



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

December 7, 2020

DELIVERY VIA BONFIRE

Marshall University
Office of Purchasing
One John Marshall Drive
Huntington, WV 25755-4100

Re: Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT

Dear Board of Education:

We appreciate the opportunity to participate in the Marshall University search for a professional 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 and meets all of the minimum requirements outlined within.

Why Choose Nawrocki Smith?

We appreciate the fact that selecting an 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 Marshall University:

- 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 audit services. 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 Marshall University 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 Darin V. Iacobelli (631) 756-9500, extension 209.

Sincerely yours,

Darin V. Iacobelli, CPA/CFF, CFE



Address

290 Broad Hollow Road
Melville, NY 11747



Phone

P: 631.756.9500
F: 631.756.9818



Email

info@nslpcpa.com
www.nslpcpa.com



MARSHALL UNIVERSITY
PROPOSAL FOR
PURCHASING PERFORMANCE AUDIT
PART 1 - TECHNICAL PROPOSAL

December 7, 2020

CONTACT PERSON
DARIN V. IACOBELLI, CPA/CFF, CFE
631.756.9500 EXT. 209
dvi@nslpcpa.com

Contents

- Executive Summary – Experts in Internal Audit Services4
- Client Success Stories5
- Virtual Internal Audit Services6
- Firm Background7
- 4.2.1 Goals and Objectives – The project goals and objectives are listed below.....9
 - 4.2.1.1 Goals and Objectives 1: Qualifications and Experience9
 - 4.2.1.2 Goals and Objectives 2: Proposed Management Structure12
 - 4.2.1.3 Goals and Objectives 3: Management Approach and Project Timelines15
- COVID Audit Considerations17
- Use of Technology18
- 4.2.2 Mandatory Project Requirements21
 - 4.2.2.1 Mandatory Requirement 1: Firm’s Financial Capability21
 - 4.2.2.2 Mandatory Requirement 2: Corporate Experience21
- Added Value Considerations25
- Thank you for your consideration.....26
- Exhibits27
- Addendums.....27

Executive Summary – Experts in Internal Audit Services

Nawrocki Smith is qualified to perform services as evidenced below:

1

INDUSTRY LEADERSHIP – NYSSCPA, LIACFE, LI - IIA

Firm started in 1986 and currently is in the forefront and an industry leader in accounting and auditing in school districts evidenced by Ernest Patrick Smith who sits on the Board of the New York State Board of Certified Public Accountancy, Darin Iacobelli who sits on the Board of the Long Island Chapter of Certified Fraud Examiners, and Lauren Agunzo who is the Treasurer of Long Island Chapter of the Institute of Internal Auditors.

2

INTERNAL AUDIT CLIENT TYPES

Higher Education, Public and Private School Districts, Townships, Villages, Libraries, Banks, Credit Unions, Non-Profits, Healthcare Providers, Manufacturing Companies, National Lab, New York City Agencies.

3

SAMPLE OF HIGHER EDUCATION CLIENTS

New York Institute of Technology, Nassau Community College, Metropolitan College of New York, Hofstra American Association of University Professors.

4

REMOTE AUDIT & CONSULTING SERVICES (40+)

For over 40 Organizations
Service clients located on Long Island, New York City, Westchester, Orange, Monroe and Rockland Counties, as well as in New Jersey, Florida, Illinois, Massachusetts and Maine.

5

P-CARD & PURCHASING PERFORMANCE AUDITS (50+)

For over 50 Organizations
We audit 100% of P-Card payments for a \$1 billion dollar entity and consult on improving their internal P-Card processes. We have conducted over 50 Purchasing Performance Audits for entities ranging in \$30 million to \$600 million in expenditures.

6

RISK ASSESSMENTS & INTERNAL AUDITS ON FUNCTIONAL BUSINESS AREAS (50+)

For over 45 Educational Organizations
Define the Organization's risk profile including an overview of the key risks facing the Organization's financial operations. Review of roles and duties, internal controls and systems in over 20 business processes to determine whether the internal controls and reporting procedures were adequate thus safeguarding the District's assets.

7

FORENSIC ACCOUNTING ENGAGEMENTS (30+)

For over 30 Educational Organizations and Municipalities
Investigated matters on behalf of Boards, Trustees, and Counsel that are sensitive in nature and require immediate due diligence/forensic accounting and dispute resolution services.

8

TRAINING & PRESENTATIONS ON PURCHASING, ACCOUNTS PAYABLE, AND CLAIMS AUDITING INTERNAL CONTROLS

For School District Clients, New York State Association of Business Officials (NASBO), School District Internal Audit Alliance (IIA), and New York State Association of Municipal Purchasing Officials (SAMPO).
"Accounts Payable Best Practices & Fraud Prevention Techniques" (Nov 18 & Nov 19)
"Ethics & Fraud for the Procurement Professional" (Oct 16)

Client Success Stories

Provided below is a sample of our internal/performance audit client success stories. Clients improved internal controls and optimized their operations' overall performance.

1

P-CARD USER ACCESS SECURITY

Educational Organization updated user permissions in P-Card system to ensure segregation of duties between the cardholders and individuals responsible to review and approve expenses reports.

2

REDUCTION OF CONFIRMING PURCHASE ORDERS

Our clients have reduced the number of confirming purchase orders by utilization of the data and statistics presented in our monthly claims audit reports

3

KICK BACK RECOVERY

\$30,000 inflated vendor invoices were credited back to the Educational Organization as the Business Office has taken appropriate measures to monitor transportation vendor contracts and to review transportation routes according to Organization's policy.

4

POSITIVE PAY ON ALL BANK ACCOUNTS

Educational Organization implemented positive pay cash-management service that detects fraudulent checks from being paid.

5

VENDOR OVERAGES REVERSED

\$148,000 in late charges were credited back to the Educational Organization as the Business Office has since taken appropriate measures to ensure timely review, approval, and payment of utility invoices.

6

BUSINESS OFFICE PROCEDURAL MANUAL

Educational Organization developed documented guidelines regarding the accounting and reporting, revenue collection and cash management, accounts payable, human resources, and payroll processes. Procedures are periodically reviewed to ensure that responsibilities are adequately performed and comply with Organization policies.

7

CLAIMS MONITORING

Educational Organization established a process of verifying the accuracy of invoices and voucher packets by ensuring proper approval of purchases and comparing of invoices to contracts prior to processing payments.

Virtual Internal Audit Services

Nawrocki Smith has extensive experience in providing consulting services on a remote/virtual basis. We are committed to meeting the 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.

Servicing clients remotely is not a new concept for Nawrocki Smith. Prior to, and during, the COVID 19 pandemic, Nawrocki Smith has provided all services to clients located in:

- New York
- New Jersey
- Florida
- Illinois
- Massachusetts
- Maine
- Connecticut
- Monroe County
- Suffolk & Nassau County
- Westchester County
- Orange County
- Rockland County

As state governments enacted shutdowns requiring all non-essential workers to work remotely, our clients continued to work with us to review their new internal controls and procedures such as:

- 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 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 audit team does not have to travel to the client's office and set up and take down computers. Our team has virtual tools to efficiently and effectively perform audit functions without sacrificing face-to-face time with audit clients, such as video conferencing software like most companies have already begun using.



FLEXIBILITY

We 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 far in advance of scheduled onsite fieldwork days, we're able to test significant items, pull samples, and compile questions so that come onsite fieldwork, we're able to focus and streamline our inquiries and testing to limit the disruption to an organization's day-to-day operations. Additionally, many audits are performed 100% remotely which provides for great flexibility.



DATA SECURITY CONFIDENCE

Nawrocki Smith has taking many steps in protecting the data security and privacy of our client's information including the encryption of data on our laptops, restricting all drives and ports on 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 insurance companies and the results were excellent, as we were found to meet their vendor qualification standards.

Firm Background

Nawrocki Smith LLP (the “Firm”) is a regional public accounting firm with offices in Melville, New York. The Firm was founded in 1986 and is comprised of six 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 fifteen years to Nawrocki Smith and to the success of its clients. The Firm employs approximately fifty (50) associates and support staff and services a diverse clientele throughout the Eastern United States.

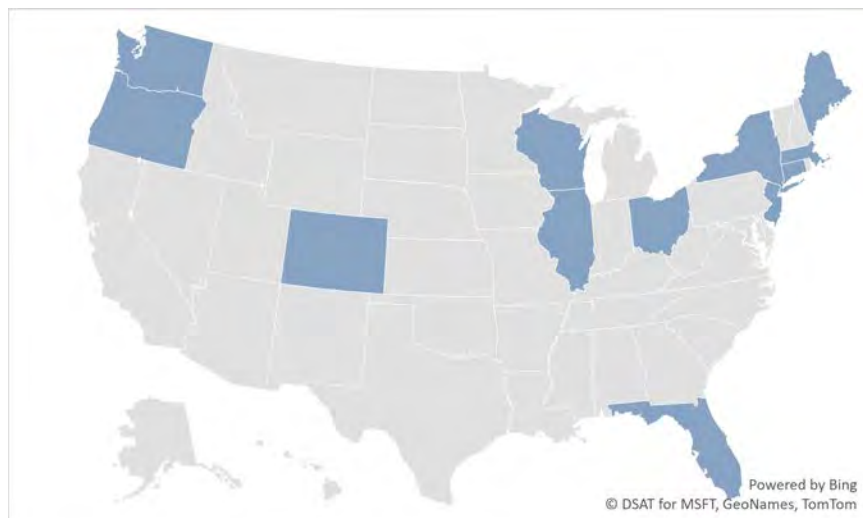
Nawrocki Smith LLP currently provides accounting and auditing services to over 100 government and not-for-profit organizations throughout the New York Metropolitan area and is considered by many to be one of the leading accounting firms in this area. Nawrocki Smith is a full-service accounting firm with various disciplines, inclusive of: External Audit, Internal Audit, Tax & Accounting, Business Valuation, Forensic Accounting and Dispute Resolution Services. Our clients include national laboratory, New York City agencies, counties, townships, villages, libraries, school districts, distributors, manufacturers, financial services, banks, credit unions, non-profits, healthcare providers, and law firms across the United States as well as numerous other closely held concerns. Specifically, within the governmental industry Nawrocki Smith services 46 internal audit clients, 35 external audit clients and 15 claim audit clients.

Nawrocki Smith is qualified to perform the services. Our is serviced by three (3) Partners and twenty (20) experienced investigative staff. Our team of dedicated professionals has investigated over one thousand (1,000) matters requiring extensive investigative auditing skills. Our senior partner, Ernest Patrick Smith, has taught numerous Forensic Accounting classes at Hofstra University and frequently lectures to other professionals on this topic.

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, as 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 Partner, Darin Iacobelli, sits on the Board of the Long Island Chapter of Certified Public Accountants. Our Partner, Lauren M. Agunzo, is the President of the Institute of Internal Auditors Long Island Chapter.

Provided below is a graphical snapshot of our national client presence:



**Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020**

We recognize that no two organizations are the same. Each has specific needs and requirements when it comes to their 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 internal auditors. We intend to maintain an ongoing dialogue with the Marshall University throughout the assignment to provide timely input and to avoid any “surprises” which may have audit and reporting consequences.



Responsiveness

Marshall University’s internal 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



Creativity




The Marshall University should expect its internal 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



Efficiency & Timeliness

The audit services provided to the Marshall University 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 or your business. 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.

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

Nawrocki Smith provides the following responses to each requirement listed within the “4.2 Project Goals and Mandatory Requirements” section of the RFP:

4.2.1 Goals and Objectives – The project goals and objectives are listed below.

4.2.1.1 Goals and Objectives 1: Qualifications and Experience

Firm should provide information and documentation regarding its qualifications and experience in providing services or solving problems like those requested in this RFP.

Nawrocki Smith has been licensed and is active in public accounting for over thirty (30) years and is in good standing with the New York State Board of Accountancy. All degrees and certifications are verified during the employee hiring process and we confirm certifications received post employment for accuracy.










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

Nawrocki Smith staffing levels:

Partners	6
Directors	1
Senior Managers	2
Managers	3
Supervisors	7
Seniors	9
Staff	17
Administrative	5
Total	50

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)	17
 CPA CFF	Certified in Financial Forensics (CFF)	8
 CFE	Certified Fraud Examiner (CFE)	5
 CITP	Certified Information Technology Professional (CITP)	4
 CVA	Certified Valuation Analyst (CVA)	3
 CPA ABV	Accredited in Business Valuation	2
 CGFM	Certified Government Financial Manager (CGFM)	2
 CIA	Certified Internal Auditor (CIA)	2
	Certificate in Cybersecurity Audit	1

See **Exhibit 1** for our most recent Peer Review letter which represents the ninth consecutive year of receiving the most favorable results possible. Our Peer Reviews have included government engagements such as Towns, Villages, Libraries, and School Districts. Internal audit engagements have also been selected during the Peer Review process. 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.

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

Nawrocki Smith has been providing internal audit services for over 30 years. We have been recognized as a leader in New York State in providing services.

Financial statement audit services	Internal/Performance audit & Internal control assessment services	Claim audit services
<ul style="list-style-type: none"> • Non-Profits • Public School Districts • Villages • Libraries • Townships • Credit Union 	<ul style="list-style-type: none"> • Higher Education • Public & Private School Districts • Financial Banking Institutions • Non-Profits • Healthcare organizations • Manufacturing entity • Libraries • Special Districts • Townships 	<ul style="list-style-type: none"> • Public School Districts • Libraries • BOCES • Special Districts
Program/Contract cost audit services for New York City Departments	Information technology audit services	Forensic accounting services
<ul style="list-style-type: none"> • Department of Probation • Department for the Aging • Department of Homeless Services • Department of Health & Mental Hygiene • Department of Citywide Administrative Services • Department of Administration for Children's Services 	<ul style="list-style-type: none"> • General Controls • IT Fixed Assets • Logical Security • Monitoring Computer User Procedures • Data Security • Software Security Procedures • Network Security Procedures • Physical Security Procedures • Service Continuity Procedures • Online Banking Procedures • Penetration & Vulnerability Assessments 	<p>Many internal investigations conducted by Nawrocki Smith are presented to the Board and Management committee of the organization. Such recent verbal and written presentations included investigations into:</p> <ul style="list-style-type: none"> • Employee theft of time • Employee theft and misuse of cash • Employee theft of information technology assets • Vendor relationships and procurement • Vendor contract analysis and dispute resolution

Educational Organization Types:

Nawrocki Smith has been providing expert internal audit services to the following educational organizations:

- Higher Education
- Public Schools
- BOCES
- Private Schools
- Nonprofit
- Libraries

Entity Type	Client Ranges of Operating Budget
Counties	\$1,600,000,000 to \$3,130,000,000
New York City	\$1,100,000,000 plus
School Districts	\$30,000,000 to \$900,000,000
Higher Education	\$300,000,000 to \$500,000,000
Townships	\$80,000,000 to \$100,000,000
Villages	\$6,000,000 to \$80,000,000
Libraries	\$2,000,000 to \$13,000,000
Not-for-Profits	\$10,000 to \$300,000,000
Banks/Credit Unions (total assets)	\$800,000 to \$1,000,000,000
Insurance Companies	\$1,000,000,000 plus



Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

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 Association



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

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”

2018

Mar-18 New York State Government Finance Officers' Association, Inc. (NYSGFOA) – “Establishing A Code of Ethics For Public Administration”
 Mar-18 NASBO – “Internal Audit Function... 10 Years Gone”
 Feb-18 Institute of Internal Auditors – “Nonprofit Fraud Update”

2017

Nov-17 New York State Government Finance Officers' Association, Inc. (NYSGFOA) – “GFI Advanced Forum: Internal Control Best Practices”
 Oct-17 Institute of Internal Auditors (IIA) – Annual IT Audit Conference – “Data Analytics with Microsoft Excel (Case Studies)”
 Jun-17 Ruskin Moscou Faltischek, P.C. – “Financial Literacy for Lawyers”
 Mar-17 Nawrocki Smith School Seminar – “Social Media Risk Management”
 Feb-17 Institute of Internal Auditors – “Data Analytics with Microsoft Excel – Part 2”

2016

Dec-16 NYSASBO – “Preparing for Your Claims Auditor”
 Oct-16 SAMPO – “Ethics & Fraud for the Procurement Professional”
 May-16 NYSASBO – “Best Practices in Internal Controls & Fraud Prevention”
 Mar-16 Institute of Internal Auditors – “Data Analytics with Microsoft Excel – Part 1”

2015

Nov-15 Nawrocki Smith School Seminar – “Cybersecurity”
 Jun-15 NYSASBO – “Internal Audit and Fraud Examinations”

2014

Oct-14 Certified Fraud Examiners – “The Economy and Fraud”
 Feb-14 Institute of Internal Auditors – “Forensic Accounting Case Studies”



4.2.1.2 Goals and Objectives 2: Proposed Management Structure

4.2.1.2.1 Identify proposed staffing plans and provide a statement of qualifications of individuals within the Audit Firm to be assigned direct responsibility for MU’s engagement. Provide a complete listing of positions, including full-time and part-time positions, and an organizational chart.

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. (Please see **Exhibit 2**)



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

Engagement Partner

Vice President of LIACFE

Twenty-five (25) years of experience providing internal audit, forensic accounting and dispute resolution services. 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

Treasurer of IIA

Twenty-five (25) years of experience providing internal audit, forensic accounting and dispute resolution services. Current Treasurer of the Institute of Internal Auditors Long Island Chapter. Member of the NYSSCPA Public School Committee.



**P. DIMITRIS BANTILESKAS,
CPA/CFF/CITP, CVA, CFE**

Senior Manager

Vice President of LIACFE

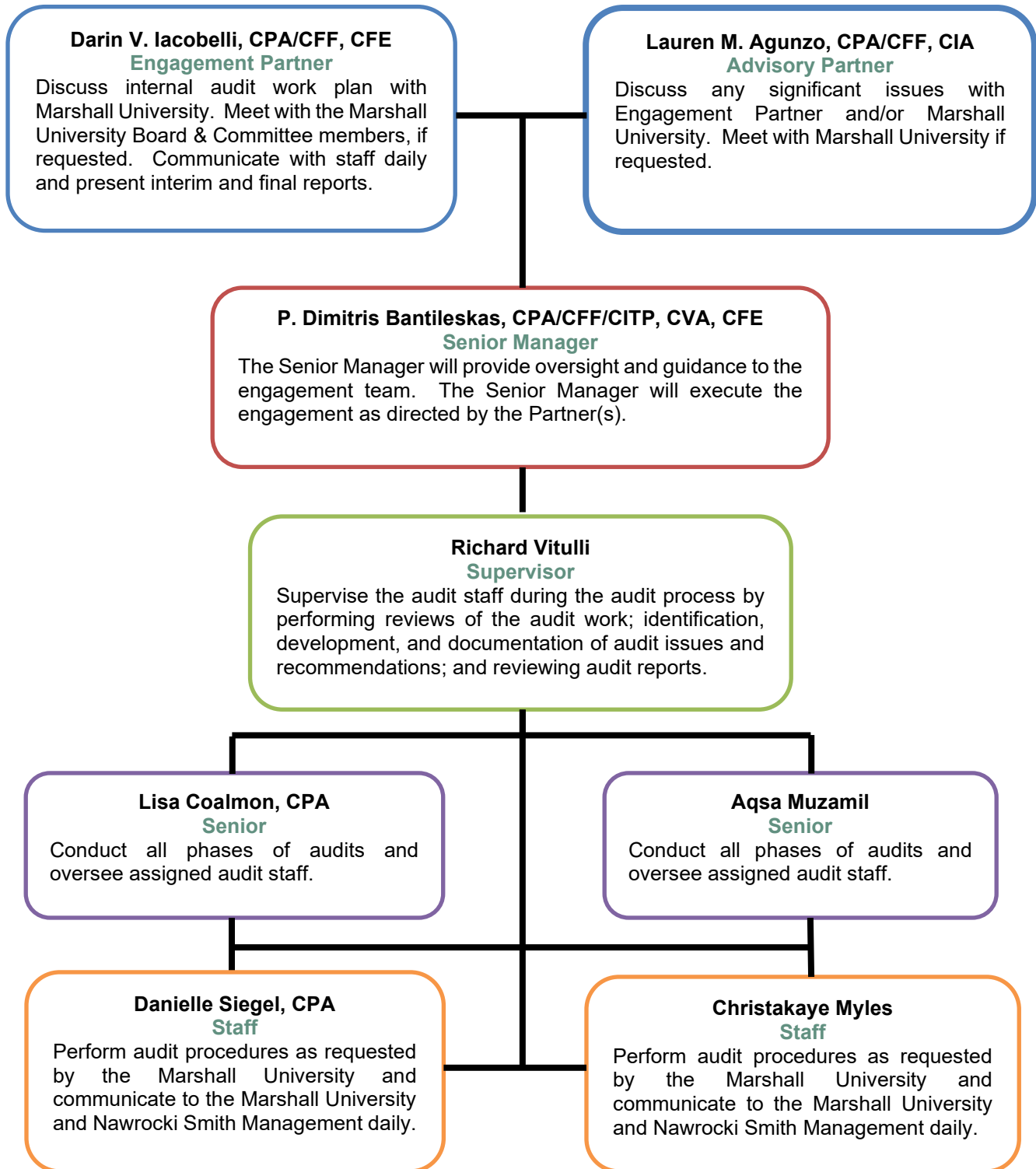
Fifteen (15) years of experience providing internal audit and forensic accounting services. Current Board Member of the Long Island Chapter of Certified Fraud Examiners.

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

- **Richard Vitulli** – Supervisor – Ten (10) Years of internal audit experience.
- **Lisa Coalmon, CPA** –Senior – Ten (10) Years of internal audit experience.
- **Aqsa Muzamil** – Senior – Five (5) Years of internal audit experience.
- **Danielle Spiegel, CPA** – Staff – Two (2) Years of internal audit experience.
- **Christakaye Myles** – Staff – Two (2) Years of internal audit experience.

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

Provided below is an organizational chart with the names and titles of the individuals assigned to this engagement. Nawrocki Smith will make staff available as deemed necessary.



This team is available to begin this project immediately and is committed to providing full-time resources to meet the deadlines of the District. Our team is dedicated to internal audit and is always available at moment’s notice to assist the District.



Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

4.2.1.2.2 Describe the criteria for general hiring including screening, criminal background checks, or any other means of verification or employee information, or explain other means of ensuring the integrity and suitability of the Firm’s employees.

It is the Firm's policy that recruitment and hiring decisions for the professional and administrative staff be based on an objective evaluation of the Firm's personnel needs, that candidates possess the appropriate characteristics to perform competently, and that new employees are adequately informed of the Firm's policies and procedures.

In fulfilling the Firm's recruitment and hiring plans, the Firm seeks to employ individuals with high levels of integrity, competence, intelligence, maturity, and motivation. When evaluating a prospective employee, the Firm considers, among other things, work experience, the candidate's grade point average and college course concentration in accounting and related courses, personal achievements, and personal interests. The degree to which college transcripts, work references, and other qualifications are investigated is left to the discretion of the designated recruiting partner or manager.

Prior to becoming an employee of Nawrocki Smith LLP, a background check is conducted that consists of education and prior employment verification, professional reference checks, criminal background checks and credit checks.

4.2.1.2.3 Describe training and development of both full-time and part-time personnel (i.e., students or temporary/contracted personnel) regarding the Firm’s mission and goals or any other deemed general training. Describe the length of service with the firm and extent of training your firm provides its staff with highlights on Higher Education and Public Government Purchasing.

Nawrocki Smith encourages professional education and growth as evidenced by its firm wide **40** hour CPE requirement for CPA's and non-CPA's. Please see Page 8 for the various professional designations that Nawrocki Smith employees hold and are vital to performing related services. Those courses have included, but were not limited to internal auditing, governmental accounting and auditing, financial management and accounting, and fraud detection/protection.

It is the Firm's policy that all professional personnel (including non-CPA partners) comply with the continuing professional education requirements of the AICPA, the New York State Board of Accountancy, the AICPA Governmental Audit Quality Center, the AICPA Employee Benefit Plan Audit Quality Center, the U.S. Government Accountability Office, and other regulatory agencies, if applicable; that all professional staff maintain an adequate awareness and understanding of current developments in professional standards; that all non-licensed professional staff work toward passing the CPA exam; and that all professional staff assist in the training and development of staff members under their supervision.

Annually, the partners assess the Firm's continuing professional education (CPE) needs and plan the Firm's professional development (PD) program after considering, among other things, CPE activities that interest each professional; the number of hours needed by each professional to comply with the CPE rules governing the Firm; each professional's level of experience, client responsibilities, and prior CPE training; new or emerging professional standards and regulatory and legal requirements; and the Firm's needs for specialists or experts in a particular industry or service area.

4.2.1.3 Goals and Objectives 3: Management Approach and Project Timelines

Firm should provide a detailed description of their proposed approach to the management of the project. Additionally, Firm should detail in the Firm’s response proposed timelines and other factors pertaining to the RFP requirements. Estimate the level of partner time the firm intends to commit. Provide summarization of proposed Covid-19 Audit Considerations.

Our approach to conducting an consists of obtaining an in-depth understanding of the operations and mission of Marshall University. We will be reviewing policies, procedures, and internal controls pertaining to Marshall University’s purchasing process. The objective of our analysis will be to determine whether the internal controls pertaining to purchasing procedures are adequate and that duties are properly performed thus safeguarding the Marshall University’s assets. The scope of the engagement will cover a three (3) year period since the last audit. We will interview key personnel to obtain knowledge as to each individual’s job duties and involvement as they pertain to the purchasing 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 internal controls of the purchasing. Our analysis will consist of the following:

Assessment of General Governance

- Review of Marshall University Purchasing Policies
- Analyze Organizational Structure and Job Descriptions
- Evaluate Information Technology Controls
- Review Management Reports

Assessment of Purchasing Performance

- Evaluate the compliance with state law, rules, policies, procedures of the Marshall University as they apply to purchasing, receiving, supplies, and equipment.
- Assess whether the Chief Procurement Officer (“CPO”) is performing the CPO’s responsibilities, duties and remedies outlined in the purchasing policy.
- Assess whether guidelines are been followed by Marshall University
- Assess whether Marshall University has implemented an effective vendor evaluation system to manage vendors based on key performance indicators.
- Evaluate the manual or electronic submission of bids and RFPS.
- Assess accounting and reporting of high-volume vendors and commodities.
- Assess whether professional procurement procedures are established and maintained within the University.
- Evaluate the vendor awards that may receive multiple awards / purchase orders that exceed purchasing policy threshold levels.
- Evaluate Marshall University’s purchasing training program for procurement staff.
- Determine whether procurement files are maintained in a comprehensive and thorough manner.
- Assess the use of purchase orders, vendor catalogs, and e-procurement systems.
- Evaluate the use of sole source providers.

Assessment of Best Business Practices

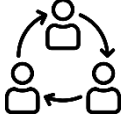
- Evaluate existing practices against “best management practices” based on “industry standards” from recognized procurement associations and research organizations.
- Determine whether a comprehensive purchasing manual has been adopted to guide the University’s purchasing practices and provide clear delineation of authority levels and outline ethical procurement practices.
- Determine whether contracts entered into for purchasing goods and services are done in a format approved by legal counsel.
- Determine whether periodic training is provided to University employees on the system’s requisition and purchasing functions
- Determine whether and how the procurement practices in place meet the performance targets.
- Assess whether periodic procurement meetings are held with departments to make them aware of changes in procurement practices and to answer questions regarding compliance with procurement regulations.
- Assess whether a clear and defined procedure is in place regarding vendor certification and registration
- Evaluate whether appropriate internal controls are in place within the procurement and payment system to prevent payments from being made that would exceed authorized contract amounts.

Assessment of P-Card Procedures

- Determine whether the Purchasing Card (“P-Card”) Program is being managed in conformance with West Virginia code Section 12-3-10a and Title 148CSR7.
- Assessment of the issuance of cards to departmental users.
- Ensures department transactions have been verified and approved by departments in a timely manner.
- Assess whether p-card procedures are established and maintained that outline the process for reviewing and reconciling transactions and describe the segregations of duties, and responsibilities of procurement staff.
- Evaluate the p-card transaction audits to ensure compliance with procurement policies (e.g., dollar limits on transactions, no payment of sales tax, no inappropriate purchases, etc.)
- Ensure actual invoices, receipts, packing slips or other supporting documentation are accurate, approved, and paid accurately/correctly.

COVID Audit Considerations

As Organizations are changing structures and procedures to manage risks during the COVID pandemic, our clients continue to work with us to consider the following in assessing their internal control environments:



Organizational Change Management

- Consider if management risk tolerance has increased and tolerates a lower level of control effectiveness assurance (e.g. self- assessments).
- Consider how staff changes (reorganization, furloughs, and terminations) are impacting controls, processes, performance potential fraud.
- Consider how segregation of duty conflicts are managed with changes in people and process.
- Review with client the critical vendors to ensure Service Organization Controls (SOC) reports are still valid in the updated work environment.
- Evaluate the timing and frequency of ensuring and validating key controls are effective.
- Consider how management is assessing impact to key processes and controls of delaying expenses including technology.
- Consider if any material changes in internal control over financial reporting will require disclosure in the next periodic report.
- Consider if any public disclosures about the actual and expected impacts of Covid-19 on their business and financial condition are needed, including how the Covid-19 pandemic may require additions or revisions to risk factor disclosures.



IT General Controls and Security and Privacy

- Evaluate the use of public cloud-based software such as Zoom, Slack, and Smartsheet, which team members may obtain for efficiency purposes.
- Review work-from-home policies that require the use of organization owned and managed devices.
- Ensure requirements regarding security and privacy are addressed.
- Require training on common security measures, such as protecting devices and password complexity.
- Ensure team members are trained on recognizing phishing attempts and have a way to report suspicious emails.
- Ensure team members have an open line of communication with IT management and the help desk.
- Ensure the IT change management process (including ticketing) has not been relaxed or compromised.
- Require the use of VPN to access the network
- Ensure user access and provisioning controls have not been relaxed.
- Ensure user access reviews are still being performed at appropriate intervals.
- Ensure system patches are applied regularly, and urgent situations like zero-day vulnerabilities are being addressed timely.



Fraud

- Assess whether management continues, if not increasing, messages around tone and doing the right thing.
- Ensure preventative and detective fraud focus is maintained, including allegation monitoring and investigation through appropriate and accessible methods such as a hotline.
- Ensure fraud is considered in risk assessment and management of change in organizational design, processes, and controls.

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

Use of Technology

Nawrocki Smith has been a pioneer in providing accounting and audit services on a remote basis. We have over 25 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 Marshall University 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 EXPERIENCE

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, Finance Plus, Concur, P-Card Centre Suite, 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



DOCUMENT SHARING

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 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.

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

Nawrocki Smith is committed to meeting the requirements of the audit. We estimate carrying out the following phases for each assignment:



PHASE 1
**INTERVIEWS &
DATA
COLLECTION**

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 Marshall University. 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 internal audit team with the documents related to certain areas.



PHASE 2
**COMPLIANCE
AUDIT**

Will conduct a comprehensive review of Marshall University's adherence to external laws, rules, regulations, and internal policies and procedures. We will evaluate the strengths and thoroughness of compliance preparations, policies, user access controls, and risk management procedures.



PHASE 3
**PERFORMANCE
REVIEW**

We examine the efficiency and effectiveness of Marshall University's operations to determine if the purchasing operations and p-card program are working as intended to achieve stated goals. 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.



PHASE 4
**DRAFT & FINAL
REPORT**

A final written report will be issued to Marshall University upon completion of the audit. Report content will include a description of work performed, results of testing performed, and recommendations for improvement.

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

The approach to drawing audit samples and the type of analytical procedures will be determined on a risk-based approach.

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

Provided below is a breakdown of the audit timeline and hours for the full range of services, for each deliverable:

DELIVERABLE / FEES	Days	Days 60	Days 90
1 – PLAN, INTERVIEW,	50		
2 - COMPLIANCE AUDIT		70	
3 - PERFORMANCE REVIEW		126	
4 - DRAFT & FINAL REPORT			76
TOTAL		322	

Provided below is our proposed hours for each business process. Hours may vary based upon the actual internal audit plan and/or requests by Management.

Partner | Senior | Supervisor | Senior | Staff | Total

Planning, Interviews, Collection

Conduct interviews and obtain records to understand how procedures are carried out.

Estimated Hours 12 | 14 | 12 | 6 | 6 | **50**

Compliance Audit

Conduct a comprehensive review of Marshall University's adherence to external laws, rules, regulations, and internal policies and procedures.

Estimated Hours 8 | 10 | 8 | 22 | 22 | **70**

Performance Review

Examine the efficiency and effectiveness of Marshall University's operations to determine if the purchasing operations and p-card program are working as intended to achieve stated goals.

Estimated Hours 10 | 16 | 24 | 38 | 38 | **126**

Draft & Final Report

Report on work performed, results of testing performed, and recommendations for improvement.

Estimated Hours 10 | 16 | 24 | 18 | 8 | **76**

Total Estimated Hours 40 | 56 | 68 | 84 | 74 | 322



4.2.2 Mandatory Project Requirements

4.2.2.1 Mandatory Requirement 1: Firm’s Financial Capability

4.2.2.1.1 Firm must submit a copy of the most recent audited comparative financial statements that have been prepared in accordance with general accepted accounting principles (GAAP). At a minimum, this information must include comparative income statement and balance sheet information for the three (3) most recent years for which audited financial statements have been completed.

Nawrocki Smith assures Marshall University that it is in strong financial condition. We have attached our comparative financial statements for the prior three (3) year period as well as a letter in good standing from our banking institution. (See **Exhibit 3**) We are available to discuss and review this information with Marshall University.

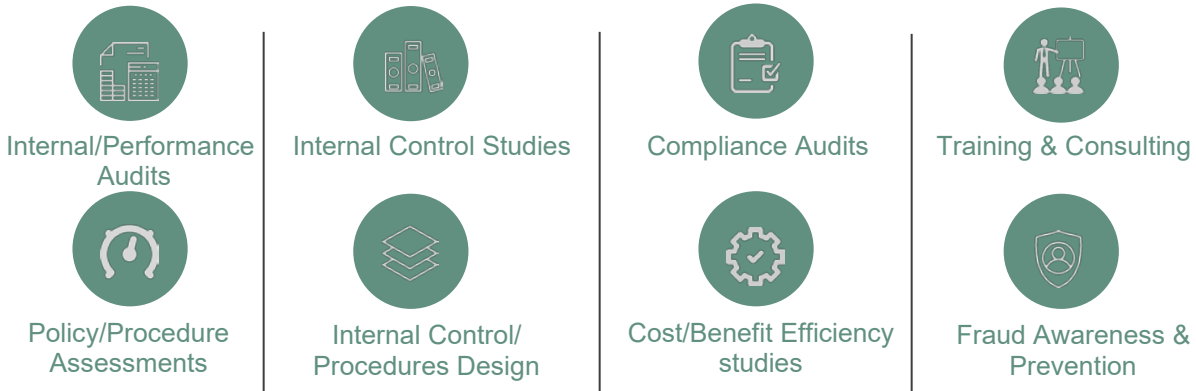
4.2.2.2 Mandatory Requirement 2: Corporate Experience

4.2.2.2.1 Firm should have at least five (5) years of experience providing a wide range of performance audit services to state, local government, non-profit, or Higher Education entities, with a focus on Higher Education performance audit experience.



We have over 30 years of extensive experience in related matters, and we strive to reduce business risk exposures and contribute to your organization’s performance goals. Nawrocki Smith has implemented numerous internal control best practices such as Purchasing, Accounts Payable, and Disaster Recovery at its clients (See **Page 2** – Client Success Stories). We have conducted numerous training sessions throughout New York State in this area at the request of the Institute of Internal Auditors, New York State Association of Business Officials, New York State Government Finance Officers' Association, and Long Island Association of Fraud Examiners.

Provided below is a summary of our current professional experiences in the **internal audit** area:



Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

4.2.2.2.2 Firm should provide a summary listing of their previous projects like this RFP in size, scope and complexity. Firm should provide a description of their background and experience with Performance Audits like the University or other business entities and how they would put that experience to use when providing services to Marshall University.

While we value each relationship with our clients, provided below is a sample of engagements performed similar to the services required within the Marshall University RFP. We encourage Marshall University to contact any and all clients. **Exhibit 4** contains our complete educational organization client listing.

01

Purchasing Risk Assessment

Client's Name: **Yonkers Public Schools**
Contact: **Dr. Arias Fenix**
Phone Number: **914-376-8031**
Operating Budget: **\$600M**
Student Enrollment: **25,142**

Description of Services

This analysis was used to define the District's risk profile in the purchasing function. It provided an overview of the key risks facing the District's procurement and accounts payable operations. We analyzed the purchase order system, vendor database, purchasing process, payment processing, employee reimbursements and credit cards

02

Purchasing Performance Audit

Client's Name: **William Floyd School District**
Contact: **David Beggins**
Phone Number: **631-874-1684**
Operating Budget: **\$250M**
Student Enrollment: **8,657**

Description of Services

This analysis was used to determine whether the internal controls over fund balance and reserves are adequate and in compliance with laws, regulations, and the District's Board policies. We analysed the District's fund balance and reserves to comparable School Districts

03

P-Card Audit

Client's Name: **Rochester City School District**
Contact: **Anissa Henry-Wheeler**
Phone Number: **585-262-8352**
Operating Budget: **\$900M**
Student Enrollment: **26,057**

Description of Services

This analysis was used to determine whether the internal controls and reporting procedures in the p-card system were adequate thus safeguarding the District's assets. We analyzed the roles and duties carried out by the Business Office surrounding the payment for good and services.

04

Vendor Database Analysis

Client's Name: **Northport School District**
Contact: **Robert Howard**
Phone Number: **631-262-6632**
Operating Budget: **\$186M**
Student Enrollment: **5,327**

Description of Services

This analysis was used to determine whether the internal controls pertaining to the student registration, attendance, performance, and eligibility procedures are adequate, to ensure that the reports were accurate and the student grade changes and eligibility to attend events were properly monitored.

50+ Purchasing Performance Audits




Nawrocki Smith has been providing purchasing performance audit services to over 50 educational organizations (e.g. Higher Education and School Districts). Such audits included:

- Evaluate compliance with purchasing policies and procedures
- Assess purchase orders and e-procurement systems
- Evaluate vendor award process
- Assess accounts payable accounting and reporting

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

4.2.2.2.3 Firm must provide a current list of at least three (3) active contracted accounts (preferably Higher Education Clients) of comparable size, dollar volume in gross sales and number of transactions.

We provide on-going audit services on a routine basis to over 50 educational organizations and audit services to over 80 governments and non-profit clients. Provided below is a sample of audit engagements with higher education organizations that are similar in type, size, and services as Marshall University. We encourage Marshall University to contact any and all clients. **Exhibit 4** contains our complete educational organization client listing.

	<p>New York Institute of Technology Contact: Barbara Holahan Phone Number: 516-686-1000 Operating Budget: \$270M Student Enrollment: 7,173 Services: Internal Audit</p>
	<p>Hofstra American Association of University Professors Contact: Jacqueline Burke Phone Number: 516-463-6987 Operating Budget: \$350M Student Enrollment: 11,131 Services: Internal Audit</p>
	<p>Nassau Community College Contact: Lisa Hahn Phone Number: 516-572-7169 Operating Budget: \$210M Student Enrollment: 22,374 Services: Internal Audit</p>

4.2.2.2.4 Provide references for prior projects. Each reference provided must include the name, address, fax number, e-mail address and telephone numbers of the main contact person on these accounts, information as to the contract and its duration.

The references and required contact information is provided below. While we value each relationship with our clients, **Exhibit 4** provides a summary of our clients. We encourage Marshall University to contact any and all clients.

Client	Address	Email	Telephone	Contact	Services	Duration
Yonkers Public Schools	1 Larkin Center, Yonkers, NY 10701	farias@yonkerspublicschools.org	914-376-8031	Dr. Arias Fenix	Internal Audit	5 Years
William Floyd School District	240 Mastic Beach Road, Mastic Beach NY 11951	dbeggins@wfulsd.k12.ny.us	631-874-1684	David Beggins	Internal Audit	14 Years
Rochester City School District	131 W. Broad Street, Rochester, NY 14614	Anissa.henry-wheeler@rcsdk12.org	585-262-8352	Anissa Henry-Wheeler	Claims Audit	6 Months

Marshall University
Proposal for Purchasing Performance Audit – RFP #MU21PAUDIT
December 7, 2020

Client	Address	Email	Telephone	Contact	Services	Duration
Northport School District	158 Laurel Avenue, Northport, NY 11768	Robert.howard@northport.k12.ny.us	631-262-6632	Robert Howard	Internal Audit	4 Years
New York Institute of Technology	Norther Boulevard PO Box 8000, Old Westbury, NY 11568	bholahan@nyit.edu	516-686-1000	Barbara Holahan	Internal Audit	6 Months
Hofstra American Association of University Professors	Hofstra University, Hempstead NY 11549	Jacqueline.A.Burke@hofstra.edu	516-463-6987	Jacqueline Burke	Internal Audit	Project Based
Nassau Community College	One Education Drive, Garden City, NY 11530	Lisa.Hahn@ncc.edu	516-572-7169	Lisa Hahn	Internal Audit	Project Based

4.2.2.2.5 Firm must provide a current list of Lost Accounts and reason for loss.

Provided below is a summary of our clients lost during the recent years.

Client	Address	Services	Loss Reason
Great Neck School District	345 Lakeville Road, Great Neck, NY 11020	Internal Audit	Mandatory RFP Process
Island Trees School District	74 Farnedge Road, Levittown, NY 11756	Internal Audit	Mandatory RFP Process

Added Value 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 MARSHALL UNIVERSITY

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 Marshall University 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 Marshall University with excellent client service.



ADDRESS

290 Broad Hollow Road
Melville, NY 11747



PHONE

P: 631.756.9500
F: 631.756.9818



EMAIL

info@nslppcpa.com
www.nslppcpa.com

Exhibits

Exhibit 1 – Firm’s External Quality Review Letter

Exhibit 2 – Resumes of Proposed Team

Exhibit 3 – Firm’s Letter of Good Standing & Financial Statements

Exhibit 4 – Firm’s Client Listing

Exhibit 5 – Firm Proposal

Addendums

Addendum 1 – October 26, 2020

Addendum 2 – November 11, 2020

Addendum 3 – November 19, 2020

Addendum 4 – November 24, 2020



Address

290 Broad Hollow Road
Melville NY



Phone

P: 631.756.9500
F: 631.756.9818



Email

info@nslpcpa.com
www.nslpcpa.com



EXHIBIT 1
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), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2018. 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 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 the system of quality control and the firm's compliance therewith 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, audits of employee benefit plans, an audit of a broker-dealer 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, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2018 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
February 27, 2019



EXHIBIT 2
Resumes of Proposed Team



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

Mr. Iacobelli has eighteen (18) 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



diacobelli@nslpcpa.copm



darin-v-iacobelli



nslpcpa.com



290 Broad Hollow Road, Melville, NY



WORK EXPERIENCE

Partner - Forensic Accounting, Internal Audit, and Dispute Resolution Services

NAWROCKI SMITH LLP

Melville, 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, and 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
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”
- 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)



MEMBERSHIPS

- **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

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@nslpcpa.com



Lauren-Agunzo



nslpcpa.com



290 Broad Hollow Road, Melville, NY



WORK EXPERIENCE

Partner – Risk Management/Internal Audit/Forensic Accounting Services

NAWROCKI SMITH LLP

Melville, 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 State)
- **CIA** – Certified Internal Auditor (Institute of Internal Auditors)
- **CFF** – Certified Financial Forensics (American Institute of Certified Public Accountants)
- **CITP** – Certified Information Technology Professional (American Institute of Certified Public Accountants)



MEMBERSHIPS

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



EDUCATION

1991 - 1995

HOFSTRA UNIVERSITY - Hempstead, NY

B.S. Degree

Degree: Business Administration - Concentration: Accounting



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

Senior Manager

Mr. Bantileskas has extensive experience in providing forensic accounting and consulting services for legal counsel, insurance carriers, law enforcement, business owners, and municipalities. He has been involved in over a thousand matters related to forensic accounting, internal audits, cybersecurity audits, dispute resolutions, business valuations, enhanced earnings calculations, due diligence, lost profits, audits of agreed upon procedures, and other various complex matters. He has conducted numerous seminars on a wide range of forensic accounting topics for the insurance and accounting industries and is focused on continuous professional development and building sustainable relationships.



631-756-9500



dbantileskas@nslipcpa.com



dimitris-bantileskas



nslipcpa.com



290 Broad Hollow Road, Melville, NY



WORK EXPERIENCE

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

12/2004 – Present

NAWROCKI SMITH LLP

Melville, NY

- Provide consulting, evaluation, and litigation support services concerning insurance loss, business interruption, loss of earnings/profits, and matrimonial contract disputes, fraud and financial conditions, wrongful death and termination.
- Perform business valuations of closely held business, pass-through entities, professional practices in connection with shareholder disputes, divorce proceedings, estate and gift taxation, stock option plan, and merger and acquisitions.
- Conduct field interviews and in-depth forensic analysis of financial documents and representations.
- Industry experience includes non-for-profit, health care, construction, general manufacturing, municipalities, school districts, medical supply, and railroad.
- Direct and participate in internal control risk assessments and operational and compliance audits to document and evaluate internal controls.
- Prepare report of audit findings and discuss issues with management including presenting required data for legal and fraud investigations.
- Coordinate workflow of staff members for internal audit assignments and assist with training auditors new to the department.
- Serve as auditor-in-charge on cybersecurity audits, providing direction to audit team members and reviewing documentation.
- Design audit programs to perform data mining and analysis on computer systems databases to assess the effectiveness and efficiency of automated controls.



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



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



MEMBERSHIPS

- **AICPA** – American Institute of Certified Public Accountants
- **NYSSCPA** - New York State Society of Certified Public Accountants
- **ACFE** – Association of Certified Fraud Examiners
- **LI_ACFE** – 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 – Senior Manager



PROFESSIONAL PRESENTATIONS

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	Morritt 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
2016	
October 25, 2016	New York State Association of Municipal Purchasing Officials (SAMPO) - Ethics & Fraud for the Procurement Professional
June 22, 2016	National Insurance Crime Bureau (NICB) - Fraud – Beyond Basics Update
May 5, 2016	Old Westbury University – Data Analytics with Microsoft Excel
May 4, 2016	McElroy, Deutsch, Mulvaney & Carpenter, LLP - Business Interruption & Economic Damages
March 18, 2016	Institute of Internal Auditors (IIA) – Annual IT Audit Conference – Data Analytics with Microsoft Excel
March 15, 2016	Eastern Claim Conference – The Great Financial Debate
2015	
November 19, 2015	New York State Society of CPA’s (NYSSCPA) Forensic & Valuation Service Committee – Data Mining (Predictive Analysis) with Microsoft Excel (Part 2)
September 29, 2015	New York State Society of CPA’s (NYSSCPA) Forensic & Valuation Service Committee – Data Mining with Microsoft Excel (Part 1)
June 23, 2015	American International Group (AIG) – Disability Insurance Financial Analysis Training (Group & Association)
June 10, 2015	New York Anti Car Theft and Fraud Association, Inc. (NYACT) - Fraud – Beyond Basics
May 13, 2015	Citibank – Fraud & Employee Theft on Long Island
April 20, 2015	National Insurance Crime Bureau (NICB) - Fraud – Beyond Basics
February 24, 2015	Eastern Claim Conference – Fast Lane Financials
2014	
December 3, 2014	Fraud & Employee Theft on Long Island – What You Should Know to Protect Your Company
November 13, 2014	Long Island Certified Fraud Examiner Chapter - Fraud in Our Backyard – Annual Update
June 4, 2014	Non-Profit Update – Fraud Awareness & Prevention



COMPUTER SKILLS

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

Richard A. Vitulli II

WORK EXPERIENCE

Nawrocki Smith LLP

Melville, New York
June 2012 to Present

Supervisor

- Internal Audit, Compliance and Fraud Prevention
- Internal Control Consulting
- Fraud Examination/Forensic Accounting

Internship

November 2010 to June 2012

- Disability Insurance Claims
- Fraud Examination/Forensic Accounting

Northwell Health System

Lake Success, New York
August 2015 to Present

Skills Instructor

- BLS Instructor
- AHA CPR Instructor
- Simulation Operator

Town of Hempstead Department of Parks and Recreation

Hempstead, New York
July 2005 to June 2012

Lieutenant

- Lieutenant/Senior Guard/Lifeguard
- Lifeguard Training Instructor
- CPR/First Aid Instructor

American Red Cross Nassau County Chapter

Mineola, New York
November 2010 to March 2011

Instructor

- Lifeguard Training Instructor
- CPR/First Aid Instructor

Elmont Fire Department

Elmont, New York
August 2009 to Present

Firefighter

- Volunteer Firefighter
- EMT-B
- Technical Rescue Team Member

EDUCATION

Long Island University/C.W. Post Campus

Bachelor of Science in Accounting/Master of Business Administration

Brookville, New York
September 2012

Lisa D. Coalmon
(CPA License Pending)

PROFESSIONAL EXPERIENCE

NAWROCKI SMITH

03/19-Pres

Senior Internal Auditor

- **Internal Audit Services for School Districts– Performing risk assessment and other internal audit procedures**
- **Claim Audit Services for School Districts**
- **Analysis for Forensic and Dispute matters for School Districts, Non-Profits and Insurance Companies**

Wyandanch Union Free School District

07/06-03/19

Claims Internal Auditor

- **Verified the accuracy of invoices for accounts payable and payroll expenses and ensured payments were processed in accordance with vendor and employee contracts.**
- **Audited warrants and supporting documentation for all vendor claims before approving payments to various vendors.**
- **Determined the root cause of payroll expenses that were processed after the claims audit review and implemented procedures to ensure unauthorized payroll payments were not processed.**
- **Ensure payroll deductions on 403b plans and Medicare are deducted within federal limits.**
- **Agreed approved payroll tax deductions to monthly reports for wire payments to tax authorities.**
- **Made recommendations to the Board of Education to improve the monitoring of expenses and improve internal controls within the Payroll and Accounts Payable functions.**
- **Resolved payment discrepancies with office staff prior to approval.**

H&R Block Enterprises, Bayshore, NY (Seasonal part-time)

12/08-present

Senior Tax Analyst

- **Prepared Individual, Partnership, Estate and Corporate Tax returns.**
- **Interviewed taxpayers to ensure the maximum refund or minimum tax liability are obtained.**
- **Researched tax laws to ensure tax returns are prepared in accordance with Federal and State tax laws.**

MetLife Insurance Company, Hauppauge, NY

03/06-09/08

Audit Manager

- **Identified high risk Treasury functions to Audit Management and led first time audits and projects of the Corporate Treasury Functions.**
- **Reviewed company financial statements to ensure they were presented in accordance with Generally Accepted Accounting Principles.**
- **Reviewed SOX controls and provided feedback to audit management.**
- **Prepare Audit Reports and negotiated audit finding with management.**

The Robert Plan Corporation, Bethpage, NY

12/01-02/06

Budget / Finance Manager

- **Managed cash disbursement functions including Accounts Payable, Treasury, and Corporate Budget**
- **Implemented internal controls procedures within the financial processes managed.**
- **Eliminated backlog and improved timeliness of payments to vendors.**
- **Designed and maintained financial reports for departmental budgets for fiscal reporting.**
- **Analyzed corporate expenses and reported monthly budget variances to senior management.**

New York Life Insurance Co. New York NY

2/00-12/01

Senior Auditor

American International Group

5/94-2/00

Senior Auditor

Computer Skills:

MS Word, MS Excel, PowerPoint, QuickBooks, Blockworks Tax Software and Wincap

Education:

**Hofstra University, Hempstead, NY
Bachelor of Business Administration in Public Accounting**

AQSA MUZAMIL

EDUCATION

SUNY College at Old Westbury, Old Westbury, NY

May 2015

Bachelor of Science Degree, Accounting

Cumulative GPA: 3.40/4.00

EXPERIENCE

Nawrocki Smith LLP – Melville, NY

04/2019 - Present

Senior Internal Auditor

- 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 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

CSC ServiceWorks – Plainview, NY

06/2015- 03/2019

Staff Internal Auditor

- Conducted audit testing of specified area and identified any report-able issues and dimension of risk which consists of:
 - **Accounts Payable Audits**- A test of 25 randomly generated A/P checks for each month per the audit program is performed to verify all invoice support, approvals followed company guidelines.
 - **Commission Check Audits** - A test of 50 randomly generated commission checks per the audit program is performed monthly to verify that the terms per the contract are accurate, recalculate commission terms per the contract and report any findings that are not in compliance.
 - **Bank reconciliation Audits**- Five/six reconciliations are selected from a list of 37 monthly reconciliations which are tested to make sure all information is properly reconciled and any differences are properly accounted for, as well as important bank account information is described in memo.
 - **IT termination Audits**- The main attributes focused on for this audit are: the date of termination, the date the help desk ticket was created and submitted, the date the active directory (AD) was disabled, and then the days between the employee's termination date and the date the active directory was disabled. Any termination not in compliance with the 3-day rule are further inquired and then noted as exception for the monthly termination report.
- Reviewed the suitability of internal control design
- Verbally communicated findings to CFO and CEO and drafted comprehensive and complete report of audit areas
- Conducted on-site internal compliance audits
 - Test internal controls at regional offices
 - Perform procedural audits to make sure the offices are in compliance with the company's policy
 - Perform inventory and parts audit of the warehouse to compare the inventory amount that is reported on Solomon is actually in the warehouse and the quantity is correct.
- Assisted public audit team with detailed audits
 - **Performed Revenue audit (Coin and Card)**- The purpose of this audit is to ensure that revenue is properly recorded for the selected transactions by tracing the transactions from a batch detail, to a recap sheet, a deposit slip to the bank statement which is then tied into revenue spreadsheet which is matched to the Journal entry and General Ledger.
 - **Performed Revenue audit (Commission)**- The purpose of this audit is to ensure that the executed contract and terms per the contract are valid, further validate the revenue for the period by agreeing it to the collection amount per the coin and card revenue audit. Furthermore, recalculate the commission expense payable from the revenue earned based on the term of the contract and then inspect the journal entry to record the commission expense.
 - **Performed Operating expense audit for Route business**- The purpose of this audit is to inspect the copy of the invoice and agree the invoice amount to the expense recorded. Then each invoice is determined if it is properly expensed in accordance to the company's capitalization or expense policy. Inspected a copy of the journal entry used to record the expenses and then it was classified as operating expense or SG&A.
 - **Performed search for unrecorded liabilities audit**- The purpose of this audit is to inspect all invoices dated past fiscal year march and determine if it was properly accrued for in the past fiscal year or current fiscal year.
 - **Performed COGS Audit for subsidiary**- The purpose of this audit is to verify that the cost per unit and quantity sold at the time of sale are accurate which is then further inspected to the sales invoice to the customer to verify the quantity sold and then tracing it back to the sales journal entry to ensure that the sale was recognized and the date of the sale or in line with the date of COGS recorded.
 - **Performed Revenue Audit for Subsidiary**-The purpose of this audit is to ensure that revenue is properly recorded for the selected transaction by tracing the transactions.
 - **Performed completeness testing for Revenue and Operating expense**

AQSA MUZAMIL

- Performed User recertification on key systems and reported findings to public IT audit team

EXPERIENCE WHILE ATTENDING COLLEGE

Richard P. Bloch, CPA PC – North Babylon, NY

2/2015 – 04/2015

Accounting Clerk

- Analyzed financial information of clients to assess tax implications in accordance with IRS guidelines
- Organized and consolidated client monthly bank statements, payroll materials, and equity statements

TD Bank - Lake Ronkonkoma, NY

6/2014 – 10/2014

Bank Teller I

- Assisted clients with processing consumer and business transactions
- Balanced currency, coin, and checks in cash drawers at ends of shifts of approximately \$8,000, and calculate daily transactions using a computer system Encore
- Ensured Anti-money laundering (AML) and KYC procedures were applied
- Examined checks for endorsements and to verify other information such as dates, bank names, identification of the persons receiving payments and the legality of the documents

All Island Dermatology - Garden City, NY

5/2014 – 08/2014

Finance Intern

- Billed and confirmed receipt of insurance claim forms, biopsies to insurance companies, and balanced weekly cash transactions
- Verified patient eligibility and insurance forms on healthcare providers' websites

LEADERSHIP ACTIVITIES

SUNY COLLEGE AT OLD WESTBURY:

School of Business Student Advisory Council Member

08/2013 – 05/2015

- Act as liaison between the business student body and administrators
- Discuss and vote on important issues that can affect the student body
- Promote the vision, mission and values of the school of business

Business Club, President

08/2013 – 05/2015

- Plan and coordinate events that are educational to the student body
- Representative in Student government association and official spokesperson
- Responsible to ensure that all other Executive Board members execute their duties efficiently to the clubs standards

Business Club, Treasurer

08/2012 – 05/2013

- Responsible for balancing the clubs budget of \$3,800
- In charge of budgeting events for the academic year, as well as keeping a detailed receipt/invoice log
- Planning and allocating funds for events for the next academic year

Accounting Society Member

08/2012 – 05/2015

C-Step Club Member

08/2012 – 05/2015

AWARDS & RECOGNITIONS

Deans List – SUNY Old Westbury

Spring 2015

Honors Convocation – SUNY Old Westbury

April 2015

- School of Business- Outstanding Service recipient

Moxxie Network - JR Moxxie Member

09/2014 – 05/2015

- A selective mentoring program for high-performing students

SPECIAL SKILLS

- Proficient in Microsoft Word Office Suite, Lacerte Tax, DMS (Lacerte), ADP, PayChex, Practice Management
- Fluent in Urdu and Hindi

DANIELLE SIEGEL, CPA

dsiegel@nslpcpa.com

EDUCATION

Adelphi University Garden City, NY

Master of Science (MS), Professional Accounting, GPA 3.9, May 2019

Bachelor of Business Administration (BBA), Accounting, May 2018

HONORS

Presidential Scholarship

Dean's List

Beta Gamma Sigma Business Honor Society

CERTIFICATIONS

- Certified Public Accountants (CPA) – New York

ACCOUNTING EXPERIENCE

Nawrocki Smith, LLP Melville, NY

Staff Associate, July 2019 - Present

- Perform Claims Audit function at various clients, including review of payments and warrants, communicating findings during fieldwork, preparation of monthly reports, and review of faxed/emailed checks
- Perform data analysis for both internal audit testing and SAS99, including vendor database analysis, log-in audit analysis, user permissions, etc
- Assist the Litigation department with various tasks requiring a high degree of accuracy

Bethpage Federal Credit Union Hempstead, NY

Volunteer Income Tax Preparer: VITA Program, February - April 2018

- Prepared income tax returns for low-to-moderate-income individuals using tax software TaxSlayer

WORK EXPERIENCE

Adelphi University Garden City, NY

Graduate Assistant, August 2018 - May 2019

- Assisted professor with grading, exam preparation, and proctoring tests; tutored undergraduate students in accounting

LEADERSHIP ACTIVITIES

Adelphi University: Accounting Society

Member, September 2015 - May 2018

Treasurer, September 2017 - May 2018

- Prepared the club's budgets; tracked expenses for events and monitored the budget

Secretary, September 2016 - May 2017

- Took detailed minutes of all meetings; kept accurate member attendance records

SKILLS

Computer: Proficient in Microsoft Word, PowerPoint, and Excel

Accounting Software: TaxSlayer

Christakaye Myles

Mount Vernon, NY 10552
(917) 838-7849 • cmyles@nslpcpa.com

EDUCATION

Monroe College New Rochelle, NY
Bachelor of Business Administration, Accounting
December 2019 **GPA 3.98**

EXPERIENCE

Nawrocki Smith, LLP Melville, NY
Staff Associate, August 2020

- Perform Claims Audit function at various clients, including review of payments and warrants, communicating findings during fieldwork, preparation of monthly reports, and review of faxed/emailed checks
- Perform data analysis for both internal audit testing and SAS99, including vendor database analysis, log-in audit analysis, user permissions, etc

Robert P. Russo, CPA, PC New York, NY
Tax Controller Intern-Robert P. Russo, CPA, PC September 2019 -
December 2019

- Provided key support in preparing and filing tax returns, scanned and emailed over 100 clients return into the Prosystem per day
- Demonstrated knowledge of tax requirements by preparing Corptax in the Prosystem
- Maintained great Microsoft office skills to improve the efficiency of projects and maintenance of tax data
- Worked closely and shadowed team members to better enhance my knowledge base and improve skills

Stewart's Hardware Clarendon, JA
Internal Auditor and Accounting Assistant December 2014 –
August 2015

- Assisted Accounts Payable personnel by reviewing the petty cash disbursements and travel expense reports
- Ensured company was complying with relevant laws and statutes by providing compliance procedures guidance and internal controls
- Worked closely with the internal Auditing team to provide independent and objective assurance to improving the organization.
- Reconciled Company's revenue, expenses and ensured accuracy and completeness

VOLUNTEER ACTIVITIES

Monroe College January 2016 – October
2016

Academic Tutor - Specialty: Accounting and Federal Income

- Reviewed class material and discussed text on a one on one basis
- Guided students step-by-step with QuickBooks to facilitate a better understanding

- Provided feedback to students using positive reinforcement techniques to foster morale

LEADERSHIP AND PROFESSIONAL DEVELOPMENT

National Association of Black Accountants (NABA) – Monroe College

Assistant Secretary

April 2016 – October

2016

- Provided clerical and administrative support to the Monroe College Chapter
- Worked closely with the executive board to better serve the chapter

TECHNICAL PROFICIENCY

Certified Microsoft Office Specialist (Excel, Word, Access, and Power Point) • Sage Accounting • QuickBooks



EXHIBIT 3
Firm's Letter of Good Standing &
Financial Statements



The First National Bank of Long Island

Where Everyone Knows Your Name®

November 23, 2020

Re: Nawrocki Smith LLP

To Whom It May Concern:

We are pleased to inform you that Nawrocki Smith LLP is a valued customer of The First National Bank of Long Island since June 2007. The client maintains various accounts with the Bank that carry combined average balances in the high six figure range. We make available to the company multiple credit facilities including a Line of Credit that have available credit of a medium six figure range. All deposit and credit facilities are handled in a very satisfactory manner and we hold management in high regard.

If you have any further questions, please contact the undersigned.

Very truly yours,

Nicholas E. Ulrich

Nicholas E. Ulrich
Vice President & Senior
Commercial Lender

The First National Bank of Long Island

670 Glen Cove Avenue, P.O. Box 67, Glen Head, New York 11545-0067

(516)-671-4901 x7304. Fax: 15163208953

NAWROCKI SMITH LLP
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
TOGETHER WITH
ACCOUNTANT'S REVIEW REPORT

NAWROCKI SMITH LLP
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

INDEX

	<u>Page</u>
Independent Accountant's Review Report	1
Balance Sheets	2
Statements of Income	3
Statements of Changes in Partnership Equity	4
Statements of Cash Flows (Indirect Method)	5
Notes to Financial Statements	6
Supplemental Schedules of Operating Expenses	13
Special Purpose Schedule of Partner's Capital Percentage	14
Special Purpose Schedule of Partner's Equity Percentage	15
Special Purpose Schedule of Partner's Profit Percentage	16
Special Purpose Schedule of Allocated Goodwill	17
Special Purpose Schedule of Allocation of Partnership Profits	18
Special Purpose Schedule of Partner Compensation	19

LEON D. ALPERN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Leon D. Alpern, C.P.A.
Richard Terris, C.P.A.
Robert T. Foldes, C.P.A.

Jerome J. Kahan, C.P.A. (1968-1983)

100 Crossways Park West
Woodbury, N.Y. 11797
TEL (516) 877-2770
FAX (516) 877-2773

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Partners of Nawrocki Smith LLP
Nawrocki Smith LLP
290 Broad Hollow Road Ste 115E
Melville, NY 11747

We have reviewed the accompanying financial statements of Nawrocki Smith LLP (the "Partnership") which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income, changes in partnership equity and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to the Partnership's financial data and making inquiries of partners and Partnership management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The partners are responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The supplementary information appearing on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information included in the accompanying special purpose schedules appearing on pages 14 through 19 has been prepared in accordance with the provisions of the Partnership Agreement of Nawrocki Smith LLP as of January 1, 2009 as amended as of January 28, 2013, is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have reviewed the supplementary information and special purpose schedules appearing on pages 13 through 19 and, based on our reviews, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.


LEON D. ALPERN & COMPANY
June 15, 2020

NAWROCKI SMITH LLP
BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 183,397	\$ 208,327
Investments	273,933	235,242
Accounts receivable, net of allowance for doubtful accounts of \$63,000 and \$209,000 in 2019 and 2018, respectively	813,875	545,804
Unbilled professional fees	51,910	27,812
Prepaid expenses and other current assets	38,870	68,250
Total current assets	<u>1,361,985</u>	<u>1,085,435</u>
FIXED ASSETS, net of accumulated depreciation and amortization of \$670,983 and \$629,030 in 2019 and 2018, respectively	<u>63,619</u>	<u>105,572</u>
Total assets	<u><u>\$1,425,604</u></u>	<u><u>\$ 1,191,007</u></u>
<u>LIABILITIES AND PARTNERSHIP EQUITY</u>		
CURRENT LIABILITIES:		
Current portion of note payable to bank	\$ 31,551	\$ 36,150
Accounts payable and accrued expenses	58,775	94,908
Advance retainers received	19,907	26,868
Total current liabilities	<u>110,233</u>	<u>157,926</u>
LONG-TERM LIABILITIES:		
Note payable to bank	-	31,550
Deferred rent	39,321	50,959
Total long-term liabilities	<u>39,321</u>	<u>82,509</u>
Total liabilities	<u>149,554</u>	<u>240,435</u>
PARTNERSHIP EQUITY:		
Michael E. Nawrocki, Capital	383,547	287,034
Ernest Patrick Smith, Capital	383,547	287,034
Lauren M. Agunzo, Capital	127,239	94,126
John K. Hoffman, Capital	127,239	94,126
Darin V. Iacobelli, Capital	127,239	94,126
David M. Tellier, Capital	127,239	94,126
Total partnership equity	<u>1,276,050</u>	<u>950,572</u>
Total liabilities and partnership equity	<u><u>\$1,425,604</u></u>	<u><u>\$ 1,191,007</u></u>

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these statements.

NAWROCKI SMITH LLP
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
REVENUES	\$ 7,640,534	\$7,104,212
OPERATING EXPENSES (See Supplemental Schedule)	<u>6,642,495</u>	<u>6,401,929</u>
Operating income	998,039	702,283
INTEREST EXPENSE, net	(3,038)	(4,709)
OTHER, net	<u>40,477</u>	<u>(19,442)</u>
Net income	<u>\$ 1,035,478</u>	<u>\$ 678,132</u>

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these statements.

NAWROCKI SMITH LLP
STATEMENTS OF CASH FLOWS (INDIRECT METHOD)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2,019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	(A) \$ 1,035,478	\$ 678,132
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41,953	48,547
Unrealized (gain) loss on investments	(38,691)	19,442
(Decrease) increase in accounts receivable, net	(268,071)	224,672
Increase in unbilled professional fees	(24,098)	(3,312)
(Increase) decrease in prepaid expenses and other current assets	29,380	(49,905)
Decrease in accounts payable and accrued expenses	(36,133)	(99,824)
Decrease in advance retainers received	(6,961)	(39,102)
Decrease in deferred rent	(11,638)	(25,585)
Net cash provided by operating activities	721,219	753,065
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in loan payable to bank, net	(36,149)	(34,373)
Partner capital distribution	(710,000)	(666,800)
Net cash used by financing activities	(746,149)	(701,173)
NET INCREASE (DECREASE) IN CASH	(24,930)	51,892
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	208,327	156,435
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 183,397	\$ 208,327

(A) Includes interest paid of \$3,038 and \$4,709 in 2019 and 2018, respectively.

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these statements.

NAWROCKI SMITH LLP
NOTES TO FINANCIAL STATEMENTS

(1) **Background and organization**

Nawrocki Smith LLP (the "Partnership") is a limited liability partnership, formed under the laws of New York State on June 29, 2007, comprised of Michael E. Nawrocki CPA, Ernest Patrick Smith CPA, Lauren M. Agunzo CPA, John K. Hoffman CPA, Darin V. Iacobelli CPA and David M. Tellier CPA (the "Partners"). The Partnership's principal business is providing professional accounting and consulting services throughout the Eastern United States through its office in Melville, Long Island.

Effective January 1, 2009, Nawrocki Smith LLP established a new Partnership Agreement under which Lauren M. Agunzo, John K. Hoffman, Darin V. Iacobelli and David M. Tellier were admitted to the Partnership.

The terms of the Partnership provide for salaries and other distributions to be made to the Partners on a basis defined in the Partnership agreement. Increases to partnership equity (net income less payment distributions and other distributions) are allocated to the Partners' capital accounts on a basis defined in the Partnership agreement.

(2) **Summary of significant accounting policies:**

Basis of accounting -

The Partnership utilizes the accrual basis of accounting for financial reporting purposes. Accordingly, revenues are recognized when earned. Revenue is earned when performance obligations, as defined in each engagement letter, are fulfilled. Expenses are recognized when incurred.

Cash and cash equivalents -

The Partnership considers all highly liquid debt instruments purchased with an original maturity of 90 days or less to be cash equivalents for financial statement purposes.

Accounts receivable -

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides an allowance for doubtful accounts through a charge to earnings and a credit to a valuation allowance, based on its assessment of the current status of individual accounts, historical experience and known trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Unbilled professional fees -

Unbilled professional fees represent the value of services rendered but not billed as of a reporting date.

Fixed assets -

Fixed assets are recorded at cost, and are depreciated over the estimated useful lives of the assets (generally 5 years) using the straight-line method. Maintenance and repairs are charged to expense when incurred and the cost of the additions, replacements, and improvements is capitalized.

Impairment of long-lived assets -

Accounting principles generally accepted in the United States of America require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. In management's opinion, there are no assets considered to be impaired which would require further evaluation.

Advance retainers received -

Advance retainers received represent payments from clients prior to the rendering or completion of professional services.

Advertising -

Advertising costs are expensed as incurred. Advertising expense was \$16,613 and \$28,469 for the years ended December 31, 2019 and 2018, respectively.

Income taxes -

The Partnership is not subject to federal and state income taxes since the taxable income and deductions are passed through to, and included in, the Partners' respective income tax returns. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Partnership has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2016 and subsequent remain subject to examination by the applicable tax authorities.

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Comprehensive income -

Other than net income, the Partnership has no items of comprehensive income as defined by accounting principles generally accepted in the United States of America.

Use of estimates -

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Among other items, significant estimates and assumptions include valuation allowances for doubtful accounts and the useful lives of fixed assets. Actual results could differ from those estimates.

(3) Fair value measurement:

The Financial Accounting Standards Board Fair Value Measurement standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Partnership has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follow:

- Level 1 inputs are quoted prices (unadjusted) in markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Partnership in addressing the fair value of financial instruments:

Investments-

Investments consist of mutual funds which are valued based on closing market prices.

The following table represents the Partnership's fair value hierarchy for investments as of December 31, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$273,933</u>	<u>\$273,933</u>	<u>-</u>	<u>-</u>

The following table represents the Partnership's fair value hierarchy for investments as of December 31, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$235,242</u>	<u>\$235,242</u>	<u>-</u>	<u>-</u>

As of December 31, 2019 and 2018, the Partnership did not possess any level 2 or 3 type of investments.

(4) **Concentration of credit risk**

The Partnership maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the FDIC up to \$250,000. At December 31, 2019, the Partnership did not have any balances in excess of insured limits.

Financial instruments that potentially subject the Partnership to credit risk consist principally of investments, trade receivables and bank loans. The Partnership operates in the professional services industry and grants credit terms to its customers in the normal course of business. As part of its ongoing control procedures, the Partnership monitors the credit worthiness of its customers. The Partnership generally does not require collateral or other security from its clients.

(5) **Fixed assets**

Fixed assets are comprised of the following:

	<u>2019</u>	<u>2018</u>
Computer equipment	\$ 151,629	\$151,629
Furniture and fixtures	235,180	235,180
Leasehold improvements	330,649	330,649
Office equipment	7,293	7,293
Software	<u>9,851</u>	<u>9,851</u>
	734,602	734,602
Less: Accumulated depreciation and amortization	<u>670,983</u>	<u>629,030</u>
	<u>\$ 63,619</u>	<u>\$ 105,572</u>

(6) **Line of credit**

The Partnership has a line of credit agreement with a bank with a total available amount of \$500,000. There were no outstanding borrowings against the line as of December 31, 2019 and 2018. The line bears interest at the bank's prime lending rate (3.25% as of December 31, 2019) and is reviewed annually. Under terms of the line of credit, borrowings are secured by the Partnership's assets and personal guarantees of the Partners.

(7) **Note payable to bank**

On October 29, 2013, the Partnership entered into a business installment note with a bank for \$228,000, due in monthly installments of \$3,228.10 (including interest at 4.98%) through October 2020. The note is secured by the Partnership's assets and personal guarantees of the Partners.

Principal payments due are as follows:

Year ending December 31,

2020	<u>\$ 31,551</u>
------	------------------

(8) **Profit sharing plan**

The Partnership has a defined contribution profit sharing plan covering employees who have attained 21 years of age, worked at least one thousand (1,000) hours and completed one year of service. Contributions are made at the discretion of the Partners. Contributions of \$220,578 and \$211,061 were charged to operations for the years ended December 31, 2019 and 2018, respectively.

(9) **Commitments and contingencies**

Effective December 1, 2011, the Partnership entered into a new lease agreement for its existing offices through June 30, 2019. In connection therewith, the Partnership was granted a rent concession of \$80,141 to be amortized over the initial 28 months of the lease.

On March 8, 2013, the Partnership entered into an amendment of its existing lease agreement, whereby its leased premises were increased and the lease term was extended through July 31, 2021 at substantially the same rental agreement as the existing lease. In connection therewith, the Partnership was granted a rent concession of \$36,180 to be amortized over the initial 28 months of the amended lease.

Rent expense for the aforementioned lease, as amended, is calculated by dividing the total lease payments by the number of periods in the lease term. Deferred rent of \$39,321 and \$50,959 at December 31, 2019 and 2018, respectively, represents the cumulative difference between rental expense and the cash payment required under the lease.

Minimum lease payments required under the lease are as follows:

Year ending December 31,

2020	\$ 272,146
2021	<u>161,504</u>
	<u>\$ 433,650</u>

The Partnership also has various leases for office equipment and storage space that amount to less than \$3,000 per month.

The Partnership has an agreement with a Corporation to provide information technology maintenance and consulting services at the rate of \$ 9,039.57 plus tax per month.

From time-to-time, the Partnership is a party to litigation in the normal course of its operations for which it maintains professional liability insurance.

(10) Subsequent events

The Partnership has evaluated subsequent events through June 15, 2020, which is the date these financial statements were available to be issued, noting the following matter requiring further consideration:

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (“COVID-19”) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Partnership, COVID-19 may impact various parts of its 2020 operations and financial results. Management believes the Partnership is taking appropriate actions to mitigate the negative impact. In connection therewith, the Partnership applied for and received a Paycheck Protection Program loan in connection with the CARES Act in the amount of \$750,425. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurring subsequent to year-end are still developing.

**SUPPLEMENTAL
SCHEDULE**

NAWROCKI SMITH LLP
SUPPLEMENTAL SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Payroll	\$ 4,052,757	\$ 3,973,756
Payroll taxes	304,196	305,187
Travel	296,665	245,745
Rent	252,017	251,301
Computer related	245,192	207,222
Profit sharing	220,578	211,061
Medical insurance	176,134	172,626
Business insurance	171,554	167,533
Vehicle operations	110,398	107,495
Business entertainment	107,265	79,862
Professional resources	99,811	70,902
Contributions	94,473	69,097
Office supplies and equipment	76,225	67,892
Telephone	70,939	60,554
Licenses and permits	56,052	58,186
Business meals	48,041	35,873
Depreciation and amortization	41,953	48,547
Payroll fees	35,225	70,413
Peer Review fees	21,990	2,315
Other employment insurance	21,582	21,655
Advertising	16,613	28,469
Bank fees	16,139	12,641
Postage and delivery	14,760	14,196
Office events	13,751	19,262
Recruiter fees	13,000	(2,685)
Professional development	10,666	42,534
Contracted accounting fees	9,230	3,313
Maintenance and repairs	9,173	6,789
Gifts	8,475	19,415
Consulting fees	7,640	5,888
Stationery and printing	7,168	9,878
Tax return fees	6,315	6,940
Annual financial statement review	3,600	3,500
Background checks	2,105	2,843
Legal	813	1,724
	<u>\$ 6,642,495</u>	<u>\$ 6,401,929</u>

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these schedules.

NAWROCKI SMITH LLP
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
TOGETHER WITH
ACCOUNTANT'S REVIEW REPORT

NAWROCKI SMITH LLP
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

INDEX

	<u>Page</u>
Independent Accountant's Review Report	1
Balance Sheets	2
Statements of Income	3
Statements of Changes in Partnership Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplemental Schedules of Operating Expenses	13
Special Purpose Schedule of Partner's Capital Percentage	14
Special Purpose Schedule of Partner's Equity Percentage	15
Special Purpose Schedule of Partner's Profit Percentage	16
Special Purpose Schedule of Allocated Goodwill	17
Special Purpose Schedule of Allocation of Partnership Profits	18
Special Purpose Schedule of Partner Compensation	19

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Partners of Nawrocki Smith LLP:

We have reviewed the accompanying financial statements of Nawrocki Smith LLP (the "Partnership") which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of income, changes in partnership equity and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to the Partnership's financial data and making inquiries of partners and Partnership management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The partners are responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The supplementary information appearing on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information included in the accompanying special purpose schedules appearing on pages 14 through 19 has been prepared in accordance with the provisions of the Partnership Agreement of Nawrocki Smith LLP as of January 1, 2009 as amended as of January 28, 2013, is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have reviewed the supplementary information and special purpose schedules appearing on pages 13 through 19 and, based on our reviews, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

July 15, 2019

NAWROCKI SMITH LLP
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 208,327	\$ 156,435
Investments	235,242	254,684
Accounts receivable, net of allowance for doubtful accounts of \$209,000 and \$151,000 in 2018 and 2017, respectively	545,804	770,476
Unbilled professional fees	27,812	24,500
Prepaid expenses and other current assets	<u>68,250</u>	<u>18,345</u>
Total current assets	<u>1,085,435</u>	<u>1,224,440</u>
FIXED ASSETS, net of accumulated depreciation of \$629,030 and \$580,483 in 2018 and 2017, respectively	<u>105,572</u>	<u>154,119</u>
Total assets	<u><u>\$ 1,191,007</u></u>	<u><u>\$ 1,378,559</u></u>
<u>LIABILITIES AND PARTNERSHIP EQUITY</u>		
CURRENT LIABILITIES:		
Current portion of note payable to bank	\$ 36,150	\$ 34,373
Accounts payable and accrued expenses	94,908	194,732
Advance retainers received	<u>26,868</u>	<u>65,970</u>
Total current liabilities	<u>157,926</u>	<u>295,075</u>
LONG-TERM LIABILITIES:		
Note payable to bank	31,550	67,700
Deferred rent	<u>50,959</u>	<u>76,544</u>
Total long-term liabilities	<u>82,509</u>	<u>144,244</u>
Total liabilities	<u>240,435</u>	<u>439,319</u>
PARTNERSHIP EQUITY:		
Michael E. Nawrocki, Capital	287,034	263,594
Ernest Patrick Smith, Capital	287,034	263,594
Lauren M. Agunzo, Capital	94,126	103,013
John K. Hoffman, Capital	94,126	103,013
Darin V. Iacobelli, Capital	94,126	103,013
David M. Tellier, Capital	<u>94,126</u>	<u>103,013</u>
Total partnership equity	<u>950,572</u>	<u>939,240</u>
Total liabilities and partnership equity	<u><u>\$ 1,191,007</u></u>	<u><u>\$ 1,378,559</u></u>

The accompanying independent accountant's review report and notes to financial statements
should be read in conjunction with these statements.

NAWROCKI SMITH LLP
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES	\$ 7,104,212	\$ 6,963,554
OPERATING EXPENSES (See Supplemental Schedule)	<u>6,401,929</u>	<u>6,248,137</u>
Operating income	702,283	715,417
INTEREST EXPENSE, net	(4,709)	(6,051)
OTHER, net	<u>(19,442)</u>	<u>1,164</u>
Net income	<u>\$ 678,132</u>	<u>\$ 710,530</u>

The accompanying independent accountant's review report and notes to financial statements
should be read in conjunction with these statements.

NAWROCKI SMITH LLP
STATEMENTS OF CASH FLOWS (INDIRECT METHOD)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	(A) \$ 678,132	(A) \$ 710,530
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48,547	54,692
Unrealized loss on investments	19,442	-
(Increase) decrease in accounts receivable, net	224,672	(32,064)
(Increase) decrease in unbilled professional fees	(3,312)	4,500
Increase in prepaid expenses and other current assets	(49,905)	(505)
Decrease in accounts payable and accrued expenses	(99,824)	(33,263)
Decrease in advance retainers received	(39,102)	(23,342)
Decrease in deferred rent	(25,585)	(18,347)
Net cash provided by operating activities	<u>753,065</u>	<u>662,201</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in investments, net	<u>-</u>	<u>(254,684)</u>
Net cash used by investing activities	<u>-</u>	<u>(254,684)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in note receivable from partner	-	19,895
Decrease in loan payable to bank, net	(34,373)	(32,681)
Partner capital distribution	<u>(666,800)</u>	<u>(684,808)</u>
Net cash used by financing activities	<u>(701,173)</u>	<u>(697,594)</u>
NET INCREASE (DECREASE) IN CASH	51,892	(290,077)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>156,435</u>	<u>446,512</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 208,327</u>	<u>\$ 156,435</u>

(A) Includes interest paid of \$4,709 and \$6,051 in 2018 and 2017, respectively.

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these statements.

NAWROCKI SMITH LLP
NOTES TO FINANCIAL STATEMENTS

(1) Background and organization

Nawrocki Smith LLP (the "Partnership") is a limited liability partnership, formed under the laws of New York State on June 29, 2007, comprised of Michael E. Nawrocki CPA, Ernest Patrick Smith CPA, Lauren M. Agunzo CPA, John K. Hoffman CPA, Darin V. Iacobelli CPA and David M. Tellier CPA (the "Partners"). The Partnership's principal business is providing professional accounting and consulting services throughout the Eastern United States through its office in Melville, Long Island.

Effective January 1, 2009, Nawrocki Smith LLP established a new Partnership Agreement under which Lauren M. Agunzo, John K. Hoffman, Darin V. Iacobelli and David M. Tellier were admitted to the Partnership.

The terms of the Partnership provide for salaries and other distributions to be made to the Partners on a basis defined in the Partnership agreement. Increases to partnership equity (net income less payment distributions and other distributions) are allocated to the Partners' capital accounts on a basis defined in the Partnership agreement.

(2) Summary of significant accounting policies:

Basis of accounting -

The Partnership utilizes the accrual basis of accounting for financial reporting purposes. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents -

The Partnership considers all highly liquid debt instruments purchased with an original maturity of 90 days or less to be cash equivalents for financial statement purposes.

Accounts receivable -

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides an allowance for doubtful accounts through a charge to earnings and a credit to a valuation allowance, based on its assessment of the current status of individual accounts, historical experience and known trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Unbilled professional fees -

Unbilled professional fees represent the value of services rendered but not billed as of a reporting date.

Fixed assets -

Fixed assets are recorded at cost, and are depreciated over the estimated useful lives of the assets (generally 5 years) using the straight-line method. Maintenance and repairs are charged to expense when incurred and the cost of the additions, replacements, and improvements is capitalized.

Impairment of long-lived assets -

Accounting principles generally accepted in the United States of America require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. In management's opinion, there are no assets considered to be impaired which would require further evaluation.

Advance retainers received -

Advance retainers received represent payments from clients prior to the rendering or completion of professional services.

Advertising -

Advertising costs are expensed as incurred. Advertising expense was \$28,469 and \$45,250 for the years ended December 31, 2018 and 2017, respectively.

Income taxes -

The Partnership is not subject to federal and state income taxes since the taxable income and deductions are passed through to, and included in, the Partners' respective income tax returns. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Partnership has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2015 and subsequent remain subject to examination by the applicable tax authorities.

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Comprehensive income -

Other than net income, the Partnership has no items of comprehensive income as defined by accounting principles generally accepted in the United States of America.

Use of estimates -

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Among other items, significant estimates and assumptions include valuation allowances for doubtful accounts and the useful lives of fixed assets. Actual results could differ from those estimates.

(3) Fair value measurement:

The Financial Accounting Standards Board Fair Value Measurement standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Partnership has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follow:

- Level 1 inputs are quoted prices (unadjusted) in markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Partnership in addressing the fair value of financial instruments:

Investments

Investments consist of mutual funds which are valued based on closing market prices.

The following table represents the Partnership's fair value hierarchy for investments as of December 31, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$235,242</u>	<u>\$235,242</u>	<u> -</u>	<u> -</u>

The following table represents the Partnership's fair value hierarchy for investments as of December 31, 2017:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$254,684</u>	<u>\$254,684</u>	<u> -</u>	<u> -</u>

As of December 31, 2018 and 2017, the Partnership did not possess any level 2 or 3 type of investments.

(4) Concentration of credit risk

The Partnership maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the FDIC up to \$250,000. At December 31, 2018, the Partnership did not have any balances in excess of insured limits.

Financial instruments that potentially subject the Partnership to credit risk consist principally of trade receivables and bank loans. The Partnership operates in the professional services industry and grants credit terms to its customers in the normal course of business. As part of its ongoing control procedures, the Partnership monitors the credit worthiness of its customers. The Partnership generally does not require collateral or other security from its clients.

(5) Note receivable from partner

On September 24, 2014, David Tellier borrowed \$100,000 from the Partnership. This note bore interest at 6% and was fully satisfied in 2017.

(6) **Fixed assets**

Fixed assets are comprised of the following:

	<u>2018</u>	<u>2017</u>
Computer equipment	\$ 151,629	\$151,629
Furniture and fixtures	235,180	235,180
Leasehold improvements	330,649	330,649
Office equipment	7,293	7,293
Software	<u>9,851</u>	<u>9,851</u>
	734,602	734,602
Less: Accumulated depreciation and amortization	<u>629,030</u>	<u>580,483</u>
	<u>\$ 105,572</u>	<u>\$ 154,119</u>

(7) **Line of credit**

The Partnership has a line of credit agreement with a bank with a total available amount of \$500,000. There were no outstanding borrowings against the line as of December 31, 2018 and 2017. The line bears interest at the bank's prime lending rate (5.5% as of December 31, 2018) and is reviewed annually. Under terms of the line of credit, borrowings are secured by the Partnership's assets and personal guarantees of the Partners.

(8) **Note payable to bank**

On October 29, 2013, the Partnership entered into a business installment note with a bank for \$228,000, due in monthly installments of \$3,228.10 (including interest at 4.98%) through October 2020. The note is secured by the Partnership's assets and personal guarantees of the Partners.

Principal payments due are as follows:

Year ending December 31,

2019	\$ 36,150
2020	<u>31,550</u>
	<u>\$ 67,700</u>

(9) **Profit sharing plan**

The Partnership has a defined contribution profit sharing plan covering employees who have attained 21 years of age, worked at least one thousand (1,000) hours and completed one year of service. Contributions are made at the discretion of the Partners. Contributions of \$211,061 and \$188,991 were charged to operations for the years ended December 31, 2018 and 2017, respectively.

(10) **Commitments and contingencies**

Effective December 1, 2011, the Partnership entered into a new lease agreement for its existing offices through June 30, 2019. In connection therewith, the Partnership was granted a rent concession of \$80,141 to be amortized over the initial 28 months of the lease.

On March 8, 2013, the Partnership entered into an amendment of its existing lease agreement, whereby its leased premises were increased and the lease term was extended through July 31, 2021 at substantially the same rental agreement as the existing lease. In connection therewith, the Partnership was granted a rent concession of \$36,180 to be amortized over the initial 28 months of the amended lease.

Rent expense for the aforementioned lease, as amended, is calculated by dividing the total lease payments by the number of periods in the lease term. Deferred rent of \$50,959 and \$76,544 at December 31, 2018 and 2017, respectively, represents the cumulative difference between rental expense and the cash payment required under the lease.

Minimum lease payments required under the lease are as follows:

Year ending December 31,

2019	\$ 267,413
2020	272,146
2021	<u>161,504</u>
	<u>\$ 701,063</u>

The Partnership also has various leases for office equipment and storage space that amount to less than \$3,000 per month.

The Partnership has an agreement with a Corporation to provide information technology maintenance and consulting services at the rate of \$ 9,039.57 plus tax per month through March 2020.

Included in accounts payable and accrued expenses is \$30,312 due and owing to a former employee under the terms of a severance agreement.

From time-to-time, the Partnership is a party to litigation in the normal course of its operations for which it maintains professional liability insurance..

(11) Subsequent events

The Partnership has evaluated subsequent events through July 15, 2019, which is the date these financial statements were available to be issued, noting no matters requiring further consideration.

SUPPLEMENTAL
SCHEDULE

NAWROCKI SMITH LLP
SUPPLEMENTAL SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Payroll	\$ 3,973,756	\$ 3,731,754
Payroll taxes	305,187	288,777
Rent	251,301	250,820
Travel	245,745	266,890
Profit sharing	211,061	188,991
Computer related	207,222	191,692
Medical insurance	172,626	147,276
Business insurance	167,533	178,221
Vehicle operations	107,495	105,599
Business entertainment	79,862	58,342
Professional resources	70,902	70,598
Payroll fees	70,413	67,257
Contributions	69,097	69,175
Office supplies and equipment	67,892	75,537
Telephone	60,554	57,630
Licenses and permits	58,186	55,887
Depreciation and amortization	48,547	54,692
Professional development	42,534	13,102
Business meals	35,873	37,078
Advertising	28,469	45,250
Other employment insurance	21,655	21,109
Gifts	19,415	14,454
Office events	19,262	13,999
Postage and delivery	14,196	16,957
Bank fees	12,641	10,610
Stationery and printing	9,878	17,750
Tax return fees	6,940	5,087
Maintenance and repairs	6,789	6,394
Consulting fees	5,888	5,525
Annual financial statement review	3,500	3,200
Contracted accounting fees	3,313	8,735
Background checks	2,843	2,120
Peer Review fees	2,315	3,995
Legal	1,724	130,183
Collection fees	-	1,452
Miscellaneous	-	999
Recruiter fees	(2,685)	31,000
	<u>\$ 6,401,929</u>	<u>\$ 6,248,137</u>

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these schedules.

NAWROCKI SMITH LLP
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
TOGETHER WITH
ACCOUNTANT'S REVIEW REPORT

NAWROCKI SMITH LLP
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

INDEX

	<u>Page</u>
Independent Accountant's Review Report	1
Balance Sheets	2
Statements of Income	3
Statements of Changes in Partnership Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplemental Schedules of Operating Expenses	13
Special Purpose Schedule of Partner's Capital Percentage	14
Special Purpose Schedule of Partner's Equity Percentage	15
Special Purpose Schedule of Partner's Profit Percentage	16
Special Purpose Schedule of Allocated Goodwill	17
Special Purpose Schedule of Allocation of Partnership Profits	18
Special Purpose Schedule of Partner Compensation	19

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Partners of Nawrocki Smith LLP:

We have reviewed the accompanying financial statements of Nawrocki Smith LLP (the "Partnership") which comprise the balance sheet as of December 31, 2017, and the related statements of income, changes in partnership equity and cash flows for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to the Partnership's financial data and making inquiries of partners and partnership management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The partners are responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2016 Financial Statements

The financial statements of Nawrocki Smith LLP as of December 31, 2016, were reviewed by other accountants whose report dated June 23, 2017, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2017 supplementary information appearing on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information included in the accompanying special purpose schedules appearing on pages 14 through 19 has been prepared in accordance with the provisions of the Partnership Agreement of Nawrocki Smith LLP as of January 1, 2009 as amended as of January 28, 2013, is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have reviewed the supplementary information and special purpose schedules appearing on pages 13 through 19 and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

September 28, 2018

NAWROCKI SMITH LLP
BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 156,435	\$ 446,512
Investments	254,684	-
Accounts receivable, net of allowance for doubtful accounts of \$151,000 and \$228,000 in 2017 and 2016, respectively	770,476	738,412
Unbilled professional fees	24,500	29,000
Note receivable from partner	-	19,895
Prepaid expenses and other current assets	18,345	17,840
Total current assets	<u>1,224,440</u>	<u>1,251,660</u>
FIXED ASSETS , net of accumulated depreciation of \$580,483 and \$525,791 in 2017 and 2016, respectively	<u>154,119</u>	<u>208,811</u>
Total assets	<u>\$ 1,378,559</u>	<u>\$ 1,460,471</u>
<u>LIABILITIES AND PARTNERSHIP EQUITY</u>		
CURRENT LIABILITIES:		
Current portion of note payable to bank	\$ 34,373	\$ 32,684
Accounts payable and accrued expenses	194,732	227,996
Advance retainers received	65,970	89,312
Total current liabilities	<u>295,075</u>	<u>349,992</u>
LONG TERM LIABILITIES:		
Note payable to bank	67,700	102,070
Deferred rent	76,544	94,891
Total long term liabilities	<u>144,244</u>	<u>196,961</u>
Total liabilities	<u>439,319</u>	<u>546,953</u>
PARTNERSHIP EQUITY:		
Michael E. Nawrocki, Capital	263,594	255,259
Ernest Patrick Smith, Capital	263,594	255,259
Lauren M. Agunzo, Capital	103,013	100,750
John K. Hoffman, Capital	103,013	100,750
Darin V. Iacobelli, Capital	103,013	100,750
David M. Tellier, Capital	103,013	100,750
Total partnership equity	<u>939,240</u>	<u>913,518</u>
Total liabilities and partnership equity	<u>\$ 1,378,559</u>	<u>\$ 1,460,471</u>

The accompanying independent accountant's review report and notes to financial statements
should be read in conjunction with these statements.

NAWROCKI SMITH LLP
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES	\$ 6,963,554	\$ 6,802,332
OPERATING EXPENSES (See Supplemental Schedule)	<u>6,248,137</u>	<u>6,293,578</u>
Operating income	715,417	508,754
OTHER INCOME	1,164	2,474
INTEREST EXPENSE, net	<u>(6,051)</u>	<u>(6,172)</u>
Net income	<u>\$710,530</u>	<u>\$505,056</u>

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these statements.

NAWROCKI SMITH LLP
STATEMENTS OF CASH FLOWS (INDIRECT METHOD)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	(A) \$ 710,530	(A) \$ 505,056
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	54,692	67,175
Decrease in accounts receivable, net	(32,064)	110,466
Decrease in unbilled professional fees	4,500	500
Increase in prepaid expenses and other current assets	(505)	(17,840)
Increase (decrease) in accounts payable and accrued expenses	(33,263)	26,721
Increase (decrease) in advance retainers received	(23,342)	7,455
Decrease in deferred rent	(18,347)	(5,795)
Net cash provided by operating activities	662,201	693,738
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in investments, net	(254,684)	-
Net cash used by investing activities	(254,684)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in note receivable from partner	19,895	42,606
Decrease in loan payable to bank, net	(32,681)	(31,056)
Partner capital distribution	(684,808)	(659,000)
Net cash used by financing activities	(697,594)	(647,450)
NET INCREASE (DECREASE) IN CASH	(290,077)	46,288
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	446,512	400,224
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 156,435	\$ 446,512

(A) Includes interest paid of \$6,052 and \$8,342 in 2017 and 2016, respectively.

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these statements.

NAWROCKI SMITH LLP
NOTES TO FINANCIAL STATEMENTS

(1) Background and organization

Nawrocki Smith LLP (the “Partnership”) is a limited liability partnership, formed under the laws of New York State on June 29, 2007, comprised of Michael E. Nawrocki CPA, Ernest Patrick Smith CPA, Lauren M. Agunzo CPA, John K. Hoffman CPA, Darin V. Iacobelli CPA and David M. Tellier CPA (the “Partners”). The Partnership’s principal business is providing professional accounting and consulting services throughout the Eastern United States through its office in Melville, Long Island.

Effective January 1, 2009, Nawrocki Smith LLP established a new Partnership Agreement under which Lauren M. Agunzo, John K. Hoffman, Darin V. Iacobelli and David M. Tellier were admitted to the Partnership.

The terms of the Partnership provide for salaries and other distributions to be made to the Partners on a basis defined in the Partnership agreement. Increases to partnership equity (net income less payment distributions and other distributions) are allocated to the Partners’ capital accounts on a basis defined in the Partnership agreement.

(2) Summary of significant accounting policies:

Basis of accounting -

The Partnership utilizes the accrual basis of accounting for financial reporting purposes. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents -

The Partnership considers all highly liquid debt instruments purchased with an original maturity of 90 days or less to be cash equivalents for financial statement purposes.

Accounts receivable -

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides an allowance for doubtful accounts through a charge to earnings and a credit to a valuation allowance, based on its assessment of the current status of individual accounts, historical experience and known trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Unbilled professional fees -

Unbilled professional fees represent the value of services rendered but not billed as of a reporting date.

Fixed assets -

Fixed assets are recorded at cost, and are depreciated over the estimated useful lives of the assets (generally 5 years) using the straight-line method. Maintenance and repairs are charged to expense when incurred and the cost of the additions, replacements, and improvements is capitalized.

Impairment of long-lived assets -

Accounting principles generally accepted in the United States of America require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. In management's opinion, there are no assets considered to be impaired which would require further evaluation.

Advance retainers received -

Advance retainers received represent payments from clients prior to the rendering or completion of professional services.

Advertising -

Advertising costs are expensed as incurred. Advertising expense was \$45,250 and \$42,073 for the years ended December 31, 2017 and 2016, respectively.

Income taxes -

The Partnership is not subject to federal and state income taxes since the taxable income and deductions are passed through to, and included in, the Partners' respective income tax returns. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Partnership has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2014 and subsequent remain subject to examination by the applicable tax authorities.

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Comprehensive income -

Other than net income, the Partnership has no items of comprehensive income as defined by accounting principles generally accepted in the United States of America.

Use of estimates -

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Among other items, significant estimates and assumptions include valuation allowances for doubtful accounts and the useful lives of fixed assets. Actual results could differ from those estimates.

(3) Fair value measurement:

The Financial Accounting Standards Board Fair Value Measurement standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Partnership has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follow:

- Level 1 inputs are quoted prices (unadjusted) in markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Partnership in addressing the fair value of financial instruments:

Investments

Investments consist of mutual funds which are valued based on closing market prices.

The following table represents the Partnership's fair value hierarchy for investments as of December 31, 2017:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$ 254,684</u>	<u>\$254,684</u>	<u> -</u>	<u> -</u>

As of December 31, 2017, the Partnership did not possess any level 2 or 3 type of investments.

As of December 31, 2016, the Partnership did not possess any investments.

(4) Concentration of credit risk

The Partnership maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the FDIC up to \$250,000. At December 31, 2017, the Partnership did not have any balances in excess of insured limits.

Financial instruments that potentially subject the Partnership to credit risk consist principally of trade receivables and bank loans. The Partnership operates in the professional services industry and grants credit terms to its customers in the normal course of business. As part of its ongoing control procedures, the Partnership monitors the credit worthiness of its customers. The Partnership generally does not require collateral or other security from its clients.

(5) Note receivable from partner

On September 24, 2014, David Tellier borrowed \$100,000 from the Partnership. This note bore interest at 6% and was fully satisfied in 2017.

(6) **Fixed assets**

Fixed assets are comprised of the following:

	<u>2017</u>	<u>2016</u>
Computer equipment	\$ 151,629	\$151,629
Furniture and fixtures	235,180	235,180
Leasehold improvements	330,649	330,649
Office equipment	7,293	7,293
Software	<u>9,851</u>	<u>9,851</u>
	734,602	734,602
Less: Accumulated depreciation and amortization	<u>580,483</u>	<u>525,791</u>
	<u>\$ 154,119</u>	<u>\$ 208,811</u>

(7) **Line of credit**

The Partnership has a line of credit agreement with a bank with a total available amount of \$500,000. There were no outstanding borrowings against the line as of December 31, 2017 and 2016. The line bears interest at the bank's prime lending rate (4.5% as of December 31, 2017) and is reviewed annually. Under terms of the line of credit, borrowings are secured by the Partnership's assets and personal guarantees of the Partners.

(8) **Note payable to bank**

On October 29, 2013, the Partnership entered into a business installment note with a bank for \$228,000, due in monthly installments of \$3,228.10 (including interest at 4.98%) through October 2020. The note is secured by the Partnership's assets and personal guarantees of the Partners.

Principal payments due are as follows:

Year ending December 31,

2018	\$ 34,373
2019	36,150
2020	<u>31,550</u>
	<u>\$102,073</u>

(9) **Profit sharing plan**

The Partnership has a defined contribution profit sharing plan covering employees who have attained 21 years of age, worked at least one thousand (1,000) hours and completed one year of service. Contributions are made at the discretion of the Partners. Contributions of \$188,991 and \$208,133 were charged to operations for the years ended December 31, 2017 and 2016, respectively.

(10) **Commitments and contingencies**

Effective December 1, 2011, the Partnership entered into a new lease agreement for its existing offices through June 30, 2019. In connection therewith, the Partnership was granted a rent concession of \$80,141 to be amortized over the initial 28 months of the lease.

On March 8, 2013, the Partnership entered into an amendment of its existing lease agreement, whereby its leased premises were increased and the lease term was extended through July 31, 2021 at substantially the same rental agreement as the existing lease. In connection therewith, the Partnership was granted a rent concession of \$36,180 to be amortized over the initial 28 months of the amended lease.

Rent expense for the aforementioned lease, as amended, is calculated by dividing the total lease payments by the number of periods in the lease term. Deferred rent of \$76,544 and \$94,891 at December 31, 2017 and 2016, respectively, represents the cumulative difference between rental expense and the cash payment required under the lease.

Minimum lease payments required under the lease are as follows:

Year ending December 31,

2018	\$ 260,768
2019	267,413
2020	272,146
2021	<u>161,504</u>
	<u>\$ 961,831</u>

The Partnership also has various leases for office equipment and storage space that amount to less than \$3,000 per month.

The Partnership has an agreement with a Corporation to provide information technology maintenance and consulting services at the rate of \$ 9,039.57 plus tax per month through March 2020.

Included in accounts payable and accrued expenses is \$70,729 due and owing to a former employee under the terms of a severance agreement.

From time-to-time, the Partnership is a party to litigation in the normal course of its operations for which it maintains professional liability insurance. In connection with the settlement of recent litigation, the Partnership incurred \$125,000, which is included in other operating expenses in the accompanying financial statements.

(11) **Subsequent events**

The Partnership has evaluated subsequent events through September 28, 2018, which is the date these financial statements were available to be issued, noting no matters requiring further consideration.

SUPPLEMENTAL
SCHEDULE

NAWROCKI SMITH LLP
SUPPLEMENTAL SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Payroll	\$ 3,731,754	\$ 3,871,757
Payroll taxes	288,777	292,598
Travel	266,890	250,598
Rent	250,820	250,329
Computer related	191,692	166,149
Profit sharing	188,991	208,133
Business insurance	178,221	146,662
Medical insurance	147,276	137,593
Legal	130,183	7,723
Vehicle operations	105,599	102,819
Office supplies and equipment	75,537	66,362
Professional resources	70,598	76,303
Contributions	69,175	74,595
Payroll fees	67,257	69,807
Business entertainment	58,342	77,213
Telephone	57,630	56,037
Licenses and permits	55,887	41,861
Depreciation and amortization	54,692	67,175
Advertising	45,250	42,073
Business meals	37,078	41,783
Recruiter fees	31,000	-
Other employment insurance	21,109	33,682
Stationery and printing	17,750	35,054
Postage and delivery	16,957	19,696
Gifts	14,454	8,754
Office events	13,999	31,766
Professional development	13,102	22,110
Bank fees	10,610	9,375
Contracted accounting fees	8,735	43,258
Maintenance and repairs	6,394	3,715
Consulting fees	5,525	7,138
Tax return fees	5,087	1,368
Peer Review fees	3,995	24,511
Annual financial statement review	3,200	2,900
Background checks	2,120	267
Collection fees	1,452	-
Miscellaneous	999	2,414
	<u>\$ 6,248,137</u>	<u>\$ 6,293,578</u>

The accompanying independent accountant's review report and notes to financial statements should be read in conjunction with these schedules.



EXHIBIT 4
Firm's Client Listing

Nawrocki Smith LLP

Internal Audit School District Clients

As of December 2020

<u>School District</u>	<u>Address</u>	<u>Town</u>	<u>Zip Code</u>	<u>Contact</u>	<u>Phone Number</u>
Amityville	150 Park Avenue	Amityville	11701	Sydney Freifelder	631-598-6524
Babylon	500 Railroad Avenue	Babylon	11702	Peter Daly	631-893-7925
Baldwin	960 Hastings Street	Baldwin	11510	Dr. James Robinson	516-434-6000
Bethpage	10 Cherry Avenue	Bethpage	11714	Scott Harrington	516-664-4030
Briarcliff Union Free School District	45 Ingham Road	Briarcliff Manor	10510	Anthony Cammarata	914-941-8880
Brookhaven-Comsewogue	290 Norwood Avenue	Brookhaven-Comsewogue Station	11776	Susan Casali	631-474-8116
Eastchester	580 White Plain Road	Eastchester	10709	Lisa Sanfilippo	914-793-6130
East Islip	1 Craig B. Gariepy Avenue	East Islip	11752	Steve Harrison	631-224-2000
East Moriches	523 Montauk Highway	East Moriches	11940	Chuck Russo	631-878-0162
East Williston	11 Bacon Road	Old Westbury	11568	Diane Castonguay	516-333-1794
Elwood	100 Kenneth Avenue	Greenlawn	11740	Keri Loughlin	631-266-5404
Franklin Square	760 Washington Street	Franklin Square	11010	Theresa Hennessey	516-481-4100
Freeport	235 North Ocean Avenue	Freeport	11520	Kishore Kuncham	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	10574	Enrique Catalan	914-257-5132
Hicksville	200 Division Avenue	Hicksville	11801	Marcy Tannenbaum	516-733-2110
Islip	215 Main Street	Islip	11751	Michael Zetterberg	631-859-2200
Jericho	99 Cedar Swamp Road	Jericho	11753	Victor Manuel	516-203-3600
Lindenhurst	350 Daniel Street	Lindenhurst	11757	Grace Chan	631-867-3020
Lawrence	PO Box 477	Lawrence	11559	Jeremy Feder	631-295-7030
Malverne	301 Wicks Lane	Malverne	11565	Christopher Caputo	516-887-6417
Miller Place	275 Route 25A, Unit #43	Miller Place	11764	Marianne Cartisano	631-474-2700
Mount Pleasant	825 Westlake Drive	Thornwood	10594	Andrew Lennon	914-773-7892
Newburgh Enlarged City	124 Grand Street	Newburgh	12550	Rodney Asse	845-235-5838
North Babylon	5 Jardine Place	North Babylon	11703	Sal Carambia	631-620-7081
Northport-East Northport	158 Laurel Avenue	Northport	11768	Robert Howard	631-262-6600
Northshore	112 Franklin Avenue	Sea Cliff	11579	Olivia Buatsi	516-277-7801
Oceanside	145 Merle Avenue	Oceanside	11572	Jerel Cokley	516-678-1200
Oyster Bay-East Norwich	1 McCouns Lane	Oyster Bay	11771	Dr. Lisa Mulhall	516-624-6500
Pearl River	135 West Crooked Hill Road	Pearl River	10965	Ann Marie Tromer	845-620-3999
Portchester-Rye	113 Bowman Avenue	Port Chester	10573	Sandra Clohessy, CPA	914-934-7906
Port Jefferson	550 Scraggy Hill Road	Port Jefferson	11777	Sean Leister	631-476-4413
Port Washington	100 Campus Drive	Port Washington	11050	Mary Callahan	516-767-5000
Rocky Point	170 Route 25A	Rocky Point	11778	Chris Van Cott	631-744-1600
Roosevelt	240 Denton Place	Roosevelt	11575	Michael Goldberg	516-345-7023
Roslyn	300 Harbor Hill Road	Roslyn	11577	Joseph Dragone	516-801-5030
Sag Harbor	200 Jermain Avenue	Sag Harbor	11963	Laurie Baum	631-725-5300
Seaford	1600 Washington Avenue	Seaford	11783	Rhonda Meserole	516-592-4004
South Country	189 Dunton Avenue	East Patchogue	11772	Christine Costa	631-730-1520
South Huntington	60 Weston Street	Huntington Station	11746	Vito Delia	631-425-5300
Springs	48 School Street	East Hampton	11937	Michael Henery	631-324-0144
Three Village	PO Box 9050	East Setauket	11733	Jeff Carlson	631-730-4010
Valley Stream 30	175 North Central Avenue	Valley Stream	11580	Brian Phillips	516-285-9881
Wantagh	3301 Beltagh Avenue	Wantagh	11793	Adriana Silver	516-679-6308
West Babylon	200 Old Farmingdale Road	West Babylon	11704	Michele Psarakis, CPA	631-376-7701
Westbury	2 Hitchcock Lane	Old Westbury	11568	Lyne Taylor	516-874-1800
William Floyd	240 Mastic Beach Road	Mastic Beach	11951	David Beggins	631-281-0659
Wyandanch	1445 Dr. Martin L. King Jr. Blvd.	Wyandanch	11798	Gina Talbert	631-870-0400
Yonkers	1 Larkin Center, 3rd Floor	Yonkers	10701	Dr. Arias Felix	914-376-8000

Nawrocki Smith LLP

Non-School District Internal Audit Clients

As of December 2020

<u>Client</u>	<u>Address</u>	<u>Town</u>	<u>Zip Code</u>	<u>Contact</u>	<u>Phone Number</u>	<u>Category</u>
New York Institute of Technology	Northern Boulevard	Old Westbury	NY 11568	Barbara Holahan	516-686-1000	Higher Education
Hofstra American Association of University Pl	Hofstra University	Hempstead	NY 11549	Jacqueline Burke	516-463-6987	Higher Education
Nassau Community College	One Education Drive	Garden City	NY 11530	Lisa Hahn	516-572-7169	Higher Education
AHRC Nassau	189 Wheatley Road	Brookville	NY 11545	William T. Derr	516-626-1000	Non-For-Profit
Central Nassau Guidance	950 South Oyster Bay Road	Hicksville	NY 11801	Jeffrey Friedman	516-822-6111	Non-For-Profit
Congregation L'Dor V'Dor	11 Temple Lane	Oyster Bay	NY 11771	Lisa Weiner	516-470-1700	Non-For-Profit
Education & Assistance Corporation	50 Clinton Street, Suite 107	Hempstead	NY 11550	Lance Elder	516-539-0150	Non-For-Profit
Family Service League	790 Park Avenue	Huntington	NY 11743	Karen Boorshtein	631-427-3700	Non-For-Profit
MercyFirst	525 Convent Road	Syosset	NY 11791	Carla M. DeFrancisco, CPA, CGMA	516-921-0808	Non-For-Profit
Arive Capital Markets LLC	9715 5th Avenue	Brooklyn	NY 11209	Rocco Guidici Pietro	718-887-9911	Broker Dealer
Federated Securities, Inc.	680 Park Avenue	Huntington	NY 11743	Judith King	631-421-4499	Broker Dealer
Bridgehampton National Bank	2200 Montauk Highway	Hauppauge	NY 11932	Mr. Michael Lanzisera	631-537-1001	Fiancial Institution
Sperry Associates Federal Credit Union	2400 Jericho Turnpike	Gardent City Park	NY 11040	Kevin Healy	800-676-5512	Fiancial Institution
Suffolk Federal Credit Union	3681 Horseblock Road	Medford	NY 11763	Lorraine Hickey	631-924-2000	Fiancial Institution
Kimber Mfg., Inc.	555 Taxter Road	Elmsford	NY 10523	James E. Cox	914-909-1923	For Profit
RCM Health Care Services	575 Eighth Avenue	New York	NY 10018	Marc D. Chafetz	212-221-1544	For Profit

Nawrocki Smith LLP

Employee Benefit Plan Audit Clients
As of December 2020

<u>Client</u>	<u>Address</u>	<u>Town</u>	<u>Zip Code</u>	<u>Contact</u>	<u>Phone Number</u>
Family Service League, Inc.	790 Park Ave.	Huntington	11743	Shari Feld	631-470-6960
Barrier Free Living, Inc.	637 East 138th Street	Bronx	10454	Yueqin Li	929-955-4511
Barron's Educational Series, Inc.	250 Wireless Blvd.	Hauppauge	11788	Manuel Barron	631-434-3311
BNB Bank	898 Veterans Memorial Hwy.	Hauppauge	11788	Deborah McGrory	631-537-1000
Bohlsen Restaurant Group	577 Main Street	Islip	11751	Karen Kelly	631-277-5400
EAC, Inc.	50 Clinton Street	Hempstead	11550	Lori Browning	516-564-8567
Griffon Corporation Employee	712 Fifth Ave.	New York	10019	Christine Guerriero	212-957-3871
Luenetta Miller EOC of Nassau	134 Jackson Street	Hempstead	11550	Doris Cuellar	516-246-9619
Metropolitan College of New York	60 West Street	New York	10006	Sima Ahuja	212-343-1234
Ruskin Moscou Faltishek	1425 RXR Plaza	Uniondale	11556	Adam Silvers	516-663-6600

Nawrocki Smith LLP

Non-School District Governmental Client Listing As of December 2020

<u>Government</u>	<u>Address</u>	<u>Contact</u>	<u>Phone Number</u>
<u>MUNCIPALITIES</u>			
Brookhaven National Laboratory □ SIMS Municipal Recycling	2200 Montauk Highway, hauppauge, NY 11932 472 2nd Avenue, Brooklyn NY 11232	Mr. Michael Lanzisera Amy Yong	631-537-1001 347-391-3054
<u>CITIES</u>			
City of Yonkers □	40 S Broadway, Yonkers, NY 10701	Liam McLaughlin, Inspector General	914-377-6107
<u>COUNTIES</u>			
Suffolk County - Department of Public Works □ Rockland County - Law Department	335 Yaphank Avenue, Yaphank, NY 11980 11 New Hempstead Road, New City, NY 10956	Diane Forte, CPA - Chief Auditor Thoams Humbach, Esq.	631-853-4760 845-638-5180
<u>TOWNS</u>			
Town of East Hampton Town of Southampton Town of Brookhaven	159 Pantigo Road, East Hampton, NY 11937 116 Hampton Rd., Southampton, NY 11968 One Independence Hill Farmingville, NY 11738	Len Bernard, Budget Officer Len Marchese, Comptroller Tamara Wright, Comptroller	631-324-4141 631-283-6000 631-451-6500
<u>VILLAGES</u>			
Incorporated Village of Bayville Incorporated Village of Brookville Incorporated Village of Dering Harbor Incorporated Village of East Hills Incorporated Village of Hempstead Incorporated Village of Islandia Incorporated Village of Lake Grove Incorporated Village of Northport Incorporated Village of West Hampton Dunes Incorporated Village of Westbury Incorporated Village of Williston Park	34 School Street, Bayville, NY 11709 18 Horse Hill Road, Brookeville, NY 11545 P.O. Box 3010, Shelter Island Heights, NY 11965 209 Harbor Hills Road, East Hills, NY 11576 99 Nichols Court, Hempstead, NY 11551 1100 Old Nichols Rd, Islandia, NY 11749 980 Hawkins Avenue, Lake Grove, NY 11755 224 Main Street, Northport, NY 11768 4 Arthur Street, Westhampton Beach, NY 11979 235 Lincoln Place, Westbury, NY 11590 494 Willis Avenue, Williston Park, NY 11596	Maria Alfano-Hardy, Administrator/CFO Daniel Serota, Mayor Betsy Morgan, Mayor Donna Gooch, Village Clerk/Treasurer Don Ryan, Mayor Allan M. Dorman, Mayor Robert J. Scottaline, Mayor Len Marchese, Treasurer Gary Vegliante, Mayor Ted Blach, Village Treasurer Julie Kain, Village Clerk/Treasurer	516-628-1439 516-626-0973 631-749-0020 516-621-5600 516-489-3400 631-348-1133 631-585-2000 631-261-7502 631-288-6571 516-334-1700 516-746-2193
<u>LIBRARIES</u>			
Seaford Public Library Babylon Public Library Sachem Public Library Middle Country Public Library Island Trees Public Library Freeport Memorial Library Wantagh Public Library Penninsula Public Library Syosset Public Library	2334 Jackson Avenue, Seaford, NY 11783 24 South Carl Avenue, Babylon, NY 11702 150 Holbrook Road, Holbrook, NY 11741 101 Eastwood Blvd., Centereach, NY 11720 38 Farmedge Road, Levittown, NY 11714 144 W. Merrick Rd., Freeport, NY 11520 3285 Park Avenue, Wantagh NY 11793 280 Central Avenue, Lawrence, NY 11559 225 S. Oyster Bay Road, Syosset, NY 11791	Frank McKenna, Director Neely McCahey, Director Judith Willner, Director Sophia Serlis-McPhillips, Director Michelle Vaccarelli, Director Ken Bellafiori, Director Joan Morris, Director Carolynn Matulewicz, Director Christine Belling, Director	516-221-1334 631-422-0548 631-588-5024 631-585-9393 516-731-2211 516-379-3274 516-221-1200 516-239-3262 516-921-7161
<u>DISTRICTS</u>			
Carle Place Water District Mattituck Park District	578 Mineola Avenue, Carle Place, NY 11514 1690 Bailie Beach Road, Mattituck, NY 11952	Theresa Alexandro David Prokop	516-333-0540 631-821-1314

Nawrocki Smith LLP

Claim Audit School District Clients
As of December 2020

<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	516-992-1001
Brentwood	52 Third Avenue	Brentwood	11717	Stacy O'Connor	631-434-2311
Carle Place	168 Cherry Lane	Carle Place	11514	Anthony Cedrone	516-622-6442
Eastern Suffolk BOCES	201 Sunrise Highway	Patchogue	11772	Colleen Lipponer	631-687-3134
East Ramapo	105 South Madison Aveue	Spring Valley	10977	Christina Bennin	845-577-6061
Levittown	150 Abbey Lane	Levittown	11756	Chris Dillon	516-520-8300
Longwood	35 Yaphank Middle Island Road	Middle Island	11953	Janet Bryan	631-345-2796
Merrick	21 Babylon Road	Merrick	11566	Jennifer Buscemi	516-992-7240
New Hyde Park	1950 Hillside Avenue	New Hyde Park	11040	Michael Frank	516-352-6257
New Rochelle	515 North Avenue	New Rochelle	10801	Gregory Kern	914-576-4240
North Merrick	1057 Merrick Avenue	North Merrick	11566	Thomas McDaid	516-292-3694
Plainedge	241 Wyngate Drive	Massapequa	11758	Peter Porrazzo	516-992-7455
Plainview-Old Bethpage	106 Washington Avenue	Plainview	11803	Richard Cunningham	516-434-3250
Rochester City School District	131 W. Broad Steet	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 2020

<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	NY 10504	Susan Palamarczuk	914-273-4082
Cold Spring Harbor CSD	75 Goose Hill Road	Cold Spring Harbor	NY 11724	James Succio	631-367-5928
Commack UFSD	480 Clay Pitts Road	East Northport	NY 11731	Laura A. Newman	631-912-2005
Deer Park UFSD	1881 Deer Park Avenue	Deer Park	NY 11729	Margie Jiminez	631-274-4020
East Rockaway UFSD	443 Ocean Avenue	East Rockaway	NY 11518	Jacqueline Scrio	516-887-8300
Elmont Union Free School District	135 Elmont Road	Elmont	NY 11003	Thomas Galante	516-326-5500
Farmingdale UFSD	50 Vancott Avenue	Farmingdale	NY 11735	Paul Defendini	516-752-6506
Garden City UFSD	56 Cathedral Avenue	Garden City	NY 11530	Dana DiCapua	516-478-1042
Island Trees UFSD	74 Farmedge Road	Levittown	NY 11756	Susan Hlavenka	516-520-2115
Kings Park Central School District	180 Lawrence Road	Kings Park	NY 11754	Shannon Meehan	631-269-3329
Locust Valley CSD	22 Horse Hollow Rd	Locust Valley	NY 11560	Toni Meliambro	516-277-5040
Lynbrook Public Schools	111 Atlantic Avenue	Lynbrook	NY 11563	Dr. Paul J. Lynch	516-887-0258
Mineola UFSD	121 Jackson Avenue	Mineola	NY 11501	Jack Waters	516-237-2050
North Bellmore Schools	2616 Martin Avenue	N. Bellmore	NY 11710	Jacqueline Rehak	516-992-3000
Rye Neck UFSD	310 Hornidge Road	Mamaroneck	NY 10543	Kimberly Bucci	914-777-5210
Sayville UFSD	99 Greeley Avenue	Sayville	NY 11782	Dr Christine Criscione	631-244-6510
Shelter Island UFSD	33 North Ferry Rd.	Shelter Island	NY 11964	Christing Finn	631-749-0302
Uniondale UFSD	933 Goodrich Street	Uniondale	NY 11553	Steven Epstein	516-560-8800
White Plains CSD	5 Homeside Lane	White Plains	NY 10605	Ann Vaccaro-Teich	914-422-2000



EXHIBIT 5
Firm's Proposal

REQUEST FOR PROPOSAL
Marshall University
MU21PAUDIT – Purchasing Performance Audit

SECTION 5: FIRM PROPOSAL

- 5.1. Economy of Preparation:** Proposals should be prepared simply and economically providing a concise description of the items requested in Section 4. Emphasis should be placed on completeness and clarity of the content.
- 5.2. Incurring Cost:** Neither the State nor any of its employees or officers will be held liable for any expenses incurred by any Firm responding to this RFP, including but not limited to preparation, delivery, or travel.
- 5.3. Proposal Format:** Firms should provide responses in the format listed below:
- 5.3.1. Two-Part Submission:** Firms must submit proposals in two distinct parts: technical and cost. Technical proposals must not contain any cost information relating to the project. Cost proposal must contain all cost information and must be sealed in a separate envelope from the technical proposal to facilitate a secondary cost proposal opening.
- 5.3.2. Title Page:** State the RFP subject, number, Firm's name, business address, telephone number, fax number, name of contact person, e-mail address, and Firm signature and date.
- 5.3.3. Table of Contents:** Clearly identify the material by section and page number.
- 5.3.4. Response Reference:** Firm's response should clearly reference how the information provided applies to the RFP request. For example, listing the RFP number and restating the RFP request as a header in the proposal would be considered a clear reference.
- 5.3.5. Proposal Submission:** All proposals must be submitted to the Office of Purchasing **prior** to the date and time stipulated in the RFP as the opening date. All submissions must be in accordance with the provisions listed in Section 2: Instructions to Bidders Submitting Bids.

SECTION 6: EVALUATION AND AWARD

- 6.1. Evaluation Process:** Proposals will be evaluated in two parts by a committee of three (3) or more individuals. The first evaluation will be of the technical proposal and the second is an evaluation of the cost proposal. The Firm who demonstrates that it meets all the mandatory specifications required, attains the minimum acceptable score and attains the highest overall point score of all Firms shall be awarded the contract.

REQUEST FOR PROPOSAL

Marshall University

MU21PAUDIT – Purchasing Performance Audit

- 6.2. Evaluation Criteria:** Proposals will be evaluated based on criteria set forth in the solicitation and information contained in the proposals submitted in response to the solicitation. The technical evaluation will be based upon the point allocations designated below for a total of (seventy) 70 of the one hundred (100) points. Cost represents thirty (30) of the one hundred (100) total points.

Evaluation Point Allocation:

Project Goals and Proposed Approach (§ 4.2)	
- Approach & Methodology to Goals/Objectives (§ 4.2.1)	(30) Points Possible
- Approach & Methodology to Compliance with Mandatory Project Requirements (§ 4.2.2)	(30) Points Possible
Oral Presentation (§ 4.3)	<u>(10) Points Possible</u>
Total Technical Score:	70 Points Possible
Total Cost Score:	30 Points Possible

Total Proposal Score: 100 Points Possible

- 6.3. Technical Bid Opening:** At the technical bid opening, the Office of Purchasing will open and announce the technical proposals received prior to the bid opening deadline. Once opened, the technical proposals will be provided to the Department evaluation committee for technical evaluation.
- 6.4. Technical Evaluation:** The Department evaluation committee will review the technical proposals, assign points where appropriate, and make a final written recommendation to the Office of Purchasing.
- 6.5. Proposal Disqualification:**
- 6.5.1. Minimum Acceptable Score (“MAS”):** Firms must score a minimum of seventy (70) percent (forty-nine (49) points) of the total technical points possible in order to move past the technical evaluation and have their cost proposal evaluated. All Firm proposals not attaining the MAS will be disqualified. Firms must attain a minimum of seventy (70) percent of 60 or forty-two (42) points to attend the oral presentation.
- 6.5.2. Failure to Meet Mandatory Requirement:** Firms must meet or exceed all mandatory requirements in order to move past the technical evaluation and have their cost proposals evaluated. Proposals failing to meet one or more mandatory requirements of the RFP will be disqualified.
- 6.6. Cost Bid Opening:** The Office of Purchasing will schedule a date and time to publicly open and announce cost proposals after technical evaluation has been completed and the Office of Purchasing has approved the technical recommendation of the evaluation committee. All cost

REQUEST FOR PROPOSAL

Marshall University

MU21PAUDIT – Purchasing Performance Audit

bids received will be opened. Cost bids for disqualified proposals will be opened for record keeping purposes only and will not be evaluated or considered. Once opened, the cost proposals will be provided to the Department evaluation committee for cost evaluation.

The Office of Purchasing reserves the right to disqualify a proposal based upon deficiencies in the technical proposal even after the cost evaluation.

- 6.7. Cost Evaluation:** The Department evaluation committee will review the cost proposals, assign points in accordance with the cost evaluation formula contained herein and make a final recommendation to the Office of Purchasing.

The University is requesting pricing for the cost portion of this RFP based on the following:

Office of Purchasing and PCard Performance Audit:

- **Fiscal Year 2018**
- **Fiscal Year 2019**
- **Fiscal Year 2020**

Cost Evaluation Formula: Each cost proposal will have points assigned using the following formula for all Firms not disqualified during the technical evaluation. The lowest cost of all proposals is divided by the cost of the proposal being evaluated to generate a cost score percentage. That percentage is then multiplied by the points attributable to the cost proposal to determine the number of points allocated to the cost proposal being evaluated.

Step 1: $\text{Lowest Cost of All Proposals} / \text{Cost of Proposal Being Evaluated} = \text{Cost Score Percentage}$

Step 2: $\text{Cost Score Percentage} \times \text{Points Allocated to Cost Proposal} = \text{Total Cost Score}$

Example:

Proposal 1 Cost is \$1,000,000
 Proposal 2 Cost is \$1,100,000
 Points Allocated to Cost Proposal is 30

Proposal 1: Step 1 – $\$1,000,000 / \$1,000,000 = \text{Cost Score Percentage of } 1 (100\%)$
 Step 2 – $1 \times 30 = \text{Total Cost Score of } 30$

Proposal 2: Step 1 – $\$1,000,000 / \$1,100,000 = \text{Cost Score Percentage of } 0.909091 (90.9091\%)$
 Step 2 – $0.909091 \times 30 = \text{Total Cost Score of } 27.27273$

- 6.8. Availability of Information:** Proposal submissions become public and are available for review immediately after opening pursuant to West Virginia Code §5A-3-11(h). All other information associated with the RFP, including but not limited to, technical scores and reasons for

REQUEST FOR PROPOSAL
Marshall University
MU21PAUDIT – Purchasing Performance Audit

disqualification, will not be available until after the contract has been awarded pursuant to West Virginia Code of State Rules §148-1-6.3.d.

By signing below, I certify that I have reviewed this Request for Proposal in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that, to the best of my knowledge, the bidder has properly registered with any State Department that may require registration.

Nawrocki Smith LLP

(Company)

Darin V. Iacobelli, CPA - Partner

(Representative Name, Title)

631-756-9500; ext 209

(Contact Phone/Fax Number)

November 30, 2020

(Date)



Address

290 Broad Hollow Road
Melville, NY 11747



Phone

P: 631.756.9500
F: 631.756.9818



Email


info@nslpcpa.com
www.nslpcpa.com



MARSHALL UNIVERSITY
PROPOSAL FOR
PURCHASING PERFORMANCE AUDIT
ADDENDUMS

November 30, 2020

CONTACT PERSON
DARIN V. IACOBELLI, CPA/CFF, CFE
631.756.9500 EXT. 209
dvi@nslpcpa.com

Request for Bids	 <p style="text-align: center;">Marshall University Office of Purchasing One John Marshall Drive Huntington, WV 25755-4100 Direct all inquiries regarding this order to: (304) 696-2599</p>	Bid# MU21PAUDIT Addendum #1
---------------------	---	--

Vendor:	For information call: Purchasing Contact: Angela White Negley Phone: (304) 696-2599 Email: Negley4@marshall.edu & purchasing@marshall.edu
----------------	---

Sealed requests to bid for furnishing the supplies, equipment or services described below will be received by the Institution. TO RECEIVE CONSIDERATION FOR AWARD, UNLESS OTHERWISE NOTED, THE BID WILL BE SUBMITTED ON THIS FORM AND UPLOADED INTO THE MU BONFIRE PORTAL ON OR BEFORE THE DATE AND TIME SHOWN FOR THE BID OPENING. When applicable, prices will be based on units specified; and Bidders will enter the delivery date or time for items contained herein. The Institution reserves the right to accept or reject bids on each item separately or as a whole, to reject any or all bids, to waive informalities or irregularities and to contract as the best interests of the Institution may require. BIDS ARE SUBJECT TO THE GENERAL TERMS AND CONDITIONS AS SET FORTH HEREIN.

DATE 10/26/2020	MANDATORY PRE-BID MEETING: 11/16/2020 @ 10am LPT via Zoom	DEPARTMENT REQUISITION NO.	BIDS OPEN: November 30, 2020 @ 3:00 pm LPT via Zoom	BIDDER MUST ENTER DELIVERY DATE FOR EACH ITEM BID
---------------------------	--	-----------------------------------	---	--

Item #	Quantity	Description	Unit Price	Extended Price
<p><u>ADDENDUM #1</u></p> <p>PURCHASING PERFORMANCE AUDIT MU21PAUDIT</p> <p>The purpose of addendum #1 is to modify project specifications as follows: The CPA LICENSE IS NO LONGER A REQUIREMENT Replace page 14 of 40 with the attached page revision.</p> <p>Mandatory Pre-Bid Meeting: November 16, 2020 at 10:00 a.m. via Zoom at https://marshall.zoom.us/j/98279946807?pwd=bHJPSEpCYs9UejgxUTE2T1ZkWXRROQT09&from=addon Meeting ID: 982 7994 6807 Passcode: 386723</p> <p>Technical Question Deadline: November 19, 2020 by 9:00 a.m. LPT send via email to smiths@marshall.edu with Subject Line MU21PAUDIT Questions</p> <p>Bid Opening., November 30, 2020 @ 3:00 pm LPT, via Zoom at the following https://marshall.zoom.us/j/98346439616?pwd=TFVvMEVlV1ZMZTJlSjZmZU0xRVk1PUT09&from=addon Meeting ID: 983 4643 9616 Passcode: 884700</p>				

Total

To the Office of Purchasing,
 In compliance with the above, the undersigned offers and agrees, if this offer is accepted within _____ calendar days (30 calendar days unless a different period is inserted by the purchaser) from the bid open date, specified above, to furnish any or all items upon which prices are offered, at the price set opposite each item, delivered at the designated point(s), within the time specified.

Bidder guarantees shipment from _____
 within _____ days

FOB _____ After receipt of order at address shown

Terms _____

Bidder's name Vendor _____

Signed By _____

Typed Name _____

Title _____

Email _____

Street Address _____

City/State/Zip _____

Date _____ Phone _____

Fein _____

Combined Service and Goods: The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.

One-Time Purchase: The Contract is for the purchase of a set quantity of goods that are identified in the specifications included herewith. Once those items have been delivered, no additional goods may be procured under the Contract without an appropriate change order approved by the Vendor, University, and/or when necessary, the Attorney General's office.

6. EMERGENCY PURCHASES: The Chief Procurement Officer may suspend the use of a university wide mandatory contract (the University's Office of Purchasing has created standard specifications that are establish University wide contracts for commonly used commodities and services that are needed on a repetitive basis), or the competitive bidding process to allow a Department to purchase goods or services in the open market if for immediate or expedited delivery in an emergency.

Emergencies shall include, but are not limited to, delays in transportation or an unanticipated increase in the volume of work, provided that a required University emergency purchase with another vendor does not cause a breach of contract.

7. REQUIRED DOCUMENTS: All the items checked below must be provided to the University by the Vendor as specified below.

BID BOND (Construction Only): Pursuant to the requirements contained in W. Va. Code § 5-22-1(c), All Vendors submitting a bid on a construction project shall furnish a valid bid bond in the amount of five percent (5%) of the total amount of the bid protecting the State of West Virginia. The bid bond must be submitted with the bid.

PERFORMANCE BOND: The apparent successful Vendor shall provide a performance bond in the amount of 100% of the contract. The performance bond must be received by the Marshall University Office of Purchasing Office prior to Contract award.

LABOR/MATERIAL PAYMENT BOND: The apparent successful Vendor shall provide a labor/material payment bond in the amount of 100% of the Contract value. The labor/material payment bond must be received by the Marshall University Office of Purchasing Office prior to Contract award.

MAINTENANCE BOND: The successful Vendor shall provide a two (2) year maintenance bond covering the roofing system. The maintenance bond must be issued and received by the Marshall University Office of Purchasing Office prior to Contract award.

LICENSE(S) / CERTIFICATIONS / PERMITS: In addition to anything required under the Section entitled Licensing, of the General Terms and Conditions, the Vendor shall furnish proof of the following licenses, certifications, and/or permits prior to Contract award, in a form acceptable to the University.

**ADDENDUM ACKNOWLEDGEMENT
FORM SOLICITATION NO.:**

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specifications, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|---|--|
| <input type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any University personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.


Company



Authorized Signature

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.

Request for Proposals	 <p style="text-align: center;"> Marshall University Office of Purchasing One John Marshall Drive Huntington, WV 25755-4100 Direct all inquiries regarding this order to: (304) 696-2599 </p>	<p style="text-align: center;"> PROPOSAL # MU21PAUDIT Addendum #2 </p>
------------------------------	---	--

Vendor: FEIN/SSN:	Phone: Fax:	For information contact: Purchasing Contact: Angela White Negley Email: negley4@marshall.edu & purchasing@marshall.edu Phone: (304) 696-2599
--	--	---

Sealed requests for proposals furnishing services described below will be received by the Institution. TO RECEIVE CONSIDERATION FOR AWARD, UNLESS OTHERWISE NOTED, THE PROPOSAL WILL BE SUBMITTED IN BONFIRE ON OR BEFORE THE DATE AND TIME SHOWN FOR THE PROPOSAL OPENING. The Institution reserves the right to accept or reject proposals separately or as a whole, to reject any or all proposals, to waive informalities or irregularities and to contract as the best interests of the Institution may require. PROPOSALS ARE SUBJECT TO THE GENERAL TERMS AND CONDITIONS AS SET FORTH HEREIN.

DATE 11/11/2020	Pre-proposal/bid meeting 11/16/2020 @10 a.m. EST	DEPARTMENT REQUISITION NO.	BIDS OPEN: 11/30/20 @ 3:00 pm. EST	BIDDER MUST ENTER DELIVERY DATE FOR EACH ITEM BID
---------------------------	---	-----------------------------------	--	--

Item #	Quantity	Description	Unit Price	Extended Price
		<p style="text-align: center;"><u>Addendum #2</u></p> <p>Project: Marshall University's Purchasing Performance Audit</p> <p>Date: November 30, 2020 Time: 3:00pm EST</p> <p>The purpose of this addendum is to modify and/or clarify project requirements as per the attached information. The updated information must be taken into account in preparing proposals and shall become a part of the final contract documents.</p> <p>Receipt of this addendum must be acknowledged in the space provided on this front page and within this addendum, see page 5.</p>		

Total

To the Office of Purchasing,

In compliance with the above, the undersigned offers and agrees, if this offer is accepted within _____ calendar days (30 calendar days unless a different period is inserted by the purchaser) from the bid open date, specified above, to furnish any or all items upon which prices are offered, at the price set opposite each item, delivered at the designated point(s), within the time specified.

Bidder guarantees shipment from _____ within _____ days

FOB _____ After receipt of order at address shown

Terms _____

Bidder's name Vendor _____

Signed By _____

Typed Name _____

Title _____

Street Address _____

City/State/Zip _____

Date _____ Phone _____

SOLICITATION NUMBER: MU21PAUDIT
MARSHALL UNIVERSITY PURCHASING PERFORMANCE AUDIT

Addendum Number: No. 02

The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

Addendum issued to publish and distribute the attached documentation to the vendor community.

1. To answer bidders' preliminary questions.

NO OTHER CHANGES.

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

Q1. Section 4: 4.2.2.1.1 – We are a CPA Firm and a Partnership and do not have audited financial statements. What are you willing to accept in place of audit financial statements?

4.2.2.1 Mandatory Requirement 1: Firm’s Financial Capability

4.2.2.1.1 Firm must submit a copy of the most recent audited comparative financial statements that have been prepared in accordance with general accepted accounting principles (GAAP). At a minimum, this information must include comparative income statement and balance sheet information for the three (3) most recent years for which audited financial statements have been completed.

(A1) Internal Financial Statements, that have been certified by the Managing Partner of the CPA Firm, would be acceptable.

Q2. Section 4: 4.2.2.2.3 and 4.2.2.2.4 – Are you looking for these to be the same accounts/references or should we provide a different list for each?

4.2.2.2 Mandatory Requirement 2: Corporate Experience

4.2.2.2.3 Firm must provide a current list of at least three (3) active contracted accounts (preferably Higher Education Clients) of comparable size, dollar volume in gross sales and number of transactions.

4.2.2.2.4 Provide references for prior projects. Each reference provided must include the name, address, fax number, e-mail address and telephone numbers of the main contact person on these accounts, information as to the contract and its duration.

(A2) 4.2.2.2.3 would be clients of comparable complexity to Marshall. 4.2.2.2.4 would be for clients whom the same or very similar work has been performed

Q3. Attachment A “Cost Sheet” – Will expenses be reimbursable, or should they be included as part of the fee?

MU21PAUDIT ATTACHMENT A

MU21PAUDIT PRICE SHEET

ITEM NAME	PER HOUR RATE	ESTIMATED HOURS	UNIT PRICE
INTERVIEW, DATA COLLECTION UPDATE			
COMPLIANCE AUDIT			
PERFORMANCE REVIEW			
DRAFT AND FINAL REPORT			
OTHER			

Insert pricing into the Bonfire portal Excel Sheet. If submitting a hard copy, place the pricing information under separate sealed cover. Cost proposals will be opened at a scheduled date and time after the technical review has been completed.

(A3) The price sheet has been updated to include an “Other” table. Bidder must include all expenses in the fee rate. Expenses may be partitioned out with the bidder’s description in the Other table.

Q4. General Terms and Conditions #7 – What licenses/certifications/permits are you requiring per this statement?

MARSHALL UNIVERSITY GENERAL TERMS AND CONDITIONS

7. REQUIRED DOCUMENTS: All the items checked below must be provided to the University by the Vendor as specified below.

Certificate, permit, registration, or authorization to perform audit

(A4) Please provide professional licensure, subject matter certification, or other credentials that pertain to the work being requested. The successful bidder must register with the State of WV Purchasing Division.

Q5. On the first page of the RFP, the Pre-Bid Meeting is slated for 11/16/2020 @ 10:00 AM LPT and the Bids will be open 11/30/2020 @ 3:00 PM LPT. However, on the last page of the RFP it states that submission is due by 11/30/2020 @ 3:00 PM EST. Can you confirm which time zone we should use for the Pre-Bid Meeting and submission times?

(A5) The pre-bid meeting is scheduled on November 16, 2020 at 10:00 a.m. Eastern Standard Time. Bid Submissions are due by the bid opening date and time, November 30, 2020 at 3:00 p.m. Eastern Standard Time.

Q6. To help us draft the response in the expected format, would you like to see the response in a Word format or PowerPoint format?

(A6) Word format

Q7. Is there a form or a means to inform you of our "Intent to Bid" or are you using page 25 of the RFP to capture this? Lastly is there a deadline for the "Intent to Bid"?

(A7) Marshall University Purchasing does not require bidders to submit an "intent to bid". Page 25 should be submitted with the Bidder's response to the RFP. The response must be received on or before 3:00 p.m. EST on November 30, 2020.

PURCHASING CONTINUATION SHEET

Requisition No.: MUP21PAUDIT

ADDENDA ACKNOWLEDGEMENT

I hereby acknowledge receipt of the following checked addenda and have made the necessary revisions to my proposal, plans, and/or specifications, etc.

Addenda:

No. 1 X

No. 2 X

No. 3

No. 4

No. 5

I understand that failure to confirm the receipt of the each Addendum is cause for rejection of bids.




Signature

Nawrocki Smith LLP

Company

11/12/20

Date

Request for Proposals	 Marshall University Office of Purchasing One John Marshall Drive Huntington, WV 25755-4100 Direct all inquiries regarding this order to: (304) 696-2599	PROPOSAL # MU21PAUDIT Addendum #3
------------------------------	---	--

Vendor:	Phone:	For information contact: Purchasing
	Fax:	Contact: Angela White Negley
		Email: negley4@marshall.edu
		& purchasing@marshall.edu
		Phone: (304) 696-2599
FEIN/SSN:		

Sealed requests for proposals furnishing services described below will be received by the Institution. TO RECEIVE CONSIDERATION FOR AWARD, UNLESS OTHERWISE NOTED, THE PROPOSAL WILL BE SUBMITTED IN BONFIRE ON OR BEFORE THE DATE AND TIME SHOWN FOR THE PROPOSAL OPENING. The Institution reserves the right to accept or reject proposals separately or as a whole, to reject any or all proposals, to waive informalities or irregularities and to contract as the best interests of the Institution may require. PROPOSALS ARE SUBJECT TO THE GENERAL TERMS AND CONDITIONS AS SET FORTH HEREIN.

DATE 11/19/2020	Pre-proposal/bid meeting 11/16/2020 @10 a.m. EST Completed	DEPARTMENT REQUISITION NO.	BIDS OPEN: 11/30/20 @ 3:00 pm. EST	BIDDER MUST ENTER DELIVERY DATE FOR EACH ITEM BID
---------------------------	---	-----------------------------------	---------------------------------------	--

Item #	Quantity	Description	Unit Price	Extended Price
		<u>Addendum #3</u>		
		Project: Marshall University's Purchasing Performance Audit Date: November 30, 2020 Time: 3:00pm EST The purpose of this addendum is to modify and/or clarify project requirements as per the attached information. The updated information must be taken into account in preparing proposals and shall become a part of the final contract documents. Receipt of this addendum must be acknowledged in the space provided on this front page and within this addendum, see page 4.		

Total

To the Office of Purchasing,
 In compliance with the above, the undersigned offers and agrees, if this offer is accepted within _____ calendar days (30 calendar days unless a different period is inserted by the purchaser) from the bid open date, specified above, to furnish any or all items upon which prices are offered, at the price set opposite each item, delivered at the designated point(s), within the time specified.

Bidder guarantees shipment from _____
 _____ within _____ days
 FOB _____
 After receipt of order at address shown
 Terms _____

Bidder's name Vendor _____
 Signed By _____
 Typed Name _____
 Title _____
 Street Address _____
 City/State/Zip _____
 Date _____ Phone _____

SOLICITATION NUMBER: MU21PAUDIT
MARSHALL UNIVERSITY PURCHASING PERFORMANCE AUDIT

Addendum Number: No.03

The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

Addendum issued to publish and distribute the attached documentation to the vendor community.

1. To answer bidders' questions from the mandatory pre-bid/proposal meeting
2. To provide data
3. To attach the pre-bid/proposal attendee sheet

NO OTHER CHANGES.

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

MU21PAUDIT Addendum number three (3) provides a list of attendees and answers to Firms' questions from the Virtual Pre-Bid/Proposal Conference held November 16, 2020 at 10:00 a.m.

Q1. Has the University established a budget for this project? If so, what is the budgeted amount?

A1. A budget has not been established.

Q2. What is the timeframe to complete the project?

A2. The Institution would like to receive the final report by May 31, 2021. MU currently plans to issue this contract by January 15, 2021.

Q3. What is the LPT Time Zone equivalent to?

A3. Please use the Eastern Standard Time Zone, (Addendum #2, item A5)

Q4. Please provide a copy of the previous audit.

A4. Provided in Exhibit B

Q5. Please provide the amount paid for the previous audit.

A5. \$41,500.00

Q6. Who completed the 2015, 2016, and 2017 audit?

A6. Matrix Consulting Group

Q7. What is the difference in scope from the previous audit?

A7. Difference in scope is the volume of transactions used to audit Purchasing Card Utilization.

Q8. What is the preferred virtual platform?

A8. The preferred Virtual platform would be Microsoft Team

Q9. Will the University request the firm performing the audit to assist with correcting/implementing the recommendations or will Marshall look to correct/ implement internally?

A9. Marshall will look to correct/implement all recommendations internally.

10. Statistical data is provided in Exhibit A

11. The pre-bid/proposal attendee list is attached as Exhibit C

Attachments:

Exhibit A – MU Purchasing and MU PCard Statistics (Chart 1)

Exhibit B – Previous Purchasing Performance Audit issued June 2018

Exhibit C – Pre-Bid/Proposal Attendee list

PURCHASING CONTINUATION SHEET

Requisition No.: MUP21PAUDIT

ADDENDA ACKNOWLEDGEMENT

I hereby acknowledge receipt of the following checked addenda and have made the necessary revisions to my proposal, plans, and/or specifications, etc.

Addenda:

No. 1 X

No. 2 X

No. 3 X

No. 4

No. 5

I understand that failure to confirm the receipt of the each Addendum is cause for rejection of bids.




Signature

Nawrocki Smith LLP

Company

11/20/20

Date

Request for Proposals	 <p style="text-align: center;">Marshall University Office of Purchasing One John Marshall Drive Huntington, WV 25755-4100</p> <p style="text-align: center;">Direct all inquiries regarding this order to: (304) 696-2599</p>	<p style="text-align: center;">PROPOSAL #</p> <p style="text-align: center;">MU21PAUDIT Addendum #4</p>
-----------------------	--	--

Vendor:	Phone: Fax:	For information contact: Purchasing Contact: Angela White Negley Email: negley4@marshall.edu & purchasing@marshall.edu Phone: (304) 696-2599
FEIN/SSN:		

Sealed requests for proposals furnishing services described below will be received by the Institution. TO RECEIVE CONSIDERATION FOR AWARD, UNLESS OTHERWISE NOTED, THE PROPOSAL WILL BE SUBMITTED IN BONFIRE ON OR BEFORE THE DATE AND TIME SHOWN FOR THE PROPOSAL OPENING. The Institution reserves the right to accept or reject proposals separately or as a whole, to reject any or all proposals, to waive informalities or irregularities and to contract as the best interests of the Institution may require. PROPOSALS ARE SUBJECT TO THE GENERAL TERMS AND CONDITIONS AS SET FORTH HEREIN.

DATE 11/24/2020	Pre-proposal/bid meeting 11/16/2020 @10 a.m. EST Completed	DEPARTMENT REQUISITION NO.	BIDS OPEN: 3:00 p.m. on 12/7/20	BIDDER MUST ENTER DELIVERY DATE FOR EACH ITEM BID
---------------------------	--	-----------------------------------	---	--

Item #	Quantity	Description	Unit Price	Extended Price
		<p style="text-align: center;"><u>Addendum #4</u></p> <p>Project: Marshall University's Purchasing Performance Audit</p> <p>Date: December 7, 2020 (revised date) Time: 3:00pm EST</p> <p>Join Zoom Meeting: https://marshall.zoom.us/j/98346439616?pwd=TFVvMEVlV1ZMzTJlSdMzU0xRVkIPUT09</p> <p>The purpose of this addendum is to extend the bid opening time and date and to attach the corrected pre-bid/proposal sign-in sheet as Exhibit C - Revised. The updated information must be taken into account in preparing proposals and shall become a part of the final contract documents. Receipt of this addendum may be acknowledged in the space provided on this front page and within this addendum, see page 5. Pg. 5 will suffice for previous addenda.</p>		

Total

To the Office of Purchasing,
 In compliance with the above, the undersigned offers and agrees, if this offer is accepted within _____ calendar days (30 calendar days unless a different period is inserted by the purchaser) from the bid open date, specified above, to furnish any or all items upon which prices are offered, at the price set opposite each item, delivered at the designated point(s), within the time specified.

Bidder guarantees shipment from _____ within _____ days

 FOB _____ After receipt of order at address shown
 Terms _____

Bidder's name Vendor _____
 Signed By _____
 Typed Name _____
 Title _____
 Street Address _____
 City/State/Zip _____
 Date _____ Phone _____

SOLICITATION NUMBER: MU21PAUDIT
MARSHALL UNIVERSITY PURCHASING PERFORMANCE AUDIT

Addendum Number: No. 04

The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

Addendum issued to publish and distribute the attached documentation to the vendor community.

1. To extend bid opening date and time to December 7, 2020 @ 3:00 pm EST
2. To attach corrected pre-bid/proposal sign-in sheet

NO OTHER CHANGES.

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.



Office of Purchasing
MANDATORY VIRTUAL PRE-BID/PROPOSAL MEETING ATTENDEE SHEET
MU21PAUDIT ADDENDUM #4 EXHIBIT C - Revised

PROJECT NAME: Marshall University Purchasing Performance Audit
PROJECT NO: MU21PAUDIT
MEETING PLACE: <https://marshall.zoom.us/j/98279946807?pwd=bHJPSEpCYs9UejgxUTE2T1ZkWXRRQT09&from=addon>
DATE: November 16, 2020 @ 10:00 am EST

Confirmed Email Attendees:

#	NAME	TITLE	REPRESENTING	PHONE	CELL	FAX	EMAIL
1.	Kevin Knight	Senior Manager, Business Development	Stinnett & Associates		918-269-8862	888.808.4111	kevin.knight@stinnett-associates.com
2.	Alan Pennington	Matrix Consulting Group	Matrix Consulting Group,	618.795.1995			apennington@matrixcg.net
3.	Ron Steinkamp	Partner, Advisory Services and Public Sector	Brown Smith Wallace LLP	314.983.1238			rsteinkamp@bswllc.com
	Cory M. Metz	Manager, Advisory Services		314-983-1216	636-675-2928		cmetz@bswllc.com
4.	Randy Sherrod	MANAGER, Risk Advisory Services	Dixon Hughes Goodman LLP	804-474-6857	804-728-8339	804-282-1461	randy.sherrod@dhg.com
5.	Joe Tereshinski	Senior Manager, Supply Chain	Protiviti	404-926-4304	980-395-4330		joe.tereshinski@protiviti.com
	Bernie Donachie	Managing Director, Global Supply Chain Lead		x31062			bernie.donachie@protiviti.com
	Jim Aerni	Managing Director, Internal Audit & Financial Advisory					james.aerni@protiviti.com
	Jen Zatchey	Associate Director, Internal Audit & Financial Advisory					jen.zatchey@protiviti.com
	Julia Sloan	Senior Manager, Supply Chain					julia.sloan@protiviti.com
6.	Darin V. Iacobelli	Partner – Consulting Services	NawrockiSmith Certified Public Accounts & Business Consultants	631-756-9500	631-834-2103	631-756-9818	diacobelli@nslpcpa.com
	Dimitris Bantileskas			x209			dbantileskas@nslpcpa.com
7.	Bar Sisson	Senior Proposal Development Coordinator	MGT Consulting Group	916-760-4161	916-718-3190		bsisson@mgtconsulting.com
	Ricardo Ceppin	Senior Consultant		813-843-5801			rcepin@mgtconsulting.com
8.	Sarah Crouse	Manager	Suttle & Stalnaker, PLLC				scrouse@suttlecpas.com
	Kelly Shafer	Proposed engagement member					kshafer@suttlecpas.com



Office of Purchasing
MANDATORY VIRTUAL PRE-BID/PROPOSAL MEETING ATTENDEE SHEET
MU21PAUDIT ADDENDUM #4 EXHIBIT C - Revised

Marshall University and Other Attendees on call:

#	NAME	TITLE	REPRESENTING	PHONE	CELL	FAX	EMAIL
9.	Angela White Negley	Chief Procurement Officer/Director	Marshall University Operations Office of Purchasing	304-696-2599		304-696-3333	negley4@marshall.edu
10.	Michelle Wheeler	Associate Director	Marshall University Operations Office of Purchasing	304-696-2727		304-696-3333	wheelersha@marshall.edu
11.	Justin Hawthorne	Purchasing Agent	Marshall University Operations Office of Purchasing	304-696-2820		304-696-3333	hawthorne2@marshall.edu
12.	Perry Chaffin	Director of Audits	Marshall University Internal Audit	304-696-3377		304-696.4354	chaffin@marshall.edu
13.	Jason Baldwin	Budget Manager	Marshall University Finance Budget Office	304-696-5143		304-696.4354	baldwinja@marshall.edu
14.	Teresa Meddings	PCard Coordinator	Marshall University Finance Purchasing Card	304-696-2215			marcumte@marshall.edu
15.	Stephanie Smith	Purchasing Representative	Marshall University Operations Office of Purchasing	304-696-2821		304-696-3333	smiths@marshall.edu

PURCHASING CONTINUATION SHEET

Requisition No.: MUP21PAUDIT

ADDENDA ACKNOWLEDGEMENT

I hereby acknowledge receipt of the following checked addenda and have made the necessary revisions to my proposal, plans, and/or specifications, etc.

Addenda:

No. 1 X

No. 2 X

No. 3 X

No. 4 X

No. 5

I understand that failure to confirm the receipt of the each Addendum is cause for rejection of bids.



Signature

Nawrocki Smith LLP

Company

December 3, 2020

Date

Primary Responses

Success: All data is valid!

Status	Bid/No Bid Decision	#	Item Name	Quantity Required	Numeric	Numeric	Total Cost
					Unit Price	Estimated Hours	
Success: All values provided	Bid	#0-1	INTERVIEWS, DATA COLLECTION, UPDATES	1	\$ 6,750.00	50	\$ 6,750.00
Success: All values provided	Bid	#0-2	COMPLIANCE AUDIT	1	\$ 9,450.00	70	\$ 9,450.00
Success: All values provided	Bid	#0-3	PERFORMANCE REVIEW DRAFT	1	\$ 17,010.00	126	\$ 17,010.00
Success: All values provided	Bid	#0-4	FINAL REPORT	1	\$ 10,260.00	76	\$ 10,260.00
Not Bidding	No Bid	#0-5	OTHER	1			-