

Mayor and Council of Federalsburg
Monday, June 16, 2025
6:00 pm

This meeting is being held at the Mayor and Council Meeting Room located at 118 North Main Street. Citizens who wish to view by online streaming shall follow directions listed below:

We have made the transition to Town Hall Streams - this meeting can be viewed by the following link:

https://townhallstreams.com/towns/federalsburg_md

If this does not load, please go to townhallstreams.com and search Federalsburg, MD then select the meeting.

Agenda

- I. Open to Public Meeting- 6:00 pm
- II. Call to Order
- III. Welcome-Pledge of Allegiance
- IV. Approval of Previous meetings minutes June 2, 2025
- V. Public Hearing - Resolution 2025-01, A resolution of the Mayor and Council of Federalsburg amending Article II of the Federalsburg town charter to change the date of the 2025 election from September 2025 to November 2026 and establishing elections every two years thereafter
- VI. Public Hearing - Budget Ordinance 2025-02, Adopting a General Fund Budget and Enterprise Budget for FY 2025-2026
- VII. Public Hearing - Ordinance 2025-03, Adopting a new fee schedule
- VIII. Public Comments
- IX. Mayor and Council Action Items
 - Councilmember Ferguson
 - Councilmember James
 - Councilmember Sewell
 - Councilmember Hammond
 - Mayor Abner
- X. Next Steps
- XI. Announcement of closed session - The Mayor and Council of Federalsburg will go into Closed Session under the General Provisions Article, 3-305(b)(1)to discuss a personnel matter
- XII. Adjournment

NOTES:

THE MEETINGS ARE BEING RECORDED, PLEASE TURN OFF ALL CELLULAR DEVICES AND PAGERS DURING THE MEETING, PLEASE REMAIN QUIET, UNLESS ADDRESSING THE COUNCIL.

Please Note: Pursuant to the Annotated Code of Maryland, State Government Article Section 10-508(a), the Council by majority vote may retire to executive or closed session at any time during the meeting. Should the Council retire to executive or closed session; the chair will announce the reasons and a report will be issued at a future meeting disclosing the reasons for such a session. Meetings are conducted in Open Session unless otherwise indicated. All or part of the Mayor and Council meetings can be held in closed session under the authority of the state open meetings law by vote of the Mayor and Council.

Rules for Public Comment

The Mayor and Council encourage the public to participate in the process of Mayor and Council Meetings and offer the following guidelines with respect to public comment for the purpose of conducting orderly meetings. These guidelines shall be adhered to at all Mayor and Council Meetings.

Time Considerations

- Public comment will be placed on all Mayor and Council Regular Meeting Agendas, which meetings occur on the first Monday of each month at 6:00 pm, unless rescheduled with advance notice.
- The time limit for each individual speaker is three (3) minutes.
- Speakers may not give their time to other people.
- The same time considerations apply to comments during a public hearing.

Public Comment Guidelines

- During public comment, or during a public hearing, if you wish to speak, please step to the podium, state your name and address, and speak clearly into the microphone.
- Please be advised that each speaker's testimony is being recorded.
- Speakers are strongly encouraged to submit their comments in writing to the Town Manager/Clerk at least four (4) hours before the start of the meeting. Comments submitted in writing will be attached to the minutes of the meeting.
- Questions may be answered during a speaker's turn at the podium, or may be addressed by the Mayor and Council, or Town Manager, at a later date.
- Please address remarks to the Mayor and Council.
- Speakers shall remain courteous and respectful and refrain from disorderly speech or action, name-calling or personal attacks, threatening speech, obscene or indecent remarks, and derogatory comments. Speakers who engage in said speech and disrupt or disturb the meeting may be removed from the meeting.
- Speakers commenting during a public hearing must confine their comments to the question or issue before the Mayor and Council.

ORDINANCE NO. 2025-02

AN ORDINANCE OF THE MAYOR AND COUNCIL OF FEDERALSBURG ADOPTING A GENERAL BUDGET AND ENTERPRISE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026, AND ESTABLISHING A TAX RATE OF \$.89 PER \$100 OF ASSESSED REAL PROPERTY VALUE AND A TAX RATE OF \$1.65 PER \$100 ON ALL COMMERCIAL OR BUSINESS PERSONAL PROPERTY AND ALL RAILROAD AND UTILITY PROPERTY; ESTABLISHING AND ADOPTING THE SAME SERVICE AND ADMINISTRATIVE FEE FOR SEMI-ANNUAL BILLINGS AS ADOPTED BY CAROLINE COUNTY; ESTABLISHING A QUARTERLY WASTE COLLECTION FEE IN THE AMOUNT OF \$53.94 PER QUARTER FOR COMMERCIAL PROPERTIES WHICH RECEIVE WASTE COLLECTION SERVICES AND FOR ALL RESIDENTIAL PROPERTIES LOCATED WITHIN THE CORPORATE TOWN BOUNDARIES; AND ESTABLISHING A CHARGE FOR EXTRA WASTE COLLECTION ITEMS

WHEREAS, Section C11-1 of the Federalsburg Town Charter requires the Town to establish and operate an annual budget; and

WHEREAS, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish a General Budget, which is set forth in the attached Exhibit "A"; and

WHEREAS, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish an Enterprise Budget for the Town's water and wastewater operations, which is also set forth in the attached Exhibit "B" and

WHEREAS, the Town has determined that it is desirable and in the public interest, and consistent with state law to charge a service and administrative fee on semi-annual tax collection billings in the same amount as established by Caroline County, as set forth herein; and

WHEREAS, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish a quarterly waste collection and disposal fee in the amount of \$53.94 per quarter for commercial properties which receive waste collection services, and for all residential properties within the corporate boundaries of the Town; and

WHEREAS, the Town has determined that it is desirable and in the public interest, and consistent with state law, to establish a charge for extra waste collected in the amount of \$10.00 per item collected; and

NOW, THEREFORE, be it Ordained and Enacted by the Mayor and Council of Federalsburg, Maryland that the following tax rates and fees, revenue and expenditure estimates are adopted for Fiscal Year commencing July 1, 2025:

- Section 1. General Fund
- Section 2. Rate of Taxation on Real Property
- Section 3. Rate of Taxation on Corporation
- Section 4. Service and Administrative Fee
- Section 5. Rate of Taxation on Railroad and Utility Property
- Section 6. Waste Collection Fee

Section 1. General Fund

A. That the following amounts shall be hereby appropriated for the expenditures designated for the fiscal year beginning July 1, 2023 and ending June 30, 2024 for the General Fund:

Activity Title	Approved Budget & Appropriation
EXPENDITURES	
General Government	\$ 632,498.84
Public Safety	\$ 1,276,383.46
Public Works	\$ 791,772.75
Miscellaneous	\$ 428,896.99
Recreation & Culture	\$ 28,000.00
Water	\$ 634,238.81
Sewer	\$ 1,590,858.53
TOTAL EXPENDITURES	<u>\$ 5,382,649.38</u>

B. That the following revenues are, in the consideration judgment of the Mayor and Council of Federalsburg a fair appraisal and estimate of the revenues available to finance this budget and these appropriations for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

Source

REVENUES:

Taxes	\$ 2,380,000
Licenses & Permits	\$ 166,250
Sanitation and Waste Removal	\$ 236,502.04
Penalties and Interest	\$10,000
Highway User Revenue	\$ 248,000
Public Safety	\$ 98,200
Recreation	\$ 6,400
Fines and Forfeitures	\$ 1,100.00
Miscellaneous	\$ 11,100_
Wastewater	\$ 1,267,944.99
Water	\$ 506,097.71
TOTAL REVENUES	<u>\$4,931,594.74</u>

Section 2. Rate of Taxation on Real Estate Property

That the rate of taxation on real property to be taxed within the boundaries of the Town of Federalsburg, Maryland shall be and hereby is established as:

Eighty-eight Cents (\$0.89)

On each one hundred dollars (\$100) of value for the fiscal year beginning July 1, 2025 and ending June 30, 2026.

Section 3. Rate of Taxation on Business Personal Property, Utility Property & Certifications

That the rate of taxation for the fiscal year beginning July 1, 2025 and ending June 30, 2026, on any personal property to be taxed by the Town of Federalsburg, Maryland shall be and hereby is established as:

One Dollar and Sixty-five Cents (\$1.65)

On each one hundred dollars (\$100.00) of assessed valuation, unless otherwise provided for by the Tax Property Article of the Annotated Code of Maryland.

Section 4. Service and Administration Fee Collected by Caroline County Treasurers Office

The property tax service charge and administrative fees on semi-annual billings assessed and collected by the Caroline County Tax Office from 2025-2026 shall be the rate as adopted by the Commissioners of Caroline County.

Section 5. Rate of Taxation on Railroad and Utility Property

That the rate of taxation for the fiscal year beginning July 1, 2025 and including June 30, 2026 on any railroad and utility property to be taxed by the Town of Federalsburg, Maryland, shall be and hereby is established as:

One Dollar and Sixty-five cents (\$1.65)

On each one hundred dollars (\$100.00) of assessed valuation, unless otherwise provided for by Md. Code Ann., Tax-Property Article § 6-103.

Section 6. Waste Collection Fee

That the rate of waste collection and disposal fee within the boundaries of the Town of Federalsburg, Maryland shall not change and hereby is established as:

Fifty-Three Dollars and Ninety-Four Cents (\$53.94) per quarter – Garbage Fee

Thirty Dollars (\$30.00) per item – Large Waste Collection Fee for Furniture, Appliances, and Mattresses

Ten Dollars (\$10.00) Bulk Trash Collection Fee

Section 7. In accordance with Section C3-6, of the Federalsburg Town Charter, this Ordinance shall become effective upon passage by the Mayor and Council and recordation in the Minute Books.

	Yea/Nay
Kimberly J. Abner	_____
Brandy James	_____
Debra Sewell	_____
Ian Ferguson	_____
Darlene Hammond	_____

I hereby certify that the above Ordinance was passed by a yea and nay vote of the Council this _____ day of June, 2025.

Kimberly J. Abner, Mayor

Delivered by the Mayor and recorded by me in the Minute Books of the Mayor and Council of Federalsburg this _____ day of June, 2025.

Amy Cyrus, Town Clerk

Approved as to form:

Lyndsey J. Ryan, Town Attorney

ORDINANCE 2025- 03

Introduced By: _____

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF
FEDERALSBURG TO ADOPT AN UPDATED
COMPREHENSIVE SCHEDULE OF FEES CHARGED BY THE
TOWN OF FEDERALSBURG FOR VARIOUS APPLICATIONS,
PERMITS AND INSPECTIONS, AND TO REPEAL ALL
ORDINANCES OR RESOLUTIONS IN CONFLICT WITH
THE NEW SCHEDULE**

WHEREAS, pursuant to Md.code Ann. Local Gov't Article, § 5-205 of the Maryland Annotated Code. the Mayor and Council are authorized to establish and collect reasonable fees and charges associated with the exercise of any governmental or proprietary function authorized by law to be exercised by the Town; and

WHEREAS, the Mayor and Council have determined that it is desirable and in the public interest to adopt an updated comprehensive schedule of fees and charges associated with various license, permits, applications, inspections and review fees charged by the Town.

NOW, THEREFORE, BE IT ORDAINED BY the Mayor and Council of Federalsburg: as follows:

Section 1. The following fee schedule is hereby adopted:

**TOWN OF FEDERALSBURG
APPLICATION, PERMIT, INSPECTION AND FEE SCHEDULE**

	Permit Application Fee	Inspection Fee
<u>I. MISCELLANEOUS FEES</u>		
Signs	\$ 50.00	\$175.00
Solar System (Residential or Commercial)	\$300.00	As charged by 3 rd party inspector
Building Permit Extensions	½ the cost of the permit application fee	
Verification Letters	\$ 50.00	N/A

Permit Application Fee**Inspection Fee****II. RESIDENTIAL RENTAL HOUSING
LICENSE AND INSPECTION**

Residential Rental Unit	\$ 150.00	\$125.00
	(annual license)	(annual inspection)
Re-inspection fee (for each re-inspection)		\$100.00

III. NON-RESIDENTIAL CONSTRUCTION FEES

Certificate of Occupancy (only)		\$150.00
Commercial/Industrial/Institutional Building	\$1000.00	\$.30 per sq. ft. of *gross floor area
Commercial/Industrial/Institutional Renovations/Repairs (over \$5,000 Value)	\$ 500.00	\$.30 per sq. ft. of *gross floor area
Commercial/Industrial/Institutional Renovations/Repairs (under \$5,000 Value)	\$ 300.00	\$.30 per sq. ft. of *gross floor area
Demolition/Moving of Structure Plus \$100,000 bond or letter of credit	\$ 250.00	\$100.00
Roof (Replacement/Repair)	\$ 100.00	\$100.00 plus an additional \$.08/ per sq. ft. of roof area being installed
Swimming Pool (Public or Commercial)	\$ 300.00	\$150.00
Swimming Pool Fence	\$ 300.00	\$150.00
Re-Inspection Fee (each time)		\$200.00

*Gross Floor Area for purposes of this Ordinance for both non-residential and residential is defined as the total square footage of all floors within the perimeter of the outside walls, including basements, cellars, garages, roofed patios, breezeways, covered walkways and attics with floor to ceiling height of 6'6" or more.

IV. RESIDENTIAL CONSTRUCTION PERMIT FEES:

Certificate of Occupancy	\$100.00
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Ordinance No. 2025 -- 03

Adoption of Town license, permits, and inspection fees

	Permit Application Fee	Inspection Fee
Dwelling (Single Family Dwelling) (Includes mobile or manufactured home)	\$300.00	\$350.00
Dwelling (Multi-Family Dwelling) (Per Unit) (Apartment building, condominium, townhouse, duplex or any other property deemed multi-family)	\$350.00	\$400.00
Accessory Dwellings (Over 200 sq. ft.) Detached to Existing Dwelling (Including but not limited to garages, pole buildings, Storage sheds, pool houses, and carports)	\$100.00	\$250.00
Additions to Residential Dwellings Attached to Existing Dwelling (Including but not limited to garages, porches, rooms, sunrooms, and decks)	\$150.00	\$250.00
Demolition/Moving of Structure	\$100.00	\$150.00
Masonry Fireplace/Chimney	\$ 50.00	\$100.00
Renovations/Alterations (Per unit)	\$200.00	\$200.00
Roof (Replacement/Repair)	\$ 50.00	\$ 75.00
Swimming Pools (In ground and Above Ground. Wading pools under 24" exempt.)	\$100.00	\$200.00
Window Replacement (per window)	\$ 25.00	\$ 10.00
Re-Inspection Fee (Each trip)		\$100.00

V. ZONING FEES

A. Annexation Fee*:

\$5000.00 Minimum fee is required
with applicant submittal.

*The annexation application fee may be increased to equal the processing, advertising, and any other fees, costs or charges incurred by the Town associated with the annexation. In addition to the Annexation fee, the developer will also be required, if applicable, to pay the following fees.

Traffic Impact Study
Zoning Map Text Amendment

As determined by 3rd party conducting study
\$1000.00

These fees may be increased to cover all necessary costs associated with these items.

	Permit Application Fee	Inspection Fee
B. Board of Appeals Applications*:		
1. Filing Fee For:		
Conditional Use Approval	\$400.00	N/A
Special Exception	\$400.00	N/A
Variance	\$400.00	N/A
Allegation of Error	\$400.00	N/A
2. Posting of the Property	\$ 25.00	
3. Reposting Meeting Requirement	\$100.00	

*In addition to the filing fee, the applicant shall also be required to pay for any professional services, such as but not limited to, advertising costs, legal fees, engineering services, and any other appropriate and required services in excess of the filing fee.

C. Medical Services District (MS) Review:

Administrative Fee	\$ 500.00
Site Plan Review	As determined by 3 rd party conducting review

D. Forest Conservation Plan Review:

Administrative Fee	\$ 500.00
Site Plan Review	As determined by 3 rd party conducting review

E. Growth Allocation Application and Review:

Administrative Fee	\$5000.00
Site Plan Review	As determined by 3 rd party conducting review

F. Planned Redevelopment (PR) Application and Review:

Administrative Fee	\$1000.00
Site Plan Review	As determined by 3 rd party conducting review

G. Planned Unit Development (PUD) Review:

Administrative Fee	\$3500.00
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H. Request for Rezoning:

Administrative Fee	\$ 500.00
Filing Fee	\$ 500.00
Posting of the Property	\$ 25.00

*In addition to the filing fee, the applicant shall also be required to pay for any professional services, such as but not limited to, advertising costs, legal fees, engineering services, and any other appropriate and required services.

I. Subdivisions (Two Categories)*:

1. Major subdivisions (5 or more lots)

a. Administrative Fee:	\$ 350.00
b. Subdivision Application:	\$ 250.00 per lot
c. Plat Review Fee:	\$ 500.00

2. Minor Subdivisions (4 or fewer lots)

a. Administrative Fee:	\$ 250.00
b. Subdivision Application:	\$ 100.00 per lot
c. Plat Review Fee:	\$ 300.00

J. Site Plan Review for Residential Dwelling*

Administrative Fee	\$ 50.00
Site Plan Review	As determined by 3 rd party conducting review

K. Site Plan Review for 2 or more Residential Dwellings*

Administrative Fee	\$ 150.00
Site Plan Review	As determined by 3 rd party conducting review

L. Site Plan Reviews for Commercial, Industrial and Institutional Facility*

Administrative Fee	\$1000.00
Site Plan Review	As determined by 3 rd party conducting review

*Subdivision and site plan reviews may also be charged for any additional fees requiring professional reviews, including but not limited to, legal and engineering. Other applicants will be notified that such review is necessary and will have the option of withdrawing the application, or authorizing the Town to obtain the service needed. Withdrawal of the application will not entitle the applicant to a refund of their initial fee.

VI. STORMWATER MANAGEMENT REVIEW:

Administrative Fee	\$ 250.00
Concept Plan Review	As determined by 3 rd party conducting review
Site Plan Review	As determined by 3 rd party conducting review
Final Plan	As determined by 3 rd party conducting review

In addition to the permit and review fees outlined herein, the developer, builder, or applicant, as the case may be, shall be responsible for reimbursing the Town for all professional fees, including engineering fees, consultant's fees, legal fees and expenses or costs, including the costs of any independent hydrology studies which may be reasonably necessary in connection with the processing, review, and analysis of any required stormwater management plan and which are in excess of the required fees.

VII. GRADING

Grading Permit	\$ 100.00
Grading Review	As determined by 3 rd party conducting review

The applicant for a grading permit shall be responsible to cover the costs of review, administration and inspection, including any third-party reviews or professional fees relating to a grading permit in excess of the required fees.

VIII. WATER AND SEWER CONNECTION FEES

All Units (Commercial/Residential/Industrial/Institutional)

One-Time Sewer Connection Charge \$7500.00 per unit

One-Time Water Connection Charge \$7500.00 per unit

(This fee is in addition to any labor and material that is physically done by the municipality in connection with the installation. In accordance with Ordinance 2024-04 § 235-29 Capital connection charges.)

Water Meter, Parts and Pit – Deposit Required \$1000.00

Section 2. The fees outlined in this Ordinance represent the minimum fees. The applicant and/or property owner shall reimburse the Town for the reasonable costs incurred by the Town from third parties who invoice the Town for their services rendered to the Town in connection with any application or submission. All billing rates, fees, and out-of-pocket costs of all such third-party costs shall be billed at their rates otherwise charged to the Town. Third party costs include, but are not limited to, engineering fees, consulting fees, legal fees, inspection fees, court reporting fees, advertisement costs for publishing, and posting of public notices, etc. In addition to the fees and expenses incurred from third parties, the applicant shall reimburse the Town for the reasonable time spent by town employees relating to the consideration, analysis and/or evaluation of the issues relating to, and/or the processing of, development applications on behalf of the Town. Town employees will log their time spent on such applications, and the applicant shall reimburse the Town for their time at the rate of Seventy-five Dollars (\$75.00) per hour, or portion thereof.

The minimum base fee collected will be applied to all outstanding bills and the applicant will be billed for all fees, costs, and expenses in excess of the minimum base fee. No final action will be taken on any application with an outstanding balance. At any time during processing of an application that the applicant is more than thirty (30) days in arrears, all action on the application will cease until the Town's costs are reimbursed in full.

The list of fees set forth herein is not all-inclusive. There may be other fees which are in addition to the fees set forth above and which are included in other ordinances and resolutions of the Town.

Section 3. Any fees or charges established by the Town that are inconsistent with the fees or charges set forth in this Ordinance, including fees established by Ordinance 2018-3, are hereby repealed. Any fee or charge not specifically addressed by this Ordinance shall remain in full force and effect.

Section 4. In case any one or more of the provisions of this Ordinance shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceable shall not affect any other provision hereof; and this Ordinance shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Yea/Nay

Kimberly Abner	_____
Darlene Hammond	_____
Brandy James	_____
Debra Sewell	_____
Ian Ferguson	_____

I hereby certify that the above Ordinance was passed by a yea and nay vote of the Council this _____ day of _____, 2025.

Kimberly Abner, Mayor

Delivered by the Mayor and recorded by me in the Minute Books of the Mayor and Council of Federalsburg this ____ day of _____, 2024.

Amy Cyrus, Town Clerk

Date Introduced: _____

Date Amendments Introduced: _____

Date Passed: _____

Effective Date: _____

RESOLUTION NO. 2025-01

**A RESOLUTION OF THE MAYOR AND COUNCIL OF FEDERALSBURG
AMENDING ARTICLE II OF THE FEDERALSBURG TOWN CHARTER
TO CHANGE THE DATE OF THE 2025 ELECTION FROM SEPTEMBER
2025 TO NOVEMBER 2026 AND ESTABLISHING ELECTIONS EVERY
TWO YEARS THEREAFTER**

WHEREAS, Md. Code Ann. Local Gov't Article § 4-304 and Article XI-E of the Constitution of Maryland confer upon the Mayor and Council of Federalsburg the authority to initiate proposed amendments the Charter for the Town of Federalsburg; and

WHEREAS, Local Gov't Article § 5-202 authorizes the Mayor and Council to adopt those Charter resolutions as they may deem necessary in order to assure the good government of the Town, to protect and preserve the Town's rights, property, and privileges, to preserve peace and good order, to secure persons and property from danger and destruction, and to protect the health, comfort, and convenience of the citizens of the Town; and

WHEREAS, by Resolutions 2023-04, 2023-05, and 2023-07, the Mayor and Council revised the Federalsburg Town Charter to, among other things, establish two election districts with two Councilmembers in each district, adopt an election district map, and establish terms of the Mayor and Councilmembers for the September 2023 election; and

WHEREAS, by Resolution 2023-07, two Councilmembers gave up their seats permitting the Mayor and all Council seats to be up for election in September 2023 to allow the registered voters of District 1 to elect two Councilmembers from District 1, and the registered voters of District 2 to elect two Councilmembers from District 2; and

WHEREAS, in September 2023 an election was held and the following occurred: Councilmember from District 1 that received the highest number of votes was elected to a 5-year term; the Councilmember from District 1 that received the second highest number of votes was elected to a 3-year term; the Councilmember from District 2 that received the highest number of votes was elected to a 5-year term; the Councilmember from District 2 that received the second highest number of votes was elected to a 3-year term; the Mayor was elected to a 5 year term;

WHEREAS, the Mayor and Council recognize the need to amend the Charter to reflect the 2023 election and terms and confirm that the next election will occur in November 2028;

WHEREAS, the Mayor and Council of Federalsburg have determined that it is desirable and in the best interest of the town to amend Article II of the Charter for the Town of Federalsburg.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF FEDERALSBURG AS FOLLOWS:

Section 1. Article II, Section C2-1 of the Charter for the Town of Federalsburg is hereby amended as follows:

ARTICLE II
Elections

. . . .

Section C2-1. Elections.

(a) Date; time; terms. On the fourth Tuesday in September 2023 an election *was* shall be held between the hours of 7:00 a.m. and 7:00 p.m. under this Charter, for the election of the Mayor and two (2) Councilmembers ~~each~~ from *each* a different district. *The Councilmember from District 1 that received the highest number of votes was elected to a 5-year term. The Councilmember from District 1 that received the second highest number of votes was elected to a 3-year term. The Councilmember from District 2 that received the highest number of votes was elected to a 5-year term. The Councilmember from District 2 that received the second highest number of votes was elected to a 3-year term. The Mayor was elected to a 5 year term.* ~~On the fourth Tuesday in September 2025 an election shall be held between the hours of 7:00 a.m. and 7:00 p.m. under this Charter for the election of two (2) Councilmembers each from a different district.~~

On the Tuesday after the first Monday in November, 2026 2028, and upon the Tuesday after the first Monday in November every two (2) years thereafter, an election shall be held between the hours of 7:00 a.m. and 7:00 p.m. On the Tuesday after the first Monday in November, 2026, and on the same date every four years thereafter, an election shall be held for one (1) District 1 Councilmember and one (1) District 2 Councilmember. On the Tuesday after the first Monday in November, 2028, and on the same date every four (4) years thereafter, an election shall be held for Mayor and one (1) District 1 Councilmember and one (1) District 2 Councilmember.

Notice of an election shall be printed in some newspaper of general circulation, published in Caroline County, or posted in three conspicuous places in the Town of Federalsburg for at least 10 days before the election. At an election, the one candidate for Council member from each district receiving the highest number of votes shall be elected for a four-year term as Council member. The candidate for Mayor at a Mayoral election receiving the highest number of votes shall be elected Mayor of Federalsburg for a four (4) year term. The term of the Mayor of Federalsburg shall hereafter be for four (4) years.

The Town shall be divided into two (2) legislative districts for the election of members of the Council. Each legislative district shall contain two (2) Councilmembers who shall be elected by the registered voters of that legislative district only. The legislative districts shall be established on a map adopted by Resolution by a majority of the Mayor and Council.

(i) Each legislative district shall consist of adjoining territory, be relatively compact in form, and include substantially the same population as other districts. Due regard shall be given to all constitutional standards in creating the legislative districts.

(ii) From time to time as based on the latest U.S. Census Bureau data and after public hearing, the Mayor and Council may reestablish boundaries of the legislative districts for elections of the members of the Council.

~~The term of the Mayor and two Councilmembers who are elected in September 2023 shall be extended until the fourth Monday in November 2028. The term of the two Councilmembers who are elected in September 2025 shall be extended until the fourth Monday in November 2030.~~

~~On the Tuesday after the first Monday in November, 2028, and on the same date every four (4) years thereafter, an election shall be held for Mayor and one (1) District 1 Councilmember and one (1) District 2 Councilmember. On the Tuesday after the first Monday in November, 2030, and on the same date every four years thereafter, an election shall be held for one (1) District 1 Councilmember and one (1) District 2 Councilmember.~~

...

Section 2. This Resolution shall be posted and published in accordance with the requirements set forth in Md. Code Ann. Local Government Article § 4-304.

Section 3. The Mayor and Council of Federalsburg held a public hearing on this Resolution on _____, 2025 at 6:00 p.m.

Section 4. This Resolution shall become effective 40 days after final enactment unless a petition for referendum has been filed prior thereto in accordance with Section 4-304 of the Local Government Article of the Code of Maryland. This Resolution shall be deemed "finally enacted" on the date on which the Mayor and Council of Federalsburg indicate their approval of this Resolution by affixing their signatures hereto.

Section 5. As soon as this Resolution becomes effective, the Town Clerk shall cause to be delivered to the Department of Legislative Reference all the information regarding the Charter Amendment, this Resolution, and any referendum held thereon as may be required by the Local Government Article of the Annotated Code of Maryland.

BE IT FURTHER RESOLVED, this _____ day of _____, 2025.

Yea/Nay

Kimberly M. Abner, Mayor
Ian Ferguson, Councilmember
Brandy James, Councilmember
Debra V. Sewell, Councilmember
Darlene Hammond, Councilmember

ATTEST:

MAYOR & COUNCIL OF FEDERALSBURG

Mercedes Moyer

Kimberly M. Abner, Mayor

Language ~~stricken~~ indicates language deleted from the Charter for the Town of Federalsburg.
Language in *bold and italicized* indicates language added to the Charter for the Town of Federalsburg.

Introduced:
Public Hearing:
Adopted:
Effective Date:

ORDINANCE NO. 2025-05

Introduced by: _____

AN ORDINANCE OF THE MAYOR AND COUNCIL OF FEDERALSBURG TO AUTHORIZE THE ACQUISITION OF 24,446 SQUARE FEET OF LAND OWNED BY TUCKAHOE HABITAT FOR HUMANITY, INC., AND TO AUTHORIZE THE MAYOR TO EXECUTE SUCH DEEDS AND PLATS AS ARE NECESSARY TO EFFECTUATE THE TRANSFER OF THE PROPERTY

WHEREAS, the Mayor and Council of Federalsburg are authorized by the Maryland Code Annotated, Local Government Article, § 5-204 to acquire real property needed for public purpose; and

WHEREAS, Tuckahoe Habitat for Humanity, Inc. (“Habitat”) is the owner of certain real property conveyed by the Mayor and Council of Federalsburg, Maryland to Caroline County Habitat for Humanity, Inc., a Maryland corporation, by a Deed dated May 5, 2005, and recorded among the Land Records of Caroline County, Maryland in Liber 607, folio 67, and by a series of Quitclaim Deeds recorded among said Land Records, including the following: (1) dated May 19, 2009 (861/247), (2) dated November 18, 2011 (981/001), (3) dated December 2, 2011 (982/119), (4) dated December 9, 2011 (983/365), (5) dated May 3, 2012 (1002/212), (6) dated May 28, 2013 (1060/353), (7) dated May 29, 2013 (1061/144), (8) dated May 29, 2013 (1061//150), (9) dated May 29, 2013 (1061/156), (10) dated May 30, 2013 (1061/137); (11) dated June 12, 2013 (1065/364); and (12) dated June 12, 2013 (1065/371); the said Caroline County Habitat for Humanity, Inc. having changed its name to Tuckahoe Habitat for Humanity, Inc. pursuant to Articles of Amendment filed with the Maryland State Department of Assessments and Taxation on November 9, 2016 (the “Property”); and

WHEREAS, Habitat desires to transfer the Property to the Mayor and Council of Federalsburg for no monetary consideration; and

WHEREAS, the Property is currently vacant open space and the Mayor and Council believe that it can be utilized for a public need, and that it is desirable and in the public interest to acquire the Property; and

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL AS FOLLOWS:

Section 1. The Mayor and Council hereby approve the acquisition of the Property for a public purpose.

Section 2. The Council hereby authorizes the Mayor to execute any deeds or documents as are necessary to effectuate the transfer of the Property to the Town of Federalsburg.

Section 3. In accordance with Section C3-10, of the Federalsburg Town Charter, this Ordinance shall take effect and be in full force and effect twenty (20) days from and after the date of its final passage and adoption.

	Yea/Nay
Kimberly Abner	_____
Debra Sewell	_____
Brandy James	_____
Darlene Hammond	_____
Ian Ferguson	_____

I hereby certify that the above Ordinance was passed by a yea and nay vote of the Council this _____ day of _____, 2025.

Kimberly Abner, Mayor

Delivered by the Mayor and recorded by me in the Minute Books of the Mayor and Council of Federalsburg this ____ day of _____, 2025.

Amy Cyrus, Town Clerk

Date Introduced: _____
Date Amendments Introduced: _____
Date Passed: _____
Effective Date: _____



June 12, 2025

Proposal to provide professional
forensic audit services to:

Town of Federalsburg

Prepared by:
Emilie Deveraux, CFE, Signing Director
emilie.deveraux@CLAconnect.com
Direct 505-222-3531

[CLAconnect.com](https://www.CLAconnect.com)

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.CLAGlobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





CliftonLarsonAllen LLP
CLAconnect.com

June 12, 2025

Town of Federalsburg
118 N. Main Street
Federalsburg, MD 21632
agordon@bbcmlaw.com

Via email submission

Thank you for inviting us to propose. We look forward to the opportunity to provide services to Town of Federalsburg (the Town). We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement that aims to promote transparency, accountability, and accuracy in the Town's financial operations. The following differentiators are offered for the Town's consideration:

- **Industry-specialized insight and resources** – As one of the nation's leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist the Town with their forensic audit needs. In addition to your experienced forensic services engagement team, the Town will have access to one of the country's largest and most knowledgeable pools of regulated industry resources.
- **Strong methodology and responsive timeline** – In forming our overall forensic audit approach, we have carefully reviewed the RFP and other information made available and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. The work plan also minimizes the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- **Communication and proactive leadership** – The Town will benefit from a high level of hands-on service from our team's senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at the Town and take an active role in addressing them.
- **A focus on providing consistent, dependable service** – CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the Town will enjoy the service of members of our state and local government forensic services team who understand the issues and environment critical to governmental entities.

We want to serve you and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we'll work together and the value you can come to appreciate when we exceed expectations. For ease of evaluation, the structure of our proposal follows your RFP section titled, *Proposal Requirements*. Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

CliftonLarsonAllen LLP

Emilie Deveraux, CFE, Signing Director
505-222-3531 | emilie.deveraux@CLAconnect.com

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1. Company Profile

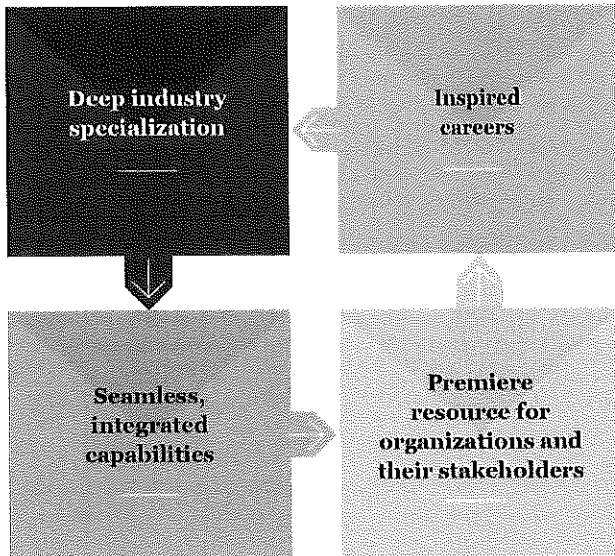
Firm overview

It takes balance.™ With CLA by your side, you will find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.



As a professional services firm, we exist to create opportunities ... for you, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. We do this when we live the CLA Promise — a promise to know you and help you.

Opportunities for you



You'll find resources you would expect in the largest firms, with the personal touch of people who live and work in your community.

You'll access leaders and professionals in communities across the country, rather than from one central headquarters. We work together to look at your organization holistically, and then help you address challenges by offering support where you need it, from traditional audit and tax to outsourcing and wealth advisory.

As you navigate opportunities and challenges in a competitive and constantly changing environment, we'll embrace change, learn from it, and design processes to make interactions easier, more transparent, and seamless.



Opportunities for our people

At CLA, people find meaningful work in a fun, compelling, and energizing culture. Our people design their own customized careers through our inspired careers strategic advantage. In 2024 our total headcount was relatively the same as in 2023, and we continue to witness a remarkable retention rate of 89%. Inspired by their careers, our family members develop client relationships that bring deeper knowledge and help you shine. We're one family, working together to create opportunities.

What's more, CLA is building a culture of connection and belonging that welcomes different beliefs and perspectives. We want to represent the communities we serve and foster an environment of inclusion and belonging, resulting in enhanced value for our clients, our communities, and each other.

Inclusive: *We embrace all voices and create opportunities by removing barriers and helping our people build inspired careers.*

Opportunities for our community

CLA's community impact team unifies the work of connection, belonging and the CLA Foundation with a laser focus on advancing education, employment, and entrepreneurship within CLA and throughout our society.

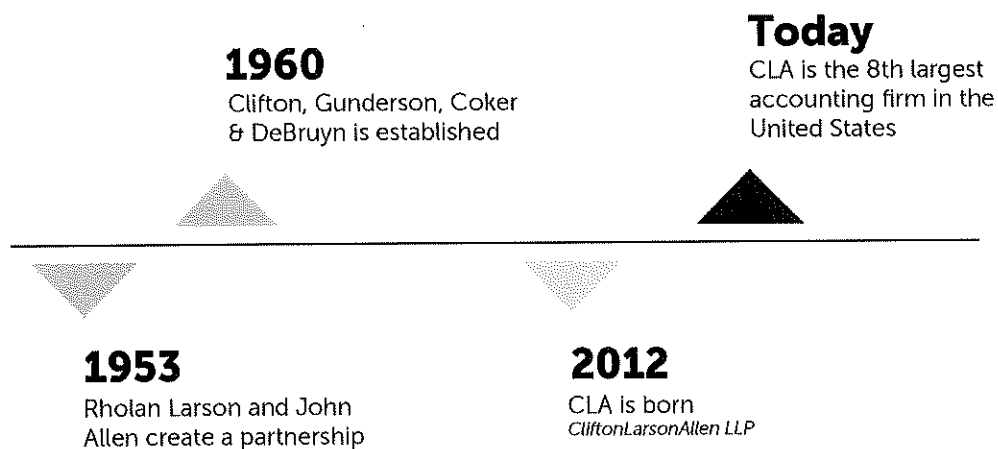
Since 2015, our CLA Foundation has granted more than \$13 million from nominations made by and funds raised from CLA family members. Each grant recipient's work aligns with the foundation's mission to create career opportunities through education, employment, and entrepreneurship by connecting networks inclusive of all genders and races, veterans, and the disability community.

Read more in CLA's annual Promise Report.

History of CLA

On January 1, 2012, two regional firms, Clifton Gunderson and LarsonAllen, merged to become CLA. They were driven by a shared vision to be a different kind of firm and a dream to be America's leading provider of professional services.

We're celebrating 13 years as CLA, but the roots of our culture reach back much further. Across decades, the philosophies that drove our legacy firms — from how they served clients and treated their people to how they did business — shared many attributes. We still find them present today in what we call the CLA Promise.



Forensic experience

It is expected that most organizations will experience some form of waste, fraud and abuse, and studies performed by the Association of Certified Fraud Examiners (ACFE) have shown that occupational fraud, fraud orchestrated by an employee, costs an organization an average of five percent of annual revenues. CLA's forensic services practice focuses on helping resolve fraud matters and mitigating fraud risks, as well as assisting the Town in matters involving compliance and internal controls. The forensic services we provide generally involve the application of specialized knowledge and investigative skills possessed by our CPAs and professionals. We collect, analyze, and interpret data and then, as needed, communicate our findings in the boardroom, courtroom, or other venues. Whether the Town needs are reactive or proactive in nature, our team of highly credentialed professionals report the results of our work objectively. Our team possesses extensive experience in forensic accounting, litigation services, regulatory compliance, and the use of forensic technology.

Throughout the application of our forensic audit services, we use the most cutting-edge data analysis technology and incorporate the knowledge and experience of trained investigators to identify fraud red flags and anomalies across all types of financial and non-financial information. Through our use of forensic data analysis, we can identify transactions related to potential inappropriate expenditures and activity. Once the relevant information and data is gathered and analyzed, the results aim to support the underlying efforts of the forensic audit. Our forensic professionals will assist you in obtaining your objectives in the most efficient and effective approach possible.

Forensic services practice

With a nationwide network of experienced professionals, CLA is here to support your needs. The Forensic Services team includes professionals with multiple years of experience conducting risk assessments, internal control reviews, fraud investigations, forensic accounting reviews, anti-fraud and ethics training, and data analytics for nonprofit organizations, for-profit companies, and governmental agencies.

Our team consists of Certified Public Accountants (CPAs), Certified Fraud Examiners (CFEs), Certified Financial Forensics professionals (CFFs), Certified Computer Examiners (CCEs), and attorneys. Some are private investigators. Additionally, our team has access to our in-house subject matter experts in security, electronic data processing, and physical security systems. These are all highly skilled resources available through our team.

Our forensic investigators have extensive experience working directly with management, boards of directors, audit committees, counsel, regulatory agencies, and other stakeholders at every stage of the engagement.

Providing a range of services from confidential internal inquiries to expert witness testimony, our forensic investigators act as advisors who uphold the highest standards of accuracy and confidentiality.



2. Team Qualifications

Your service team

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them.

Meet your service team below.

Engagement Team Member	Role	Years' Experience
Emilie Deveraux, CFE	Engagement signing director – Emilie will have overall engagement responsibility including planning the engagement, developing the forensic audit approach, supervising staff, and maintaining client contact throughout the engagement. Emilie is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.	20+
Ana Rodriguez, CPA, CFE	Engagement lead manager – Ana will act as the lead manager on the engagement. In this role, Ana will assist the engagement signing director with planning the engagement and performing complex forensic audit areas. She will perform a technical review of all work performed.	12+
Lea Wyatt, Esq. CFE	Engagement Director – Lea will collaborate with the engagement team and will be responsible for certain areas of the engagement. Lea’s many years of serving governmental entities will be an invaluable resource.	10+
Kristen Ternullo, CPA	Senior – Kristen will be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	8+

Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.

Detailed biographies can be found in *Appendix A*.

Collaborative: Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.



3. Approach and Methodology

Forensic audit approach

Effective communication is the key to a successful engagement, including the exchange of ideas and advice as the Town considers or implements changes.

Phase 1: Planning and Information Gathering

The planning and information gathering phase of the engagement starts when we are awarded the engagement, and a contract is fully executed. Upon receiving a fully executed contract, we communicate our plan to begin the work and discuss the forensic audit engagement process. These discussions are intended to accomplish the following:

- Identify key management, staff, primary liaisons, and CLA contacts
- Establish the timetable
- Understand the nature and extent of known concerns
- Discuss logistics and administrative matters
- Agree on the cadence of regular status updates
- Establish reporting parameters and protocols
- Identify areas that may have a significant impact on the engagement and propose strategies

Interviews: Interviews will be conducted during Phase 1, to gather information related to possible areas of concern and to gain an understanding of the business processes. The interviews will aim to gather information and insights into financial operations, procedures, and the internal control environment. Gaining an in-depth understanding of the Town’s processes for accounts payable and credit card transactions to help us evaluate potential risk areas to better identify higher risk processes and transactions in order to focus the forensic audit on higher risk areas.

Phase 2: Assessment

The assessment phase will lay the foundation for a successful forensic audit of the Town for the past five years relating to accounts payable and credit card transactions.

Processes and procedures: In this phase, we gain an *understanding of the Town* and its relevant processes and procedures related to the areas of concern identified through the information gathering interviews conducted. We gain this understanding by obtaining and reviewing documentation relevant to the forensic audit, including organizational charts, staff listing, and written policies and procedures. In addition, we will request background information relating to budget allocations.

Email review, if warranted: During this phase CLA will examine of the contents of email communications by relevant individuals to attempt to identify patterns of behavior or communication that might be significant to risk areas. This includes identifying any irregularities or suspicious activities. Emails can be used to corroborate potential information learned through the interviews conducted. At times emails might contain information that was not disclosed through other means. This can include hidden motives, undisclosed relationships, or other relevant details to the forensic audit. It may also include credit card receipts delivered directly to employee emails.



Phase 3: Forensic evaluation and data analysis

In the forensic evaluation phase, we obtain applicable financial transaction data relating to credit cards and accounts payable expenditures, and to the extent that is relevant, budget allocations as well as any other area of concern identified in the initial phases.

Data Analysis: A forensic audit is conducted with a risk-based approach in mind. During the forensic evaluation phase and throughout the forensic audit we will employ the use of Computer Assisted Audit Techniques (CAATs) to enhance efficiency and effectiveness. The data analysis aims to identify anomalies or irregular patterns in financial transactions, which assists in selecting higher risk transactions for testing and further evaluation. It is expected that risk-based testing will be performed in the areas of higher risk identified.

Having gained an understanding of the Town's risk areas and internal control systems, we then design the various analytics and data tests that will be used to evaluate for anomalies and higher risk transactions to:

- Determine the extent to which we will detail test transactions subject to control overrides and internal control weaknesses
- Review the effectiveness of existing internal control systems
- Assess the potential for abnormal activity, including misconduct, misappropriation of funds, or improper payments

The results of this phase will be integral in determining which areas, transactions, or activities will require a deeper examination in the Testing & Analysis phase.

Assessing the potential for abnormal activity, including misconduct, misappropriation of funds, or improper payments – We use this phase to identify transactions subject to control overrides and internal control weaknesses that may have resulted in misconduct, conflicts of interest, or improper payments. At CLA, we understand the severity of such concerns and apply our forensic audit techniques to identify potential parties of interest that necessitate special scrutiny in the review and evaluation of their transactions.

Based on the outcomes of the planning and strategy discussions in Phase 1, if it is determined that public record searches or additional interviews may be needed, we will execute those steps in this phase to help inform the assessment of higher risk transactions.

Phase 4: Testing of transactions

Transaction testing has the objective of identifying transactions that are not accurately or timely recorded in the books and records of the Town, do not adhere to financial policies and procedures, are not proper for the potentially restricted uses of the associated grant revenues, are not appropriate or allowable, or demonstrate a potential irregularity, misconduct, or fraud. The nature and extent of the sample testing to be employed is dependent on a number of different factors, including the specific concerns and objectives of the Town, the nature and amount of the transactions and financial information included in the forensic audit, the volume and relative size of the transactions underlying the related amount, the nature of the internal controls surrounding the processing stream, the availability of relevant documentation and information, the efficiency of the forensic audit procedures applied, and the number of higher risk areas or transactions identified.



The sampling approach deployed is risk-based established on the results of our understanding of internal control processes gained through interviews and review of relevant documentation, data analytics, and other information gathered through the procedures performed in the earlier phases.

The testing phase typically includes the following procedures:

- Perform sample testing to determine whether transactions adhered to documented financial policies and procedures, are proper and are supported by documentation that demonstrates that the transactions were appropriate.
- Identify transactions that resulted in misconduct, misappropriation of funds, or improper payments due to control overrides and internal control weaknesses, if any.
- Conduct follow up inquires of individuals most familiar with the transactions, if the documentation available for testing is insufficient to form conclusions. Will also refer to electronic evidence, such as relevant emails as transactions are tested.
- Specifically for all transactions tested, CLA aims to determine whether the transactions appear appropriate based on relevant requirements, supporting documentation appears authentic and complete, whether appropriate approvals by those with the relevant authority were documented, transactions followed the Town's guidelines.
- Based on the results of our initial testing, we assess the results and will discuss with the Town whether additional sampling may be necessary to adequately support conclusions or assess for improper activities.
- We document and summarize the results of our testing in order to analyze and interpret the information for reporting to the Town. We consider the totality of information gathered through forensic evaluation, testing and analysis to determine whether there is evidence or indicators of financial misconduct, evidence of fraud, or weaknesses in internal controls.

It is not unusual that during the performance of our forensic accounting engagements additional issues or concerns are identified. Should this be the case, it is during this phase that prompt communication is made to the engaging party in order to discuss whether additional forensic auditing steps are required. If evidence of financial misconduct or fraud is discovered, CLA will discuss with the Town's designated representative the option of conducting investigative interviews, which would be conducted during this phase.

Phase 6: Assessment of Existing Internal Controls

We will leverage insights gained from Phases 1–5, along with any current documented policies, procedures, or work instructions provided by the Town, as a foundation for discussions relating to current internal controls. This will help us develop a comprehensive understanding of the current operating structure, processes, internal controls, involved personnel, and supporting technology, particularly where they differ from those in place during the five-year forensic audit period. It is also possible that some internal control deficiencies identified during that period have since been addressed and that updated controls are now in effect. To conduct the assessment of the current internal controls, we will assess the existing internal controls to determine areas where additional internal controls may be needed, where existing internal controls should be enhanced, and compare your operations to widely accepted best practices. The analysis will allow us to identify specific actions that will result in recommendations for improvement. Work procedures include:

- Evaluate whether current internal controls are designed appropriately to mitigate the identified risks.
- Evaluate application controls for effective use.
- Evaluate the design of internal controls that currently exist as it relates to effective achievement of the specified purpose.



- Provide detailed recommendations for future Town improvements to internal controls.

Phase 7: Reporting

We are committed to ongoing communication with the designated Town representative throughout the engagement. Continual communication starts when the contract is executed and continues until the completion or closeout of an engagement. Consequently, we communicate with our clients as it is requested during the engagement period. At a minimum, we typically recommend a status meeting bi-weekly to discuss progress, obstacles, and other matters needing attention. If any conditions identified require immediate attention, based on our professional judgment, we communicate immediately upon discovery.

Upon completion of the testing and analysis, CLA will formally report the results of the work performed based on the procedures outlined above and provide recommendations for improving financial processes and controls. Our comprehensive reports include a description of the work performed including a listing of the types of documents reviewed, the financial analysis performed, and the interviews conducted. The report also includes the results of the forensic audit and detailed findings, including all discovered abnormal activity, past or present, its quantification, cause, and consequence, to the extent possible. The comprehensive report provides detailed explanations for significant observations. To the extent that evidence of abnormal activity is identified, sufficient evidential matter is included as exhibits to accompany our report to enable the Town to consider next steps. Recommendations will be included in the report to strengthen the Town's internal control environment.

Our reports include an executive summary, procedures performed, detailed findings, and recommendations for corrections to the Town's books and records, other remedial actions for the completeness and accuracy of financial information, and best practices to enhance financial transparency, accountability, and integrity within the Town. We provide our clients with the opportunity to review our reports in draft form prior to being finalized. This is the opportunity for our clients to ask questions or request additional details, should it be desired. CLA will be prepared to orally report findings if desired by the Town.

Applicable Standards

A forensic audit of a governmental entity, such as the Town, is different from a typical financial statement audit which would be applicable to Government Auditing Standards. The Town has requested a forensic audit, and forensic audit engagements are, by their nature, applicable to Statement on Standards for Forensic Services No 1. ("SSFS No. 1") promulgated by the AICPA. SSFS No. 1 provides guidelines specifically tailored for forensic accounting services, which include investigations of fraud, financial misconduct, and other irregularities. These standards ensure that forensic audits are conducted with a focus on identifying and analyzing evidence related to specific allegations or concerns.

SSFS No. 1 prohibits members from rendering an opinion as to whether there has been any fraud or other criminal activity by anyone associated with this engagement; therefore, CLA does not render such opinions. The ultimate decision as to the occurrence of fraud is determined by a trier-of-fact. As AICPA members performing forensic services, we are prohibited from opining as to the ultimate conclusion of fraud or other legal determinations. We may provide opinions relating to whether evidence is consistent with certain elements of fraud based on objective evaluation. CLA's standard record retention period is seven years, and we retain records relating to this engagement for that period of time.



4. Timeline

Count on clear communication and regular updates.

Proposed work plan

We have designed a plan for your consideration under the assumption that the work will commence in July 2025. In our planning meeting, we'll discuss this timeline with you in greater detail and adjust as appropriate.

July 7 to July 21, 2025	Phase 1 – Planning and information gathering
July 22 to August 11, 2025	Phase 2 - Assessment
August 12 to September 1, 2025	Phase 3 - Forensic evaluation and data analysis
September 2 to October 6, 2025	Phase 4 - Testing of Transactions
October 7 to October 20, 2025	Phase 5 - Assessment of internal controls
October 21 to November 10, 2025	Phase 6 - Prepare draft report
Ongoing	Planning and update meetings

Reliable: Look for us to respond in hours, not days. We strive to deliver service that exceeds your expectations.

This timeline was prepared with the assumption that individuals will be made available for interviews and discussion without major delays and that documentation requested will be provided timely.



5. Cost Proposal

Your investment

Having upfront conversations builds relationships.

The value we can provide your organization goes beyond meeting your compliance needs. We can help you discover opportunities to enhance your performance and achieve your strategic goals. Our insights and strategies are tailored to your specific situation and represent a return on your investment.

Based on our understanding of your requirements, that include examination of a period of five years, we propose the following fees:

Professional Services	Estimated Cost
Phase 1: Planning and information gathering	\$20,000
Phase 2: Assessment**	\$25,000
Phase 3: Forensic evaluation and data analysis	\$20,000
Phase 4: Testing of transactions	\$30,000
Phase 5: Assessment of existing internal controls	\$20,000
Phase 6: Reporting - Upon consultation, potentially prepare a detailed oral and/or report outlining findings, including any identified irregularities and recommendations for corrective actions	\$20,000
Credit card and bank statement conversion platform fees	\$2,500
Technology and client support fee (5%)	\$6,750
Total	\$144,250

** THE AMOUNT LISTED DOES NOT INCLUDE costs associated with email review. If email review is warranted this would add an additional \$15,000 to \$25,000, depending upon volume of applicable emails to be reviewed.

Our fee quote is designed with an understanding that:

- The Town personnel will provide documents and information requested in a timely fashion.
- The Town will have documentation available electronically
- There are no significant changes to the scope



The 5% technology and client support fee supports our continuous investment in technology and innovation to enhance your experience and protect your data.

Should fees be the determining factor, we are open to discussing the scope or exploring other options so that we may have the opportunity to assist you.

No surprises

Our clients don't like fee surprises. Neither do we. If changes or complexities occur — or any "out-of-scope" work is required — we'll discuss a revised fee proposal with you first.

Our last word on fees: we're committed to serving you and creating a long-standing relationship. If fees are a deciding factor in your selection of a professional services firm, give us a call and let's discuss.

Transparent: Clear, authentic communication and market-based fees.



6. References

Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you'll have when working with us. We encourage you to connect with our clients to hear it firsthand.

County of Riverside, California

Client Contact	René Casillas, CPA, CRMA, Deputy Auditor-Controller Internal Audit Division
Phone Number Email	951-955-8140 rcasillas@rivco.org
Services Provided	Forensic audit services

County of Monterey, California

Client Contact	James Lam, MPP, CIA, CFE Chief Deputy Auditor Office of the Auditor-Controller
Phone Number Email	831-755-5040 lamj@co.monterey.ca.us
Services Provided	Forensic examination

San Mateo County Community College District, California

Client Contact	Dr. Richard Storti, Executive Vice Chancellor of Administrative Services
Phone Number Email	650-358-6789 Stortir@smccd.edu
Services Provided	Forensic Examination

Transparent: We place honesty and integrity at the center of all communication. We welcome you to start an open and candid conversation with those who know us best.

The majority of the work performed by CLA's forensic services practice is conducted under attorney-client privilege, which is confidential; however, we can provide one publicly available example of a forensic audit report produced by CLA that is similar in scope to the work requested by the Town that includes both a forensic



audit as well as an internal control assessment component. CLA is providing this example below as a testament to the quality of our work.

Experience with Similar Scope

Mississippi Department of
Human Services (MDHS)

Retained in 2020 by the Mississippi Department of Human Services (MDHS) with the Mississippi Office of the State Auditor as a third party to the contract. CLA conducted a forensic audit of the MDHS Temporary Assistance for Needy Families (TANF) grant program for the period of January 1, 2016, to December 31, 2019. The objective of the forensic audit was to determine expenditure allowability pursuant to federal requirements, state law, MDHS policies and procedures, and applicable grant scope. CLA tested transactions for MDHS disbursements that included subsidies, loans and grants, service contracts, salaries, travel, and equipment and commodities. CLA performed analytical procedures for 28 TANF subgrantees for the forensic audit period. The process used to analyze MDHS and subgrantee transactions involved obtaining and normalizing financial data and performing various analysis on the data of all entities. CLA selected transactions for testing based on the results of analytics, public record searches performed on parties of interest, and a review of emails for certain former MDHS employee(s). *TANF Forensic Audit: Procedures and Results* is found at the following link: [MDHS-Report-of-Forensic-Audit-Procedures-Results-FINAL_Redacted.pdf](#). *TANF Forensic Audit: Internal Controls Assessment* is found at the following link: [MDHS-Current-Period-TANF-Internal-Controls-Assessment-Final.pdf](#).



Appendix

A. Your service team biographies





Emilie Deveraux, CFE

CLA (CliftonLarsonAllen LLP)

Signing Director
Albuquerque, New Mexico

505-977-2923
emilie.deveraux@CLAconnect.com



Profile

Emilie is a signing director in the Valuation, Forensics, Litigation, and Investigations group (VFLI) at CLA. Emilie has more than 20 years of experience providing forensic accounting and fraud examination services to both regulated industry and private clients. She specializes in leveraging data analytics to uncover financial discrepancies and fraudulent activities, performing complex financial investigations, performing document searches, and utilizing analytical tools and methodologies to conduct examinations and provide actionable insights. She also has extensive experience performing fraud risk assessments, internal control reviews, litigation support, and anti-fraud and ethics training.

Technical experience

- **Forensic Accounting:** Proficient in investigating and analyzing financial records, identifying discrepancies, and tracing fraudulent activities.
- **Fraud Examination:** Skilled in conducting comprehensive fraud examinations, including asset misappropriation, corruption, and financial statement fraud.
- **Data Analytics:** Applying data analytics techniques and tools, such as Excel, SQL, and Access, to detect patterns, anomalies, and trends indicative of fraud.
- **Reporting and Documentation:** Ability to prepare detailed reports and presentations, effectively communicating findings to stakeholders, and provide recommendations for corrective actions.
- **Risk Assessment:** Capable of assessing financial risks and implementing control measures to mitigate potential fraud and support financial integrity.

Experience serving clients

- **U.S. Department of Justice** – Supported more than 30 Native American tribal trust cases against the United States by providing litigation consulting services and records management services to United States attorneys and preparing economic damage calculations for use in litigation and arbitration.
- **U.S. Department of the Interior (DOI), Office of Historical Trust Accounting** – On behalf of Native American tribal trust accountholders, reconstructed and validated electronic historical financial accounting records from four separate systems, determined ownership of accounts, distributed over \$47M of historical funds held in trust by the United States, and developed applications and procedures for on-going account maintenance.
- **Tribal and nonprofit clients** – Reconstructed, analyzed, and reviewed financial data from multiple sources to determine client exposure to fraudulent schemes, potential universe of impacted individuals, and volume of fraudulent activity.



- Tribal and nonprofit clients – Internal control review/assessment, review of federal grants and contracts to confirm compliance with applicable regulations, review of supporting documentation on a sample basis to determine proper recording of funding received.
- Private business and individual clients – Performed detailed fraud examinations, investigating allegations of financial misconduct and asset misappropriation. Applied data analytics techniques to scrutinize large datasets, identifying patterns and anomalies indicative of fraudulent activities.

Education and professional involvement

- Bachelor of science in accounting from University of New Mexico, Albuquerque, New Mexico
- Certified Fraud Examiner (CFE)
- Association of Certified Fraud Examiners

Security clearance

- Certification of Favorable Determination for a Public Trust Position

Speaking Engagements

- Co-presenter: “Tribal Trust Funds Reconciliation Project; White Mountain Apache Tribe”, US Department of Justice and US Department of the Solicitor, May 2017
- Co-presenter: “Tribal Trust Funds Reconciliation Project; Cherokee Nation of Oklahoma”, US Department of Justice and US Department of Solicitor, September 2020
- Co-presenter: “Current Fraud Risks Facing State and Local Governments”, AGA Webinar, October 2021
- Speaker: “Ethical Challenges in Business Decisions”, Florida Government Training Academy, May 2023
- Speaker: “Ethical Challenges and Fraud Risks Facing Governments”, New England States GFOA Annual Fall Conference, September 2023
- Co-Presenter: “Understanding the Impact of Ethics and Fraud in Business”, Commonwealth of Pennsylvania Technology Training Day, March 2024
- Co-Presenter: “Fraud, Waste, and Abuse: Current Trends”, Denver Training Academy, March 2024
- Panel Moderator: “Current Trends in Fraud, Waste and Abuse”, NAFOA 2024 Fall Finance and Tribal Economies Conference
- Instructor: “Life Skills for Self-Reliance”, Church of Jesus Christ of Latter Day Saints, February 2023 – Present





Ana M. Rodriguez, CPA, CFE

CLA (CliftonLarsonAllen LLP)

Manager
Glendora, California

626-857-7300
ana.m.rodriguez@CLAconnect.com



Profile

Ana is a manager with the Valuation, Forensics, Litigation, and Investigations group (VFLI) at CLA and has more than twelve years of experience in forensic accounting and auditing, fraud investigations, internal control review and analysis, and litigation support. Ana has served clients in many industries, including education, state and local government, health care, nonprofit, employee benefit plans, and other for-profit entities. Ana has investigated numerous allegations of conflicts of interest, employee embezzlement schemes, and other asset misappropriation schemes as well as provided forensic accounting services relating to business disputes. Ana is fluent in Spanish.

Technical experience

- Forensic accounting examinations and analysis
- Fraud investigations
- Fidelity and insurance claims
- Data analytics
- Litigation support
- Internal control reviews
- Conflicts of interest investigations
- Contract and vendor fraud
- Investigative interviews
- Anti-fraud training

Education and professional involvement

- Bachelor of science in business administration with an emphasis in accounting, co-valedictorian, California State Polytechnic University, Pomona
- Certified Public Accountant in the state of California
- Certified Fraud Examiner
- American Institute of Certified Public Accountants (AICPA)
- Association of Certified Fraud Examiners (ACFE)
- Inland Empire Chapter ACFE, Treasurer
- California Society of Certified Public Accountants (CalCPA)



Speaking engagements

- February 2024 – CalCPA Forensic Services Section – Dynamics of Compliance Monitorships
- April 2023 – Institute of Management Accountants, Mt. Rainier (Tacoma) – Forensic Accounting Insights into Occupational Fraud and Case Studies from the Field
- April 2023 – Commonwealth of Pennsylvania Training Academy hosted by CLA – Fraud, Waste, and Abuse – Current Trends in State and Local Government
- April 2022 – State of Vermont Training Academy hosted by CLA – Fraud Prevention and Detection for State and Local Governments
- April 2022 – Institute of Internal Auditors, Inland Empire – Fraud Tools for Auditors
- March 2021 – Midwest Government Training Academy hosted by CLA – Ethical Challenges in State and Local Government
- March 2021 - IIA / ISACA / ACFE Spring Fraud Conference — Investigating Fraud: Case Studies in Employee Theft and Dishonesty





Lea Wyatt, Esq. CFE

CLA (CliftonLarsonAllen LLP)

Director
Quincy, Massachusetts

617-221-1983
lea.wyatt@CLAconnect.com



Profile

Lea is a director with the Valuation, Forensics, Litigation, and Investigations group (VFLI) at CLA. She is a highly skilled professional with over ten years of experience in finance and fraud and misconduct investigations. She excels in conducting comprehensive investigations related to financial fraud, civil rights violations, workplace bullying and harassment, and due diligence. Lea's strong background in investigation, analysis, and law allows her to approach each case with a strategic and comprehensive perspective.

Technical experience

- Fraud and misconduct investigations
- Forensic accounting
- Due diligence investigations
- Workplace bullying and harassment investigations
- Title IX investigations
- Fraud risk assessments
- Asset tracing
- Financial analysis
- Research/market data

Education and professional involvement

- Juris Doctor from New England Law, Boston, Massachusetts
- Bachelor of Arts in Communications from University of Mount Saint Vincent, Bronx, New York
- Licensed attorney, Massachusetts
- Licensed attorney, Rhode Island (retired)
- Rhode Island Bar Association (RIBA)
- Licensed Private Investigator, Massachusetts
- Certified Fraud Examiner (CFE)
- Association of Certified Fraud Examiners (ACFE)
- Association of College and University Auditors (ACUA)





Kristen Ternullo, CPA

CLA (CliftonLarsonAllen LLP)



Senior
Andover, Massachusetts

978-984-6508
kristen.ternullo@CLAconnect.com

Profile

Kristen is a senior with the Valuation, Forensics, Litigation, and Investigations group (VFLI) at CLA. She has more than eight years of public and private accounting experience. Kristen has experience, in both individual and corporate taxation, audit, forensic accounting, fraud investigations, litigation support, marital disputes, and the analysis of economic damages.

She also has extensive knowledge reviewing company financials and tax returns, and experience in state and local government, real estate, nonprofit, and health care.

Technical experience

- Forensic accounting
- Fraud investigations
- Damages analysis
- Corporate taxation
- Individual taxation
- Financial statement audit

Education and professional involvement

- Bachelor of science in accounting from Plymouth State University, Plymouth, New Hampshire
- American Institute of Certified Public Accountants
- Massachusetts Society of CPAs

CLAconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAGlobal.com/disclaimer.
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



B. Quality control procedures and peer review report



In the most recent peer review report, dated November 2022, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page. ***This quality review included a review of specific government engagements.***

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.





Report on the Firm's System of Quality Control

To the Principals of CliftonLarsonAllen LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. 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 on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1[®] and SOC 2[®] engagements).

As a 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 CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, 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*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP
Charlotte, North Carolina
November 18, 2022

cbh.com





JUNE 2025

Proposal for Forensic Audit Services

prepared for

The Town of Federalsburg, Maryland

RFP # 14172265



TOWN OF FEDERALSBURG
MAYOR & COUNCIL'S OFFICE
118 N. MAIN STREET
FEDERALSBURG, MD 21632

Dear Sir and/or Madam,

On behalf of CBIZ, we would like to thank you for the opportunity to present the following proposal to **The Town of Federalsburg** (the Town) for forensic auditing services. We understand the importance of selecting the right firm for this critical engagement, and it is our hope that the information contained in this proposal will aid you in your selection process.

CBIZ, the seventh-largest accounting services provider in the U.S., has an established track record of providing tax, audit, and advisory services to clients in the public sector. Our clients routinely rely on our professionals to execute engagements that are subject to extensive media coverage, legislative proceedings, parallel investigations by law enforcement, and regulatory scrutiny, and we are accustomed to working on sensitive matters that require independence, objectivity, and strict adherence to deadlines.

For this engagement, we have assembled a team of exceptional professionals who are experts in the fields of forensic audits, fraud investigations, internal controls, governmental accounting, and more, with the following professionals leading the engagement:

- **Guler Ann Wiefling, CFE**, a former fraud investigator and internal auditor with more than twenty-five years of experience in fraud, bribery and corruption, internal audit, and investigations; and
- **Katherine McMillen, CPA, CFE**, a former auditor with more than twelve years of experience in fraud, bribery and corruption, financial accounting, internal audit, and investigations.

We are committed to establishing a professional working relationship with you that is anchored in trust and respect. You can be confident that we will fully leverage our professional resources to provide you with timely, pragmatic advice and expert insights to help you achieve your objectives. As requested, our proposal includes our company profile, team qualifications, our forensic audit approach and methodology, an estimated engagement timeline, our cost proposal, and references.

Thank you again for the opportunity to contribute to the Town's mission. As you evaluate our proposal, please feel free to contact me directly to discuss any questions you may have.

Sincerely,

Guler Ann Wiefling, CFE
MANAGING DIRECTOR, CBIZ

GULER.WIEFLING@CBIZ.COM
281.223.5615

Disclaimer: This proposal is provided for informational purposes only and shall not constitute an offer. The parties will not be bound to any agreement unless and until they review, approve and execute a final engagement letter.



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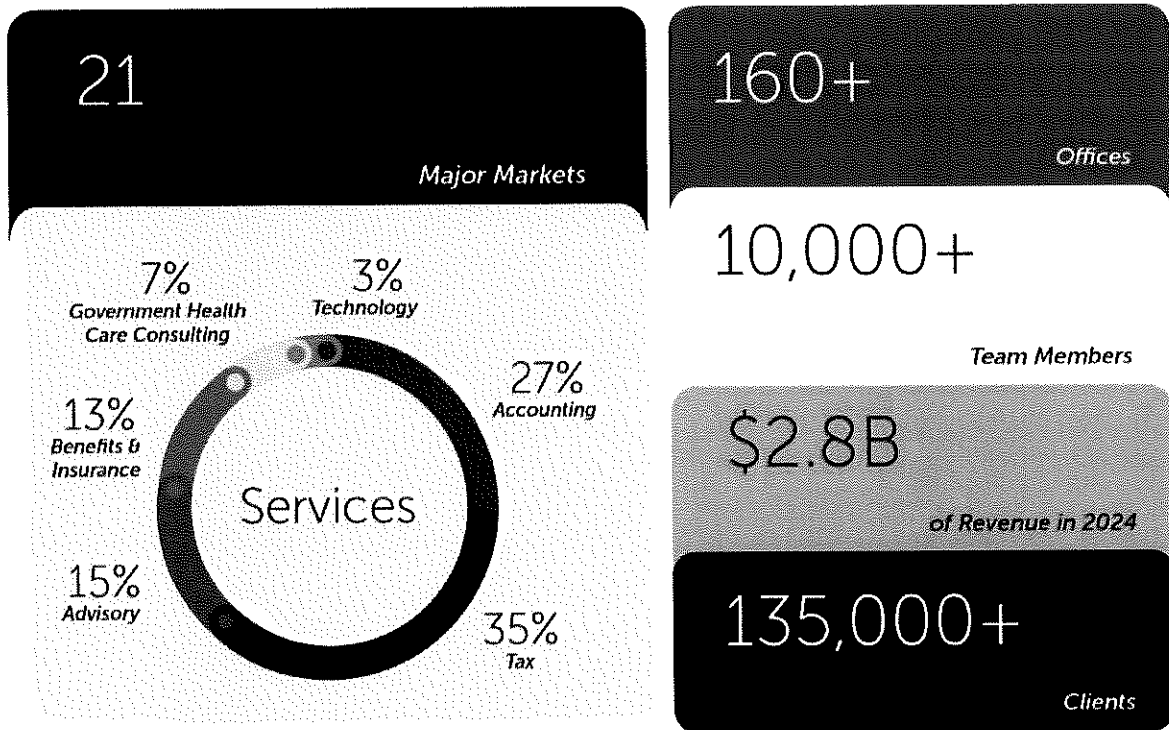
Company Profile





Who We Are

CBIZ is a leading consulting, tax, and financial services advisor serving middle-market businesses and organizations nationwide. Since our founding in 1996, CBIZ has grown to become the seventh-largest accounting services provider in the U.S. with approximately \$2.8 billion in annual revenue, more than 10,000 team members, and 160 locations in major metropolitan areas and suburban cities coast to coast. Our professionals provide an unmatched breadth of services and depth of expertise to assist our clients with their most pressing needs and greatest opportunities.



Alternative Practice Structure

CBIZ, Inc. and its subsidiaries, along with CBIZ CPAs P.C., provide professional services under the "CBIZ" brand name.

CBIZ, Inc. (and its subsidiaries) and CBIZ CPAs P.C. practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. CBIZ CPAs P.C. is a licensed independent CPA firm and a member of the American Institute of Certified Public Accountants (AICPA) that provides attest services to its clients. CBIZ, Inc. and its subsidiary entities provide tax, advisory, and consulting services to their clients. CBIZ, Inc. and its subsidiary entities are not licensed CPA firms and, therefore, cannot provide attest services.

Both CBIZ, Inc. and CBIZ CPAs P.C. employ thousands of certified public accountants (CPAs) along with other credentialed and highly qualified professionals, including certified fraud examiners (CFEs), certified in financial forensics (CFFs), and more. CBIZ, Inc. has been engaged to perform independent forensic audits under AICPA consulting and forensic standards for hundreds of clients in the last five years.



Local Offices

CBIZ has offices at the following locations in Maryland:

COLUMBIA

9755 Patuxent Woods Drive
Suite 200
Columbia, MD 21046

CUMBERLAND

50 Baltimore Street
4th Floor
Cumberland, MD 21502

CUMBERLAND

44 Baltimore Street
Cumberland, MD 21502

FREDERICK

1890 N Market Street
Frederick, MD 21701

ROCKVILLE

1 Research Court
Suite 400
Rockville, MD 20850

Regional Presence

Maintaining close contact with our clients is critical to the success of our engagements. CBIZ's local presence plays a vital role in fostering strong client relationships, encouraging a collaborative work environment, and ensuring that all stakeholders remained informed and involved for the duration of our engagements. If you prefer periodic in-person interactions, or if you require the entirety our work to be performed on site, we are ready and able to deploy dedicated personnel to your facilities at your convenience. Our offices along the East Coast underscore our commitment to being physically present and readily available to our clients, enabling us to provide outstanding service throughout the region.





Remote Capabilities

At CBIZ, we pride ourselves on our ability to transition seamlessly between in-person and remote environments depending on our clients' needs. Regardless of whether we're sitting across a conference room table or across the country, we make every effort to ensure that our clients receive the consistent, high-quality service for which CBIZ is known. Although it may not always be possible or preferred for us to be on site, the frequency and quality of our interactions with client personnel remain unchanged, thanks to our robust remote capabilities. We utilize advanced videoconferencing software, such as Zoom and Microsoft Teams, to facilitate face-to-face interactions, maintaining the personal connection and engagement that are vital to client service. Additionally, CBIZ prioritizes the security of client data through the use of a secure client portal and encrypted e-mail, safeguarding the transfer of sensitive information between client networks and our own. With these tools and protocols in place, we ensure that our remote operations are as effective and secure as our in-person engagements.



Risk & Advisory Services

The Risk & Advisory Services (RAS) group is one of the fastest growing practices within CBIZ. Our team of more than 250 professionals offers a wide range of risk, compliance, and cybersecurity solutions, providing the knowledge, focus, and skills to help our clients overcome challenges and achieve their goals.

Service Offerings

Clients nationwide trust our RAS professionals to uncover fraudulent activity, strengthen their controls and compliance programs, protect their networks and computer systems, provide cost-saving solutions, and more. Services offered include the following:

- Fraud Investigation & Forensic Accounting
- Regulatory Compliance & Risk Management
- Construction Cost Review & Consulting Services
- Internal Audit Services & Sarbanes-Oxley Services
- IT Audit Services
- Data Privacy & Cybersecurity
- Business Continuity & Disaster Recovery
- Vendor Risk Management Services
- Cost Recovery Services
- Credit Risk Services
- Sustainability Consulting

Professional Certifications

In addition to outstanding professional reputations, our RAS team members possess premier certifications in accounting, fraud, internal audit, regulatory compliance, cybersecurity, and more. Certifications held by our professionals include, but are not limited to, the following:

- Certified Public Accountant
- Certified Fraud Examiner
- Certified in Financial Forensics
- Certified Anti-Money Laundering Specialist
- Certified AML & Fraud Professional
- Certified Regulatory Compliance Professional
- Certified Internal Auditor
- Certified Information Systems Auditor
- Certified Financial Services Auditor
- Certified Internal Controls Auditor
- Certification in Risk Management Assurance
- Certified Enterprise Risk Professional
- Certified in Risk & Information Systems Control
- Certified Information Systems Security Professional
- Certified Ethical Hacker
- Certified HIPAA Security Professional
- PCI Professional
- Microsoft Certified Systems Engineer
- EC-Council Encryption Specialist
- Certified AWS Cloud Practitioner
- Certified Data Privacy Solutions Engineer
- Certified Regulatory Vendor Program Manager
- Associate Business Continuity Professional
- Certified Business Continuity Professional

Litigation & Legislative Support

With extensive experience in supporting criminal and civil matters at federal, state, and local levels as well as regulatory and legislative proceedings, our team is well-equipped to assist in complex investigations, compliance matters, and more. We work very closely with legal counsel, law enforcement agencies, and regulatory bodies to provide reliable, fact-based assessments that strengthen case proceedings and uphold justice. Our reports and findings will be well-supported, thoroughly documented, and presented in a manner that meets the highest legal and professional standards. Our commitment to integrity and professionalism ensure that our findings can withstand scrutiny in any legal or legislative forum.

Why Choose CBIZ



Forensic Audit Expertise

CBIZ is a market leader in the forensic space, offering a range of services including forensic audits, fraud investigations, fraud risk mitigation, and expert testimony. Our professionals leverage their extensive forensic expertise to uncover critical insights and deliver clear and actionable results.



Forensic Data & Technology Expertise

CBIZ is a leading provider of technology and data services, with decades of experience in advanced data analysis, software and technology assessments, data and system forensics, and more. Our services span the data lifecycle, from the systems, software, and source code to the collection and analysis of data.



Deep Public Sector Experience

CBIZ has extensive experience serving clients in the public sector. We have assisted and advised numerous government institutions, universities, public schools, non-profit foundations, and more with a wide range of complex challenges—from forensic audits to compliance investigations and beyond.



Regular Interactions with Courts & Regulators

The members of our proposed engagement team have extensive experience in performing forensic audits and other investigatory procedures mandated by courts, regulators, and other governmental bodies. CBIZ professionals have presented and testified before courts, regulatory tribunals, and legislators as well as interfacing with prosecutors and government agencies in a variety of investigative and oversight capacities.



Commitment to Quality

As a professional services firm, our reputation is a foundational component of our growth and success. We employ a robust quality control framework to safeguard this reputation and ensure that the services our clients receive meet our exacting standards.

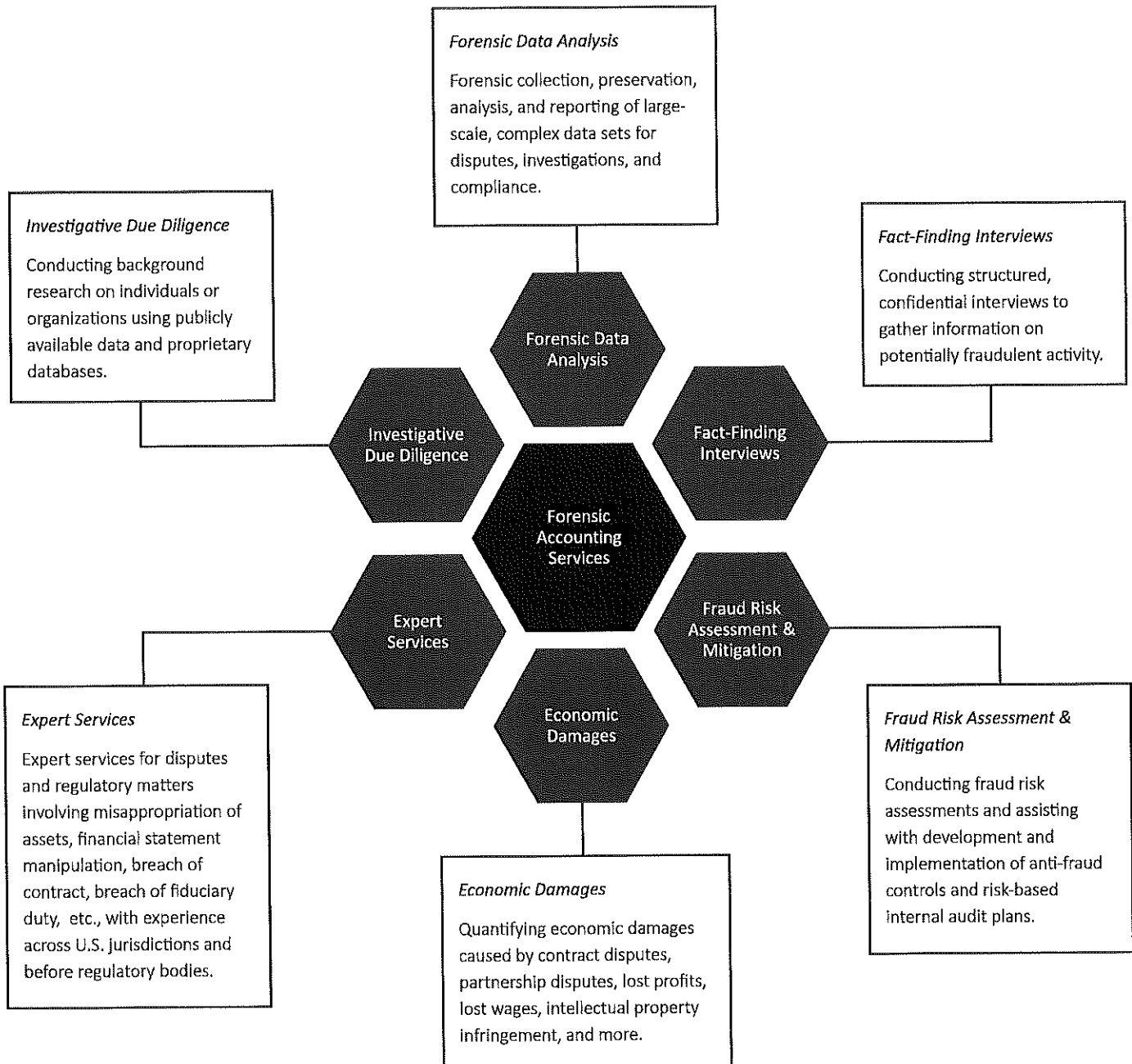


Client Focus

At CBIZ, we pride ourselves on going above and beyond for our clients. With our focus on proactive communication, personalized attention, and exceptional service at a reasonable price, we are sure that you, like thousands of other clients, will find your experience with us to be extraordinary.

Our Forensic Audit Expertise

When it comes to fraud, one should always expect the unexpected. Our professionals possess the education, training, and—most importantly—the experience to successfully navigate the complexities of fraud investigations and perform forensic procedures suitable for use in legal proceedings. We excel at identifying suspicious activities within voluminous and complex data sets, adapting to unforeseen complications and concerns, and leveraging our extensive expertise to uncover critical insights and deliver clear and actionable results.





Sample Engagements

The following are a sampling of our fraud investigation and forensic audit engagements.

\$88 million U.S. recognized non-profit fraud investigation

Conducted investigation of recognized U.S. government non-profit agency who failed to report millions of dollars in profits, which had been diverted to non-related organizations for purposes of personal use by owner of company. Our review entailed the review of eleven years of financial records and the identification of \$88 million in proceeds which flowed to various organizations owned and controlled the company owner. The results of our investigation were shared with the United States Attorneys' Office charged with prosecuting the case, which led to the indictment of several individuals.

\$75.3 million domestic bribery investigation

Conducted investigation of political and charitable spending by a public utility company to determine what portion, if any, of \$75.3 million in company funds funneled to a state legislator and associated individuals and political organizations in support of advantageous state legislation impacted utility rates paid by customers. Our investigation identified \$4.9 million in funds, including a \$4.3 million payment to a state regulator, which ultimately impacted utility rates.

\$70 million school purchase involving bribery and fraud investigation

Conducted an investigation of state county school purchases of school bus stop-arm cameras. Our investigation revealed the vendor paid \$3.5 million in bribes to a superintendent and a councilman to secure multi-year contracts for the purchase of \$70 million worth of stop-arm cameras. The bribe was funneled through a sham consulting firm, disguised as campaign contributions, loan repayments, and luxury gifts. In return, the two officials passed ordinances that enabled certain programs and ensured the continued purchase of stop-arm cameras from the vendor. The matter was ultimately recommended to the U.S. Attorney's Office, which led to the criminal indictment of several individuals.

\$11.7 million in economic damages due to financial misconduct

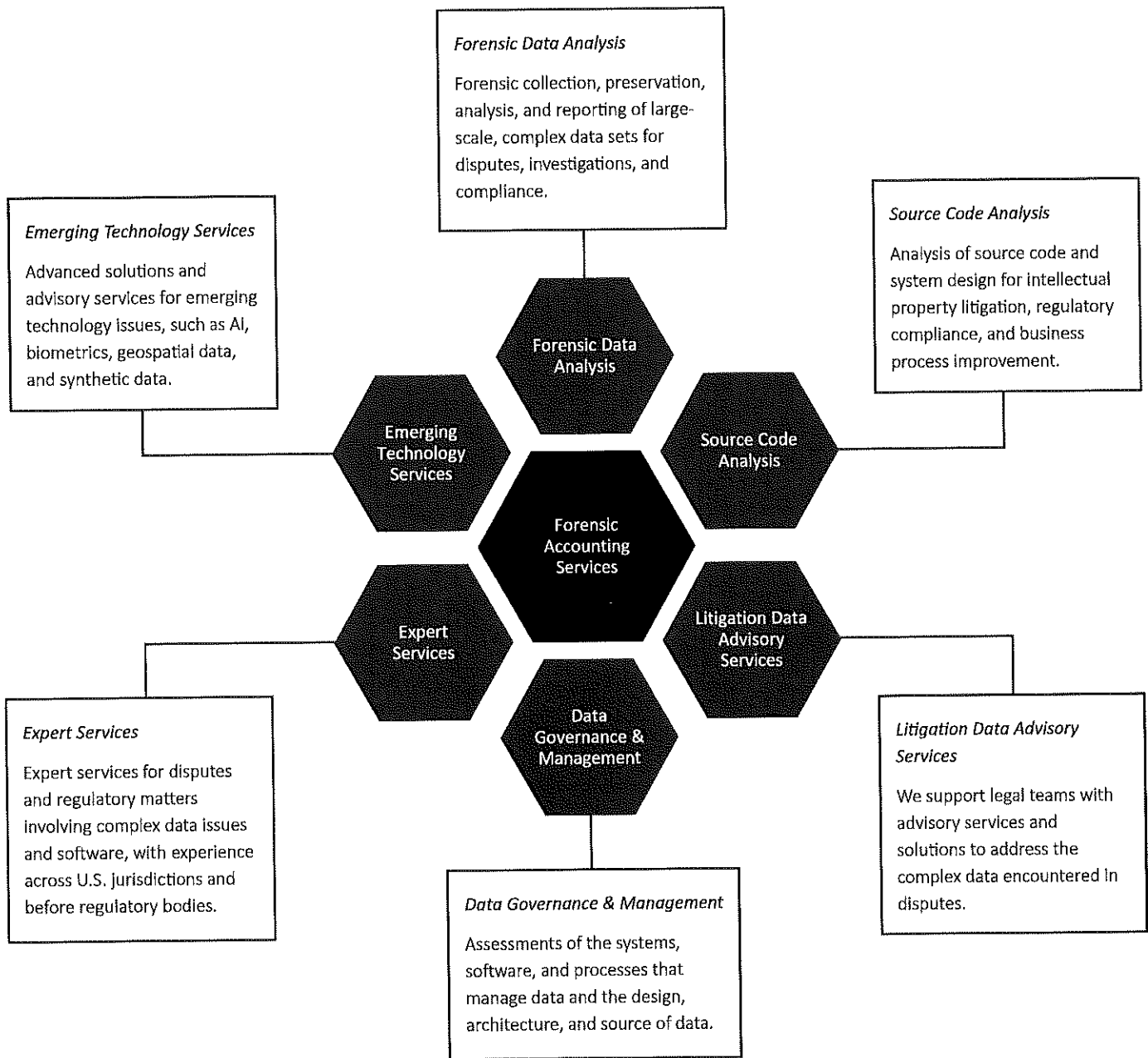
Conducted investigation on behalf of our client, an oil and gas developer, into the conduct and billing practices of its well operator. Our investigation identified \$11.7 million of potential economic damages sustained by our client as a result of questionable vendor invoices, vendor mismanagement (including non-payment of vendors), excessive deductions, unsupported cost allocations, unreported production revenue, and diversion of client funds into operator accounts.

\$6 million fraudulent college loan investigation

Engaged by a university to investigate the financial aid director suspected of defrauding the Department of Education (DOE) by submitting fraudulent documents in return for government sponsored student loans. Investigation involved the reconciliation of 2,500 individual student financial aid portfolios, review of electronic documents, as well as the interviews of numerous current and former school administrative staff.

Our Forensic Data & Technology Expertise

CBIZ is a leading provider of technology and data services for law firms, corporations, government entities, and other organizations facing risks. Our services that span the data lifecycle, from the systems, software, and source code that generate data to the collection and analysis of data in any format, size, or complexity. We support organizations facing risk by providing answers and insights into their technology problems, and our data scientists, technologists, investigators, and advisors serve clients as consultants, advisors, and expert witnesses in some of the most complex matters.





Sample Engagements

The following are a sampling of our forensic data and technology engagements.

U.S. auto insurer

Served as a privileged consultant to advise on 200M+ record set data analysis for class action litigation, including performing data matching algorithm evaluations, analyzing claims records, and performing statistical analysis.

U.S. state utility

Consultant to utility company to assess their data quality and reporting accuracy to prepare a response to the utility's regulators relating to regulatory reporting deficiencies.

Biomedical AI company

Served as independent investigators on behalf of the company's board of directors to examine whistleblower allegations of falsified ground truth data for their AI model and impact on investor disclosures.

Financial services trustee

Served as a lead consultant in the largest financial fraud case in history to analyze millions of securities transactions and financial holdings alongside falsified transactions and customer statements, including the review and analysis system source code in the IBM RPG IV language.

Telecommunications monitorship

Served as the lead technology team for a major international telecommunications company monitorship. Examined tens of billions of records, performed on-site examinations and interviews in over forty countries, and provided written and oral reports to the U.S. Department of Trade.

Mortgage origination company

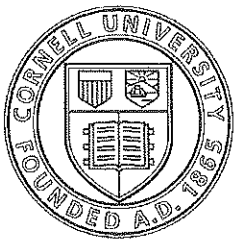
Served as the lead technology team to assess and oversee the company's regulatory compliance for a U.S. Consumer Financial Protection Board examination, requiring analyzing over seventy different processes' data and technology.

Rental car company

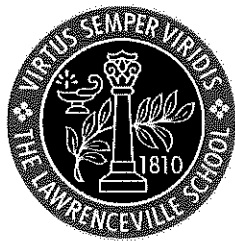
Provided forensic and proactive data and technology advisory services to remediate data reporting issues and implement new solutions for their Latin American and European operations.

Our Public Sector Experience

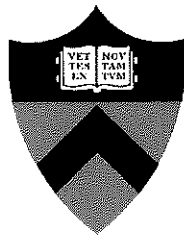
CBIZ has a proven track record of assisting and advising government institutions, universities, public schools, non-profit foundations, and numerous other organizations in the public sector—including many along the East Coast. Our seasoned professionals have dedicated their careers and continuing professional education to serving the public sector, and we pride ourselves on staying current on relevant topics, regulation, and authoritative guidance to ensure we can deliver the most efficient and effective services possible to our clients. We believe the breadth and depth of our experience make us uniquely qualified to provide the high level of expertise you require.



Cornell University



Lawrenceville School



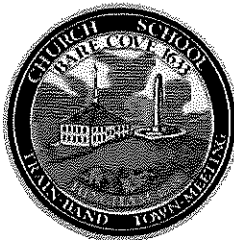
Princeton University



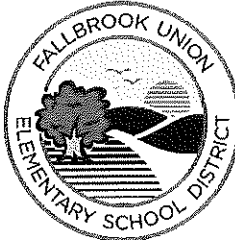
The City College of New York



The State University of New York at Buffalo



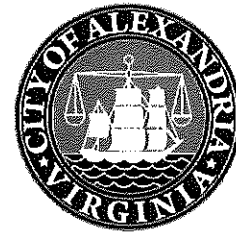
Town of Hingham, MA



Fallbrook Union Elementary School District



Dartmouth College



City of Alexandria, VA



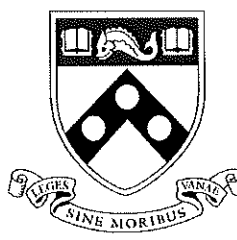
Town of Stoneham, MA



University of Maryland College Park



San Diego Unified School District



University of Pennsylvania



Big Oak Flat-Groveland Unified School District



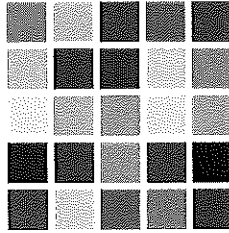
Citizen Potawatomi Nation



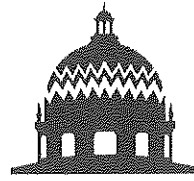
Massachusetts Office of the Attorney General



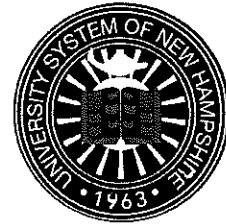
Public Utilities Commission



North Carolina Department of Natural & Cultural Resources



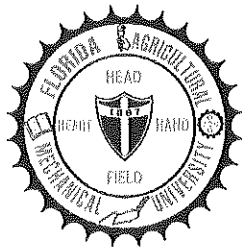
Pima County, AZ



University System of New Hampshire



Massachusetts Port Authority



Florida Agricultural & Mechanical University



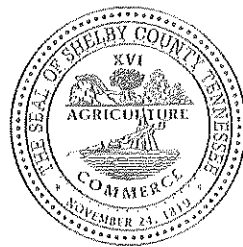
Kentucky State University



City of Escondido, CA



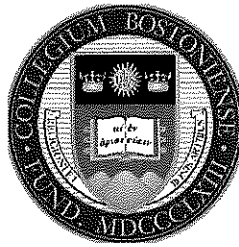
City of Charlotte, NC



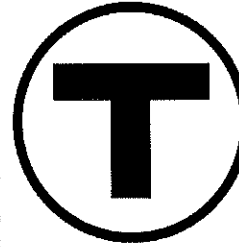
Shelby County, TN



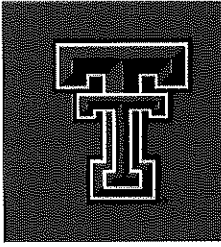
Las Vegas Convention & Visitors Authority



Boston College



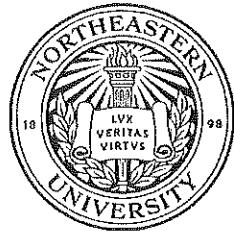
Massachusetts Bay Transportation Authority



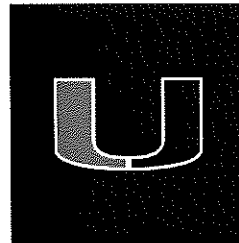
Texas Tech University



University of Houston



Northeastern University



University of Miami



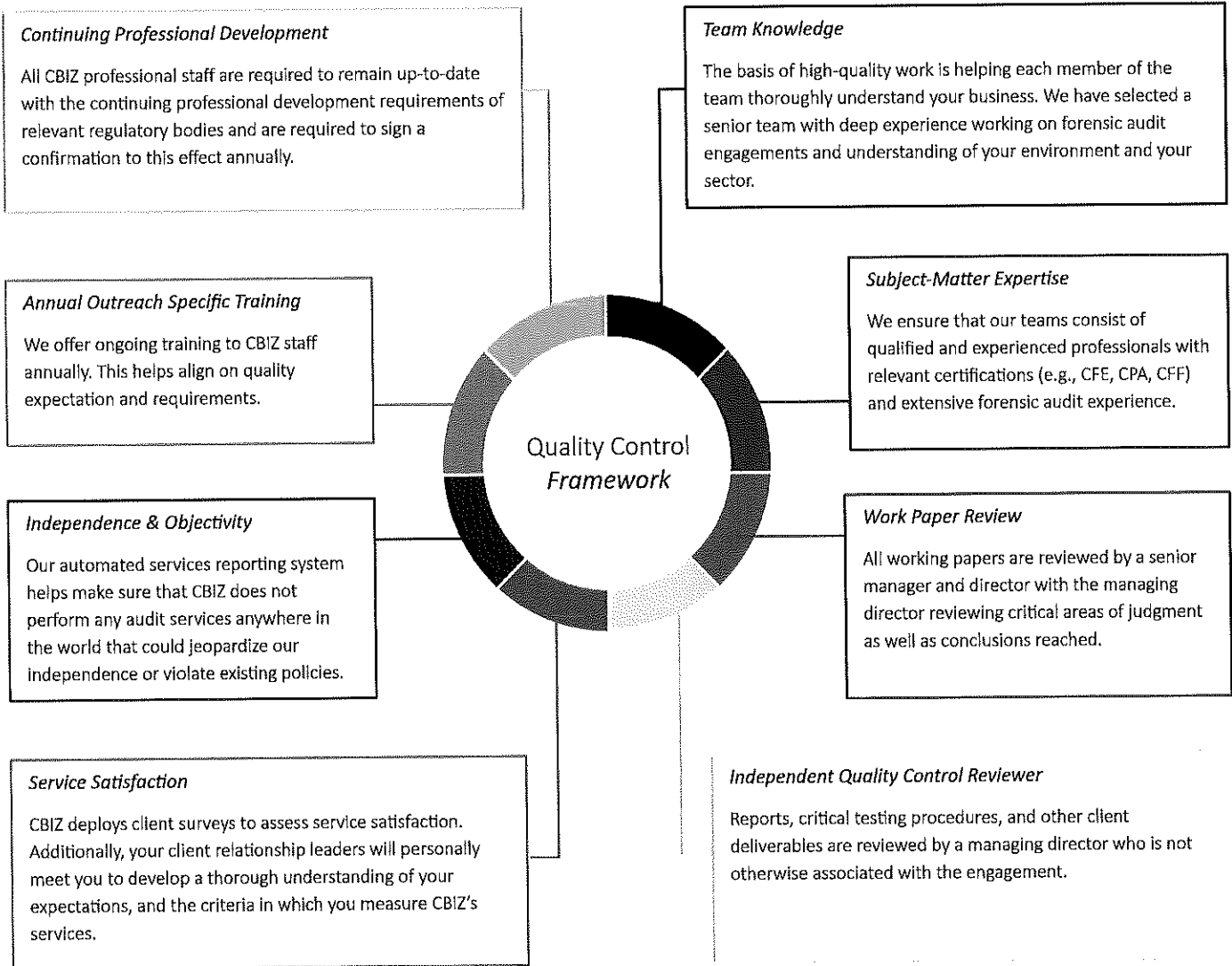
National City, CA



Arizona State University

Our Quality Control Framework

Quality is central to everything we do, both individually and as a firm, and underpins our professional relationships with the clients we serve. In our staffing model, we have considered a robust review process to help ensure quality in all our deliverables. The following are the fundamental pillars of our quality control framework that help to ensure our delivery of high-quality services.



CBIZ maintains an extensive system of quality controls that meet or exceed the rules and standards issued by the Public Company Accounting Oversight Board (PCAOB) and the requirements of the American Institute of Certified Public Accountants (AICPA). Quality assurance Our focus on quality is embedded in all of the engagement processes that enable, enabling us to deliver consistent, quality accurate services. Through customized training, proven methodologies, consistent protocols, and clear communication standards, quality assurance is foundational to our engagement approach.



Our Client Service Philosophy

Executive Involvement

CBIZ managing directors are significantly involved in all aspects of their engagements from planning to reporting. You can rest assured that our executive team members will have oversight of project execution and final review of all deliverables to ensure that your expectations and deadlines are met.

Proactive Communication

In any relationship, communication is key. CBIZ is committed to maintaining a continuous open dialogue between your personnel and our team throughout the engagement. You can expect us to hold regular meetings to keep you apprised of engagement status and to swiftly alert you to any emerging issues that have come to our attention, and we encourage you to reach out to us with questions, concerns, or requests at any time. In our experience, accessibility and proactive communication enhances the client experience, increases client satisfaction, and drives engagement success.

Uncompromising Value

At CBIZ, we understand the importance of balancing quality against budgetary constraints, and we don't make our clients choose between cost and results. We constantly strive to provide our clients with the highest level of service delivered by outstanding teams with competitive fees and an emphasis on excellence, efficiency, and cost-effectiveness.

Independence & Objectivity

CBIZ professionals hold themselves to the highest ethical standards. We are committed to delivering exceptional service while maintaining independence and objectivity, performing our work and providing you with professional advice without bias.

Safeguarding Your Data

Every day, CBIZ manages confidential, privileged, and proprietary client data. We are always mindful of the trust and responsibility our clients place on us, and we have created a comprehensive array of procedures and industry-standard security systems to protect your information. In addition to a secure client portal and encrypted e-mail, CBIZ requires encryption of client data outside the office. All laptop and desktop hard drives are protected by two-factor authentication, and removable media (such as thumb drives) are all encrypted. We also use physical security such as workstations that lock automatically. Printed documents are kept in secured areas, and we dispose of unneeded documents in locked containers for shredding. These are just some of the examples of the exhaustive procedures we follow to make sure client data remains secure.

Complementary Resources

We provide access with a wide variety of resources, including technical updates, informative newsletters, publications, webinars, and podcasts to keep our clients up to date on industry changes and legislative matters that could potentially impact their business. For public sector clients, CBIZ holds an annual Government Symposium, an eight-hour seminar that focuses on current developments in government affairs, including accounting, legal, and operational topics, at no cost to attendees.

Team Qualifications



Organizational Chart

The success of any CBIZ engagement is directly tied to the talent and experience of our people. The members of our proposed engagement team have built outstanding professional reputations by providing the highest level of service to their clients with integrity and objectivity. The key personnel assigned to this engagement are among the most talented in their field and have decades of experience in providing forensic accounting and construction cost review services to clients, including numerous municipalities, nonprofits, and public sector organizations. We are confident our engagement team will exceed your expectations and provide you with the exceptional service you deserve.

Core Engagement Team

The proposed engagement team will be led by CBIZ Managing Director, **Guler Ann Wiefling, CFE**, who will remain in regular contact with you throughout the course of the engagement and be closely involved in all decisions that affect the planning, execution, and completion of our services. CBIZ Senior Manager, **Katherine McMillen, CPA, CFE**, will serve as project manager and serve as the primary point of contact for your personnel throughout the course of the engagement.



* We have provided resumes for team members who will oversee and manage this engagement. Please find these resumes on the following pages.

Staffing Continuity

At CBIZ, we recognize that the relationship between our professionals and your personnel is critical to engagement success. Since our professionals will invest a significant amount of time and effort learning about your organization’s controls, finances, and operations, we will make every effort to ensure continuity of staff on this engagement. The team you engage today, unless you request otherwise, will be the same team that provides our final deliverables to you.

Continuing Professional Education

CBIZ professionals are required to attend at least forty hours of continuing professional education (CPE) annually. These trainings are provided by a variety of professional organizations—including the AICPA, state CPA societies, the SEC Institute, the Institute of Internal Auditors, and more—as well as CBIZ U, our in-house training program. All members of the engagement team meet or exceed the CPE requirements mandated by their respective state boards of accountancy and other relevant standard setting bodies, as required by their professional certifications.



Guler Ann Wiefling, CFE

Managing Director, CBIZ Advisory

guler.wiefling@cbiz.com

Guler is a managing director specializing in forensics, regulatory compliance, and litigation support. With more than twenty-five years of experience spanning both industry and consulting, she offers a unique perspective in her client service by advising management, the board of directors and legal counsel on forensic accounting, internal controls and complex financial matters related to internal investigations, corporate governance, regulatory compliance and civil and criminal litigation support.

Guler's expertise includes conducting corporate internal investigations relating to financial statement fraud, misappropriation of funds and assets, bribery and corruption, internal control failures and ethics violations. She regularly advises organizations on anti-fraud, anti-bribery/anti-corruption (ABAC) compliance and regulatory compliance programs. Her extensive experience also includes conducting third-party contract and compliance evaluations, as well as royalty/license audits on both domestic and international fronts. She is adept at identifying instances of accounting and financial misreporting; evaluating internal controls and developing corporate compliance programs to mitigate risks.

Her client and project portfolio includes high-profile investigations and remediation of bribery and corruption issues such as FCPA/ABAC, UK Bribery matters, False Claims Act violations, development of corporate and regulatory compliance programs. She is often sought for her advisory role in risk assessment and proactive solutions for corporate management and the boards. Furthermore, she has served as an independent monitor on behalf of government agencies.

Guler maintains an active role within the industry and is frequently engaged to speak on investigations, compliance, and regulatory matters.

Professional Affiliations

- Association of Certified Fraud Examiners (ACFE)
- Women's White Collar Defense Association (WWCDA)

Expertise

- Fraud Investigation
- Forensic Accounting
- Fraud Risk Management
- Corporate Governance
- Regulatory Compliance
- Anti-Bribery & Anti-Corruption
- Third Party Risk Management
- Internal Audit & Internal Controls
- Contract Compliance
- Litigation Support

Education

- MBA, University of St. Thomas
- BBA, Finance, University of St. Thomas



Katherine McMillen, CPA, CFE

Senior Manager, CBIZ Advisory

katherine.mcmillen@cbiz.com

Katherine is a Senior Manager with more than twelve years of experience as an auditor and consultant. Katherine has extensive with internal and external audits, forensic accounting and litigation support.

Katherine also specializes in matters involving fraud, ethics, and compliance. Her areas of expertise include forensic investigations, regulatory compliance, corporate governance, due diligence, anti-bribery and anti-corruption (ABAC) matters, and white-collar crime. Katherine specializes in conducting internal investigations, analyzing complex data and systems, designing and implementing corporate compliance programs, and assessing and mitigating financial, operational, and compliance risk.

Katherine's past clients range from small, closely-held entities to publicly traded Fortune 500 companies and occupy a wide variety of sectors and industries. Katherine works alongside compliance officers, senior management, and in-house counsel to achieve her clients' objectives, and she regularly presents findings and recommendations to C-suite executives and board of directors.

In addition to her work in internal audit, fraud and compliance, Katherine has assisted counsel and clients in various litigation matters, including embezzlement and asset misappropriation, fraudulent transfers, location of hidden assets, breach of contract, breach of fiduciary duty, shareholder disputes, economic damages, and marital dissolution.

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Association of Certified Fraud Examiners (ACFE)

Expertise

- Fraud Investigation
- Forensic Accounting
- Fraud Risk Management
- Corporate Governance
- Regulatory Compliance
- Anti-Bribery & Anti-Corruption
- Third Party Risk Management
- Internal Audit & Internal Controls
- Contract Compliance
- Litigation Support

Education

- MS, Accounting, University of Houston
- BBA, Accounting, University of Houston

Approach & Methodology





Approach & Methodology

The following section describes our approach for executing an efficient and thorough forensic audit on your behalf and, if necessary, participating in subsequent litigation or hearings.

Project Management

At CBIZ, we consider your success to be our success. We are committed to providing our clients with outstanding service, and we take pride in delivering engagements that are on time, on budget, and above expectations. To this end, we will...

- Employ best-in-class forensic auditing methodology and technology;
- Efficiently manage time and resources;
- Complete tasks and related deliverables in accordance with mutually agreed-upon and/or client-mandated deadlines;
- Ensure that all deliverables are subject to rigorous quality control measures prior to submission;
- Promptly respond to client feedback and incorporate such feedback in subsequent deliverables, as appropriate;
- Be continuously available to address your questions and concerns;
- Swiftly identify and communicate challenges or other issues that could impact the project's successful completion; and
- Strategically employ specialists and subject matter experts to provide additional insights and recommendations.

Understanding of Work

Based upon the Request for Proposal issued on May 8, 2025 (the RFP), it is our understanding that the Mayor and Council of Federalsburg are seeking a qualified firm to conduct a forensic audit of the Town's financial records for the past five years (the "In-Scope Period") with the aim of ensuring transparency, accountability, and accuracy in the Town's financial operations. We understand that recent concerns regarding financial discrepancies and accounting have prompted the need for a comprehensive forensic audit to investigate and validate these records.

The primary objectives of the forensic audit are as follows:

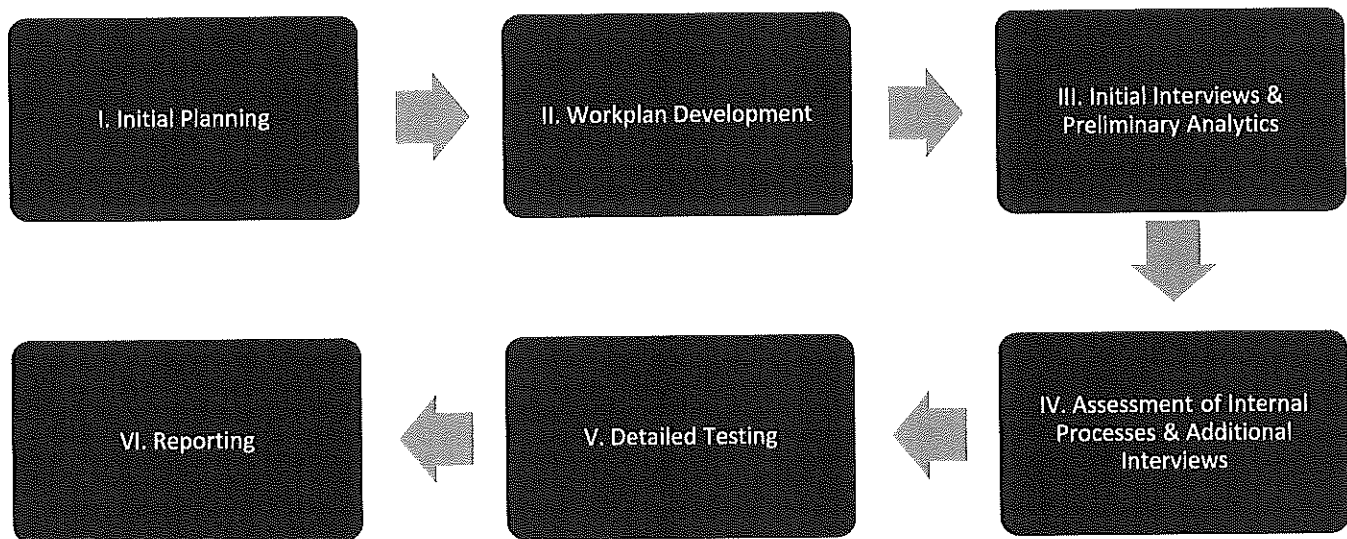
- Identify any financial irregularities or discrepancies;
- Evaluate compliance with applicable financial regulations and policies;
- Assess the adequacy of internal controls and financial management practices; and
- Provide recommendations for improving financial processes and controls.

We understand that, if selected, we will be expected to accomplish the following:

- Review financial statements, budgets, and accounting records for the In-Scope Period;
- Conduct interviews with key personnel involved in financial operations;
- Analyze transactions for unusual patterns or anomalies;
- Assess the effectiveness of existing internal controls; and
- Prepare a detailed report outlining findings, including any identified irregularities and recommendations for corrective actions.

Phased Approach

For all of our fraud investigation and forensic engagements, we employ a phased approach that emphasizes client involvement and proactive communication. This incremental approach to engagement execution allows us to rapidly modify our planned procedures to accommodate changing objectives and circumstances.



I. Initial Planning

The first step in each of our engagements is gaining an understanding of our client’s organization and business environment. We will engage with you in a collaborative engagement planning process to ensure that we have addressed not only the issues that we believe are significant, but also those you consider significant. During this phase, we will meet with Town representatives and other key stakeholders to accomplish the following objectives:

- Confirm engagement objectives and scope;
- Establish expectations regarding timing, communication, and deliverables; and
- Establish protocols for the secure collection and preservation of data.

Next, we will work with Town to develop a high-level, mutually agreeable schedule—based upon the proposed schedule included in this statement of qualifications—that accommodates your key milestones and deadlines and identify personnel who will act as points of contact for our team through the course of the engagement. Once we have finalized timing, scope, protocols, and deliverables, we will present our planned engagement strategy to stakeholders for discussion and approval.



II. Workplan Development

Upon completion of our initial planning phase, we will begin to build a detailed workplan, including previously agreed-upon timelines and scope and anticipated procedures. Objectives established during this phase will include, but are not limited to, the following:

- Identify personnel to be interviewed;
- Identify personnel responsible for providing critical data and documentation;
- Identify potential data retrieval or processing issues that may introduce complexity or cause delays (e.g., hardcopy files that must be retrieved or scanned, system limitations in exporting data, lost or incomplete data, etc.);
- Identify other factors that may cause complications or delays;
- Issue initial list of requested data and documentation; and
- Deliver detailed workplan for approval.

III. Initial Interviews & Preliminary Analytics

Once our detailed workplan has been approved, we will begin conducting confidential interviews with key personnel involved in financial operations as well as any other personnel and/or stakeholders requested by the town or identified as relevant over the course of the engagement.

Simultaneously, we will obtain and analyze available financial data with the objective of identifying, analyzing, and quantifying abnormal, unusual financial transactions and activities which are potentially indicative of fraud, financial mismanagement, irregularities, or improper conduct. We will employ sophisticated analytical techniques over financial and non-financial data to identify instances where suspect activity or unauthorized transactions may have occurred, including (but not limited to) duplicate payments of invoices, "splitting" of purchases or disbursements to circumvent dollar thresholds, wire and check fraud, kickback schemes, reimbursement fraud, and disbursements made to dummy vendors or employees. Potential sources of data include, but are not limited to, the following:

- Financial data exported from the Town's accounting system(s);
- Bank and credit card statements, check images, and other disbursement data;
- Vendor lists/profiles within the Town's system(s) of record; and
- Electronic correspondence sent from or received by Town email accounts.

IV. Assessment of Internal Processes & Additional Interviews

Concurrent with our preliminary analytics, we will perform an assessment of financial and operational controls to develop an understanding of the flow of transactions through the Town's system(s) as well as the Town's overall control environment. Our evaluation will include a review of policies, standard operational procedures, flow charts, process narratives, and other available procedural documentation as well as any prior internal audit testing /reports and external audit findings. In addition, we will conduct interviews with key process and control owners to confirm our understanding of control design and operation. In summary:

- Review relevant documentation, including laws and internal policies/procedures, for the critical control processes;
- Conduct interviews with key process and control owners to walk through critical control processes and confirm understanding of control design and operation;
- Review past internal audit testing/reports and external audit findings to identify known control issues; and
- Identify key existing controls as well as potential control gaps.



V. Detailed Testing

For each of the abnormal financial transactions identified as a result of our preliminary analytics, we will conduct detailed testing to confirm either the legitimacy or illegitimacy of the transaction in question. Among other things, we will verify that (i) transactions were properly authorized in accordance with relevant policies and procedures, (ii) underlying documentation aligns with data recorded in the Town's accounting system(s), (iii) disbursements were made to legitimate recipients for a legitimate business purpose, and (iv) controls operated as designed and no controls were circumvented or overridden by the transaction.

Data and documents reviewed during our detailed testing may include, but are not limited to, the following:

- Purchase requisitions and purchase orders, along with associated approvals and supporting documentation;
- Vendor invoices, along with associated approvals and supporting documentation;
- Change order requests, approvals, and supporting documentation;
- Disbursement requests, approvals, and supporting documentation;
- Reimbursement requests, approvals, and supporting documentation; and
- Approvals and authorizations of agreements, contracts, etc.

VI. Reporting

At the conclusion of our procedures, we will meet with Town representatives to discuss the specifics of the detailed written report requested in the RFP. We will then compile the results of our procedures and draft a report of our findings. This draft will be issued to key stakeholders for review of layout and content, and will incorporate comments and requested edits, as appropriate, before being finalized.

The final layout and content of the report is flexible depending upon the Town's preferences and specific needs; however, our reports typically include the following:

- An assessment of the current state of compliance with internal controls, policies, and procedures;
- An overview of procedures performed and methodology deployed as well as a description of data and documents analyzed and/or considered during our testing;
- Detailed findings, including outcomes of interviews conducted and procedures performed;
- Details of any irregularities or discrepancies discovered during the course of the engagement, including all relevant facts and participants in non-compliance, all discovered abnormal financial activity, past or present, its quantification, cause and consequence including instances of criminal activities, illegal acts, and potentially fraudulent activity or civil liabilities that could support future legal action; and
- Recommendation for improvement and corrective actions as well as referral for criminal prosecution, if necessary.

Disclaimer

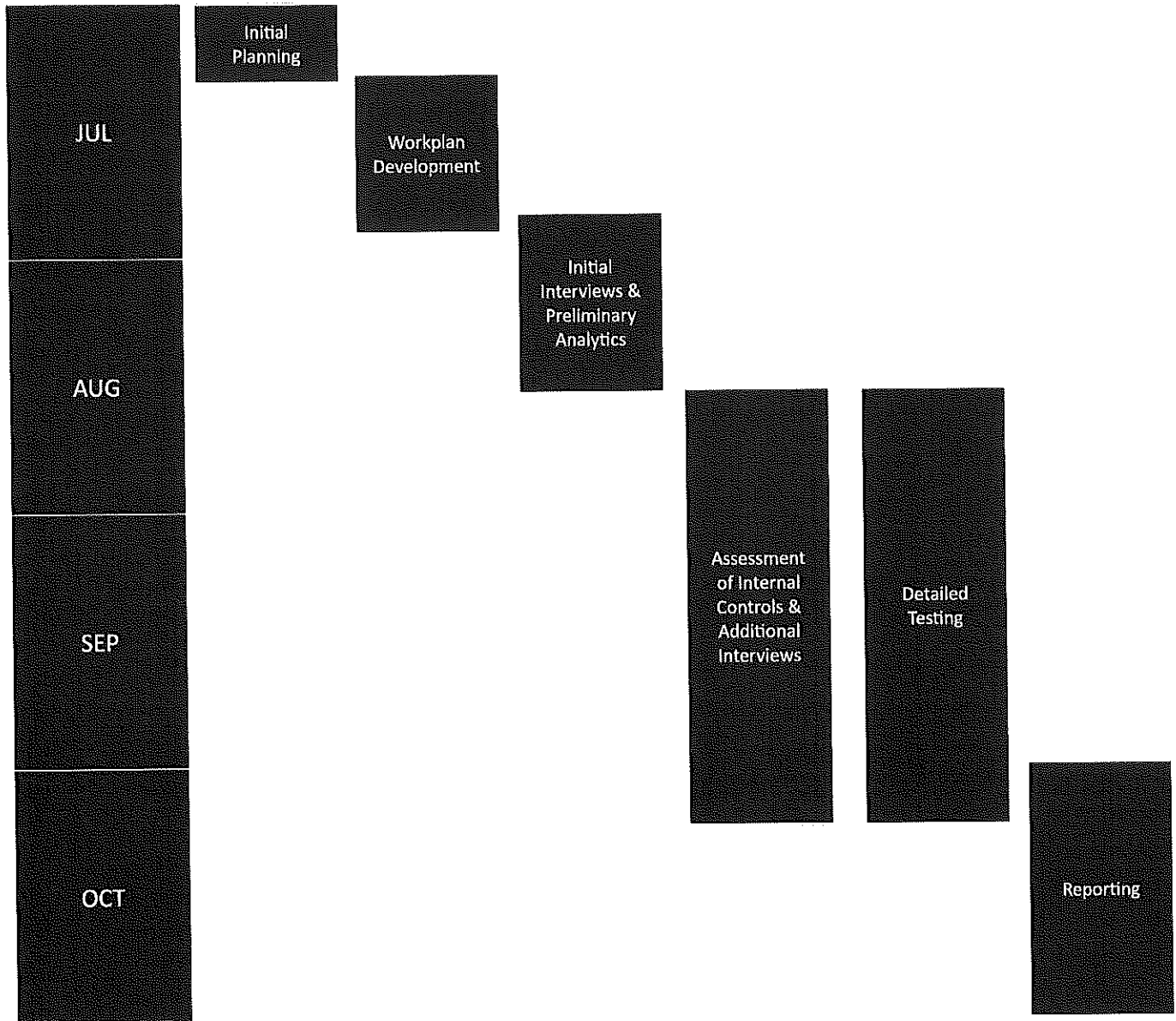
This engagement will be performed in accordance with the *Statement on Standards for Forensic Services No.1* promulgated by the AICPA and, accordingly, will not include any compilation, review, or audit of financial statements or any other attest or assurance service under AICPA standards.

Timeline



Proposed Timeline

The following proposed engagement timeline anticipates a July 1, 2025 start date. Based upon our prior experience, engagements of this nature typically range between three to six months. Please note that the timeline shown below is a preliminary estimate and subject to change. The actual length of the engagement will depend upon the volume and availability of data, the complexity of procedures performed, the degree of cooperation by Town personnel, and other factors.



Cost Proposal

An abstract graphic element in the bottom right corner of the page, consisting of numerous overlapping, thin lines that create a sense of depth and movement, resembling a stylized wing or a fan.



Cost Proposal

We continually strive to provide clients competitive fees without compromising quality. With our transparent, competitive rates combined with our leadership, experience, and scalability, CBIZ offers the best value in the industry. We will bring the most qualified resources to fit your needs and will not provide unreasonable estimates to “buy” your project.

Estimated Fees

We are pleased to offer a discounted blended hourly rate of \$295 for this engagement. Based upon information provided in the RFP, we anticipate total fees to range between \$65,000 and \$75,000 for this engagement, detailed below.

Phase	Estimated Hours	Estimated Fees
I. Initial Planning	11 to 13	\$3,250 to \$3,750
II. Workplan Development	11 to 13	\$3,250 to \$3,750
III. Initial Interviews & Preliminary Analytics	44 to 51	\$13,000 to \$15,000
IV. Assessment of Internal Processes & Additional Interviews	44 to 51	\$13,000 to \$15,000
V. Detailed Testing	88 to 102	\$26,000 to \$30,000
VI. Reporting	22 to 25	\$6,500 to \$7,500
Total Estimated Fees	220 to 254	\$65,000 to \$75,000

Rates for Additional Services

If you need services not covered by the initial scope of our engagement, we will discuss the extent of these services with you before beginning that work, and we will bill you separately for it. CBIZ will extend the same discounted blended hourly rate of \$295 for additional services, if requested.

Out-of-Pocket & Travel Expenses

Any additional out-of-pocket expenses and travel will be billed separately at actual cost.

This cost proposal is provided for informational purposes only and shall not constitute an offer. The parties will not be bound to any agreement unless and until they review, approve and execute a final engagement letter.

References





References

There is no stronger message about quality than one heard firsthand from our clients. Please feel free to contact these clients to discuss our services.

CLIENT	PRIMARY CONTACT
Village of Palmetto Bay	Desmond Chin Finance Director 9705 East Hibiscus Street Palmetto Bay, FL 33157 (305) 259-1268 dchin@palmettobay-fl.gov
City of Hialeah	Jorge Blanco, CPA Director of Finance 501 Palm Avenue Hialeah, FL 33010 (305) 883-5847 jlb22971@hialeahfl.gov
Turnpike & Bridge Authority of Rhode Island	Jeffrey Goulart Chief Financial Officer One East Shore Rd., PO Box 437 Jamestown, RI 02835 (401) 423-7430 jgoulart@ritba.org



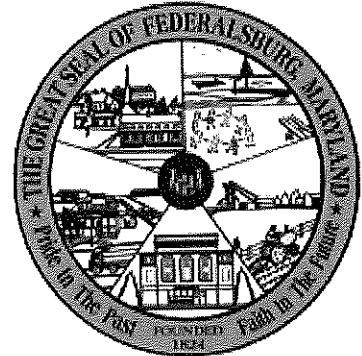
Professional Services Proposal for Town of Federalsburg, Maryland

Request for Proposal for Forensic Audit Services

June 12, 2025

Proposer

CRI Advisors, LLC
500 Grand Boulevard, Suite 210
Miramar Beach, FL 32550
Phone: 850.837.3141
Fax: 850.654.4619



Submitted by

Ben Kincaid, CPA, CFE, CVA, CFF
Partner, CRI Advisors, LLC
BKincaid@CRIadv.com



†This is not a CPA Firm.

*Assurance, attest, and audit services provided by Carr, Riggs & Ingram, L.L.C.

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Dear Selection Committee:

Carr, Riggs & Ingram (CRI) appreciates the opportunity to propose on the forensic audit services for the Town of Federalsburg, Maryland (Town). We are genuinely excited about the prospect of serving you and establishing a long-term relationship. CRI is a national accounting and advisory firm, and **CRI is currently ranked among the top 25 accounting firms in the United States**. CRI has over 2,800 professionals across the United States, and we serve hundreds of government clients nationwide. This includes numerous state agencies, legislative bodies, state auditors and municipalities. We pride ourselves on our governmental focus and providing innovative ideas and solutions to assist in identifying noncompliance, fraud risks, fraudulent activities and ways to prevent fraud, waste and abuse while promoting transparency in the process.

CRI has dedicated forensic accounting and auditing teams that specialize in governmental organizations. The team's credentials include Certified Public Accountants, Certified Fraud Examiners, and individuals Certified in Financial Forensics. Notably, members of the proposed team serve on various forensic accounting boards and committees for the American Institute of Certified Public Accountants and the Association of Certified Fraud Examiners. Members of the proposed team also speak regularly on the topic of internal controls and fraud for various governmental associations. CRI has the ability and resources to begin this project immediately upon award.

- **Large-Scale Forensic Audit Experience** - CRI has successfully performed numerous large-scale forensic audits for federal, state and local government agencies, including internal control assessments, complex payroll investigations, procurement investigations, grant compliance and special investigations on behalf of municipalities, auditor general offices, inspectors general offices and legislative bodies.
- **Experienced/Credentialed Team** - The proposed team is comprised of subject matter experts and is primarily responsible for all of CRI's forensic audits across the United States. **All team members including staff assigned to this project will be Certified Fraud Examiners, Certified in Financial Forensics**, have similar forensic accounting credentials or will be specialized municipality auditors. This team has worked effectively and efficiently on numerous forensic audits, and the experience highlighted throughout this proposal was solely performed by the proposed team.
- **Maryland Presence** - The proposed Engagement Partner, Ben Kincaid, currently serves as the **guardian forensic investigator for the Maryland Judiciary and is routinely appointed by various Maryland courts to investigate the financial activities of guardianships**. These services include tracing income/assets, collecting the necessary documentation, determining sources/uses of funds, identifying suspicious financial activity and/or misuse of funds, conducting interviews, as well as preparing and providing the Court and other designated parties with the requested reports.

Forensic audits require a high level of partner participation to ensure effective and reliable results. Our hands-on, working partners commit to providing this high level of active participation at all stages of the forensic audit. **CRI's forensic audit reports are routinely relied upon by courts, federal and state law enforcement agencies, governmental organizations and attorneys.** Our extensive experience in performing a variety of fraud investigations, fraud risk assessments and internal audits for similar municipalities and government organizations will enable us to bring fresh insights and innovative methods to help identify and quantify any abnormal or irregular financial or non-financial activities, internal control deficiencies as well as the applicable fraud, waste, abuse and internal control risks and vulnerabilities. **CRI currently provides forensic auditing services for numerous municipalities throughout the United States.**

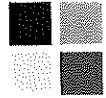
We welcome the opportunity to demonstrate to you the same teamwork, expertise, innovation, and responsiveness that have made us one of the fastest growing accounting firms in the United States. Again, we appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Kincaid", is written over a horizontal line.

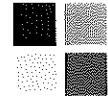
Ben Kincaid, CPA, CFE, CFF, CVA

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COMPANY PROFILE: FIRM OVERVIEW



CRI is a national accounting firm and one of the fastest-growing accounting firms in the United States.* Firm-wide, we have been performing government audit services since 1997 and are proud of our more than 330 professionals who dedicate their time to governmental audits. The graphic below further explains our operations overall.

FOUNDED IN 1997 **35+ MARKETS** across the United States & Mexico

Carr, Riggs & Ingram (CRI) is a top 25* nationally-ranked accounting and advisory firm driven by relationships to cultivate growth. From traditional accounting services to leading-edge business support, technology resources, and assurance* offerings, CRI's breadth and depth of expertise takes you from compliance to competitive advantage.



2,000+
PROFESSIONALS



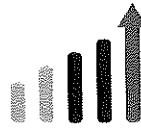
TOP 25*
FIRM

(as ranked by Accounting Today)

CRI FIRM VALUES:

CLIENT SERVICE.
RESPECT.
INTEGRITY.

100,000+
CLIENTS



25+ YEARS
OF CONSISTENT GROWTH
SINCE FORMATION



SERVICES

Advisory
Audit & Attest*
Tax

Captive Insurance
Commercial Real Estate
Construction
Financial Institutions
Government & Public Sector

INDUSTRY EXPERTISE

Hospitals & Health Systems
Insurance
Manufacturing & Distribution
Nonprofits
Physician Groups
Post-Acute Care
Private Foundations
Religious Organizations

CRI FAMILY OF COMPANIES

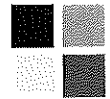
At CRI, we know that the best results come from a fully integrated approach to your business, organization, or family's financial well-being. The CRI Family of Companies works collectively to parallel our clients' evolving needs beyond traditional accounting, cutting-edge business support, technology solutions, outsourcing, and assurance*. By working side-by-side, our expansive suite of companies and their focused solutions provide more personalized, holistic advice that checks every box.



* Assurance, attest, and audit services provided by Auditwerk, LLC and/or Carr, Riggs & Ingram, L.L.C.

*Auditwerk and "CRI" are the brand names under which Auditwerk, LLC and Carr, Riggs & Ingram, L.L.C. ("CPA Firms") and CRI Advisors, LLC ("Advisors") and its subsidiary entities provide professional services. CPA Firms and Advisors (and its subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. CPA Firms are licensed independent CPA firms that provide attest services to their clients, and Advisors and their subsidiary entities provide tax and business consulting services to their clients. Advisors and its subsidiary entities are not licensed CPA firms.

COMPANY PROFILE: FIRM EXPERIENCE

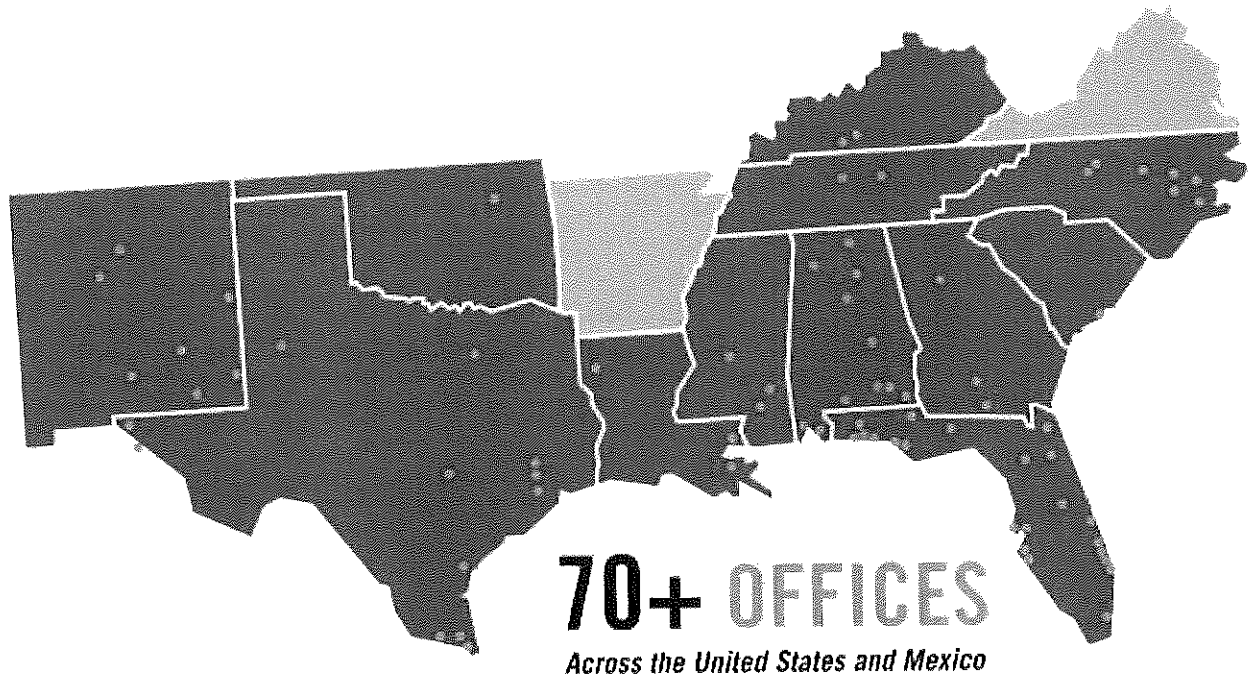


As previously indicated, CRI is a national accounting and consulting firm that provides a wide variety of high-quality, cost-effective accounting, tax and consulting services to governmental entities, non-profit organizations, individuals and businesses (both publicly and privately held). CRI is structured by industry line to allow for a deep bench of talent and expertise for our clients within these industries. This industry-line focus has allowed our teams to consistently meet and exceed the expectations of our clients and helps provide an additional measure of quality and reliability in our work. We are proud members of the following accounting/audit organizations:

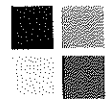
- The American Institute of Certified Public Accountants (AICPA);
- The Governmental Audit Quality Center of the AICPA;
- AICPA Private Companies Practice Section;
- Employee Benefit Plan Audit Quality Center of the AICPA;
- The Center for Audit Quality of the AICPA;
- Institute of Internal Auditors; and,
- The Public Company Accounting Oversight Board.

Members of the above voluntary organizations are select accounting firms recognized in the profession to be of the highest caliber. As a result, we are subject to stricter quality control standards than firms that choose not to take this voluntary step to improve the quality of their practices. Within CRI's industry lines, CRI has numerous experienced professionals that focus on governmental forensic audits, governmental audits, internal audits, etc.

CRI delivers a depth of resources that ensures our understanding of the complexity and challenges of this engagement and innovative solutions for overcoming them. The commitment shown by our personnel to the governmental sector is impressive. CRI professionals serve as volunteer instructors at seminars conducted by various governmental associations/organizations and other meetings of government officials. In addition, we participate in the U.S. Chapter of the Government Finance Officers Association (GFOA), the American Institute of Certified Public Accountants (AICPA), and numerous state CPA societies.



COMPANY PROFILE: GOVERNMENT AUDIT EXPERIENCE



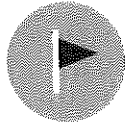
Our extensive government experience firm-wide is summarized below. This experience has given our team members an in-depth understanding of state and local government, the areas of concern, and areas in which these engagements differ from commercial or non-profit audit work.*

CRI'S GOVERNMENTAL EXPERTISE



Audit and Consulting Services for

500+ governmental
entities with annual revenues
totaling **\$26 Billion**



230+ single audits performed annually

Consulting and other agreed upon
procedures engagements for

150+ government entities



Single Audit Resource Center's
Award for Excellence in Knowledge,
Value, and Overall Client Satisfaction



Member of AICPA's Government
Audit Quality Center



**Governmental
Partner
Designations**

Including: CPA, CGFM, CITP, CFE, CMA, GISA,
CGEIT, CTGA, CFF, CGMA, and CGAP

**CLIENTS WITH ANNUAL
REVENUES UP TO:**



80+ School Districts

\$1.1 Billion



110+ Municipalities

\$1.8 Billion

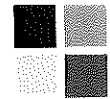


75+ Agencies/Authorities

\$3 Billion

*Assurance, attest and audit services are provided by Carr, Riggs & Ingram, L.L.C.

COMPANY PROFILE: FORENSIC AUDIT EXPERIENCE



CRI maintains a dedicated, credentialed forensic team that provides a spectrum of forensic accounting services ranging from prevention to detection in response to fraud. Our team members hold designations from the top forensic accounting associations and routinely work with government agencies, investigative bodies, law firms and law enforcement agencies on a variety of civil and criminal matters. Members of our proposed team also regularly speak on the topic of fraud, including holding a *White Collar Crime: Investigation and Prosecution* workshop for law enforcement and Inspector General personnel.

In addition to the previously mentioned governmental organizations, select members of the proposed forensic and governmental engagement team are proud members of the following forensic accounting organizations:

- Forensic and Valuation Services Section of the AICPA;
- Forensic and Valuation Services Sections for various State CPA Societies;
- Association of Certified Fraud Examiners;
- American Board of Forensic Accounting;
- Sponsoring organization of International Fraud Awareness Week by the ACFE; and,
- National Association of Certified Valuators and Analysts.

Select members of the proposed forensic and governmental engagement team also serve on various boards and committees of the above forensic accounting organizations. The proposed engagement partner, Ben Kincaid, and Forensic Manager, Donna Melillo, serve on various AICPA committees and task forces related to forensic accounting, the development of emerging forensic accounting professionals and the offering of quality continuing education. Other team members serve on the boards of various chapters of the Association of Certified Fraud Examiners.

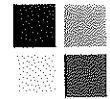
The proposed team is primarily responsible for all of CRI's forensic accounting engagements and is significantly involved in all of CRI's forensic accounting endeavors across the United States. Thus, CRI's forensic accounting team has extensive experience in providing these services as compared to other accounting and consulting firms.

On the following pages, we share select engagements related to some of our most recent forensic endeavors, as well as other relevant forensic engagements for local government entities. These forensic audits included analysis of internal controls, failures of the internal control systems, payroll, procurement, leadership failures, fraud, waste, abuse and much more. Unlike other firms, the engagements highlighted here were solely performed by the proposed team, not other firm members that are not part of this engagement team. These select engagements demonstrate the following:

- Extensive experience conducting forensic audits of governmental entities;
- Defensible, written forensic audit reports that clearly communicate any findings, the effects and any recommendations;
- Experience in deploying computer forensic software and techniques as deemed necessary; and,
- Extensive experience providing expert witness testimony.



COMPANY PROFILE: FORENSIC AUDIT EXPERIENCE



Florida Department of Children and Families

State Government
09/2022 - Current

- Internal Control Analysis
- Payroll Analysis
- Procurement Analysis
- Reporting Analysis
- Related Party Analysis
- Compliance Analysis

Services:

We performed multiple, successive forensic audits related to community-based care organizations responsible for child welfare services. **These investigations included the analysis of large volumes of data, analysis of complex transactions and related party relationships.** CRI determined that several of the auditees did not comply with federal and state competitive solicitation requirements with the aggregate contracts exceeding over \$100 million, did not fully disclose related party relationships/contracts, and allocated management compensation in excess of federal salary caps. **CRI prepared detailed forensic audit reports that identified multiple areas of noncompliance, overbillings and unallowable related party transactions. These reports were presented to the state legislature and resulted in various new statutes being adopted by the state legislature.** Examples of these publicly available reports is located at:

<https://www.myflfamilies.com/sites/default/files/2025-03/Embrace%20Families%20Community%20Based%20Care%20Audit%202023.pdf>

City of Fort Lauderdale, Florida

Local Government
08/2021 - 01/2022

- Internal Control Analysis
- Procurement Analysis
- Compliance Analysis

Services:

We performed certain procedures for the City in relation to allegations that its internal controls were not followed for a construction project. CRI determined that a City Commissioner did not comply with the City Charter, and the Public Works Director had knowingly overrode City policies and procedures. This resulted in substantial unapproved additions and unauthorized costs to the construction project. A copy of our written report is publicly available at:

<https://www.fortlauderdale.gov/home/showpublisheddocument/64125/637745543153270000>

Florida Legislature

State Legislature
10/2020 - 04/2021; ongoing

- Payroll Analysis
- Reporting Analysis
- Conflict of Interest Analysis
- Internal Control Analysis
- Compliance Analysis

Services:

CRI assisted the Florida Legislature and various inspector general offices in investigating the Florida Coalition Against Domestic Violence Inc. (FCADV). **FCADV's largest expenditures were comprised of payroll related costs. CRI performed complex forensic analyses of FCADV's voluminous records and audited financial statements to help determine whether there was misuse of public funds by FCADV.** CRI determined that FCADV's management utilized noncompliant payroll allocation methodologies for its federal and state grants to help provide significant compensation for FCADV's management. CRI also determined that FCADV's management manipulated its open positions to secure more funding that was utilized to fund management's significant compensation. **CRI presented the results of its findings to multiple state and federal law enforcement agencies as well as legislative delegations.**

Central Oklahoma Workforce Investment Board, Inc.

Local Government
12/2023 - 07/2024

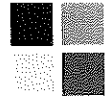
- Internal Control Analysis
- Reporting Analysis
- Payroll Analysis
- Grant Analysis

Services:

At the request of a federal agency, CRI was engaged to conduct a forensic audit of a workforce development board's grant revenues and grant expenditures to determine the uses of the funds as well as the residual grant balance. CRI determined that the grantee had numerous sets of books during the review period, which were all inaccurate.

CRI performed certain procedures to confirm the accuracy and receipt of the grantee's revenues, the allowability of its expenditures and the residual grant balances. CRI also determined that certain board members did not follow federal and state requirements related to disclosures of conflicts of interest and recusals.

TEAM QUALIFICATIONS: ORGANIZATIONAL CHART



CRI's proposed team has been designed to provide highly capable and experienced personnel to the Town and accomplish the forensic accounting services in an efficient and reliable manner. Our central priority in assembling this team is to ensure the quality (not quantity) of the professionals, the experience of the professionals, and the availability of these professionals. The proposed team is cross-functional and has provided these cross-functional forensic and governmental auditing services on a regular basis. We have the capacity to begin work on this project immediately.

As demonstrated in this proposal, the proposed team have conducted numerous small, medium and large-scale forensic investigations for governmental organizations throughout the United States. The proposed engagement team's national expertise, combined with extensive forensic accounting experience with municipalities (including financially distressed municipalities), reflects that no other firm can match our level of governmental forensic accounting expertise.

The overall CRI team will be led by the engagement partner, Ben Kincaid, who will assume overall responsibility for this project. Each of the proposed key team members have five or more years of experience providing similar services to municipalities and government organizations throughout the United States and has the applicable forensic credentials. Key team members also serve on the boards and committees of the various professional organizations that issue these forensic credentials.

Our team will be supplemented by various experienced staff members as needed throughout the engagement, ranging from staff level to partner level. Below is an overview of the key engagement partners and managers on the proposed team. Resumes for each professional are presented on the subsequent pages of this proposal. CRI has the capabilities and resources to add additional highly qualified team members to this project if necessary. As previously indicated, each proposed team member receives a wide variety of annual continuing education, and each proposed team member is in compliance with both the internal and external continuing education requirements. These continuing education courses include governmental auditing topics as well as forensic auditing topics.



Ben Kincaid, CPA, CFE, CVA, CFF

Forensic/Engagement Partner



Jeannine Busch, CPA, CFE

Forensic/Governmental Audit Partner



Steve Riggs, CPA, CRFAC

Forensic/Quality Assurance Partner



Brent Sparkman, CPA, CFF, CITP

Forensic/Resource Partner



David Mills

IT Audit Partner



Donna Melillo, CPA, CFE, CFF

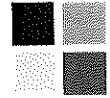
Forensic Manager



Brian Manuel, CPA, CFE

Forensic/Governmental Audit Manager

TEAM QUALIFICATIONS: PROPOSED FORENSIC TEAM



Ben Kincaid, CPA, CFE, CVA, CFF

Forensic/Engagement Partner
CRI Advisors, LLC



BKincaid@CRLadv.com
850.337.3235 | Direct

Key Representative Clients

- Broward County School District
- Okaloosa County School District
- Gadsden County School District
- Walton County School District
- City of Port St. Lucie
- City of Fort Lauderdale
- City of Fort Walton Beach
- City of Homewood
- City of Unadilla
- City of Enigma
- City of Madeira Beach
- City of Mount Dora
- City of DeFuniak Springs
- South Carolina Office of State Auditor
- Florida House of Representatives
- Florida Department of Economic Opportunity
- Florida Department of Elder Affairs
- Florida Department of Children and Families
- Florida Agricultural & Mechanical University
- Office of State Attorney, 1st, 5th and 17th Judicial Circuits
- Escambia County
- Bay County
- Alachua County
- Martin County
- Broward County Sheriff's Office
- Okaloosa County Sheriff's Office
- Walton County Sheriff's Office
- St. Johns County Sheriff's Office

Experience

Known for his data analytics and translating the data into defensible, investigative results, Ben Kincaid has over 13 years of experience in providing forensic accounting services throughout the United States. Ben specializes in conducting forensic investigations of governmental organizations and leads CRI's forensic accounting and dispute practice. Ben serves as the engagement partner or the quality control partner on the majority of CRI's governmental forensic investigations (including school districts). Ben will serve as the lead partner for this engagement.

Ben speaks regularly on the topics of fraud prevention and detection particularly for governmental organizations, and provides thought leadership on these topics regularly. Ben has worked with various law firms and law enforcement on civil and criminal matters and presented findings to numerous federal, state and local law enforcement agencies. Ben also provides expert witness services and has qualified as an expert witness in various state courts. Ben serves as a forensic accounting expert for various district/state attorney offices as well as the Maryland Judiciary.

Education, Licenses & Certifications

- BS, Business, Pensacola Christian College
- Certified Public Accountant (CPA) - Indiana and Florida
- Certified Fraud Examiner (CFE)
- Certified Valuation Analyst (CVA)
- Certified in Financial Forensics (CFF)

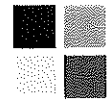
Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Association of Certified Fraud Examiners (ACFE)
- National Association of Certified Valuators and Analysts (NACVA)

Professional Committees/Achievements

- 2021 AICPA Forensic and Valuation Services Standing Ovation
- AICPA Forensic and Litigation Services Committee, Member
- AICPA Fraud Task Force, Chair
- AICPA Emerging Forensic Accountants Task Force, Member
- AICPA Forensic and Litigation Services Education Task Force, Member
- Florida Institute of Certified Public Accountants, Former Valuation, Forensic Accounting, and Litigation Committee Member

TEAM QUALIFICATIONS: PROPOSED FORENSIC TEAM



Jeannine Busch, CPA, CFE

Forensic/Government Audit Partner

CRI Advisors, LLC and Carr, Riggs & Ingram, L.L.C.



JBusch@CRIadv.com

850.201.5856 | Direct

Representative Clients

- FDEM - Grant Management Services for the Bureau of Recovery for the Public Assistance grant programs administered by FEMA for Hurricane Michael
- Manager of all federal and state projects
- Florida House of Representatives
Florida Department of Children and Families
- Florida Department of Health, Office of Medical Marijuana
- VISIT Florida
- Florida Democratic Party
- Ounce of Prevention Fund of Florida
- Children's Forum, Inc.
- Florida is for Veterans
- Florida Network of Youth and Family Services
- Florida Medical Association
- Professionals Resource Network
- Florida Hospital Association

Experience

With over 14 years of experience, Jeannine is highly skilled in auditing not-for-profits requiring federal and state single audits under Uniform Guidance and Chapter 10.650 Rules of the Auditor General of the State of Florida. Jeannine has also led forensic investigations and provided expert testimony in court. During her career, she has led audit and forensic engagements for a wide variety of governmental and not-for-profit organization clients.

Jeannine is a highly skilled auditor of federal programs and state projects. Jeannine through her educational training and experience has a thorough understanding of processes to address assessed risks. Jeannine is a former Contract Auditor and consultant for Defense Contract Audit Agency (DCAA) where she provided accounting and financial advisory services to all DoD components engaged in procurement and contract administration. In addition, she provided services in connection with negotiation of contracts and subcontracts.

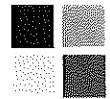
Education, Licenses & Certifications

- BS, Accounting & Finance, Florida State University
- Masters of Business Administration - University of South Florida - concentration in forensic accounting
- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Not-for-Profit certificate - Association of International Certified Professional Accountants

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Association of Certified Fraud Examiners - current treasurer of the Tallahassee Chapter

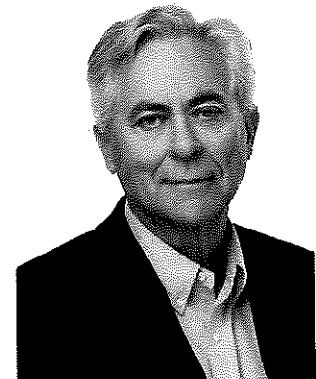
TEAM QUALIFICATIONS: PROPOSED FORENSIC TEAM



Steve Riggs, CPA, CRFAC

Forensic/Quality Assurance Partner
CRI Advisors, LLC

SRiggs@CRIadv.com
850.337.3200 | Direct



Representative Clients

- Florida House of Representatives
- Florida Department of Children and Families
- Office of State Attorney, First Judicial Circuit of Florida
- Broward County School District
- Okaloosa County School District
- Broward County Sheriff's Office
- Okaloosa County Sheriff's Office
- St. John's County Sheriff's Office
- City of Fort Lauderdale, Florida
- City of Fort Walton Beach, Florida

Experience

Steve Riggs has over 40 years of experience in public accounting and consulting services. He specializes in taxation, representation before the Internal Revenue Service (IRS), divorce settlements and litigation, forensic accounting, mergers and acquisitions, and court appointed corporate/trustee engagements. In January 2009, Steve was appointed to the Florida Board of Accountancy. Steve also served as Chairman of the Florida Board of Accountancy in 2014.

Steve is a founding partner of one of the top 25 accounting firms in the country, Carr, Riggs & Ingram, LLC (CRI). CRI employs more than 2,000 professionals in over 70 offices across Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, New Mexico and Texas. Prior to co-founding Carr, Riggs & Ingram, Steve worked for the IRS as a field agent for four years in Jacksonville, Florida.

Steve has been appointed by various Courts as a corporate trustee or custodian and has managed and sold businesses under the supervision of the Court. Steve has also been appointed by the Courts as an expert witness and as an executor. He has extensive experience in Bankruptcy Chapter 7, 11, 12 and 13.

Steve is a graduate from the University of West Florida in Pensacola with a Bachelor of Science Degree in Accounting.

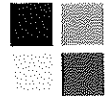
Education, Licenses & Certifications

- BS, Accounting, University of West Florida
- Certified Public Accountant (CPA)
- Certified Forensic Accountant (CRFAC)

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- American Board of Forensic Accounting

TEAM QUALIFICATIONS: PROPOSED FORENSIC TEAM



Brent Sparkman, CPA, CFF, CITP

Forensic/Resource Partner

CRI Advisors, LLC and Carr, Riggs & Ingram, L.L.C.

BSparkman@CRIadv.com

850.201.5822 | Direct



Representative Clients

- Florida House of Representatives
- Florida Department of Children and Families
- Florida Department of Health, Office of Medical Marijuana
- Florida Agriculture and Mechanical University
- Florida Department of Economic Opportunity
- Florida Division of Emergency Management
- Florida Office of Early Learning
- Four Oaks Community Church
- Ajax Building Corporation
- Visit Florida

Experience

Brent has over 27 years of experience in public accounting with concentrations in non-profit and for-profit accounting, auditing, tax and forensic investigations. Brent is an audit and consulting partner, forensic and IT specialist within the Tallahassee practice unit. Brent has specific training and expertise in forensic accounting, litigation support and expert witness testimony. Brent is also certified in Financial Forensics (CFF) by the American Institute of Certified Public Accountants (AICPA). Brent has served as a consultant for numerous for-profit and non-profit organizations as well as State and local Governments.

Brent has investigated numerous white-collar crimes, fraud and embezzlement cases. Additionally, he has served as a consultant for numerous for profit and non-profit organizations, as well as State and local Governments related to forensic matters.

Brent is also certified by the AICPA as a Certified IT Professional (CITP) and has specialized training in IT general controls related to financial reporting. His experience includes financial statement and compliance audits of state and local governmental entities, non-profit organizations, and for-profit businesses. Brent oversees IT general controls assessment and testing for the Tallahassee audit practice. Brent is also a regular speaker on leadership, professional coaching and various technical matters.

In 2020, Brent was appointed to the State of Florida Board of Accountancy, responsible for the examination, licensure, and regulation of over 35,000 CPAs and over 5,600 accounting firms.

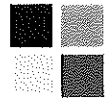
Education, Licenses & Certifications

- BS, Accounting, Florida State University
- BS, Finance, Florida State University
- Certified Public Accountant (CPA)
- Certified in Financial Forensics (CFF)
- Certified Information Technology Professional (CITP)

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Association of Certified Fraud Examiners (ACFE)
- Information Systems Audit and Control Association (ISACA) - Tallahassee Chapter Board Member

TEAM QUALIFICATIONS: PROPOSED FORENSIC TEAM



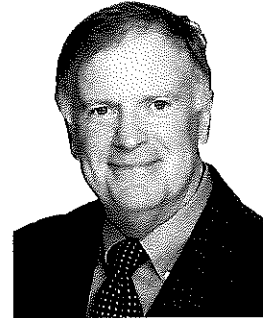
David Mills

IT Audit Partner

CRI Advisors, LLC and Carr, Riggs & Ingram, L.L.C.

DMills@CRIadv.com

334.437.8332 | Direct



Representative Clients

- CB&S Bank
- Charter Bank
- Community Neighbor Bank
- Community Spirit Bank
- First Citizens Bank
- First Federal Bank
- First Federal Savings and Loan Association
- First National Bank of Dozier
- First Partners Bank
- First Port City Bank
- First Southern Bank
- Friend Bank
- Legacy State Bank
- Liberty Bank
- Marion Bank and Trust
- Merchants Bank
- MidSouth Bank
- Pelham Banking Company
- Peoples Bank of Graceville
- Peoples Bank of Greensboro
- Peoples National Bank
- PeoplesSouth Bank
- PrimeSouth Bank
- Providence Bank
- River Bank and Trust
- Samson Banking Company
- StateBank and Trust
- The Trust Bank
- United Bank (GA)
- United Bank (AL)
- Vinings Bank

Experience

David has over twenty-five years of IT experience. His specialties include IT compliance/audit, cyber security, penetration testing, IT risk analysis, disaster recovery, network design, installation, and implementation. David's accomplishments include IT Sarbanes Oxley (SOX) and JSOX internal and external control assessments, National Association of Insurance Commissioners (NAIC) assessments, assessments/audits for Gramm Leach Bliley, Federal Financial Institutions Examinations Council (FFIEC), SOC 1 SOC 2, SOC 3, the Bank Secrecy Act, Health Insurance Portability and Accountability Act (HIPAA/HITECH), and HITRUST. Prior to becoming an IT Auditor David owned and operated an internet service provider and network integration company. David designed, installed and secured large campus wide networks.

David serves on the AICPA SOC Peer Review Oversight committee as a subject matter expert for IT, instructor for the AICPA advanced IT audit school, and is a member of the AICPA SOC and Cybersecurity task force. David has served on the faculty of Troy University as an Adjunct Professor, a speaker and instructor for groups and associations such as the AICPA IT Executive Committee, Alabama, Kentucky, and Tennessee Society of CPA's.

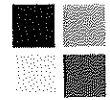
Education, Licenses & Certifications

- Masters, TROY University
- Bachelors, Physics, TROY University
- Certified Information Systems Auditor
- Certified Information Systems Security Professional
- Certified in Risk and Information Systems
- Certified in the Governance of Enterprise IT
- Microsoft Certified Systems Engineer
- Qualified Security Assessor (PCI)
- CCSFP (HITRUST)
- ISO 27001 Lead Auditor

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Institute of Internal Auditors
- Information Systems Audit and Control Association
- ISC2

TEAM QUALIFICATIONS: PROPOSED FORENSIC TEAM



Donna Melillo, CPA, CFE, CFF

Forensic Audit Manager

DMelillo@CRLadv.com

850.337.3207 | Direct



Representative Clients

- Florida Department of Children and Families
- Florida Department of Health, Office of Medical Marijuana
- Office of State Attorney, Fifth Judicial Circuit of Florida
- Office of State Attorney, First Judicial Circuit of Florida
- Okaloosa County School District
- Bay County, Florida
- Escambia County, Florida
- Manatee County, Florida
- Broward County School District
- Broward County Sheriff's Office
- City of DeFuniak Springs, Florida
- City of Fort Walton Beach, Florida
- City of Port St. Lucie, Florida
- City of Enigma, Georgia
- City of Unadilla, Georgia
- Central Basin Municipal Water District
- Holley-Navarre Water System, Inc.

Experience

Donna has over seven years of experience in accounting and forensic accounting services. Her forensic experience includes investigating employee malfeasance, breach of contract claims, grant compliance investigations, digital forensic investigations and divorce litigation assistance. She has managed forensic and consulting engagements for school districts, state agencies, local governments, for-profit entities, and non-profit entities throughout the United States.

Donna specializes in forensic accounting, fraud detection and fraud prevention. She has also provided internal control consulting to clients and testified as an expert witness. She is a Certified Public Accountant (CPA) as well as a Certified Fraud Examiner (CFE) and Certified in Financial Forensics (CFF). She serves on various committees and task forces for both the FICPA and AICPA, and she serves on the board of the Northwest Florida Chapter of the ACFE.

Education, Licenses & Certifications

- BS, Accounting, University of West Florida
- BS, Mathematics Education, Pensacola Christian College
- BS, Business Education, Pensacola Christian College
- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF)

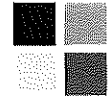
Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Association of Certified Fraud Examiners (ACFE)

Professional Committees/Achievements

- American Institute of Certified Public Accountants - CFF Credential Committee Member and Forensic and Valuation Services Conference Planning Committee Member
- Florida Institute of Certified Public Accountants - Valuation, Forensic Accounting, and Litigation Services Knowledge Resource Group Member
- Association of Certified Fraud Examiners - Current Treasurer of the Northwest Florida Chapter

TEAM QUALIFICATIONS: PROPOSED FORENSIC TEAM



Brian Manuel, CPA, CFE

Forensic/Governmental Audit Manager

BManuel@CRLadv.com

850.201.5842 | Direct



Key Representative Clients

- City of Tallahassee
- City of Jacksonville
- Washington County
- Florida Department of Children and Families
- Florida Department of Management Services
- Florida Prepaid College Board
- Florida Department of Economic Opportunity
- Florida Department of Education, Office of Student Financial Assistance
- Florida Public Assets for Liquidity Management
- The Florida Bar Association
- The Florida Sheriffs Association
- Florida Agricultural and Mechanical University

Experience

Brian has over 15 years of experience providing tax and assurance services for closely held businesses, non-profit organizations, municipalities and state agencies. Brian currently serves as a manager at CRI in planning, supervising, and conducting audits and forensic examinations of governmental, not-for-profit, and local for-profit entities. Brian has extensive experience with audits of local governments, cities and municipalities ranging from cities with a few thousand residents to the serving as manager of the audits of the City of Jacksonville and City of Tallahassee. Brian has also managed forensic engagements involving Florida economic incentive programs, Florida community-based care programs, and activities within Florida Universities. Brian has accumulated substantial experience through his career in internal control and compliance monitoring and auditing.

Brian has served on the Board of the Florida Institute of Certified Public Accountants (FICPA). Brian currently serves as the president of the Tallahassee chapter of the Association of Certified Fraud Examiners (ACFE). Brian also serves as Chair of the Board of Directors of 2-1-1 Big Bend, Inc. a community services information and crisis hotline.

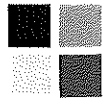
Education, Licenses & Certifications

- BSBA, Accounting, Appalachian State University, NC
- MS, Accounting, Appalachian State University, NC
- Certified Public Accountant (CPA) - Florida and North Carolina
- Certified Fraud Examiner (CFE)

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)

APPROACH AND METHODOLOGY

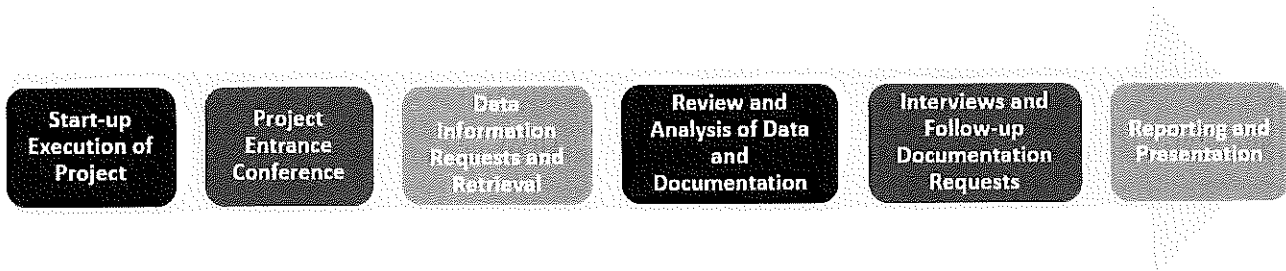


Forensic Audit Approach

Our general approach to all forensic audits is risk-based, specifically tailoring our procedures to the engagement's unique circumstances. Forensic audits often involve unforeseen issues/problems that need unique solutions. CRI is known to develop and provide these unique solutions to governments, corporations, attorneys and law enforcement. We never underestimate those who have access to public funds and find creative ways to misuse, abuse or misappropriate public funds.

CRI plans and performs all of its forensic audit engagements as if they will be involved in a litigation and/or criminal setting, which further enhances the reliability of CRI's work. CRI will conduct this engagement in accordance with the AICPA's Statement on Standards for Forensic Services No. 1 and the Association of Certified Fraud Examiners' Professional Standards.

CRI understands that the Mayor and Federalsburg Town Council are seeking a forensic audit of the financial records, transactions and processes of the Town to identify any financial irregularities or discrepancies and to evaluate compliance with applicable regulations, policies and procedures. CRI understands that there are specific concerns related to the Town's procurement cards and accounts payable processes. Additionally, the Town is requesting an assessment of the adequacy of the Town's internal controls and financial management practices, as well as recommendations for improving financial processes and controls. **Our team has the capacity and the specialized experience that is necessary to perform the requested forensic audit services.** CRI's general approach to this forensic audit is presented in the graphic below.



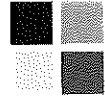
Phase 1: Start-up Execution and Project Entrance Conference

As indicated throughout this proposal, CRI has significant experience providing forensic investigative services for municipalities and other governmental organizations. Due to this experience, **CRI has proven internal processes and methodologies that allow us to rapidly deploy, establish an entrance conference, and prepare initial documentation request lists immediately upon award of a contract.** This also includes disseminating documentation preservation letters if needed.

During this phase, CRI will collaborate with the Mayor and Town Council to obtain a more detailed understanding of the relevant background information and further understand the engagement scope. CRI is aware of the Town's concerns related to personal expenditures and complaints of potential misappropriation, which has provided us with a better understanding of the concerns, risks and other factors. Our initial discussions with Town leadership will allow us to do the following:

- Introduce key engagement staff to the Mayor, Town Council and Legal Counsel;
- Further understand specific areas of concern to the Town;
- Finalize a mutually acceptable investigation plan and timeline to adequately address the concerns; and,
- Design the nature, timing and extent of our procedures based on a comprehensive planning process that includes evaluation of internal control and known issues/risks, inquiries with relevant personnel, and internal strategy sessions.

APPROACH AND METHODOLOGY



Forensic Audit Approach (Continued)

Phase 2: Data Information Requests and Retrieval

CRI will collaborate with the Mayor, Town Council and/or Legal Counsel as applicable to obtain and/or acquire the necessary documentation to perform the requested scope of work. CRI understands that the requested scope of work is to be performed for the past five years. The services to be performed include, but are not necessarily limited to the following:

- Analyze financial statements, budgets and accounting records.
- Conduct interviews with key Town personnel.
- Analyze transactions for unusual patterns and anomalies.
- Assess the effectiveness of the Town's internal controls.
- Prepare a detailed report outlining any identified irregularities, as well as our findings and recommendations for corrective actions.

Throughout this phase, CRI will analyze and assess the Town's internal controls, policies and procedures, specifically targeting the inherent risk areas related to data reliability/validity/completeness. In forensic engagements, CRI employs a number of specialized techniques and forensic software that allow us to obtain independent data and perform a variety of forensic analytics related to data reliability. CRI often utilizes open-source intelligence tools to obtain additional information and/or identify red flags that may exist.

CRI has extensive experience with forensic audits that involve complex and potentially inaccurate data. CRI has the technology and skills to image physical devices, provide data analysis, data mining, data collection, textual analytics and implement digital forensics and digital analysis. In similar forensic audits, CRI will typically request access to applicable electronic communications to aid in the forensic audit.

CRI utilizes the Smartsheet platform for documentation requests, secure file transfers, and request tracking. This enables CRI to compartmentalize certain sensitive data requests only to relevant, authorized Town personnel as well as prioritize certain documentation requests based on our work plan.

Phase 3: Review and Analysis of Data and Documentation

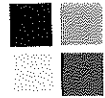
Upon developing a mutually acceptable plan and obtaining relevant documents from the Town, CRI will begin the testing of controls related to the various processes and the associated regulations, policies and procedures of the Town. This may include a forensic analysis of the Town's bank statements, procurement card statements, general ledgers, budgets, vendors, invoices, etc., to investigate financial irregularities.

This process will also include reconciliation of the provided data to what CRI may consider the "best evidence," as applicable for the data. This may include reconciling the general ledgers to the applicable amounts reported on the Town's annual financial reports and audited financial statements. It may also include reconciling certain selected data to bank statements, procurement card statements, etc., as well as observations of the Town's procedures, controls, etc. These steps will likely occur throughout all phases of this engagement as data is provided.

CRI will utilize specialized forensic software that will allow the rapid conversion and analysis of bank statements, procurement card statements, financial statements, etc. CRI's specialized forensic software also includes the ability to rapidly map and account for fund transfers. CRI will also utilize other specialized forensic and auditing software for the underlying data analysis including, but not limited to, IDEA, Active Data, Tableau, PowerBI, etc.

CRI involves partner and manager-level personnel in all phases of our engagement and uses our experience, technology and experienced staff to execute an effective and efficient work plan.

APPROACH AND METHODOLOGY



Forensic Audit Approach (Continued)

Phase 4: Interviews and Follow-up Documentation Requests

During this phase, CRI will also conduct any necessary interviews with relevant Town personnel to gain an understanding of their perspective of the financial records, processes, controls, transactions, and Town policies and procedures. CRI will also take the necessary steps to interview any relevant, former Town employees/leadership as needed. Based on the interviews and our review of the initial documents, CRI will conduct follow-up documentation requests to ensure all relevant documents/data have been provided for our analysis.

Upon further review and analysis of the documentation and interview results, CRI may conduct additional interviews. These additional interviews may be the result of identification of individuals with relevant information to the investigation. These additional interviews may also focus on those individuals with direct knowledge and/or control related to the activities of the programs, transactions and/or concerns identified by the Mayor and Town Council for further review/analysis.

CRI will work closely with the Mayor and Town Council to provide updates as we complete this phase of the engagement. Should additional issues or concerns arise that were not previously identified during the planning phase, CRI will notify the Mayor and Town Council to discuss whether additional steps need to be taken in our engagement.

Phase 5: Reporting and Presentation

Throughout the engagement, CRI will provide regular communications with the Mayor and Town Council including immediate briefings on any issues requiring prompt attention. **We understand that time is of the essence, and CRI has assembled a strong team of experienced experts to meet the Mayor and Town Council's needs and deliver the highest quality report and service in a timely manner.** If unforeseen circumstances arise that require additional time to complete the full scope of work, CRI will notify the Mayor and Town Council and agree on a mutually acceptable revised schedule.

CRI will prepare a written, detailed forensic audit report that includes all findings, the effects of these findings and any recommendations. The written report will also communicate any abnormal financial activity noted and its quantification. CRI's written report will be prepared and presented clearly to assist the Mayor and Town Council in ensuring transparency and accountability. Examples of CRI's forensic audit reports are presented in the embedded links within this proposal.

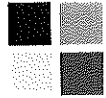
CRI will provide the Mayor and Town Council with a draft copy of the report for review prior to issuing a finalized report, allowing the Mayor and Town Council to ask for clarification or additional details if necessary. CRI will subsequently present these findings to the Mayor and Town Council or other relevant stakeholders as requested. CRI will also collaborate with legal counsel and law enforcement, as deemed necessary by CRI and Town leadership. Should the need arise, the proposed engagement team members include subject-matter experts who have vast experience providing expert witness services and have qualified as expert witnesses in various state courts.

As outlined under other sections of this proposal, CRI has successfully implemented this approach on numerous other forensic audits. **Most recently, CRI was engaged by the Central Basin Municipal Water District to perform an investigation related to the District's contracts and payments with a certain vendor, as well as a forensic audit of the District and its operations.**

CRI conducted various interviews, reviewed procurement documentation, analyzed all contracts, tasks orders, invoices and other related documents related to the vendor. CRI also examined document retention policies and procedures. CRI determined that District policies and procedures were overrode, public records were deleted, the vendor did not comply with the terms of the contract, and the District potentially overpaid for services rendered to the District.

CRI also reviewed payroll documentation, evaluated vendor relationships, payment approval procedures, budget management/approvals, and human resources practices. CRI determined that the District's internal controls were ineffective, contracts were improperly procured, the bank reconciliations were unreliable, and the District had misused and/or wasted public funds.

TIMELINE



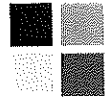
Below is a proposed timeline for the requested forensic audit services related to the Town of Federalsburg. CRI has the ability to meet any reasonable time schedule for completion. CRI will work closely with Town personnel through the engagement, should any concerns arise that would lead to an unexpected scope of work. CRI will also work closely with Town personnel to agree on a mutually acceptable revised schedule, should the Town request a revised scope of work. **The proposed schedule is highly dependent upon the Town's responsiveness to CRI's documentation and interview requests.**

PROPOSED WORK SCHEDULE	
STAGE #1: Client Acceptance & Pre-Planning	DATE
Appointment of Audit Firm	July 2025
Meet with counsel, management and/or Town Council to discuss scope, risks and initial document requests	July 2025
Hold CRI engagement team planning meetings	July 2025

STAGE #2: Fieldwork	DATE
Documentation Gathering	July 2025 - August 2025
Review and Analysis of Initial Documentation	August 2025 - September 2025
Interviews with Relevant Town Personnel	September 2025
Additional Documentation Request	September 2025
Review and Analysis of Additional Documentation	September 2025 - October 2025

STAGE #3: Reporting	DATE
Presentation of Preliminary Observations and Findings	Throughout Engagement / October 2025
Review and Finalization of Draft Report	November 2025
Final Report Presentation to Mayor and Town Council	November 2025

PROPOSED FEE SCHEDULE



As a valued potential client, CRI has discounted our standard hourly rates for forensic accounting services. The below hourly rates contain all direct and overhead expenses. CRI believes that forensic investigations require us to be flexible with the engagement needs/goals. This includes being flexible in the number of onsite visits or in-person meetings that may be necessary. As such, CRI does not charge technology or travel costs. This helps us avoid potential budget concerns/constraints related to onsite visits/meetings and ensure quality over costs.

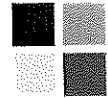
We would welcome the opportunity to discuss any potential fine-tuning of CRI's fee estimates, or the areas to be included, to ensure that CRI is meeting the Town's needs within any reasonable budget constraints. CRI will work closely with the Town to ensure that this engagement is performed in an efficient and cost-effective manner.

PERSONNEL LEVEL	STANDARD HOURLY RATE	DISCOUNTED HOURLY RATE	HOURS	SUBTOTAL
Forensic Partners	\$450	\$400	80	\$32,000
Forensic Managers	\$325	\$250	120	\$30,000
Senior Forensic Accountants	\$225	\$185	40	\$7,400
Forensic Accountants	\$175	\$150	140	\$21,000
Administrative Assistants	\$125	\$100	85	\$8,500
Total Proposed Cost				\$98,900

Above is a supporting schedule for the estimated hours by position level. These estimated hours were determined based upon our understanding of this project, the requested scope outlined in the RFP and the project's complexity. Additional or unanticipated investigative work not outlined in the RFP will be mutually agreed upon by the Town and CRI prior to commencing work and will be charged at the above rates times the necessary hours taken to complete the additional investigative work or to provide expert witness testimony.

CRI understands that limited funds may be available to conduct the full forensic investigation for the requested five year period. As such, a more targeted approach may accomplish the Town's objectives and result in a more efficient engagement. This targeted approach can be developed in collaboration with the Town based on the specific concerns that exist. For example, this targeted approach may focus more on bank disbursements, procurement card transactions and the related internal controls. **If the Town desires a more targeted approach, CRI proposes a fee range of between \$30,000 and \$40,000, which can be refined further upon discussions related to the Town's concerns.** This fee range would still be based on the discounted hourly rates identified in the schedule above.

REFERENCES



South Carolina, Office of the State Auditor
09/2024 - 04/2025

1401 Main Street, Suite 1200
Columbia, SC 29201

Sue Moss
803.253.4160
smoss@osa.sc.gov

CRI was engaged by the South Carolina Office of the State Auditor to conduct a forensic investigation of the Town of Calhoun Falls to determine the sources of financial difficulties experienced by the Town. CRI determined there was inaccurate and inadequate financial reporting, waste and abuse of Town funds, degradation of internal controls, and operational and financial mismanagement.

CRI also determined the town deficits were a result of a lack of increase in utility rates, malfunctioning/inoperable utility meters, significant water loss due to a deteriorating water system, and underbilling various utility customers. A copy of our written report is publicly available at: https://oig.sc.gov/sites/oig/files/Documents/Reports/2025/ISSUED_Forensic_Examination_Report-Town_of_Calhoun_Falls_South_Carolina.pdf

City of Fort Walton Beach
02/2020 - 10/2021

107 Miracle Strip Parkway SW
Fort Walton Beach, FL 32548

Kim Barnes
850.833.9509
CityClerk@fwb.org

CRI was engaged to perform an investigation into alleged misappropriation by the City's Finance Director. CRI performed various investigative procedures that identified the total misappropriation that was concealed by fictitious invoices, fictitious receipts, fictitious accounting entries, etc.

CRI utilized computer forensic accounting tools to help identify these fictitious records. CRI provided expert witness testimony for the City as well in relation to the criminal prosecution. A copy of our written report is publicly available at: <http://fortwaltonbeachcityfl.lqm2.com/Citizens/FileOpen.aspx?Type=1&ID=1868&Inline=True>.

Central Basin Municipal Water District
11/2023 - 10/2024

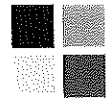
6252 Telegraph Rd.
Commerce, CA

Victor Ponto
951.788.0100
vponto@bwslaw.com

CRI was engaged to perform an investigation related to the District's contracts and payments with a certain vendor, as well as a forensic audit of the District. The forensic audit included a review of the District's expenditures, conflicts of interest, analysis of purchasing policies and procedures, payroll expenditure, review of procurement card usage, analysis of equipment, land and building purchases, etc.

CRI determined that District policies and procedures were overrode, public records were deleted, the vendor did not comply with the terms of the contract, and the District potentially overpaid for services rendered to the District. CRI also determined that the District's internal controls were ineffective, contracts were improperly procured, unauthorized payroll was disbursed, and the District had misused and/or wasted public funds. These publicly available reports are located at (pages 102-280): <https://d3n9y02raazwpg.cloudfront.net/centralbasin/7f0c9fcf-9ba5-11ef-ab4b-005056a89546-912fc79d-c229-4980-ac12-187ace5402fa-1731447564.pdf>

CRI'S QUALITY CONTROL



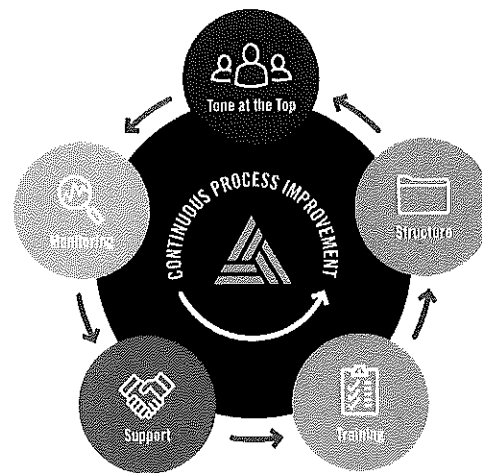
External Quality Control

CRI is enrolled in the AICPA Peer Review Program, through which our accounting and auditing practice is triennially reviewed by another independent public accounting firm.* These reviews always include specific government engagements. The most recent review of our firm was performed in 2022 by Brown Edwards, whose report was the most favorable possible—"Pass." In addition, we are registered with the PCAOB, and our 2024 PCAOB inspection report was also the most favorable possible—no audit deficiencies or quality control defects identified.

Internal Quality Control

Experienced partners and professional staff of our firm conduct quality control reviews of our audits.* Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program. This risk-based annual inspection is intended to mimic the triennial peer review described in the previous paragraph and are performed on completed engagements.

- **Internal Inspection:** A permanent team of subject matter experts annually perform 150+ reviews of a risk-based sample of partners and engagements.
- **Single Audit Reviews:*** CRI implemented a multi-tier review process where all single audits, firm-wide, are subjected to an additional layer of review by our Single Audit Specialist.
- **Continuous Process Improvement Reviews:** In addition to the above, this ongoing process reviews each audit partner twice annually, representing 300+ reviews each year.



Forensic Audit Quality Control

While forensic audits are not subject to the peer review process, CRI has a rigorous internal review process that include in-depth partner reviews and independent partner cold reviews of the work performed as well as any issued reports.¹ CRI plans and performs these types of engagements as if they will be involved in a litigation and/or criminal setting. **CRI's forensic audit reports are routinely relied upon by federal and state law enforcement agencies, courts, governmental organizations and attorneys.** These defensible, written forensic audit reports result in successful outcomes for our clients.

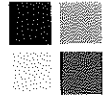
Continuing Education

Continuing education is a top priority for CRI and helps ensure the quality of our work. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients. Each of CRI's professional staff's Continuing Professional Education (CPE) record is reviewed annually to ensure that they are in compliance with internal and external requirements regarding CPE. Key members of the proposed engagement team also regularly present CPE courses involving fraud, audit, internal controls and other matters to both internal and external audiences. **CRI's forensic team also regularly attends the AICPA's Forensic and Valuation Services Conference, and select team members serve on various committees that determine/offer forensic accounting CPE for CPAs throughout the country.**

* Assurance, attest and audit services are provided by Carr, Riggs & Ingram, L.L.C.

¹ AICPA and ACFE professional standards do not utilize the term "forensic audit" to avoid confusion with financial statements audits. Instead, professional standards utilize the term "forensic investigation." For purposes of this RFP, CRI treats the term "forensic audit" to mean a "forensic investigation."

SHARING CRI'S VALUES WITH YOU



We are proud of our hands-on, service-centric, and results-oriented approach. Combining that approach with quality controls and superior talent allows us to help you achieve your goals and strengthen your management systems and processes. This approach is further emphasized through our three core values which guide our team's behavior and function as the foundation for interactions with our clients and each other.



CLIENT SERVICE

Defining our brand by meeting or exceeding the highest expectations of our clients

RESPECT

Building productive, long-term relationships with each other that are based on mutual respect, trust, and sharing

INTEGRITY

Living with sincerity, transparency, and honesty



PROPOSAL - FORENSIC AUDIT SERVICES

Town of Federalsburg, Maryland

June 12, 2025

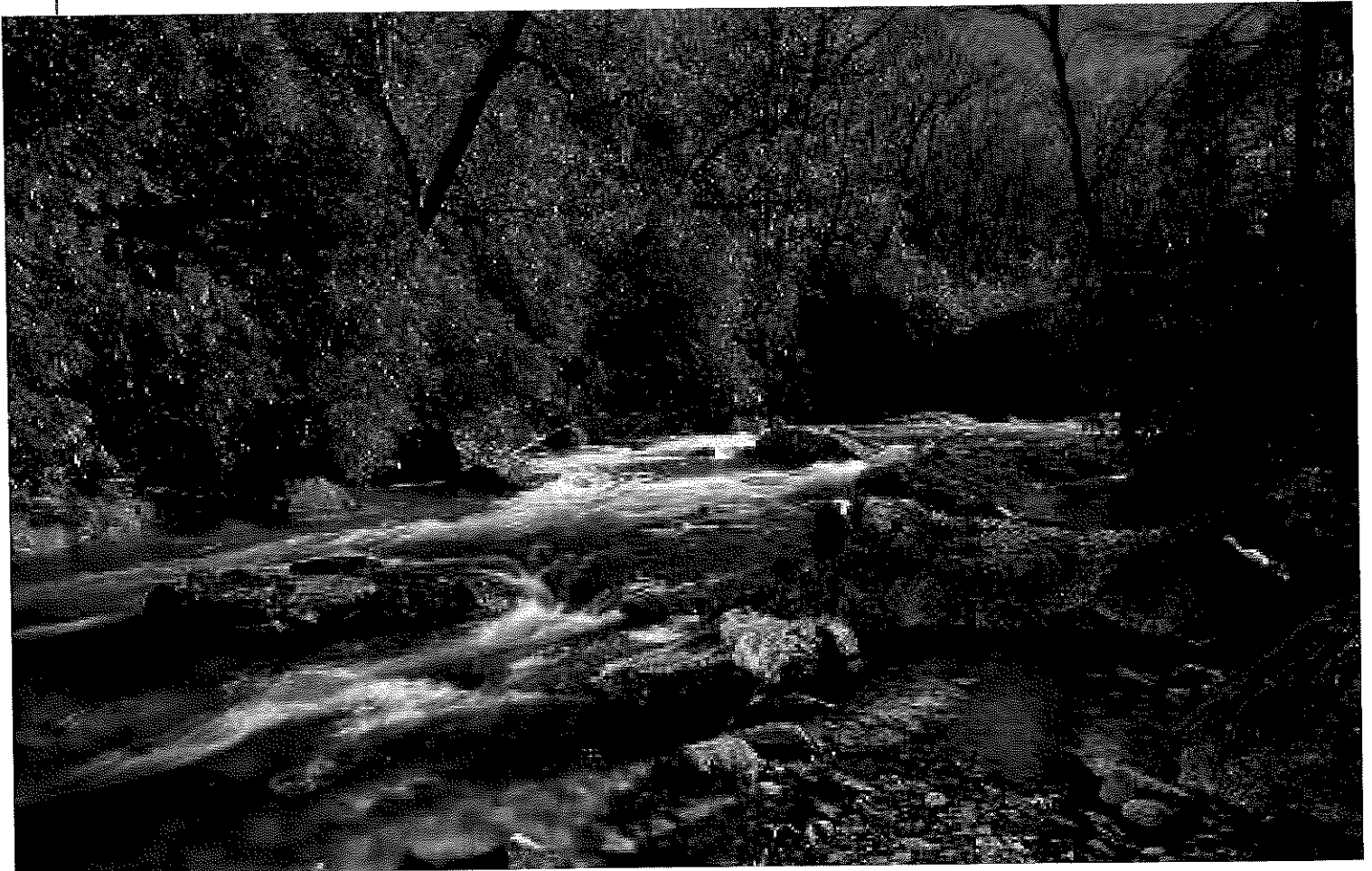


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Executive Summary

Thank you for the opportunity to propose on the forensic audit services project for the Town of Federalsburg, Maryland. We are thrilled to have the opportunity to work with the Town! It is our understanding that you are seeking competitive proposals to provide forensic audit services for the Town.

Here are a few benefits of working with Creative Planning Business Services:

- ✦ **A Responsive Firm Who is there for You.** We will work to develop a partnership relationship with the Town. This means being there for you when issues arise, available when you need us and being responsive to your requests. We demonstrate this through same-day callbacks and in-depth research to get to the heart of your questions. We take a collaborative approach in all our interactions with you.
- ✦ **Effective Communication.** Creative Planning Business Services has set high internal standards for responding and communicating with our clients. Providing support exactly when and where you need it is the value our team brings. Your time is valuable; we will be clear and efficient in our communications, work to eliminate surprises and meet agreed-upon deadlines. We have a proven track record of performing client's requests based on their preferred timetable and delivering reports to our clients in advance of deadlines. Our staff will work patiently with your team for effective results.
- ✦ **Expertise in Forensic Accounting, Consulting, Analysis, and Investigations in the Government Industry.** Creative Planning Business Services' forensic services group provides professional services to a wide variety of industries. Creative Planning Business Services is familiar with assisting organizations at all stages in their lifecycle. Our team stays abreast of the latest forensic accounting and analysis developments through our numerous services provided, ongoing third-party continuing education classes, extensive technical literature maintained in-house and through our affiliation with BDO Alliance USA. Our team has extensive experience with State and Local Governments and their unique rules and regulations.
- ✦ **Innovative thinking and solutions driven.** When working with Creative Planning Business Services, clients find that we focus on earning their trust by being actively involved and focused on helping them be successful in all they do. We solve problems. Whether that problem is technology, financial or operations related, we will find a way to help.
- ✦ **Expertise in Business Advisory Consulting and Project Management.** Creative Planning Business Services can meet clients' needs in multiple facets of consulting. From Business Process Modeling (process mapping, process discovery, process simulation, process analysis, and process improvement) to assisting in planned approach to ERP readiness. Our team can work to assess people, processes, and systems to help your organization make the many critical decisions on risk management, project scope, project governance, project staffing, project goals/expectations, and more.

If there are any matters not adequately covered in this proposal, please feel free to contact us. Thank you for the opportunity to respond to your proposal request.

Sincerely,



Steven Wischmann, CPA/CFF, CFE, MAFF - Partner/Shareholder
St. Cloud, MN // 320.650.0217 // steve.wischmann@creativeplanning.com

Transmittal Letter

Mayor and Town Council
Town of Federalsburg
118 N Main St
Federalsburg, Maryland 21632

On behalf of Creative Planning Business Services, I am pleased to submit this proposal for forensic accounting services for the Town of Federalsburg, Maryland. We appreciate the opportunity to bid these services and your consideration of our firm.

The attached proposal addresses the information you requested, including the unique qualifications of Creative Planning Business Services, the depth and breadth of the services we will provide and our commitment to providing the highest quality work through a process that is both efficient and effective.

We are especially qualified because of our extensive experience working with cities, school districts, and a variety of other local units of government the past 50 years. What makes us unique is not so much what we do, but how we do it. We believe our technical expertise, combined with our attention to service, will provide you with a process that is beneficial to your Town.

Our services would include forensic accounting procedures as described within this proposal and as requested by you through the Request for Proposals for Forensic Audit Services.

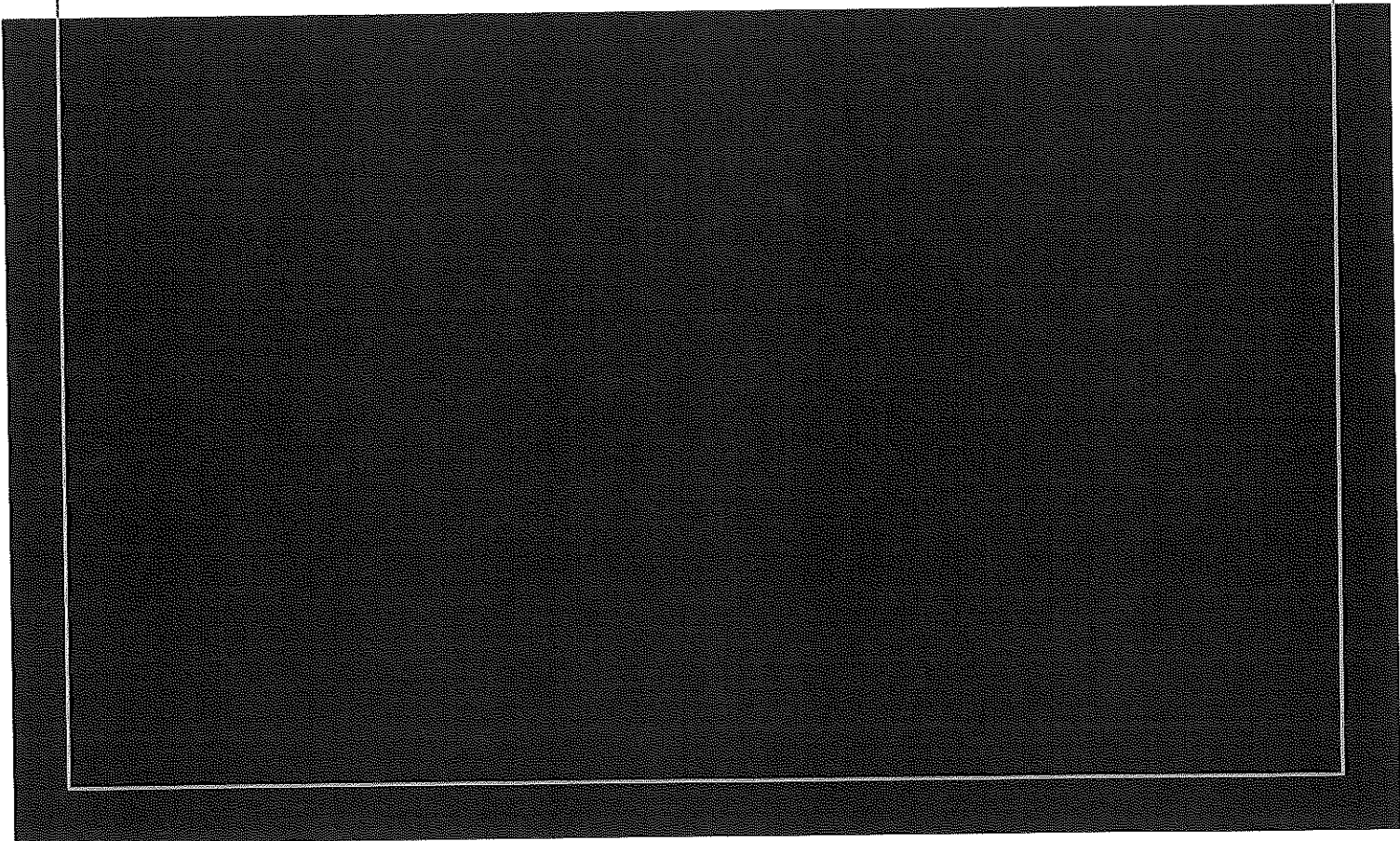
We will work with your representatives to schedule specific dates to ensure we meet your deadlines. The undersigned is a partner and will be the Town's primary contact. Steve can be reached at 320.650.0217 or 220 Park Avenue S., St. Cloud, MN 56302, and is authorized to make representations for the firm. This proposal is a firm and irrevocable offer for 120 days.

Sincerely,



Steven Wischmann, CPA/CFF, CFE, MAFF - Partner/Shareholder
St. Cloud, MN // 320.650.0217 // steve.wischmann@creativeplanning.com

Firm Profile



Firm Profile



We have an extensive background in working with clients through a strategic approach in all aspects; we don't just keep pace with the trends; we stay ahead of the curve. We explore new ways to reduce costs and operate more efficiently.

The Backstory

The history of our firm began in 1945, and since the beginning, BerganKDV, now Creative Planning Business Services, has been firmly rooted in community. We operate in all 50 states, employ over 1,500 experts, and service clients across the country. As we continue to grow, we acknowledge that we are not in the business to provide one-size-fits-all solutions. Every client is different - from business problems to personal preferences. We invest the time to understand your needs and customize our services and solutions to meet them. Our offerings encompass a comprehensive suite of services, including business advisory, tax, assurance and accounting, forensic accounting, human capital management, technology, wealth management, and turnaround management services. Sure, we offer a robust and competitive service portfolio and notable processes but what really makes us different?

Our People

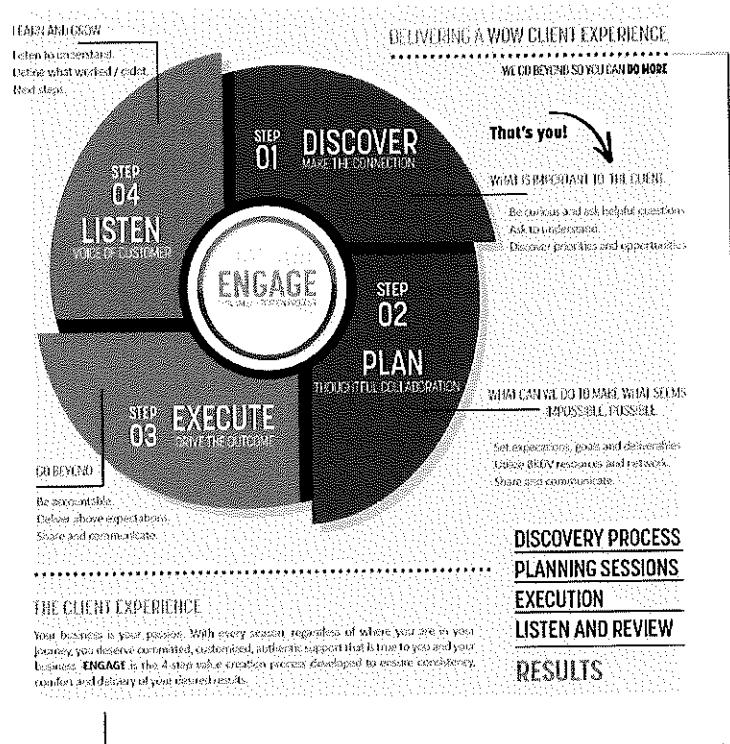
Relationships are at the core of everything we do, and our products and services are designed to meet the specific needs of our clients. When working with Creative Planning Business Services, clients find that we focus on earning their trust by being actively involved and focused on helping them be successful in all they do.

Personalized Service

Our philosophy is to provide timely, quality services that exceed the expectations of our clients. Outstanding client service requires a successful team effort within our firm and with our clients. Providing outstanding service involves enthusiastic, dependable and knowledgeable personnel who are responsible for knowing, understanding and caring about our clients. Our firm believes that outstanding service is a continual process that is refined and enhanced with each client contact.

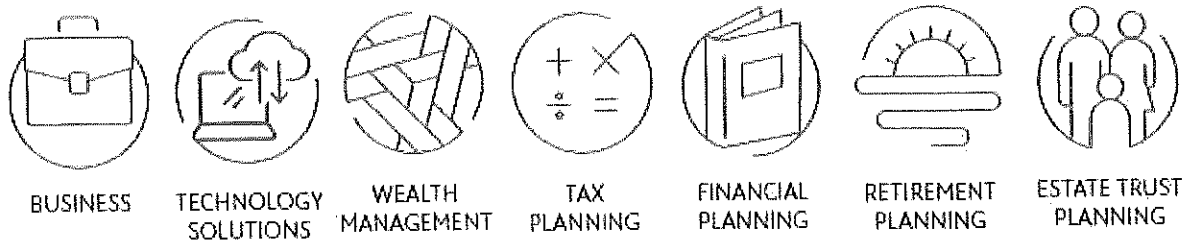
ENGAGE® | Our Proven Value Creation Process

We have aligned our team around our core values and are driven in our commitment to help clients and team members achieve their potential. We help clients reach their goals by utilizing our value creation process. Results of this process have led to more robust client relationships - deeper trust, enhanced communication, and minimization of time for all. This process is a key component of our strategy in supporting and helping our clients further their organizations.



Our Business Lines

Creative Planning Business Services has a strong bench of resources and expertise available based on needs of the client. This ensures the most effective and efficient results are delivered!



Community Support

At Creative Planning Business Services, we believe in giving back. We're committed to making a positive impact in the communities we serve. Every year, we give several hundred thousand dollars to charities across the country. Our support initiatives have included programs for children and adults with disabilities, literacy programs, community gardens, faith-based programs, arts programs, and many more.

Vision And Values

We are powered by people who do business by delivering comprehensive business, financial and technology solutions. Our firm consists of highly talented individuals that put relationships before business deals and clients before profits. Our values drive our decisions.



Our Focus and Our Promise

Empowering people and creating a wow experience for our clients.

We go beyond so you can **DO MORE**.

We continue to align Creative Planning Business Services team member core values and sense of purpose with our firm core values and mission. We hire towards our core values and manage performance through real time feedback corresponding to our core values. We've found that this work results in more open conversations at Creative Planning Business Services which impacts employee engagement and client care.

Value Added Services

Our goal is to be your first call when you experience organizational challenges. We believe this can occur only when a relationship is developed and nurtured through strong communication and a thorough understanding of your mission, programs, and operations. We are unwavering in our commitment to our clients and make it our mission to ask the right questions, listen actively, understand your expectations, and deliver results. You can expect a partnership with professionals who value trust, integrity, and relationships.

Collectively our core client solutions are unique in our industry. However, we recognize that in order to achieve our goal of wow experiences we need to offer clients more. We have executed on a strategy to seek out best-of-class providers to help when clients are stuck on a matter in finance, operations, marketing, technical tax, and other areas.

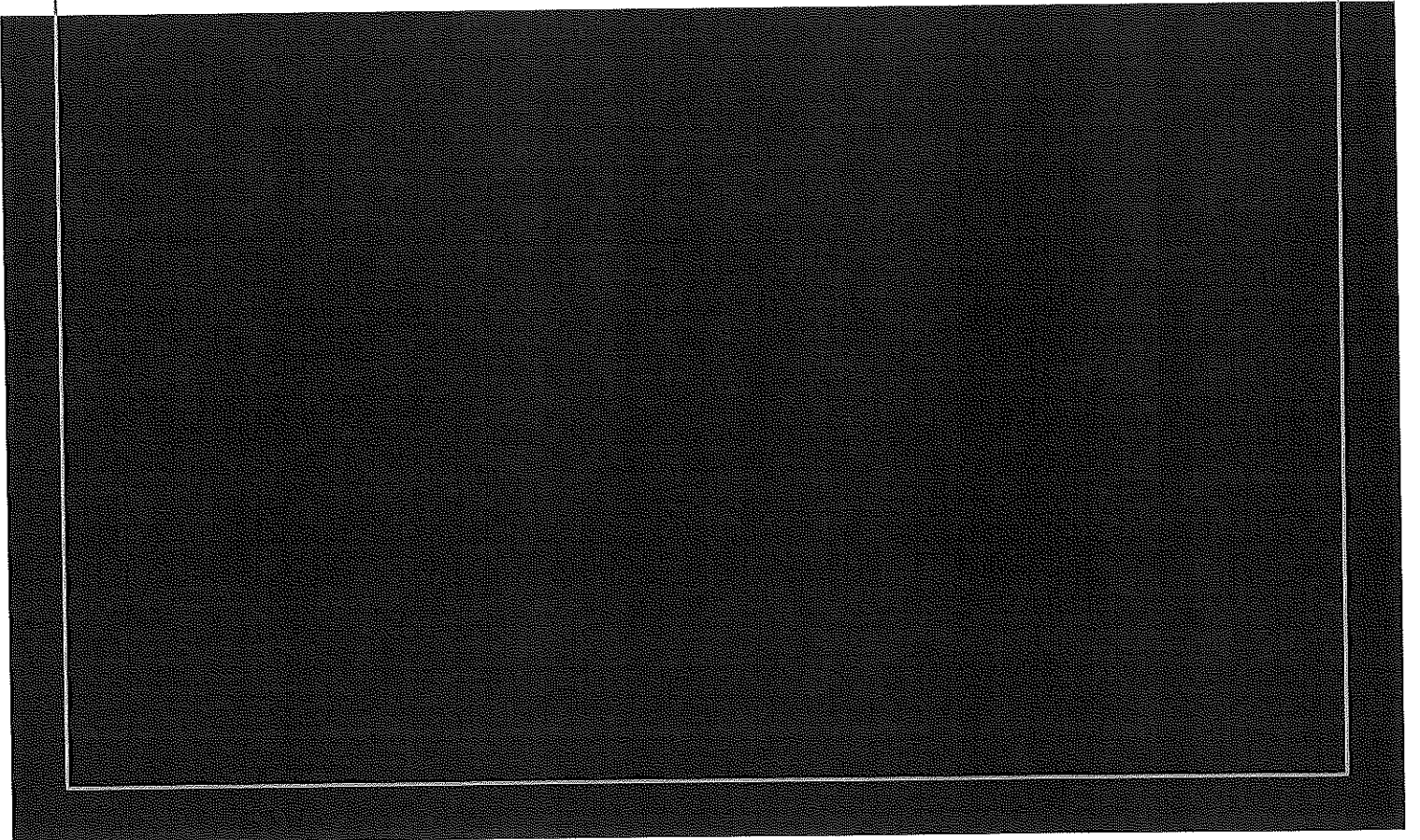
Over the past several years we have had over 1,000 situations where we helped clients with introductions to our network to save them time and help increase confidence with a plan or strategy. We have an ability to make a greater difference in your organization with experience in a variety of services. For a full listing of our solutions catalog, please visit creativeplanning.com.

Extensive Governmental Auditing and Consulting Experience

With over **50 years of experience** serving the government community, we greatly appreciate the unique issues and complexities that you face. We currently work with over 150 governmental entities, including colleges and universities, charter schools, school districts, cities, towns, counties, and other governmental entities, providing a wide array of services including accounting, auditing, and consulting services, including forensic accounting services.

We are dedicated to **keeping informed** of significant developments in the government community and the impact of those developments on our clients. We accomplish this through formal training, including annual seminars, workshops and professionally sponsored classes on governmental accounting, auditing, and reporting requirements.

Team Qualifications



Team Qualifications

Creative Planning Fraud and Forensic Services Leadership Team

Both Certified Fraud Examiners (CFEs) included in this proposal began their careers and spent most of their careers auditing local government organizations, consisting mostly of school districts, cities, and towns where they became experts in local government finance. After finding fraudulent activity in several of their audits, they both pursued their CFE to further solidify their credentials in the field. Today, they focus their efforts exclusively on forensic accounting, leveraging their experience to help clients identify and quantify fraudulent activity and help organizations get back on track. Creative Planning Business Services also has extensive consulting experience specifically with governmental entities as it relates to virtual CFO and contracted accounting services, creation, review, and implementation of internal controls and related policies and procedures, human resources, diversity, equity and inclusion, talent acquisition, and compensation services.

Key Creative Planning Business Services personnel that will be assigned to the Town will include Steve Wischmann, who is a Certified Public Accountant (CPA), Certified in Financial Forensics (CFF), CFE, and Master Analyst in Financial Forensics (MAFF). Steve is a partner and is the Fraud and Forensic Services leader. His primary function will be to oversee and review all work completed by the Creative Planning Business Services team. Michael Bösl, who is also a CPA and CFE, is a senior manager in Fraud and Forensic Services. Michael's primary function will be analysis of transactional activity related to credit card transactions and accounts payable transactions, including an analysis of bank statement activity. Creative Planning Business Services also has staff accountants who will work closely with Michael in obtaining and formatting data for analysis, analyzing the data, reviewing internal controls, policies, and procedures, and reviewing supporting documentation for transactions.

We estimate the allocation and number of hours to complete the project will be allocated by staffing level as follows:

- ◇ Forensic Leader/Partner - 20%, estimated 30 hours
- ◇ Senior Manager - 40%, estimated 55 hours
- ◇ Staff Accountants - 40%, estimated 55 hours

We believe our experience with numerous types of governmental and non-governmental entities will provide you with the expertise you need for an effective and efficient forensic accounting services engagement. We are proud to count over 75 cities and towns as our clients, providing audit, forensic, and other consulting services.

Further information about the leaders of Creative Planning Business Services' fraud and forensic services team begins on the next page.

Dedicated Forensic Accounting Services Team



Steve Wischmann, CPA/CFF, CFE, MAFF - Partner and Forensic Leader

Education: Bachelor of Science in accounting from St. Cloud State University

Experience, Professional and Civic Activities:

- ◆ Thirty-Eight years of experience providing auditing and consulting services to state and local governments. The past seventeen years he has also focused on providing forensic and consulting services to governments, nonprofits, and for-profit organizations.
- ◆ Steve is a Certified Public Accountant, Certified Fraud Examiner, Certified in Financial Forensics by the AICPA, and a Master Analyst in Financial Forensics.
- ◆ Involved with the American Institute of CPAs, Minnesota Society of CPAs, Association of Certified Fraud Examiners, and the International Association of Property and Evidence, Inc. (IAPE).
- ◆ Attends continuing education, workshops, and conferences on an annual basis.
- ◆ Extensive use of computer and software applications to assist in the preparation and performance of consulting services.
- ◆ Steve specializes in:
 - ◇ Planning, performing, and supervising forensic project and consulting engagements.
 - ◇ Analyzing internal controls, policies and consulting on accounting policies and procedures manuals.
 - ◇ Providing expert and fact witness testimony for forensic projects.
 - ◇ Providing training to organizations on business and fraud risks.
 - ◇ Property and evidence room assessments.

Dedicated Forensic Accounting Services Team



Michael Bösl, CPA, CFE - Senior Manager

Education: Bachelor of Arts in accounting from the University of St. Thomas

Experience, Professional and Civic Activities:

- ◆ Twenty-one years of experience assisting clients with forensic accounting and government audit engagements.
- ◆ Michael is a Certified Public Accountant and a Certified Fraud Examiner.
- ◆ Involved with the American Institute of CPAs, Minnesota Society of CPAs, Association of Certified Fraud Examiners, and the International Association of Property and Evidence, Inc. (IAPE).
- ◆ Attends continuing education, workshops, and conferences on an annual basis.
- ◆ Extensive use of computer and software applications to assist in the preparation and performance of consulting services.
- ◆ Michael specializes in:
 - ◇ Planning, performing, and supervising forensic projects, investigations, and consulting engagements.
 - ◇ Analyzing internal controls, policies and consulting on accounting policies and procedures manuals.
 - ◇ Providing expert witness testimony for forensic projects.
 - ◇ Providing training to organizations on business and fraud risks.
 - ◇ Property and evidence room assessments.

Forensic Accounting Services Approach and Methodology

Our goal for you is to create value and to minimize surprises. We do this through a specific, well-planned project engagement. What makes Creative Planning Business Services unique from other firms is that we continually improve our process beyond what is expected by our profession. A few of Creative Planning Business Services advantages:

- ❖ **Collaborative process.** We see the forensic accounting services process as a joint effort with you and Creative Planning Business Services. We want to work together to make it as painless as possible.
- ❖ **A comprehensive forensic review of the Town's operations.** Through our extensive government experiences, we understand a Town's health is not only about the finances. The vision, mission and programming provide the blueprint for the Town's direction. We review this information in relation to the financial statements and provide our observations based on a comprehensive view of the Town's operations.
- ❖ **Technology resource on internal controls.** Technology experts from the Creative Planning Technology Group are able to assist in evaluating your technology controls. Their expert advice has proven to be a valuable resource as they answer technical questions and offer specific recommendations.
- ❖ **Meeting communications.** Our presentations are designed to capture information that is useful and meaningful. Our presentations are focused on forensic accounting services results, trends, and other information relevant to your Town.
- ❖ **Remote Forensic Accounting Capabilities.** During a pandemic, our process needed to adapt to changing working conditions to ensure the safety of employees and clients. We've implemented remote tools that are secure, are user friendly, and allow for seamless communication and transfer of files. We continue to be flexible in our approach to ensure our client's unique needs are being met. We believe a majority of the forensic accounting services project can be completed remotely but do recognize some time on site may be necessary.

Beyond Expectations

Creative Planning Business Services takes a four-phased approach that gets results by:

- ❖ Leveraging what is working well.
- ❖ Focusing on pre-project planning, collaboration, and communication.
- ❖ Staying accountable to a schedule.
- ❖ Meeting with you and your team to ensure every detail has been finalized and the forensic accounting services are complete.

Our forensic accounting services projects are designed to focus our energy and our tests on the areas of your operations that contain the most risk. We complete strategic tests in those areas to identify specific high-risk transactions, vendors, employees, journal entries, or other items that may be fraudulent activity, so the focus and detailed review of documentation remains on the high-risk areas. This equates to an efficient process and a better product for our clients.

Solid internal controls are the bedrock of trust for any organization. A well-developed process workflow with proper segregation of duties is critical. As part of the process of reviewing high-risk transactions, we also review internal controls and related policies and procedures to ensure appropriate procedures were followed. We review Town financial policies and procedures, including procurement and purchasing, budget process, grant management practices, fraud detection and prevention, conflicts of interest, code of ethics, and more.

An effective internal control structure will also keep the right people informed about the Town's progress in achieving its objectives. We will help refine the current internal control framework to ensure it supports your workflow and help implement updated policies and procedures, as necessary. While internal control is not an absolute assurance to management and the governing body, it does provide reasonable assurance.

The end result of our forensic investigations is the drafting of a report that lays out our procedures performed, the findings from those procedures, recommendations for changes/improvements to internal controls and other procedures, a summary of potential fraudulent activity found, a calculation of amounts lost, and supporting documentation and evidence. Our reports have been utilized by our clients to pass on to law enforcement for formal charges, by their attorneys to pursue charges and restitution, and in court to help them win their case.

Below is an outline of the different phases in our forensic accounting projects.

Phase One – Initial Planning and Project Development

Our main objective is to get to know the Town as a resident or employee would. We want to understand not only your finances, but also your operational goals and objectives. What makes your Town unique? How can that knowledge help us perform the best forensic accounting services possible? When those questions are answered, we know we achieved our goal for Phase One.

During this phase, we gather the information we need to create an effective forensic accounting services plan. Highlights include:

- ◆ Reviewing your internal control documents and interviewing your key employees and representatives to gain operational information.
- ◆ Discussing your goals, objectives, and the current challenges facing your operations; those are then shared across your Creative Planning Business Services team and incorporated into our forensic accounting services plan.
- ◆ Reviewing with your staff our forensic accounting services documentation requests.

We will work with your management team to determine the preferred means of communication. In addition, we utilize Suralink, a workflow management software that improves efficiency by streamlining our document request process. It also ensures the security of the information you provide as Suralink is an encrypted and secure site. The simple interface includes team assignments and deadlines, so there are no misunderstandings on expectations.

Our process incorporates powerful, automated forensic software to extract and analyze data quickly and efficiently.

This phase of meeting with your management team to gather information and provide a request list for information we will need will occur within one to four weeks of being awarded a contract.

***Your Expected Role:** Meet with Creative Planning Business Services to help us gather necessary information to appropriately plan the forensic accounting services project and provide us with requested information and documentation.*

Phase Two – Forensic Accounting Services Project Execution

Project execution is performing the procedures outlined in your forensic accounting services plan as developed in Phase One. Our procedures will include detailed data analytics tests to identify high-risk and potentially fraudulent transactions, review of supporting documentation related to high-risk transactions identified to ensure appropriateness and allowability of the expenditures, review of the completeness, accuracy, and timeliness of the books and records and financial reporting, and other items identified in our proposed procedures. We will discuss potential ideas and best practices with your personnel related to our recommendations for improving internal controls, processes and procedures, and compliance with policies and procedures. Any issues identified or other recommendations will be discussed with management throughout the execution of our procedures.

Highlights of this phase include:

- ◆ Capture and analysis of vendor, employee, disbursement, and other data, as necessary, to use in analyzing for the purpose of identifying high-risk and potentially fraudulent activity.
- ◆ Obtain and convert bank statement activity, credit card transactions, and other relevant data into a format that allows for our analysis to be completed.
- ◆ Use powerful data capturing and forensic analysis software, including IDEA data analysis software, to effectively and efficiently identify high-risk transactions.
- ◆ Review supporting documentation available for the identified high-risk transactions, vendors, or employees to help determine whether the related transactions are an appropriate activity for the Town and assess whether they are in compliance with financial regulations and policies.
- ◆ Provide bi-weekly and monthly updates and accomplishments, milestones, findings identified, project budget status, and other updates as necessary.

The work completed in this phase is typically performed and completed within 90 days of when we receive the information we requested to perform the planned procedures.

***Your Expected Role:** Be available to answer questions, review initial results of analysis completed, provide additional information and documentation that may be requested, and engage in discussions on directing how to move forward based on results of testing that was completed.*

Phase Three – Post-Project Critique and Exit Conference

This phase of the forensic accounting services project includes preparing and reviewing all the components of the project and the written forensic accounting services report identifying findings, including an estimate of potentially fraudulent transactions, and recommendations. This report will be prepared so it is ready for the legal process, including court proceedings, should the case go in that direction.

We will then present this information to management allowing you time to review the forensic accounting services report and any recommendations that arise during the project. This phase allows you time to assess, discuss, and develop a plan moving forward.

The first draft of the forensic accounting services report will be completed within two weeks of the completion of Phase Two. We then provide the draft to the management team for review and comment. We will meet with the management team as necessary to review the results, discuss comments and questions, and finalize the report for the Mayor and Town Council and the Town's legal counsel, as necessary.

Your Expected Role: Review the draft of the forensic accounting services report to provide Creative Planning Business Services with input and feedback.

Phase Four – Presentation of Forensic Accounting Services Report and Coordination with the Town's Legal Counsel

The final phase of the process is the presentation of the forensic accounting services report to the Town Council or other stakeholders. The presentation provides the governing body with information about the findings and recommendations of the forensic accounting services project to provide them the necessary information to make decisions on how to move forward.

This phase also includes coordination with the Town's legal counsel, as necessary, depending on the outcome of the project and the Town's decisions on a response to any identified findings.

The presentation to the Mayor and Town Council can occur at the first meeting after the forensic accounting services report is finalized. Coordination with legal counsel will occur as necessary.

Your Expected Role: Provide Creative Planning Business Services with information and feedback for presentation preferences and guide the Mayor and Town Council on recommended steps to take to address any identified findings.

Our Proposal

Forensic Accounting Services

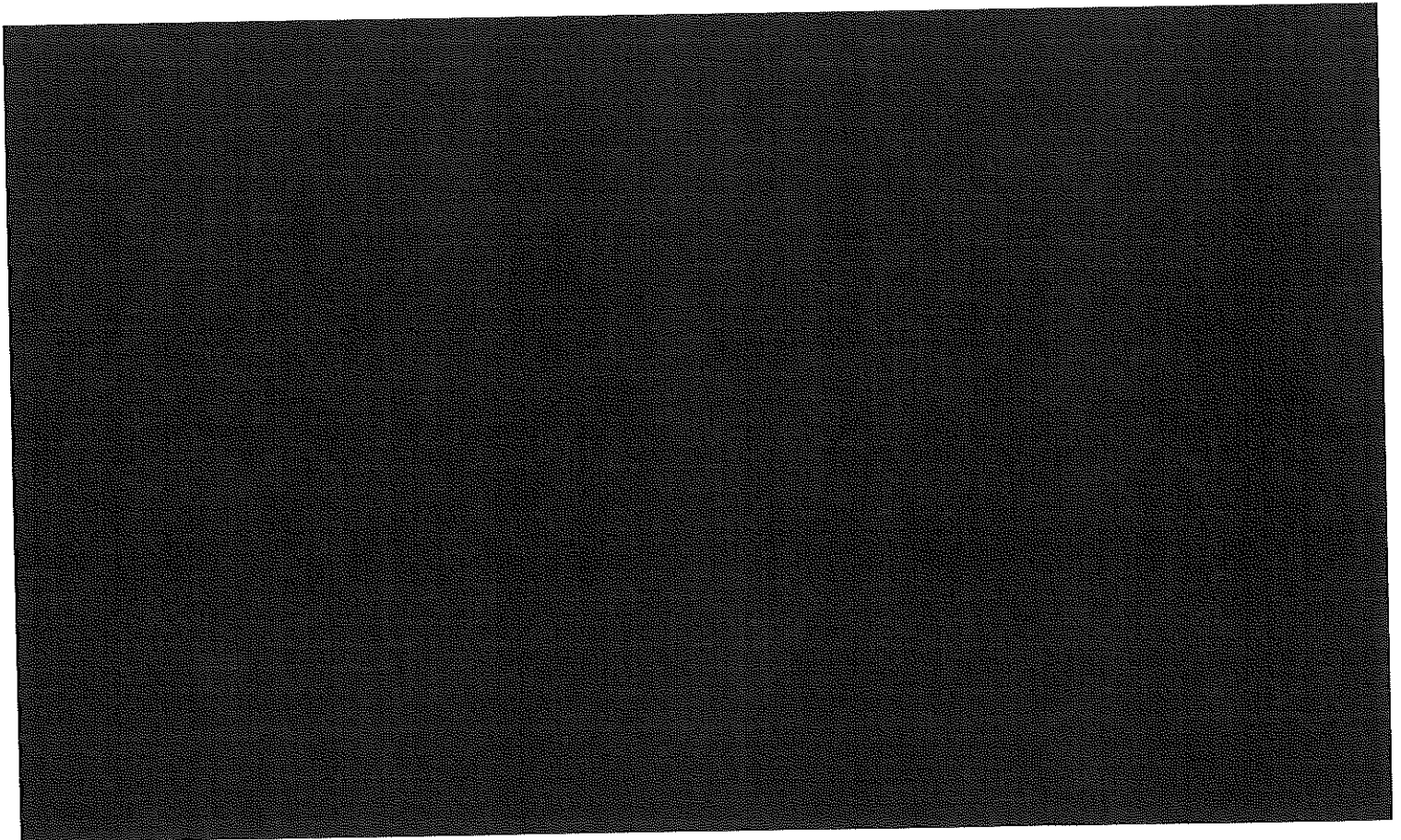
Our proposed procedures are included below. We have developed a proposal we believe will provide significant value to the Town in moving forward and improving the operations of the Town.

Scope of Services

The scope of services we propose are discussed below. The services provided will cover the previous five fiscal years, which cover July 1, 2020, through June 30, 2025, or as otherwise determined by the Mayor and Town Council.

1. Interview key personnel and gather information to assist in planning and project development.
2. Comprehensive Examination of Disbursement Activity
 - a. When it comes to fraud detection and evaluating compliance with financial policies, laws, and regulations, we believe an approach that focuses on high-risk transactions and data analytics will provide an effective and efficient process to provide the Town a foundation for accountability, transparency, and reliable information. As a result, our analysis of disbursement activity of the Town will include an analysis of vendors, employees, and disbursement activity and will begin with utilizing powerful data analytics tools to identify high-risk vendors and transactions. This analysis will include all electronic and check payments. We will then use the results of the analysis to review supporting documentation to help determine the purpose, the appropriateness, and allowability of the transactions.
 - i. The data analysis procedures that will be completed are intended to help identify high-risk transactions and any potentially fraudulent transactions and will be used to determine specific transactions that need to be reviewed in detail to ensure they have appropriate supporting documentation and are legitimate transactions for District operations. The analysis of vendors, employees, and disbursements includes an analysis of wire transfer payments, bank account transfers, and a detailed analysis of credit card transactions, including specific data analytics tests on all credit card transactions that are designed to identify high-risk and potentially fraudulent transactions.
 - ii. The vendors and disbursements identified as high-risk based on the analytics procedures performed will be used to assess if the Town received the paid-for goods and services and whether the purchases were potentially unallowable or out of compliance with financial regulations or policies. This procedure will include the review and analysis of supporting documentation, such as invoices or contracts, and may also include inquiries of current Town employees or the Mayor or a member of the Town Council.
3. Additional services not listed separately above include the following items:
 - a. Preparation of a comprehensive written report that addresses procedures performed, findings related to the accuracy of transactional activity and any potentially fraudulent activity, recommendations for improvement, and exhibits showing evidence of identified findings.
 - b. Virtual attendance at a Town Council meeting to report on our findings.
 - c. While we anticipate being able to perform the majority of the procedures remotely, there will also likely be efficiencies gained by performing some of the procedures onsite. We anticipate one weeklong onsite visit should be sufficient.

Proposed Timeline



Proposed Timeline

Timeline for Estimated Completion of Forensic Accounting Services

Our proposed schedule for completing the forensic accounting services outlined in this proposal is included below and assumes a start date of approximately July 1, 2025. The proposed schedule outline follows the phases identified in the Scope and Audit Approach section of this proposal. We are confident that the proposed schedule provides adequate time to efficiently and thoroughly complete the forensic audit. The structured approach identified ensures a comprehensive examination while maintaining clear communication and timely progress throughout the project.

Phase One – Initial Planning and Project Development

Estimated time to complete: 1 to 4 weeks

Estimated completion date: July 25, 2025

Phase Two – Forensic Accounting Services Project Execution

Estimated time to complete: 60 to 90 days

Estimated completion date: September 30, 2025

Phase Three – Post-Project Critique and Exit Conference

Estimated time to complete: 3 to 4 weeks

Estimated completion date: October 31, 2025

Phase Four – Presentation of Forensic Accounting Services Report and Coordination with the Organization's Legal Counsel

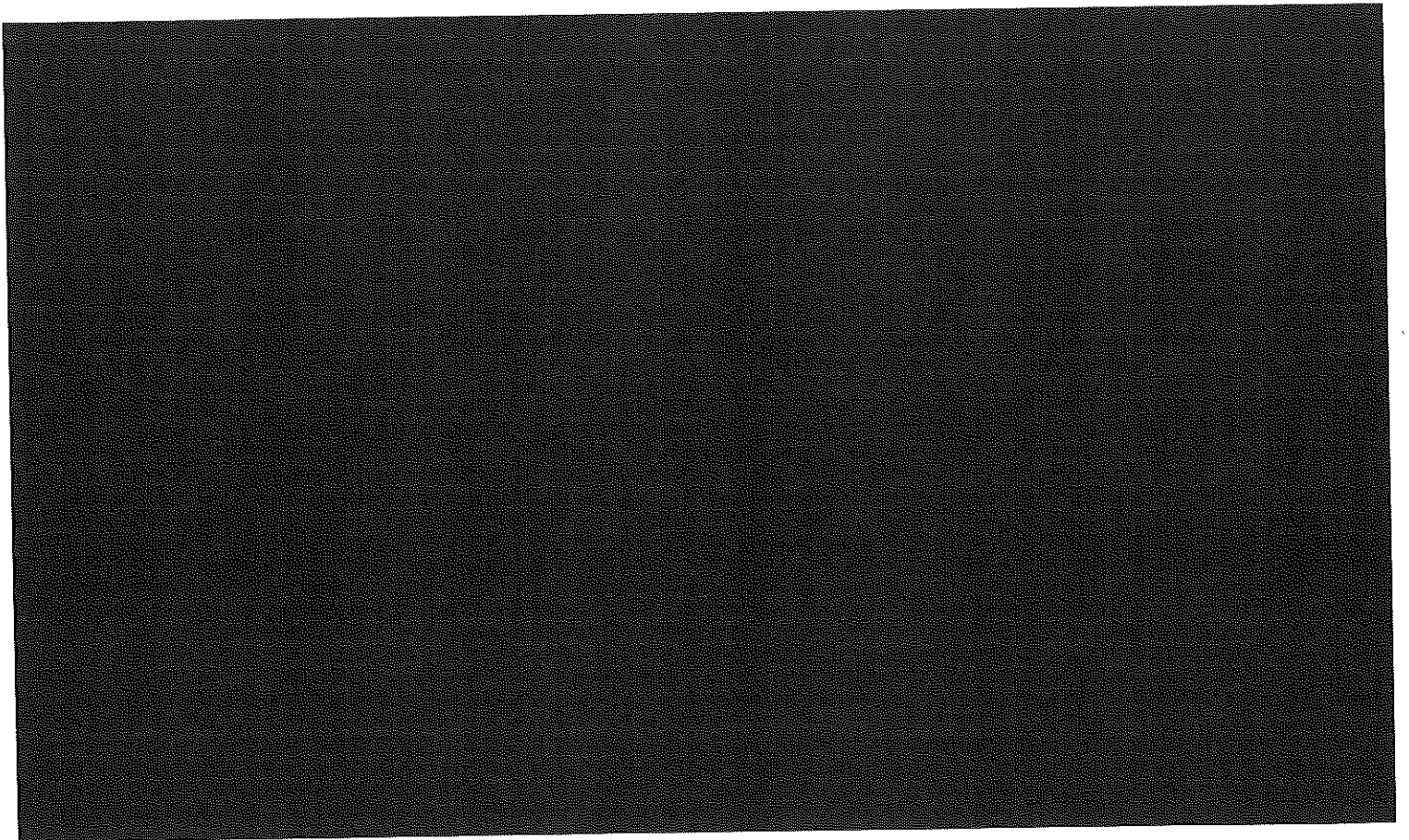
Estimated time to complete: 1 to 3 weeks

Estimated completion date: November 30, 2025

The amount of time estimated for each phase could be significantly impacted by the availability, or lack of availability, of information needed to perform the outlined tasks and by the responsiveness in obtaining requested information.

Expert testimony, if necessary, is not included in the estimated timeline above.

Cost Proposal



Cost Proposal

The total estimated fees, including potential travel costs for one onsite visit, for the proposed procedures listed in the Approach and Methodology section above are shown in the table below.

<u>Scope Area</u>	<u>Amount</u>
Accounts Payable Disbursement Activity	\$ 23,700.00
Credit Card Transactions	19,200.00
Additional Services	8,500.00
Subtotal	<u>51,400.00</u>
Estimated Travel Costs	<u>5,000.00</u>
Total	<u><u>\$ 56,400.00</u></u>

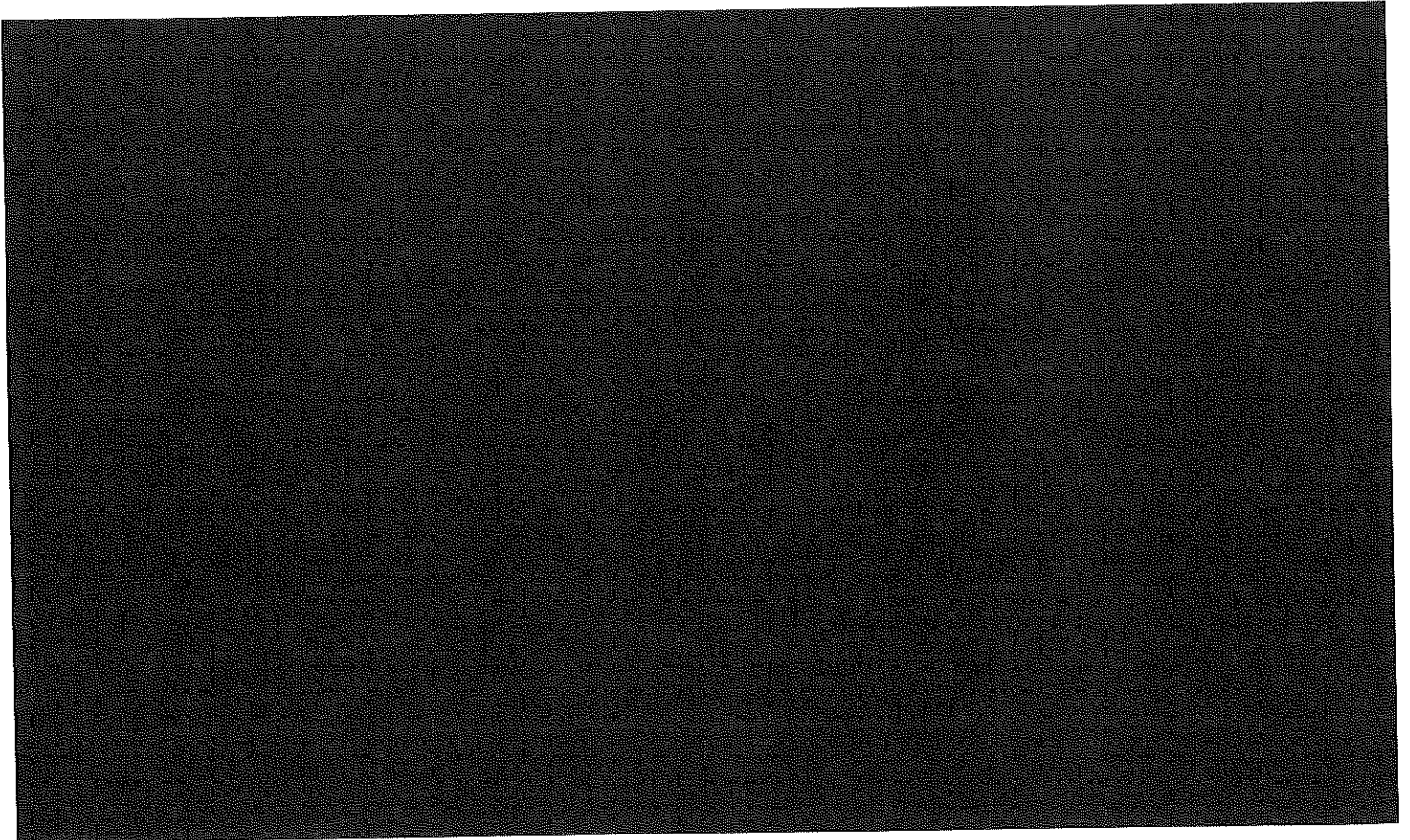
Expert testimony, if necessary, is not included in the estimated fees above and would be billed at our standard hourly rates plus travel expenses.

The amount of time estimated could be significantly impacted by the availability, or lack of availability, of information needed to perform the outlined tasks.

Based on the results of these procedures and other information the Town becomes aware of, the Town may determine additional procedures are necessary. We will discuss those procedures with the Town if other services become necessary.

Creative Planning Business Services is dedicated to delivering exceptional forensic accounting services tailored to meet your specific needs. With our experienced team, comprehensive approach, and commitment to clear communication, we are well-equipped to conduct a thorough investigation and provide actionable insights. We look forward to the opportunity to collaborate with you and contribute to your Town's success.

References



Below are some clients we have provided forensic accounting services to, along with a description of services provided and contact information.

Minnesota City

- ◆ Description of Services Completed:
 - ◇ Capture and analysis of vendor, disbursements, credit card, and payroll.
 - ◇ Completed several strategic data analytics tests to identify personal purchases from the City's multiple credit cards, identify potential fictitious vendors, identify potentially fraudulent disbursements, identify bank account transfers without a known offsetting bank account, and to identify potential fraudulent payroll payments.
 - ◇ Preparation of written report of findings and recommendations.
- ◆ Client Reference and Contact Information:
 - ◇ Mayor Tim Goenner
 - ◇ Phone: 320-290-0151
 - ◇ T.Goenner@clearlakemn.com

Iowa Nonprofit

- ◆ Description of Services Completed:
 - ◇ Completed several strategic data analytics tests to identify potential fictitious vendors and identify potentially fraudulent disbursements.
 - ◇ Identify potentially fraudulent payments that were paid using funds from a specific government program and identify noncompliance with grant requirements.
 - ◇ Analyze disbursement activity by program participant to identify potential fictitious program participants.
 - ◇ Completed several strategic data analytics tests on journal entries to identify potentially fraudulent journal entries or possible manipulation of activity.
 - ◇ Coordinated with local law enforcement to assist in providing necessary information to support prosecution of the appropriate individuals.
 - ◇ Preparation of written report of findings and recommendations.
- ◆ Client Reference and Contact Information:
 - ◇ Trent Bildstein, CFO/VP of Finance
 - ◇ Phone: 515-697-7951
 - ◇ Trentb@cfiowa.org

Trucking Company

- ✦ Description of Services Completed:
 - ◇ Forensic review and analysis of diesel fuel purchased and delivered to client.
 - ◇ Forensic review and analysis of records of fuel billed and received by client.
 - ◇ Review and documentation of supporting pumping records, accounting records, video evidence, and other supporting documentation.
 - ◇ Review and analysis of diesel fuel usage compared to other vendors.
 - ◇ Coordinated with client legal counsel to provide necessary work product for court documentation.
 - ◇ Preparation of written report of findings and recommendations.
 - ◇ Provided expert witness testimony in court proceedings on project findings.
- ✦ Client Reference and Contact Information:
 - ◇ Peter D. Arling, J.D.
 - ◇ Phone: 563-557-8400 ext. 254
 - ◇ Parling@octhomaslaw.com



THANK YOU.

CREATIVE PLANNING BUSINESS SERVICES | 320.251.7010

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