the testing procedures performed, we made the following observations:

- The purchase orders and invoices for two (2) out of the 15 cash disbursements selected were not made available to determine whether the vendor, amount, and description agree to bid award/contract.
- *Each department that orders goods or services should assemble a voucher or claim package containing: the verified receiving slip, the approved purchase order (if applicable), the original invoice and the certification or signed approval of the department head stating that the goods or services were received and they are a true and just charge. All voucher packages should be forwarded to the Central Office. A properly prepared voucher package will help ensure that payments will only be authorized for goods and services actually received and that are of acceptable quality. A complete voucher package also lessens the risk that unauthorized purchases and services will be paid for without detection. Payments to legitimate vendors may be delayed if a complete voucher package is not presented to the Account Payable Clerk.*

Employee Reimbursement

Observation/Recommendation #9

We selected a random sample of fifteen (15) employee reimbursements made from the General Fund during the period analyzed and tested these transactions against our audit criteria. Based on the testing procedures performed, we made the following observations:

- Six (6) out of the 15 employee reimbursements tested were not supported by conference/travel request forms.

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- The voucher packets for three (3) out of the 15 employee reimbursements tested were not made available to assess whether the reimbursements were properly reviewed and approved by the Central Office and maintained as evidence of attendance.
- ***The Accounts Payable Clerk should confirm that claims submitted by employees for reimbursement are supported by conference/travel request forms, certificates of attendance, and proof of payment to ensure relevance and completeness of the employees' attendance at the claimed conferences. This will enhance the District's controls over employee reimbursements by ensuring that the required documentation is provided and reviewed prior to the payment processing.***

Analysis of eFinance User Permissions

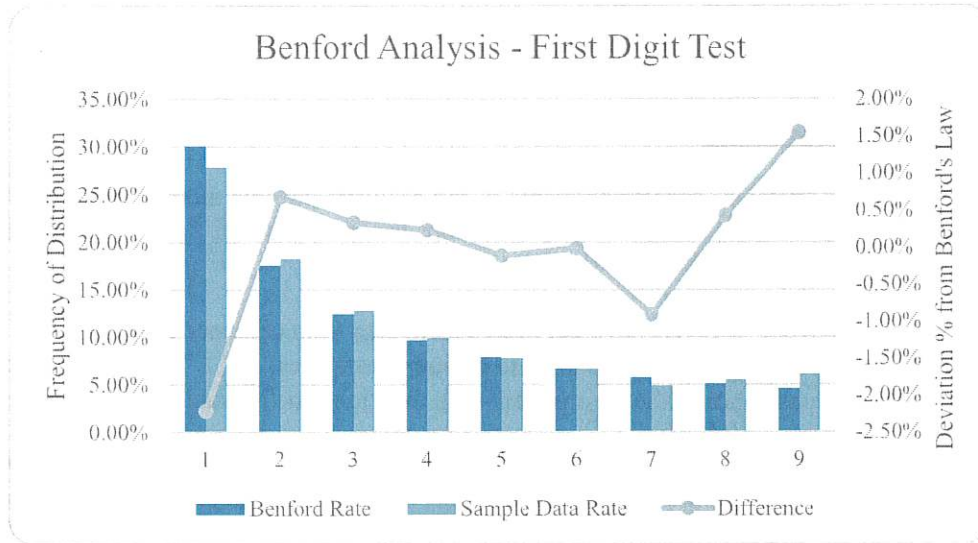
Observation/Recommendation #10

We analyzed the user permissions report applicable to the accounts payable module in eFinance Plus to ensure the appropriateness of user accounts and permissions based on the user's job functions. Based on our analysis, we noted the following: (See Exhibit)

- Certain former employees' user IDs have not been deactivated from eFinance Plus.
- The same superuser permissions were assigned to different user roles.
- Certain user permissions appear to be inconsistent with their job function and responsibilities.
- ***The Central Office should immediately review the permissions user account report, verify the appropriateness of user accounts and permissions on an individual employee basis, and continue with such a review on an annual basis. The Central Office should review the user permissions in eFinance Plus on an annual basis. Any permissions determined to be a segregation of duties issue should be revised. This recommendation will assist the Central Office in increasing its oversight and controls over its access to the accounting system.***

Analysis of Benford's Law Distribution

We analyzed the vendor payments to identify suspicious patterns based on Benford's law¹. We observed that the vendor payments followed Benford's law of distribution in that the smaller values of the first significant digits were utilized more frequently than the larger values. We observed that the number of transactions that started with digit number nine (9) deviated from Benford's law of distribution rate by 1.55%. Our analysis noted that these transactions pertained to recurring payroll transactions and monthly transportation charges. This pattern reflects normalized purchasing trends, and no significant outliers were noted.



➤ **No recommendations at this time.**

Analysis of Boiler Purchase

The District undertook a boiler project during the fiscal years 2020/2021 and 2021/2022. On March 10, 2021, the Central Office received photographs from [REDACTED] ("[REDACTED]") regarding the condition of the boiler at [REDACTED]. On June 6, 2021, [REDACTED] performed a site visit to observe the boiler at [REDACTED]. On June 21, 2021 the District received a proposal in the amount of \$225,360 from [REDACTED] ("[REDACTED]") for Heating System Renovations and Chemical Treatment at [REDACTED]. On June 29, 2021, the former Director of Finance approved the contract on behalf of the District. During the period of July 2021 through December 2021, the Boiler Project was in process, the vendor issued four (4) invoices, and the District made payments in the aggregate amount of \$167,120.

We have analyzed the budget status reports, budget transfer reports, and expenditure reports applicable to the Boiler project for the fiscal years 2019/2020, 2020/2021, and 2021/2022.

¹ Newcomb–Benford's law, the law of anomalous numbers, or the first-digit law, is an observation about the frequency distribution of leading digits in many real-life sets of numerical data. The law states that in many naturally occurring collections of numbers, the leading significant digit is likely to be small. For example, in sets that obey the law, the number 1 appears as the leading significant digit about 30% of the time, while 9 appears as the leading significant digit less than 5% of the time. (Journal of Accountancy, Using Benford's Law to Detect Fraud, April 2017)

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Provided below is a summary of events regarding the planning and management of the boiler purchase:

Date	Description
03/10/21	shared photographs to concerned parties at the Central Office of the boiler at
06/06/21	performed a site visit to observe the boiler at
06/12/21	issued a letter to Mr. documenting the issues discovered during the onsite meeting and reiterating concerns regarding heating for the
06/18/21	issued a letter to documenting the issues discovered during the onsite meeting and reiterating concerns regarding heating for the
06/21/21	submitted Proposal for Heating System Renovations at to District for \$216,884
06/21/21	issued a letter to proposing \$8,476 for Chemical Treatment
06/29/21	, Director of Finance, signed Agreement with
06/30/21	District issued Purchase Order 2230261 for \$225,360 (Chemical Treatment \$8,476 + Heating system Renovation \$216,884). Signed by Superintendent of Schools, . Purchase Order opened in 2021/2022 and dated 06/30/21. JE #
08/31/21	issued invoice 13132 to the District for \$38,884 (Payment 1 of 5)
08/31/21	issued invoice 13133 to the District for \$13,864 (Payment 1 of 5)
09/30/21	issued invoice 13135 to the District for \$43,192 (Payment 2 of 5)
10/20/21	Payment of \$52,748 issued. Check (Invoice 13132: \$38,884 + Invoice 13133: \$13,864)
10/24/21	Project meeting with District and
10/28/21	Project meeting with District and
11/23/21	Budget transfer for \$225,360 from special education and regular education transportation account codes to the Boiler Projects account code.
11/30/21	Payment \$43,192 - Heating system renovation. Check
11/30/21	issued invoice to the District for \$71,220 (Payment 3 of 5)
11/30/21	issued Change Order #1 for negative \$6,230 resulting net contract amount to \$210,664. Signed by Contractor Vincent Pietrorazio and Director of Finance, Scott Petruzelli.
12/02/21	Issued to District a Field Report indicating that a) the boiler was installed and was operational, the hydronic system chemical treatment commenced, c) installed a system make-up water meter, d) the contract was modified to include the installation of a new combination air and sediment separator that resulted in a net cost reduction/credit of \$6,230, e) there were remaining contract work items to be accomplished, and will contact the local building office to conduct an inspection.
12/13/21	Payment of \$71,220 issued - Heating System Renovation. Check

Based on our analysis of the budget status reports, we have summarized below the financial history, including the original budget (\$0), adjusted budget (\$225,360), and actual expenditures (\$167,160) for the fiscal years 2019/2020, 2020/2021, and 2021/202 (as of April 20, 2022)

Fiscal Year	Original Budget	Adjusted Budget	YTD Expenditures	Balance
2019/2020	-	-	-	-
2020/2021	-	-	-	-
2021/2022 (As of April 20, 2022)	-	225,360	167,160	58,200

Based on analysis of the budget transfer reports, we observed that on November 23, 2021, the District transferred \$225,360 from special education and regular education transportation account codes to the

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Boiler Projects account code. The following table summarizes the budget transfers during the period analyzed:

FROM		TO		
<u>Date</u>	<u>Account</u>	<u>Amount</u>	<u>Account</u>	<u>Amount</u>
11/23/21	01-35-1200-003-510 - SPED Transportation	189,855		-
11/23/21	01-35-2700-003-510 - General ED Transportation	35,505		-
11/23/21		-	01-35-2600-003-709 - [REDACTED] Boiler Project	225,360
Total		225,360		225,360

The District reported payments of \$167,160 to [REDACTED] under the account code 431 – Cleaning & Repair Services under the function code 2600-[REDACTED]. Based on our analysis of the expenditure reports, we have summarized the boiler project expenditures during the period of July 2021 through December 2021 as follows:

<u>Account Title</u>	<u>Date</u>	<u>Purchase Order</u>	<u>Check Number/Ref</u>	<u>Vendor</u>	<u>Description</u>	<u>Expenditures</u>
431-Cleaning & Repair Svcs	09/10/21	2230261-01	79577	[REDACTED]	Chemical Treatment To Att	521
431-Cleaning & Repair Svcs	09/10/21	2230261-01	79577	[REDACTED]	Chemical Treatment To Att	1,462
431-Cleaning & Repair Svcs	09/10/21	2230261-02	79577	[REDACTED]	Heating System Renovation	13,343
431-Cleaning & Repair Svcs	09/10/21	2230261-02	79577	[REDACTED]	Heating System Renovation	37,422
431-Cleaning & Repair Svcs	10/20/21		210065		CK#79577 MOVE TO ACT709	(52,748)
709-[REDACTED] Boiler Project	10/20/21		210065		CK#79577 MOVE TO ACT709	52,748
709-[REDACTED] Boiler Project	11/30/21	2230261-02	79942	[REDACTED]	Heating System Renovation	43,192
709-[REDACTED] Boiler Project	12/13/21	2230261-02	79943	[REDACTED]	Heating System Renovation	71,220
Total Expenditures						167,160

Observation/Recommendation #11

Based on our analysis of the information provided, we have made the following observations:

The Central Office did not provide support that it followed the District’s purchasing policies [Policy [REDACTED] – Purchasing Procedures and Policy [REDACTED] – Soliciting Prices (Bids and Quotations)] for the following:

- Obtain at least three competitive bids for contracts and purchases of supplies, materials, equipment, and contractual services in the amount of \$10,000 or more.
- Require sealed bidding for contracts or purchases greater than \$25,000.

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- o The former Superintendent of Schools notifies the Board of Education of the boiler project contract with [REDACTED].
- Pursuant to the District's Policy [REDACTED] - *Soliciting Prices (Bids and Quotations), the Central Office should obtain at least three (3) competitive bids for all contracts and purchases of supplies, materials, equipment, and contractual services in the amount of \$10,000 or more and require sealed bidding for contracts or purchases greater than \$25,000. We recommend that the Superintendent of School and Director of Finance notify the Board Chairman of all competitive bidding and requests for proposals in the amount of \$10,000 or more.*

Analysis of District DBT Training Expenses

The District retained [REDACTED] (" [REDACTED] ") to conduct Dialectical Behavior Therapy (DBT) Training during the fiscal year 2020/2021. On February 23, 2021, the District reviewed and approved [REDACTED]'s DBT training proposal for \$40,000. The Central Office made available to us information indicating that during Fall 2021, [REDACTED] provided services and issued an invoice for \$15,500. Based on our analysis of the expenditures reports, we observed that the District made payments in the aggregate amount of \$20,000 from the general and grants funds.

We have analyzed the budget status report, budget transfer reports, and expenditure reports applicable to the District DBT for the fiscal years 2019/2020, 2020/2021, and 2021/2022.

Provided below is a summary of events regarding the planning and management of the DBT training:

Date	Description
Not Determined	[REDACTED] submitted a proposal for [REDACTED] 2020-2021 Comprehensive School-Based DBT Training and Consultation Package and Fees for [REDACTED] School District
Not Determined	[REDACTED] submitted the [REDACTED] 2020 Breakdown of Service Agreement to [REDACTED] School District (Copy provided to NS was not signed)
02/18/21	Central Office recorded in eFinance Plus a budget transfer of \$40,000 from the student transportation code (1200-510) to the other professional services code (21430-330).
02/23/21	BOE Special Meeting. Discussion on the proposal of \$40,000 for Dialectical Behavior Therapy (DBT) Training. Board moved the motion to approve the budget transfer from the ESY program summer of 2020 (1200-510) to the psychological services consult (21430-330).
05/07/21	District made a payment of \$4,000 to [REDACTED] (Check 79097 - General Fund)
06/04/21	[REDACTED] made a payment of \$6,000 to [REDACTED] (Check 79209 - General Fund)
06/15/21	[REDACTED] issued invoice 06152021 for \$15,500 for three (3) days of training (09/10/21, 10/01/21, 10/08/21)
06/18/21	District made a payment of \$2,000 to [REDACTED] (Check 4002 - Grant Funds)
07/16/21	District made a payment of \$8,000 to [REDACTED] (Check 79375 - General Fund)
08/09/21	Email: Director of Special Education Services - Budgeted \$45,000 in 19/20. Spent partially for orientation and 4-day training in 20/21. The remaining pertained to ongoing consultation (bi-weekly) and a planning meeting for 21/22.
08/09/21	Email: Director of Special Education Services - Estimates that some of the money from the budget for DBT training will be given back to the District. Proposes to Assistant Superintendent for Curriculum and Instruction to utilize \$10,000 from Title 4 grant funds - for social emotional training and \$10,000 for the DBT training.
08/09/21	Email: Senior Accountant - In 20-21 paid [REDACTED] \$20,000 over four (4) payments. Of which \$2k was paid from grant funds. No open Purchase orders for 20-21 or 21-22.
12/21/21	Board Report - Student Services Update - Completed four (4) days of DBT training

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Observation/Recommendation #12

The District budgeted \$5,000 for psychological services in the general fund account code 1-01-35-2140-330-00-3 each fiscal year 2019/2020, 2020/2021, and 2021/2022. During the fiscal year 2020/2021, the District increased its budget by a net adjustment of \$34,121 to \$39,191 and reported expenditures of \$18,000. Based on the limited information provided, we were unable to determine the utilization of the remaining balance of \$21,121 during the fiscal year 2020/2021. Based on our analysis of the budget status reports, we have summarized below the financial history, including the original budget, adjusted budget, and actual expenditures for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (as of September 2021)

<u>Fiscal Year</u>	<u>Function (General Fund)</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Adjusted Budget</u>	<u>YTD Gen Fund Expenditures</u>	<u>Difference</u>
2019/2020	1-01-35-2140-330-00-3 - Psychological Services	5,000	-	5,000	-	5,000
2020/2021	1-01-35-2140-330-00-3 - Psychological Services	5,000	34,121	39,121	18,000	21,121
2021/2022 (As of September 2021)	1-01-35-2140-330-00-3 - Psychological Services	5,000	-	5,000	-	5,000

- *When generating estimates for the annual budget, the Director of Finance should consider budgeted and actual expenditures and revenues from prior years, quotes, bids, and contracts currently in place or proposed, and letters from providers or vendors that note changes in rates for the following school year. The Director of Finance should conduct various meetings with the Building level and District level Administrators and/or support staff to assist in the development process of a detailed budget that covers the needs of the department/school. The prior year's budget should be reviewed during the meetings to ensure that the current year's budget is consistent and used appropriately. These meetings also ensure timely reporting. The Building level and District level Administrators should submit their proposed budget to the Director of Finance. Their budgets should include budget lines assigned to them and each expenditure included in the budget should be supported by an explanation.*

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Based on analysis of the budget transfer reports, we observed that during February 2021, the District transferred \$40,000 from the transportation account code to the other professional services account code. Furthermore, in April 2021, the District transferred \$5,879 from the other professional services account code to instructional supplies and standardized testing account codes. The following table summarizes the budget transfers during the period analyzed:

From			To	
Date	Account	Amount	Account	Amount
02/18/21	0135120003-510-Student Transportation	40,000		-
02/18/21		-	01352140003-330-Other Prof Svcs	40,000
Date	Account	Amount	Account	Amount
04/08/21	01352140003-330-Other Prof Svcs	1,404		-
04/08/21		-	01352140003-611-Instructional Supplies	1,404
Date	Account	Amount	Account	Amount
04/09/21	01352140003-330-Other Prof Svcs	4,475		-
04/09/21		-	01352140003-590-Standardized Testing	4,475
Net Transfers	01352140003-330-Other Prof Svcs			34,121

The District reported payments of \$20,000 to vendor [REDACTED] ("[REDACTED]") under the general fund account code 330 – Other Professional Services under the function code 2140 - [REDACTED]-PSYCHOLOGICAL SVC and grant fund code 322 – In Service under function code 5500 – Title VIB – IDEA 611. Based on our analysis of the expenditure reports, we have summarized the DBT training expenditures during the period of May 2021 through July 2021 as follows:

Account Title	Date	Purchase Order	Check Number	Vendor	Description	Expenditures
330-Other Prof Svcs	05/07/21	2130403	79097	61048 Cognitive And Behavior	Professional Services 3/2 AP0507B1	4,000
330-Other Prof Svcs	06/04/21	2130496	79209	61048 Cognitive And Behavior	Professional Services - AP0604B1	6,000
322 – In Service	06/18/21	2130527	4002	61048 Cognitive And Behavior	Consult/Pos (2 Hour Training - GRCO0618	2,000
330-Other Prof Svcs	07/16/21	2130549	79375	61048 Cognitive And Behavior	Professional Consultation - APL716B1	8,000
Total						20,000

Observation/Recommendation #13

The Central Office could not make available a signed contract with [REDACTED] ("[REDACTED]") to assess whether the agreement between the District and the vendor was in compliance with the District's Policy [REDACTED] – Business Contracts. Furthermore, the Central Office could not locate

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complete documentation supporting the payments of \$20,000 to [REDACTED] as it provided only one invoice for the amount of \$15,500.

➤ See Recommendations #6 & #8.

Analysis of Central Office Administrative Contracts

We have analyzed the administrative contracts, payroll reports, and expenditure reports for the former Superintendents of School and Directors of Finance employed by the Boards of Education of [REDACTED], [REDACTED], and Districts during the fiscal years 2019/2020, 2020/2021, and 2021/2022. The objective of the analysis was to verify that their rate of pay and additional entitlements were in accordance with their contract provisions.

The following table summarizes the Administrators analyzed during the fiscal years 2019/2020, 2020/2021, and 2021/2022:

<u>Position</u>	<u>Name</u>	<u>Start Date</u>	<u>End Date</u>	<u>Time Length</u>
Superintendent	[REDACTED], Ed.D.	07/01/16; 07/30/21	07/31/20; 09/24/21	4 yrs; 2 mos
Superintendent	[REDACTED], Ed.D.	08/27/20	07/19/21	10 mos
Director Of Finance And Operations	[REDACTED]	07/01/17; 09/01/21	11/02/20; 09/30/21	3 yrs, 5 mos
Director Of Finance And Operations	[REDACTED]	11/16/20	09/24/21	10 mos

Provided below is a summary of the results of our analysis:

[REDACTED], Ed.D. – Superintendent of Schools (07/01/16-07/31/20, 07/30/21-09/24/21)

The following table summarizes Mr. [REDACTED]'s contractual compensation structure for the fiscal years 2016/2017 through 2021/2022:

<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Payments</u>	<u>Per Pay Period</u>	<u>Daily Rate</u>
2016/2017	210,001	26.10	8,046.02	804.60
2017/2018	216,301	26.10	8,287.39	828.74
2018/2019	220,086	26.10	8,432.41	843.24
2019/2020	N/A	N/A	N/A	N/A
2020/2021	N/A	N/A	N/A	N/A
2021/2022	103,275 (max)			1,000.00

N/A: Not Available

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Based on our analysis of the payroll reports, we noted that the Central Office reported the following compensation in eFinance Plus for Mr. [REDACTED] during the period analyzed:

<u>Fiscal Year</u>	<u>Salary</u>	<u>Adjustment</u>	<u>Vacation Days Unused</u>	<u>Transition Stipend</u>	<u>Prior Year Salary</u>	<u>Additional Compensation</u>	<u>Board Annuity</u>	<u>Total</u>
2019/2020	112,246	-	-	-	-	-	2,250	114,496
2020/2021	19,389	110	4,317	-	4,313	-	-	28,129
2021/2022	-	-	-	-	-	-	-	-
Total	131,635	110	4,317	-	4,313	-	2,250	142,625

Based on our analysis of the expenditures reports, we noted that the Central Office reported the following expense reimbursement in eFinance Plus for Mr. [REDACTED] during the period analyzed:

<u>Category</u>	<u>2019/2020</u>	
	<u>Mar-20</u>	<u>2019/2020 Total</u>
Registration	250	250
Total Expense Reimbursement	250	250

We made the following observations regarding Mr. [REDACTED]'s compensation and expense reimbursements:

- **2019/2020:** Mr. [REDACTED] received total compensation of \$114,496 (Salary: \$112,246 and Board Annuity: \$2,250). The Central Office could not make available a signed contract or memorandum of agreement pertaining to the 2019/2020 compensation. Mr. [REDACTED] received a reimbursement of \$250 for registration costs. The Central Office could not make available documentation (e.g., voucher packets, purchase orders, conference request forms, invoices) to support the reported expense reimbursements.
- **2020/2021:** Mr. [REDACTED] received total compensation of \$28,129 (Salary: \$19,389, Adjustment \$110, Unused Vacation Days: \$4,317, and Prior Year Salary \$4,313). The Central Office could not make available a signed contract or memorandum of agreement pertaining to the 2020/2021 compensation. The Central Office did not report expense reimbursements for Mr. [REDACTED] during the fiscal year 2020/2021.
- **2021/2022:** On July 19, 2021, Mr. [REDACTED] and the Boards of Education of [REDACTED], [REDACTED], and [REDACTED] Districts entered into an employment agreement to serve as the Interim Superintendent of Schools with a per diem salary of \$1,000 from July 20, 2021 through November 24, 2021. Mr. [REDACTED] received total compensation of \$42,000 from July 20, 2021 through September 24, 2021. The Central Office could not make available documentation supporting the days Mr. [REDACTED] worked for the period analyzed. The Central Office did not report expense reimbursement for Mr. [REDACTED] during the fiscal year 2021/2022.

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██████████ - Superintendent of Schools (08/27/20 – 07/19/21)

The following table summarizes Mr. ██████████'s contractual compensation structure for the fiscal year 2020/2021:

<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Payments</u>	<u>Per Pay Period</u>	<u>Daily Rate</u>
2020/2021	225,000	26.10	8,620.69	862.07

Based on our analysis of the payroll reports, we noted that the Central Office reported the following compensation in eFinance Plus for Mr. ██████████ during the period analyzed:

<u>Fiscal Year</u>	<u>Salary</u>	<u>Adjustment</u>	<u>Vacation Days Unused</u>	<u>Transition Stipend</u>	<u>Prior Year Salary</u>	<u>Additional Compensation</u>	<u>Board Annuity</u>	<u>Total</u>
2020/2021	110,345	-	-	-	-	-	-	110,345
2021/2022	11,475	-	1,836	-	-	-	-	13,311
Total	121,820	-	1,836	-	-	-	-	123,656

Based on our analysis of the expenditures reports, we noted that the Central Office reported the following expense reimbursement in eFinance Plus for Mr. ██████████ during the period analyzed:

<u>Category</u>	<i>2020/2021</i>						<u>2020/2021 Total</u>
	<u>Jul-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Dec-20</u>	<u>May-21</u>	<u>Jun-21</u>	
IT Equipment	-	1,899	-	-	-	-	1,899
Membership Dues	-	100	-	-	-	-	100
Nameplate	-	68	-	-	-	-	68
Travel/Mileage	-	40	156	85	-	214	495
Total Expense Reimbursements	-	2,107	156	85	-	214	2,562

We made the following observations regarding Mr. ██████████'s compensation and expense reimbursements:

- 2020/2021: On August 13, 2020, Mr. ██████████ and the Boards of Education of ██████████, ██████████, and Districts entered into an employment agreement as the Superintendent of Schools with a salary of \$225,000. We confirmed Mr. ██████████'s daily contractual rate to the daily payroll rate. Mr. ██████████ received a reimbursement of \$2,562 for information technology equipment, membership dues, nameplate, and travel. The Central Office could not make available documentation (e.g., voucher packets, purchase orders, conference request forms, invoices) to support the reported expense reimbursements.
- 2021/2022: Mr. ██████████ received total compensation of \$13,311 (Salary: \$11,475, Unused Vacation Days \$1,836). The Central Office could not make available a signed contract or memorandum of agreement pertaining to the 2021/2022 compensation. The Central Office did not report expense reimbursement for Mr. ██████████ during the fiscal year 2021/2022.

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██████████ – **Director of Finance (07/01/17-11/2/20, 09/01/21-09/30/21)**

The following table summarizes Mr. ██████████'s contractual compensation structure for the fiscal years 2019/2020 and 2020/2021:

<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Payments</u>	<u>Per Pay Period</u>	<u>Daily Rate</u>
2019/2020	181,000	26.10	6,934.87	693.49
2020/2021	187,000	26.10	7,164.75	716.48

Based on our analysis of the payroll reports, we noted that the Central Office reported the following compensation in eFinance Plus for Mr. ██████████ during the period analyzed:

<u>Fiscal Year</u>	<u>Salary</u>	<u>Adjustment</u>	<u>Vacation Days Unused</u>	<u>Transition Stipend</u>	<u>Prior Year Salary</u>	<u>Additional Compensation</u>	<u>Board Annuity</u>	<u>Total</u>
2019/2020	90,501	-	3,481	-	-	-	-	93,982
2020/2021	64,012	-	5,991	750	3,479	1,000	-	75,233
2021/2022	-	-	-	-	-	375	-	375
Total	154,513	-	9,472	750	3,479	1,375	-	169,589

Based on our analysis of the expenditures reports, we noted that the Central Office reported the following expense reimbursement in eFinance Plus for Mr. ██████████ during the period analyzed:

<u>Category</u>	<u>2020/2021</u>						<u>2020/2021 Total</u>
	<u>Jul-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Dec-20</u>	<u>May-21</u>	<u>Jun-21</u>	
Membership Dues	650	-	-	-	-	-	650
Total Expense Reimbursements	650	-	-	-	-	-	650

We made the following observations regarding Mr. ██████████'s compensation and expense reimbursements:

- **2019/2020:** On February 20, 2019, Mr. ██████████ and the Boards of Education of ██████████, ██████████, and Districts entered into an employment agreement as the Director of Finance with a salary of \$181,000. We were provided with a payroll report for the six (6) month period of January 3, 2020 through June 19, 2020 and noted that Mr. ██████████ received total compensation of \$93,982 (Salary: \$90,501, Unused Vacation Days: \$3,481). We noted a difference of \$2.67 per day between the contractual and payroll daily rates. The Central Office could not make available documentation supporting the difference in payroll rates and unused vacation days. The Central Office did not report expense reimbursement for Mr. ██████████ during the fiscal year 2019/2020.
- **2020/2021:** Mr. ██████████ received total compensation of \$178,681 (Salary: \$167,461, Unused Vacation Days \$5,991, Transition Stipend: \$750, Prior Year Salary: \$3,479, Additional Compensation: \$1,000). Mr. ██████████'s employment agreement provided for a \$6,000, or 3.31%, increase in his salary. We noted a difference of \$2.76 per day between the contractual and payroll daily rates. The Central Office could not make available documentation supporting the difference in payroll rates, unused vacation days, transition stipend, prior year salary, and additional compensation. Mr. ██████████ received a reimbursement of \$650 for membership costs. The Central Office could not make available documentation (e.g., claim forms, voucher packets, purchase orders, conference request forms, invoices) to support the reported expense reimbursements.

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- 2021/2022: Mr. [REDACTED] received total compensation of \$375 (Extra Hours \$375). The Central Office could not make available a signed contract or memorandum of agreement pertaining to the 2021/2022 compensation. The Central Office could not make available expense reimbursement for Mr. [REDACTED] during the fiscal year 2021/2022.

[REDACTED] – Director of Finance (11/16/20-09/24/21)

The following table summarizes Mr. [REDACTED]'s contractual compensation structure for the fiscal year 2020/2021:

<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Payments</u>	<u>Per Pay Period</u>	<u>Daily Rate</u>
2020/2021	187,000	26.10	7,164.75	716.48

Based on our analysis of the payroll reports, we noted that the Central Office reported the following compensation in eFinance Plus for Mr. [REDACTED] during the period analyzed:

<u>Fiscal Year</u>	<u>Salary</u>	<u>Adjustment</u>	<u>Vacation Days Unused</u>	<u>Transition Stipend</u>	<u>Prior Year Salary</u>	<u>Additional Compensation</u>	<u>Board Annuity</u>	<u>Total</u>
2020/2021	113,204	3,582	-	-	-	-	-	116,786
2021/2022	34,318	-	-	-	-	-	-	34,318
Total	147,522	3,582	-	-	-	-	-	151,105

Based on our analysis of the expenditures reports, we noted that the Central Office reported the following expense reimbursement in eFinance Plus for Mr. [REDACTED] during the period analyzed:

<u>Category</u>	<u>2020/2021</u>			<u>2020/2021 Total</u>	<u>2021/2022</u>		<u>Grand Total</u>
	<u>Dec-20</u>	<u>May-21</u>	<u>Jun-21</u>		<u>Jul-21</u>	<u>2021/2022 Total</u>	
Membership Dues	240	-	-	240	-	-	240
Nameplate	68	-	-	68	-	-	68
Tuition	-	-	4,800	4,800	257	257	5,057
Total Expense Reimbursements	308	-	4,800	5,108	257	257	5,365

We made the following observations regarding Mr. [REDACTED]'s compensation and expense reimbursements:

- 2020/2021: On November 15, 2020, Mr. [REDACTED] and the Boards of Education of [REDACTED], [REDACTED], and Districts entered into an employment agreement as the Director of Finance with a salary of \$187,000. Mr. [REDACTED] received total compensation of \$116,786 (Salary: \$113,204 and Adjustment of \$3,582). We confirmed Mr. [REDACTED]'s daily contractual rate to the daily payroll rate. The Central Office could not make available supporting documentation pertaining to the 2020/2021 adjustment. Mr. [REDACTED] received a reimbursement of \$5,108 for membership, nameplate, and tuition costs. The Central Office could not make available documentation (e.g., voucher packets, purchase orders, conference request forms, invoices) to support the reported expense reimbursements.
- 2021/2022: Mr. [REDACTED] received total compensation of \$34,318 from July 20, 2021 through September 24, 2021. The Central Office could not make available documentation supporting the days Mr. [REDACTED] worked for the period analyzed. Mr. [REDACTED] received a reimbursement of \$257 for

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tuition costs. The Central Office could not make available documentation (e.g., voucher packets, purchase orders, conference request forms, invoices) to support the reported expense reimbursements.

Observation/Recommendation #14

We noted that the Central Office did not maintain records in a consistent manner, and such relevant contractual agreements were not available for review pertaining to Administrator contracts, salary adjustments, number of unused vacation days, prior year salary, board annuity, and expense reimbursements.

- ***The Central Office should ensure that employee personnel files include any and all contracts, salary adjustments, number of unused vacation days, prior year salary, board annuity, and expense reimbursements to support their pay rates and any additional entitlements agreed to the employment agreements.***

Analysis of Central Office Data Analyst Position

During the fiscal year 2019/2020, the Board of Education approved the Data Analyst position for the Central Office with a starting salary of \$80,000 per year. The Data Analyst would have been responsible for accurately gathering, organizing, analyzing, and reporting on student and school improvement data as well as forecasting, reporting, and operational metrics used for tracking school budget and facilities operations. Due to COVID-19, the mode of school participation varied from remote learning, hybrid, and in-person, and the State Department of Education waived the state standardized testing. As a result, the Central Office administration decided to delay the Data Analyst hiring process. During the fiscal year 2020/2021, the funds allocated for the Data Analyst position were transferred from the non-certified accounts codes to other professional account codes. It was represented that funds were utilized to procure a software application, "██████," and risk assessment services for the District facilities and that the remaining funds were reallocated to the three (3) Districts. During the fiscal year 2021/2022, the Board of Education decided to hire a Director of Technology & Digital Learning instead of a Data Analyst.

We have analyzed the budget status report, budget transfer reports, and expenditure reports applicable to the Central Office Data Analyst Position for the fiscal years 2019/2020, 2020/2021, and 2021/2022.

Provided below is a summary of the fund allocation for the Data Analyst position:

<u>Category</u>	<u>Amount</u>
Data Analyst Budget (Beginning Balance)	80,000
Transfer from Account 112-Non Certified to Account Code 330-Other Professional Services	(29,798)
2020/2021 Unexpended Budget Returned to Districts	(46,270)
Subtotal	(76,068)
Data Analyst Budget (Ending Balance)	3,932

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Provided below is a summary of events regarding the planning and management of the Data Analyst position:

<u>Date</u>	<u>Description</u>
2019/2020	Board approved the Data Analyst position for Central Office for the fiscal year 2020/2021
Mar-20	State Education of Education waived state standardized testing due to COVID-19
Mar 20-Jun 20	Students attended classes remotely
2020/2021	Mode of school participation varied from remote learning, hybrid, and in-person
2020/2021	Central Office Administration decided to delay the hiring process
11/25/20	Central Office issued Purchase Order 458336 for \$18,798 to ██████████, Inc. for Year 1 services (Account Code I-01-40-2320-330-00-4)
12/01/20	██████████, Inc issued invoice INV-00618-DRAFT of \$18,798 for Year 1 services. Signed by ██████████
12/18/20	Central Office paid ██████████ \$18,798 (\$7,548+\$11,250)
01/13/21	Budget Transfer Request Form of \$18,798 from Non-Certified Salary to Other Professional Services for ██████████ Implementation (Year 1). Signed by ██████████.
01/29/21	Recorded in eFinance Plus a budget transfer of \$18,798 from Non-Certified Salary to Other Professional Services for ██████████ Implementation (Year 1)
01/29/21	Recorded in eFinance Plus a budget transfer of \$11,000 from Non-Certified Salary to Other Professional Services
2021/2022	Three (3) Boards of Education reviewed the need for a Data Analyst position and decided to hire a Director of Technology & Digital Learning

Based on our analysis of the budget status reports, we have summarized below the financial history, including the original budget, adjusted budget, and actual expenditures for the fiscal years 2019/2020, 2020/2021, and 2021/2022 (as of April 2022)

<u>Fiscal Year</u>	<u>Original Budget</u>	<u>Adjustments</u>	<u>Adjusted Budget</u>	<u>YTD Expenditures</u>	<u>Balance</u>
2019/2020	609,269	14,314	623,583	609,269	14,314
2020/2021	N/A	N/A	637,972	637,972	-
2021/2022 (As of 04/20/22)	684,090	-	684,090	575,380	108,710

(*) N/A: Not Available

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We analyzed the budget status reports applicable to the Central Office for the fiscal year 2020/2021 and noted an underspending variance of \$46,270, or 2.42%, between the budgetary and actual expenditures. Although the Central Office experienced overages of \$81,901 in account code 330-Other Professional Services, the Central Office experienced savings in salaries for certified and non-certified staff, conferences, and pension expenditures. The following table summarizes the Central Office's budgetary and actual expenditures by account code during the fiscal year 2020/2021:

<u>Account Code</u>	<u>Description</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>	
330	Other Professional Services	50,745	132,646	81,901	161.40%
731	Equipment-Non-Instructional	5,200	11,545	6,345	122.02%
735	Software	500	4,655	4,155	830.95%
531	Postage	3,000	3,414	414	13.80%
530	Telephone Costs	10,200	10,387	187	1.84%
733	Furniture & Fixtures	-	129	129	100.00%
431	Cleaning & Repairs	500	521	21	4.25%
223	Health Insurance	128,760	128,760	-	0.00%
251	Unemployment	-	-	-	0.00%
545	Advertising	-	-	-	0.00%
617	Computer Supplies	500	375	(125)	-25.07%
649	Periodicals	400	-	(400)	-100.00%
810	Dues & Fees	8,000	7,588	(412)	-5.15%
613	General Supplies	9,000	8,566	(434)	-4.83%
430	Maintenance Contract	1,510	944	(566)	-37.50%
622	Electricity	9,360	8,220	(1,140)	-12.18%
211	Life Insurance-Certified	3,256	2,078	(1,178)	-36.18%
212	Life Insurance-Non-Certified	2,634	1,304	(1,330)	-50.50%
221	Med. FICA	20,970	18,827	(2,143)	-10.22%
222	FICA	52,420	50,227	(2,193)	-4.18%
442	Rentals/Leases	112,431	109,382	(3,049)	-2.71%
290	Other Employee Benefits	5,000	1,107	(3,893)	-77.87%
114	Other Payments-Certified	16,486	11,646	(4,840)	-29.36%
115	Other Payments-Non-Certified	22,062	16,358	(5,704)	-25.85%
235	Pension	112,780	102,234	(10,546)	-9.35%
580	Conference & Travel	14,700	1,559	(13,141)	-89.40%
111	Certified Salaries	630,123	610,543	(19,580)	-3.11%
112	Non-Certified Salaries	693,378	624,632	(68,746)	-9.91%
Total		1,913,915	1,867,645	(46,270)	-2.42%
District Share	Divided by Three (3). Returned to Districts	637,972	622,548	(15,423)	

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The following table summarizes the breakdown of the positions and salary amounts for the account code 112- Non-Certified Salaries during the fiscal year 2020/2021:

Position	Category	112-Non-Certified Salaries
Administrative Assistant	Salaries Support Staff	61,233
Business Operations Manager	Salaries Support Staff	82,000
Administrative Assistant	Salaries Support Staff	61,233
Executive Secretary	Salaries Support Staff	66,841
Budget Manager	Salaries Support Staff	74,907
Data Analyst	Salaries Support Staff	80,000
Human Resource Manager	Salaries Support Staff	106,046
Accounts Payable Clerk	Hourly Support Staff	56,139
Benefits Payroll Clerk	Hourly Support Staff	54,397
Benefits Payroll Clerk	Hourly Support Staff	50,582
Total		693,378

Based on analysis of the budget transfer reports, we observed that during January 2021, the District transferred \$29,798 from the non-certified salary account code to the other professional services account code. The following table summarizes the budget transfers during the period analyzed:

Date	FROM		TO	
	Account	Amount	Account	Amount
01/29/21	01-01-40-2320-112-00-4 - Non-Certified	11,000		-
01/29/21	01-01-40-2320-112-00-4 - Non-Certified	18,798		-
01/29/21		-	01-01-40-2320-330-00-4 - Other Professional Services	11,000
01/29/21		-	01-01-40-2320-330-00-4 - Other Professional Services	18,798
Total		29,798		29,798

Observation/Recommendation #15

We noted that during the fiscal year 2020/2021, the Central Office presented information to the Board of Education to approve a Data Analyst position with a starting salary of \$80,000. Although the Board approved the position, due to COVID-19, the Central Office Administration decided to delay the hiring process. During the fiscal year 2021/2022, the Board of Education decided to hire a Director of Technology & Digital Learning instead of a Data Analyst. The Central Office could not make available a budget plan for allocating funds for the change in positions

- ***In addition to assessing the administrative needs, the Central Office should provide the Board of Education with its budget plans for allocating funds for changes in positions. If deemed necessary, new appropriations should be proposed or authorized for this purpose, and further details regarding the purpose of the spending should be provided to the Board of Education. This will assist the District in developing a well-planned and effectively executed strategy for its staffing needs.***

Statement of Limiting Conditions

The above procedures do not constitute an examination made in accordance with generally accepted auditing standards. This report relates only to the elements specified above and does not extend to any of the [REDACTED] [REDACTED] School District financial statements or income tax returns. This report is intended solely for the information and use of the [REDACTED] [REDACTED] School District and is not intended to be and should not be used by anyone other than this specified Party unless otherwise authorized.

The preceding analysis is based on the information made available by the [REDACTED] [REDACTED] School District. We provide no assurance that we identified all District and personal expenses, and we have not included periods prior to or subsequent to our scope of January 1, 2020 through September 30, 2021. We reserve the right to revise our analysis based on any future events and circumstances which may occur or become known to us.

Please contact our Hauppauge, New York office @ 631-756-9500 if you should have any questions in this regard.



Exhibit 6
NS Equal Employment Opportunity

NawrockiSmith

Equal Employment Opportunity Policy

Nawrocki Smith LLP is committed to complying with all federal, state, and local equal employment laws. To that end, the Firm is dedicated to maintaining a work environment that is free from harassment and discrimination based on the following protected classes: age, race (including traits historically associated with race, which include, but are not limited to, hair texture and protective hairstyles such as braids, locks, and twists), creed, color, national origin (including ancestry), religion, gender or sex, sexual orientation (including transgender status, gender identity or expression), pregnancy (including childbirth, lactation, and related medical conditions), disability, reproductive health decision making (including, but not limited to, the decision to use or access a particular drug, device, or medical service), marital status, partnership status, caregiver status, domestic violence victim status, familial status, military status, unemployment status, citizenship or immigration status, genetic information (including genetic characteristics), or any other protected status under federal, state, or local laws. The Firm is dedicated to the fulfillment of this policy with respect to all aspects of employment, including, but not limited to, recruiting, hiring, placement, transfer, training, promotion, compensation, termination, and all other terms, conditions, and privileges of employment.

The Firm will conduct a prompt and thorough investigation of all allegations of discrimination, harassment, or retaliation, or any violation of the Equal Employment Opportunity Policy in a confidential manner. The Firm will take appropriate corrective action, if and where warranted. The Firm prohibits retaliation against employees who provide information about, complain about, or assist in the investigation of any complaint of discrimination or violation of the Equal Employment Opportunity Policy.

We are all responsible for upholding this policy. You may discuss questions regarding equal employment opportunity with your manager or any other designated member of management.



Town Clerk <townclerk@townofnewlebanon.com>

Town of New Lebanon - Forensic Audit Services Proposal

1 message

Erin Rostkowski <erostkowski@ns.cpa>

Thu, Dec 4, 2025 at 12:47 PM

To: "townclerk@townofnewlebanon.com" <townclerk@townofnewlebanon.com>

Cc: "Darin V. Iacobelli" <dvi@ns.cpa>

To: Town Clerk

Attached please find our proposal in regard to Forensic Audit Services.

Please feel free to contact us by phone or email with any questions.

Please confirm receipt of this email.

Thank you,

Erin Rostkowski

Executive Assistant

**ACCOUNTANTS & ADVISORS**

100 Motor Parkway | Suite 580 | Hauppauge, NY 11788

Direct: (631) 756-9500 x230 | Fax: (631) 756-9818

erostkowski@ns.cpa | www.ns.cpa

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Town of New Lebanon - Forensic Audit Proposal - Dec 2025.pdf

3238K



Town Clerk <townclerk@townofnewlebanon.com>

Forensic Accounting Services

1 message

Darin V. Iacobelli <dvi@ns.cpa>

Wed, Nov 19, 2025 at 4:49 PM

To: "townclerk@townofnewlebanon.com" <townclerk@townofnewlebanon.com>

Hello – Is there an RFP related to the Forensic Accounting Services for the Town of Lebanon? If so, are you able to forward or provide the link to access it. If not, is the Letter of Interest serving as our proposal?

Thank you.

Darin V. Iacobelli, CPA/CFF, CIA, CFE

Senior Partner

**ACCOUNTANTS & ADVISORS**

100 Motor Parkway | Suite 580 | Hauppauge, NY 11788

Direct: (631) 756-9839 | Fax: (631) 716-6941 | Cell: (631) 834-2103

dvi@ns.cpa | www.ns.cpa

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