

Shepherdstown Finance Committee Agenda

Wednesday, November 5, 2025

6:30 P.M.

Town Hall

104 N. King Street

Zoom

<https://us06web.zoom.us/j/86067120451?pwd=fWNLscmYpiOmof8Pknlig4oZKNXa8i.1>

1. Call to order
2. Approval of Minutes
3. Visitors
4. Ongoing Business
 - a. Review of Projects / Initiatives approved with FY26 Budget
 - b. Community Grant Procedure
 - c. Purchase of Financial Reporting Software – Discussion
 - d. Proposals for compiling information for PSC reporting.
 - e. Proposals for Audit / Review services for FY25
 - f. Proposal for review of Planning / Zoning ordinances, assisting with review of planning / zoning applications and related matters
 - g. FY 26 Project tracking and project budget revision.
 - h. Proposal to Close Sewer Working Capitol acct **5846 and transfer its balance to “cash working cap reserve **8615.”

Shepherdstown Finance Committee Minutes
Wednesday, September 3, 2025
6:30PM.
Town Hall
104 N. King Street

1. Call to order: 6:37PM

Committee members: Mayor Gatz, Marcy Bartlett, Marty Amerikaner

Staff members: Gino Sisco, Maged Kirolos

2. Approval of Minutes – No Minutes to Approve
3. Visitors: Jim Auxer, Jan Hafer, Mark Kohut, Nancy Stewart
4. Introduction of New Finance Director
5. Ongoing Business
 - a. Purchase of Financial Reporting System
 - a. Members discussed the potential financial reporting (ERP) software,
 - b. The RFP for the ERP system was updated with an extended deadline to encourage more bidders,
 - c. Marcy Bartlett discussed her proposal analysis for the two proposals that have been submitted,
 - d. Members indicated that a demonstration for all systems should occur in October,
 - b. Funding Requests
 - a. Film Project – Motion to not provide support to film project from Marcy Bartlett, James Gatz second, all members voted against providing financial support to the film project.
 - b. Constitution Day Parade – Motion to provide \$1,500.00 to Constitution Day Parade from Marty Amerikaner, second from Marcy Bartlett, unanimously passed,
 - c. Banners and Holiday Decorations – Motion to recommend that Town Council purchase winter decorations from Marty Amerikaner, Marcy Bartlett seconded, unanimously approved,
 - d. Stormwater projects and State grant funding – Committee discussed different stormwater projects and how they are funded.
 - i. There was a motion by Marty Amerikaner, seconded by Marcy Bartlett, to recommend that Town Council pay an outstanding bill

for the engineering company that worked on the Fairfax Field bioswale on High Street, unanimously approved.

- ii. Marty Amerikaner motioned that the committee ask Town Council to allocate \$15,000.00 to match state funding for a sidewalk study, Marcy Bartlett seconded, passed unanimously.

6. Adjourned: 7:30PM Moved: Marcy Bartlett, Second: James Gatz, unanimous

DRAFT

DRAFT
Shepherdstown Finance Committee Minutes
Wednesday, October 1, 2025
6:30PM.
Town Hall
104 N. King Street

1. Call to order: 6:30PM

Committee members attending: Marcy Bartlett, Marty Amerikaner (Mayor Gatz had to miss the meeting)

Staff member: Maged Kirollos

2. Approval of Minutes – postponed until next meeting

3. Ongoing Business

- a. Review of projects/Initiatives approved with FY 26 Budget: Marty provided an update on the bike route progress (sharrows, signs)
- b. Community Grant Projects: Motion to propose acceptance of the drafted framework for project proposals to Town Council:
 - In discussion, we agreed to add one bullet point under “eligibility”
 - Moved by Marty, Second by Marcy;
 - Approved
- c. Purchase of Financial Reporting Software: Brief discussion reviewing strategies for identifying needs and best way to address then via review of overall procedures and identification of specific needs to be addressed via software acquisition.

4. Other: Maged projected on to the large screen and we discussed the available monthly budget figures for August

5. Adjourned: 8:20 Moved: Marcy Bartlett, Second: Marty Amerikaner

101 North Spring Street
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Martinsburg WV 25401
Phone 304.263.0891
Fax 304.263.0997
www.chycpa.com



October 21, 2025

Corporation of Shepherdstown, WV
104 North King Street
Shepherdstown, WV 25443

We are pleased to confirm our acceptance and understanding of the services we are to provide for the Corporation of Shepherdstown, WV for the year ended June 30, 2025.

You have requested that we prepare the financial statements of the Corporation of Shepherdstown, WV, which comprise the annual financial statements of the governmental activities, the business activities, and each major fund of the Corporation of Shepherdstown, WV, for the year ended June 30, 2025, and the related notes to the financial statements, and perform a compilation engagement with respect to those financial statements.

The supplementary information accompanying the financial statements will be presented for the purposes of additional analysis. Such information is the responsibility of management. The supplementary will not be subject to our compilation engagement. We will not audit or review the supplementary information and will not express an opinion, a conclusion, nor provide any assurance on such information.

Our Responsibilities

The objective of our engagement is to –

1. prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and
2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with Statement on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care when preparing the financial statements and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking in the engagement in accordance with SSARS:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with accounting principles general accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that Corporation of Shepherdstown, WV complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us with-
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the entity of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

We are not independent with respect to the Corporation of Shepherdstown, WV and will disclose that we are not independent in our compilation report.

You agree to include our accountants' compilation report in any document containing financial statements that indicates we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to obtain our permission to do so.

Other Relevant Information

Charli Heilmann, CPA is the engagement partner and is responsible and signing the report or authorizing another individual to sign it and is responsible for supervising the engagement.

Our fees for the annual compiled financial statement will be based on our discounted rates and will range from \$9,000 to \$12,500. The fee estimate is based on anticipated cooperation from personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return a copy to us.

Sincerely,
CoxHollidaYoung PLLC



Charli E. Heilmann, CPA
Partner

ACKNOWLEDGED:

By: _____

Title: _____

Date: _____

TECHNICAL PROPOSAL

FOR PROFESSIONAL AUDIT SERVICES

Corporation of Shepherdstown

July 1, 2024, through June 30, 2025

July 1, 2025, through June 30, 2026

RFP # 25-232

Submitted October 24, 2025 By:



bhm cpa group
Your Trusted Business Advisors

Timothy W. Loper Jr., CPA
Shareholder
618 10th Street, Suite 103
Huntington, WV 25701
304-521-2648
[**tim.loper@bhmcpagroup.com**](mailto:tim.loper@bhmcpagroup.com)



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

October 24, 2025

Maged Kirollos, Director of Finance
Corporation of Shepherdstown
104 N. King St
Shepherdstown, WV 25443

BHM CPA Group, Inc. is pleased to present this proposal to serve as the independent certified public auditors for the Corporation of Shepherdstown (the City) for the audit periods ending June 30, 2025 and June 30, 2026. Our knowledge and collective experience working with Cities as well as other governmental agencies and nonprofit organizations throughout the state of West Virginia makes us uniquely qualified to deliver the services you require.

We are fully aware of the scope of requirements outlined in your request for proposal and are committed to meeting all deadlines between commencement of the audit and delivery of final reports each year. We are proud of our core values and are dedicated to consistently delivering timely and quality services.

Our mission is to provide quality services while maintaining the highest level of ethics, value, and integrity that is demanded of our profession. Personalized service is our focus as you are our number one priority. We will be accessible to the organization administration throughout the contract period, not just during our onsite fieldwork. Also, we understand that their daily operations do not halt upon our arrival and respect management and their staff have a job to do. Our managers and staff will work with them to ensure minimal disruption to their operations during our onsite visits.

Working with BHM CPA Group, Inc. adds strength to the efforts of the organization's management. Through our diversified experiences, we can provide the indispensable objectivity of an outsider to interpret financial information, identify issues that may impede progress of the organization financial goals, and recommend solutions. Thank you for the opportunity to present this proposal. If you have any questions, please call me at 340-300-9704.

Sincerely,
BHM CPA Group, Inc.

Timothy W. Loper Jr., CPA
Shareholder

Industry Experience and Specialized Knowledge

BHM CPA Group, Inc. is a certified public accounting firm with clients located throughout Ohio, Indiana, Kentucky, Michigan, and West Virginia. Our firm was established in 1992 and has a proven history of service, serving a broad range of nonprofit, government, and private sector clients. We provide a broad range of services to our clients including auditing, accounting, management consulting, and tax preparation and planning. Our areas of specialization include not for profit organizations and governmental entities, utility co-operatives, farm co-operatives, family and owner managed businesses, pension plans, Sarbanes-Oxley 404 reviews and computer consulting. We are registered with all relevant state and national accountancy boards. Our firm is classified as a Hub-zone small business in accordance with the U.S. Small Business Administration. We have seven offices located in Ohio, Kentucky, and West Virginia. The location of the office from which the work on this engagement is to be performed is 618 10th Street, Suite 102, Huntington, WV, 25701.

BHM CPA Group, Inc. delivers the services of a large firm with the continuity, creativity, and care of a small firm with a specialty practice niche. We emphasize a close working relationship with our clients to find practical solutions to problems and providing clear, realistic advice. We strive to gain the clients' trust and respect through listening to their needs and developing an understanding of their business and visions for the future.

We utilize a team approach to serve our clients which allows us to provide an approach which meets the needs of the client more effectively. In addition to providing traditional accounting and tax services, our firm has expanded its services to meet the complex needs of our clients. Our professionals have been involved in business planning, feasibility studies, systems and procedure analysis, financial and tax planning, computer software consulting, mergers and acquisitions, federal regulatory consulting, personnel and organizational consulting, and employee benefits consulting. For example, our Public Sector Services Group has extensive experience in the implementation of GASB pronouncements. Our implementation assistance was tailored to each individual client's needs. Also, we have assisted clients in developing financial forecasts and projections, cash flow and other financial models.

A significant aspect of our success is industry specialization. Our firm is organized into practice groups along industry lines and focuses on just a handful of industries. The Public Sector Service Group is the largest of those areas. This group of 30 professionals devotes all its efforts to serving the government and not-for-profit entities. Included in this group are our specialists on local governments. This specialization has allowed us to develop personnel who have become very familiar with issues and concerns of City governments. Our staff of professionals has the depth and breadth of experience and expertise needed to understand a City's operating environment, critical issues, and complex culture. They have extensive experience in the federal program funding area and our specialists are proactive in meeting your needs, as our emphasis goes well beyond the preparation of compliance reports.

As experts in governmental entities, we apply our skills to assess, identify and alleviate risk and help ensure your integrity, reputation and leadership position in your community. Our proprietary processes and technology systems help you and your audit committees manage increased responsibility, streamlining the audit process and enhancing communication. These specialists meet regularly to monitor and discuss accounting, consulting, economic, and political trends affecting a governmental entity, and to determine our firm's approach and how it affects our clients. We are aware that governmental entities are facing significant challenges in today's challenging government environment. Elected officials and administrators are required to make crucial decisions, not only about service delivery methods, but about outsourcing and collaboration, constituent satisfaction, and fiscal management.

Faced with new accounting standards, as well as ever-changing state and federal regulations, government entities' personnel and other resources are stretched daily, and we strive to assist you in providing solutions to these challenges.

Our commitment to maintaining our technical expertise on the leading edge is evident through our membership in professional organizations. Our membership in the Independent Accountant's International, National Association of School Business Officials, Government Audit Quality Center – AICPA, Government Finance Officers Association and other networks provides us with technical resources and manpower not only on a national level but a global level as well.

Members of Independent Accountants International network are thoroughly screened to ensure that the quality of their work meets professional standards and the standards established by the network. When the need arises, we have proven, quality contact in other cities across the nation as well as around the world that we can use for technical resources or provide help on a project in another part of the country or world.

BHM CPA Group, Inc. is a member of the Private Companies Practice Sections (PCPS) of the American Institute of Certified Public Accountants. As members we subject ourselves to triennial peer reviews in an effort to ensure that the quality of work and our staff's education is maintained at the highest level of our profession. Membership in the PCPS also requires that our professional staff obtain at least forty hours of continuing education annually.

In addition, we encourage our staff to become involved in professional and civic organizations. These organizations include the American Institute of Public Accountants, Information Systems Audit and Control Association, Institute of Internal Auditors, Association of Government Accountants, Association of Certified Fraud Examiners, and many other organizations.

Quality Service

One way we ensure quality service is to have an effective quality control program. BHM CPA Group, Inc. demands integrity, objectivity, competence, and due care from its personnel in the conduct of its engagements, whatever their nature. Every audit opinion provided by our firm must pass a stringent, independent technical review process to ensure its accuracy and unbiased reporting.

Our firm receives a peer review every three years. Our quality control system has received unqualified opinions since the inception of the peer review program. The program is conducted by independent CPA firms as part of the American Institute of Certified Public Accountants, Division for Firms, Private Companies Practice Section. In accordance with government auditing standards, our peer review includes audit engagements conducted under government auditing standards.

BHM CPA Group, Inc. is a firm registered with the Accountancy Boards in Ohio, Indiana, Kentucky, Michigan, and West Virginia and has no record of outstanding complaints on file with the Boards during the past 3 years. The firm has no pending disciplinary action against it, nor has it had any disciplinary action taken against it during the past 3 years with state regulatory bodies or professional organizations.

Engagement Personnel

Experience and professionalism are the keys to our success. Members of the firm have worked in various entities including governmental and regulated industries. They understand the system from both sides of the equation. Maintaining the highest degree of independence, integrity, and competence, our staff treats all client matters with the utmost confidentiality.

Consequently, every member of our firm is committed to providing a high level of service that is responsive to the needs and expectations of each individual client.

We have hand-picked a team, who are experienced specialists in public sector auditing, who understand your environment, know governmental accounting, have long practiced the specialty of governmental auditing, and are fully apprised of the changing governmental accounting and auditing standards and regulations. They each have many years of experience directly related to your accounting and auditing needs. Our firm is well respected for professionalism and high standards of performance in the accounting community. More importantly, our firm has the knowledge of and access to leading-edge tools which can be made available to you in assessing how to continue to improve, or even radically redesign, your operations. Your team of Trusted BHM Government Advisors is detailed below.

Engagement Partner – Timothy Loper Jr., CPA

Tim is a graduate of Shawnee State University with a Bachelor of Science in Business Administration with a concentration in accounting. Tim serves as the firm's managing partner of West Virginia governmental services and remains dedicated to active client service. Tim has extensive knowledge and has led our firm's team in assisting governments with the adoption of various GASB financial reporting standards. Tim has over eighteen years of experience serving governmental entities and nonprofit organizations, including charitable organizations and private foundations. Tim's responsibilities include supervision of various services in the areas of external and internal auditing, consulting, compliance with local laws and regulations, cost reporting, and *Government Auditing Standards* applications and reporting in accordance with the Uniform Guidance. His expertise includes pension and other postemployment benefits reporting requirements and he maintains and exceeds the continuing professional education requirements of *Government Auditing Standards*.

Concurring Review Partner – Matt Rakay, CPA

Matt is a graduate of The Ohio State University with a Bachelor of Science in Business Administration with a concentration in accounting. Matt will be the concurring review executive and assist in the overall management of the engagement team. Mr. Rakay is an executive/shareholder in the firm with 18 years of experience, and his entire experience is in conducting various audits. Matt is also responsible for overseeing the firm's quality control program. He is responsible for performing a stringent, independent technical review process of work performed to ensure its accuracy and unbiased reporting. Matt serves as an Engagement Partner on more than 100 audits annually,

Director of Quality Assurance – Paul Rennick, CPA

Our audit team will have complete access to our firm's Accounting and Audit Support Group. Paul is a graduate of Wittenberg University with a Bachelor in Accounting. Mr. Rennick devotes considerable time to each audit engagement, ensuring that applicable standards are met. Mr. Rennick was a manager for the Ohio Auditor of State before joining our firm and has over 40 years of experience with local governments. Mr. Rennick is responsible for monitoring the activities of OMB, state and federal agencies, and other organizations regarding government funding, accounting, and audit requirements. In addition to reviewing the audit quality, he will also be used for technical and research issues as needed. Paul works hand in hand with our engagement partners on more than 100 local governments each year. Paul has worked with numerous Cities and Counties across Ohio and surrounding states, including the City of Elkins, City of Morgantown, City of Elkins, Taylor County and Cabell County.

In addition, our engagement team will also include:

Senior Audit Manager—Michael Leach, CPA

Michael is a graduate of Ohio University with a Bachelor of Science in Business Administration with a concentration in accounting. He will serve as the senior audit manager on the project. Mike has spent his entire career working with governmental entities as a senior manager with the Auditor of State's southeast region. He will be primarily responsible for the engagement team in the general financial statement and compliance area and will conduct reviews of engagement work papers. Mike will also be the senior manager running the day-to-day operations of the audit engagement. Mike has worked with authorities and other local governments for more than 30 years and has served well over 100 clients, including City of Jackson, City of Wellston, City of Portsmouth, Jackson County, Meigs County and Vinton County.

Audit Manager—David Michael

David is a graduate of Shawnee State University with a Bachelor of Science in Business Administration with a concentration in accounting. David has over ten years of experience serving as an Audit Manager on financial statement and compliance audits of Counties, Cities, Villages, Townships, Towns, Special Districts, Boards of Education, Colleges and Not for Profits conducted in accordance with *Government Auditing Standards* and the Single Audit Act. These audits involved accounting and auditing principles and techniques that closely resemble those of the districts. David's responsibilities include completing all phases of fieldwork. David was the manager over Berkeley County Commission, Ritchie County Commission, City of Ripley, and other major projects around the state of West Virginia.

Audit Senior—Zach Shugert, MBA

Zach is a graduate of Northern Kentucky University with an MBA. Zach served as a teacher assistant at Shawnee State university until his graduation with his undergrad. Zach has over Six years' experience serving as an Audit Senior as well as a consultant. Zach is tasked with special complex problems that arise during the course of various audits. Zach has worked on Cabell County Commission, City of Elkins, Buffalo Creek PSD, as well as several other projects around Ohio and West Virginia.

Audit Junior—Chad Doss

Chad is a graduate from Marshall University with a major in accounting and has been employed with the firm for two years. He has been involved exclusively in nonprofit and governmental audits, agreed-upon procedures, and consulting engagements. Robert is a member of the Association of Government Accountants. Robert has worked on Berkeley County Commission, Greenbrier County Commission, Lincoln County Commission as well as other projects around the state of West Virginia.

Audit Junior—Dani Cline, MBA

Dani is a graduate from Liberty University with a major in accounting and has been employed with the firm for five years. She has been involved exclusively in nonprofit and governmental audits, agreed-upon procedures, and review engagements. Dani has worked on Jefferson County Commission, Greenbrier County Commission, Mingo County Commission, City of Ripley and the City of Elkins as well as other projects around the State of West Virginia.

We anticipate numerous other staff auditors working as part of the engagement team. Our firm's turnover rate is low. Most of our staff have five plus years of experience. We strive to maintain this low rate to allow personnel continuity. This provides significant benefits to our clients, including increased audit efficiency and enhanced in-depth knowledge of their organization.

Although not directly assigned to this project, we also have a substantial amount of experience in our firm upon which we can provide technical support, if necessary. Our firm specializes in federal, state, and local government units, which includes consulting and auditing for numerous governmental entities. We will utilize this vast experience base as required during any phase required on this project.

Although the City is a governmental entity, there are still some tax related issues that could affect the County. Our tax professionals have assisted governmental clients in several areas such as:

- Employment tax filings (State, Federal and Local)

Our practice is to assign a tax executive to each engagement to assist with compliance and planning issues that need addressed. Should the need arise, you will be served by the following tax professional.

Ryan Link, CPA, is a tax manager in our Circleville, Ohio office and provides tax advisory services and strategic planning services to tax exempt organizations. He has nearly twenty years of experience in the research and review of technical issues and strategic tax planning.

Scope of Services

We understand that the Corporation of Shepherdstown seeks an independent CPA firm to perform an audit of the City's basic financial statements for the fiscal years ending June 30, 2025 and June 30, 2026.

The audit will be performed in accordance with the American Institute of Certified Public Accountants' auditing standards generally accepted in the United States of America and the most recent applicable U.S. Government Accountability Office's *Government Auditing Standards*.

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The City's internal controls will be considered while planning and performing the audit as well as the City's information systems. We will perform tests of the City's compliance with direct and applicable state laws and regulations.

To adhere to all audit standards for auditor independence, the City will be responsible for providing the financial statements, accompanying notes, and any/all supplementary information.

Upon completion of the audit the financial statements of the City we will issue the following reports:

1. A report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
2. A combined report on the compliance and internal controls required by *Government Auditing Standards*.
3. A management letter, separate from other electronically submitted reports.
4. A schedule of findings

Engagement Methodology

Audit methodologies and technical approaches can vary significantly among CPA firms, even though auditing standards and accounting principles have been uniformly established. BHM CPA Group, Inc. has developed an approach to auditing financial statements that has proved effective in meeting both professional standards and the high expectations of the general community. This methodology incorporates the best practices of the Firm's Audit Service Manual with the unique applications and requirements of the City and the West Virginia Chief Inspector Division's own authoritative literature and Guided Assurance approach.

We have already successfully implemented this methodology on previous audits. This methodology integrates both the financial and EDP audit approached seamlessly.

The traditional audit approach is based upon an important premise-financial statements are not an end unto themselves. They are only one result of numerous operational processes and other variables that ultimately contributed to the financial results. With this in mind, we recognize that City and government entities today expect more than a certification statement for their audit fee. Although the auditors' opinion as to whether the financial statements are free of material misstatements is a critical outcome, the most important outcome of City and government audits today is practical recommendations for improving controls and increasing efficiency.

Technology-Enabled

BHM CPA Group, Inc. audit teams armed with proprietary applications that help to ensure that you receive a quality audit. BHM CPA Group, Inc.'s technology tools provide our teams with a structured, risk-focused workflow that puts industry information at their fingertips and enables team collaboration. These state-of-the-art tools are more than simple work papers; these tools help teams focus on the key risks of your business and drive concise analysis that is fundamental to the financial statement audit.

Given today's highly complex financial management systems, and evaluation of the IT control environment is a critical component of auditing the financial statements of most entities. Such an evaluation determines the degree of reliance an auditor can place on the internal controls of the systems that generate financial statements.

Our IS auditors perform thorough reviews of the overall control procedures within the IT environment and of the specific controls unique to each client's application systems and transactions. The IT general control environment, combined with the specific applications controls unique to individual transaction cycles, will determine the reliability of data produced by computerized systems.

In determining our EDP audit approach, we use our technical expertise and understanding of the City and government agencies and its operating environments. Our EDP audits comply with Information Systems Audit and Control Association's audit methodology, COSO and COBIT.

Our EDP audit approach and work plan are simple and straightforward. We deploy a methodology that evaluates general controls at the entity and installation levels, we evaluate general controls as they are applied to the applications being examined, and we assess applications controls, which are the controls over input, processing, output, and security of data associated with individual applications.

This methodology examines the effectiveness of general controls as a significant factor in determining the effectiveness of application controls. We realize that without effective general controls application

controls may be rendered ineffective by circumvention or modification. Our methodology examines both general and application controls to examine their effectiveness and to help ensure the reliability, appropriate confidentiality, and availability of critical automated information.

BHM CPA Group, Inc.’s Approach is Successful and Efficient

Our comprehensive engagement approach is based on a clear understanding of the client. We take into consideration the mission, business and operating objectives, and business and operating processes unique to your organization. This enables us to provide you with tailored results that specifically address opportunities for improvement.

BHM CPA Group, Inc. has audited more government entities than most other firms. Because our audit approach has proved to be successful at numerous government entities, we will not have to create a new approach for the City, as any other firm would be required to do.

The chart below details the differences between traditional audits and BHM CPA Group, Inc.’s unique audit approach.

What You Should Expect	How Traditional Audits Respond	How Our Audit Responds
Understanding of your business, operations, and market challenges	Financial statement focus	Business approach built upon a foundation of understanding your mission and strategic operating objectives
Focus on compliance and controls	Internal control evaluation for interim test work	Continuous contact involving key members or our service team; integration with the audit objectives
The right team to match your operations	Functional audit team (auditors “borrowing” consultants)	Multidisciplinary integrated team that works together, year-round
A firm that listens to your concerns	Responds to client-raised concerns; visits from a “sales partner”	Continuously asks how we can improve

Our audit methodology is founded on several key points:

- Consideration and use of existing documentation and related work products. We review the City strategic plans, annual reports, five-year plans, budgets, and audit reports, and make use of prior-year work papers to the maximum extent possible. These sources of information save us time and enable us to better understand the City’s business and operating environment, to assess control risk, and to plan the audit.
- Analytical review techniques in the planning phase or the audit to assess inherent risk and to identify account inter-relationships or results that may differ from expectations. This allows us to focus our audit effort on critical areas, providing an earlier and more effective identification or potential problems and areas most likely to result in material misstatement.
- Early consideration and discussion of the more contentious and often troublesome issues, such as the accounts most likely to require adjustment, most difficult to audit, or most difficult for which to obtain adequate audit evidence, and legal letters, management representation letters, and their ramifications.

- Maximum use of technology in the audit process, including the use of statistical sampling techniques to select and evaluate samples more efficiently and to minimize audit risk; extensive use of the City computers to automate the audit process; use of other technology-based audit tools and techniques to audit “through the computer” where practicable; and use of IS auditors experienced in City and government audit engagements.
- Assignment of experienced professionals with specialized knowledge and skills in auditing City and government entities in accordance with related authoritative guidance.
- Strong reliance on planning, communication, and coordination between all parties.
- Continuous consideration and updates on the status of any reportable conditions, communicated through progress meetings and notices of findings, so that there are no surprises at the audit’s completion.

Our audit methodology is risk-based and concentrates on areas that present a higher risk of financial statement loss or misstatement. Our approach focuses on planning, communicating, and coordinating with City management and audit committee. Maintaining communication throughout the audit is critically important. Therefore, we will inform the audit committee and City management of our progress as well as of potential audit issues and findings.

Four-Phase Approach

Our audit approach includes four phases: planning, internal control review, substantive testing, and reporting and is consistent with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. The four phases and the work to be performed as part of each phase are summarized below. This summary does not limit the audit scope, as additional areas of focus may surface as the audit progresses.

Planning Phase

The primary purpose of this phase is to establish a proper foundation for the direction of the audit. The procedures performed during the planning phase will help ensure that the audit work performed is adequate and supports our opinion on the financial statements and our Report on Compliance and Internal Controls over Financial Reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.

BHM CPA Group, Inc. utilizes Thomson Reuters Guided Assurance Practice Aids - Audits Local Governments and Single Audits (Uniform Guidance) methodology which was designed to help the auditor efficiently and effectively perform financial statement audits of state and local governments in accordance with auditing standards generally accepted in the United States of America (GAAS), generally accepted *Government Auditing Standards* (GAGAS), and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Our firm also utilizes Thomson Reuters Engagement Manager software which simplifies the audit process using paperless working papers and integrated workflow features.

The Guided Assurance methodology is a risk-based audit approach which emphasizes using the knowledge of the auditee to make risk assessments in connection with the financial statement audit. The methodology is centered around the following financial statement assertions:

- EO - Existence or Occurrence
- RO - Rights or Obligations
- CO - Completeness
- AV - Accuracy, Valuation, or Allocation

CU - Cutoff

UC - Understandability or Classification

Risk assessment procedures provide the basis for assessing the risk of material misstatement. Risk of material misstatement is the auditor's combined assessment of inherent and control risk. Responses are then designed so that further audit procedures address each relevant assertion according to its risk.

Analytical procedures will be applied in planning the audit to assist in determining the nature, timing, and extent of audit procedures.

Expectations are developed from knowledge gained about the City and its environment, inherent risk conditions, and characteristics of significant classes of transactions and account balances. Preliminary analytical procedures help to identify unusual transactions or events, significant audit areas requiring special audit consideration, and unusual or unexpected relationships involving account balances. These analytical procedures, combined with the knowledge of the City, serve as a basis for additional risk assessment procedures.

Internal Control Phase

After completing the planning phase, we will begin the internal control phase. This phase will include reviewing, documenting, and testing internal controls, including EDP controls, as necessary. It will also, serves as the basis for our final risk assessments and lead to the development of our substantive and compliance test procedures.

Our firm will obtain an understanding of the City and its environment, including its internal control, sufficient to accurately assess the risks of material misstatement. Our understanding will be obtained through inquiry, pre-engagement meeting, observation, review of prior year audit results, preliminary analytical procedures, as well as materiality determinations. Fraud risk factors will also be taken into consideration when assessing risk. Knowledge gained from the risk assessment procedures will be used to customize the audit plan and determine the nature, timing, and extent of audit procedures to be performed.

Internal control is a process designed to provide reasonable assurance as to the reliability of financial information and compliance with applicable laws and regulations. During the planning phase, we will have obtained a preliminary understanding of the internal control policies and procedures that will enable us to develop audit procedures to assess and address control risk. Control risk is a factor that is used to determine the nature, timing, and extent of substantive procedures for the testing phase.

During the internal control phase, we will further our understanding of significant internal controls and procedures and determine whether internal control policies and procedures have been placed in operation and are functioning properly.

Our understanding of the City's controls will include the following:

- The five interrelated components of internal control:
 - > Control environment
 - > Risk assessment
 - > Information and communication systems
 - > Control activities
 - > Monitoring controls

- The City's selection and application of accounting policies; and
- The City's use of IT

Professional judgment is then used to identify the controls or combination of controls to assess risk. An understanding of controls will be obtained for each class of transaction, account balance, and disclosure that is identified as significant during the risk assessment procedures. In addition, an understanding of controls will be obtained for any significant risk, fraud risk and risks for which substantive procedures alone are not sufficient.

For each audit area deemed necessary, the design of the controls will be evaluated and determined whether to have been implemented. Tests of operating effectiveness of these controls will then be performed where deemed necessary.

Based on these procedures, control risk for the applicable assertions will be assessed. This risk assessment will impact the nature, timing, and extent of substantive procedures performed.

Testing Phase

The third phase of our engagement approach consists of performing substantive tests to determine the following:

- Accuracy of the amounts included in the financial statements.
- Completeness and consistency of footnote data
- Compliance with the laws and regulations identified in the planning phase that could have a direct and material effect on the trust fund schedules.

Substantive tests principally involve obtaining or examining corroborating evidence to verify the propriety of the City's assertions related to the financial statements.

To ensure we meet the accelerated deadlines, we will perform certain testing-phase steps at the same time we perform certain internal-control-phase steps.

Using the Guidance Assurance audit program guides, we will perform substantive tests, which will provide reasonable assurance as to the validity of the information provided by the accounting system. Substantive testing involves obtaining or examining corroborating evidence to verify the propriety of reported balances and the related management assertions that are embodied in the Schedules.

The substantive test procedures generally include third-party confirmations and other balance verification procedures, recalculations and other re-performance procedures, inspection of supporting documentation, analytical reviews, and financial analysis.

We will document our test work, including the nature, timing, and extent of tests performed, and the conclusions reached. Our documentation will include the following:

- For tests involving sampling: Audit sampling will be utilized in designing our tests of controls, substantive tests of balances and classes of transactions and tests of compliance with laws and regulations. Typically, a non-statistical sampling approach is used. Our firm uses Guidance Assurance practice aids in documenting and testing audit samples. The methodology suggested in this practice aid was adapted from guidelines in the *AICPA Audit Guide, Audit Sampling—New Edition as of May I, 2008*.

Using the practice aid, for each sample we will document the following:

- Factors considered.
- Sample size calculation
- Selection methodology
- Audit sampling test results

In planning the sample, we determine the audit objective of the test, define the population, and define deviation conditions. In determining the sample size, we consider factors such as the acceptable risk of assessing control risk too low, the risk of incorrect acceptance, the tolerable rate of control failure or misstatement, the expected population deviation rate, and the effect of population size. Sample size selected is also based on the frequency of controls (i.e. daily, monthly, recurring, etc.) and on the number of transactions within a population for substantive tests. Large populations and frequently operating controls usually involve a sample minimum of 60 items. Sample results are projected to the population.

- For substantive analytical procedures: Analytical tests of balances will also be performed during the substantive testing phase of the audit. These tests are performed using related account balances, ratios and trends to provide evidence of the reasonableness of account balances. The extent of the analytical procedures is impacted by the risk of material misstatement and the tests of internal controls over the audit area. Financial and nonfinancial data are accumulated throughout the audit to assist in designing and performing substantive analytical procedures.

Based on our analysis of the City's fiscal year 2024 audit report, we anticipate performing the following substantive procedures at a minimum.

Process	Other Substantive Procedures
Cash and Cash Equivalents	Re-perform June reconciliations, analytical reviews, detail tests of deposits and withdrawals
Fixed Assets, additions, deletions, depreciation expenditure and Investments in Fixed Assets Net of Related Debt,	Obtain support documentation and analytically review for reasonableness, perform substantive analysis of expense
Taxes, Intergovernmental, Fines and Forfeitures, License and Permits and Charges for Services and related Receivables, Due from others, Notes Receivable, Transfers In,	Confirm with outside agencies, obtain support documentation and analytically review for reasonableness, perform substantive analysis of revenue
Accrued Payroll & related benefits liability, Accounts Payable, Retirement Payable, Other Post Employment Benefits Payable, Net Pension Obligations Payable, Compensated Absences Payable, Due to others, Transfers out, Deferred Revenue	Obtain support documentation and analytically review for reasonableness, perform substantive analysis of expense
Long Term Obligations – Due within one year and more than one year, principal/interest payments	Obtain support documentation and analytically review for reasonableness, perform substantive analysis of expense
Cumulative Results of Operations and roll forward of Net Assets and Fund Balances	Roll forward and perform fluctuation analysis

Our team will have multiple personal computers on site to automate certain functions. Automation makes the engagement process more efficient and allows our professionals more time to analyze data and solve

problems. We will use personal computers to automate analytical reviews, audit programs, system documentation, and detailed work papers; calculate statistical sample sizes and select sample items; test download files; and automate various other tasks to produce an efficient and professional work product. Our work papers will include planning memoranda, internal control memoranda, spreadsheets, analytical reviews, and internal and external memoranda in Microsoft Word and Excel (format).

Our IS auditors have developed computer assisted auditing techniques (CAATs) using our computer tools. The use of computers and our audit software enables our staff to perform the following functions electronically:

- Directly load client files into our microcomputer systems
- Update financial analyses and benchmarking indices.
- Prepare or revise internal control analyses.
- Select and analyze statistical and non-statistical audit samples for use in compliance and substantive audit test.
- Exchange data among our offices, using our email system.
- Track audit adjustments and their effect on financial statement balances

Enhanced Audit Quality and Efficiency through Innovation

BHM CPA Group, Inc. has invested heavily in various technologies aimed at making the audit process more efficient with increased audit assurance quality while reducing the burden the process places on client personnel.

At BHM, we utilize Thomson Reuters cloud audit suite, the profession's leading end-to-end continuum of AI-enabled audit applications, provided by the industry's most relied upon, and trusted content provider dedicated to creating innovative tools to improve the audit process. Cloud audit suite is the latest comprehensive audit workflow solution summarized below:

- For managing our audit engagements BHM uses Engagement Manager: Engagement Manager is a web-native organizational hub used to power audit workflow while allowing next-level, real-time access to workpapers, trial balances, and peers throughout the engagement.
- For guided, start-to-finish audit preparation methodology we use Guided Assurance; Guided Assurance delivers new technology to reduce unnecessary steps, while supporting audit staff, and providing in-application guidance to ensure our audits comply to standards throughout the engagements.
- Secure audit confirmations: Confirmation is the easy, fast and secure way to send confirmations to anyone, anywhere in the world, eliminating traditional methods that are prone to error, even fraud.
- BHM uses Inflo for client EDP analysis; With Inflo, you receive customizable technology to support the digitization of client services, analytics, testing, and collaboration features that streamline laborious processes.
- Throughout the audit process all BHM audit staff have access to Checkpoint Edge for research; Checkpoint Edge leverages the 200+ years of award-winning audit editorial staff, available throughout the engagement process and powered by AI that gets smarter with every search.

We perform audits of various other types of organizations that require audits under 2 CFR Part 200 and governmental (yellow book) audits. These audits include rural electric cooperatives, rural water associations, mental health associations, drug/alcohol addiction programs, cities, townships, local school boards and various local government authorities located in Ohio, Indiana and West Virginia.

The testing phase will also include tests to determine compliance with laws that could have a direct and material effect on the financial statements and any other laws/regulations that the audit committee, City management, or others have identified as being significant to City. We will have identified these applicable laws and regulations as part of the planning phase.

Our substantive tests of compliance with laws and regulations will include the following:

- Inquiries and observations
- Review of previously issued reports on compliance
- Discussions with City management and general counsel
- Inspection and re-performance

We will perform tests of the City's compliance with direct and applicable state laws and regulations utilizing the most current version of the WV Code and *Compliance Supplement* (WVCS), to determine the audit steps to be performed.

The WVCS includes the following compliance areas which will be tested as part of the engagement: budgetary, contracts and expenditures, debt, accounting and reporting, deposits, and investments, as well as other direct and material laws. Our firm will also review the minutes of the boards' meetings, grant agreements, loan agreements, and make inquiries from management to identify other laws and regulations that require testing.

Compliance with federal compliance requirements applicable to each major program identified will be tested during the audit. These requirements are identified through the review of corresponding grant agreements, inquiry of City officials, and the most recent OMB Uniform Guidance *Compliance Supplement*.

Reporting Phase

Based on the work performed in the planning, internal control, and testing phases, we will form our final conclusions and prepare our reports.

A final analytical review of the audited financial statements will be performed. This review helps to determine the adequacy of the evidence obtained during the audit and identify balances or relationships that are unexpected or that were not identified during the audit. The focus is to ensure that the audit procedures performed addressed all significant areas.

During the reporting phase, we will review the MD&A to ensure that is not materially inconsistent with the information contained in the principal financial statements and related footnotes. Regarding reported performance measures, we will verify the mathematical accuracy of any computations, ratios, and the presented percentage of financial and non-financial data and determine if such measures are supported by source documentation. However, under current OMB guidance, we are not responsible for determining the accuracy of reported performance measures.

We will agree the basic financial statements to the general ledger and verify the mathematical accuracy of the basic financial statements. We will verify that the amounts in the footnotes are consistent with the

amounts reported in the Schedules. In addition, we will use BHM CPA Group, Inc., Guided Assurance and GFOA checklists to verify that the financial statements and related footnotes are in accordance with financial accounting and reporting standards.

Because the scope and procedures were determined based on materiality determinations made during the planning phase, as well as preliminary assessments of risk, we will consider whether the extent of the procedures performed was adequate. We will also consider the final risk assessments made and the effects of any limitations on the scope of the procedures.

The manager and engagement partner will review the work papers to ensure they meet professional standards and are sufficient to support our reports. The engagement partner will review all areas considered critical to the engagement prior to the issuance of the reports. In addition, the concurring review partner will review selected work papers for quality-control purposes.

In accordance with BHM CPA Group, Inc.'s policy, we will ensure that all work papers are reviewed by the preparer's supervisor. The manager and engagement partner will supervise the team to verify that all review comments are addressed prior to issuance of the reports.

We will prepare and submit the draft reports listed on page 5. The manager, engagement partner, and the concurring review partner, who is not directly involved in the engagement but who also has experience with City and government audit engagements, will review the reports to verify they are in accordance with the reporting standards, BHM CPA Group, Inc. standards and professional standards. We will submit the draft and final reports by the deadlines.

We will also prepare a management letter, if necessary, that includes any findings/comments that are not required to be included in the reports noted above. For each comment we will include (1) a description of the comment; (2) the criteria used to assess the comment; (3) the cause of the comment; (4) any negative or potentially negative effects resulting from the comment; (5) BHM CPA Group, Inc.'s recommendation for correcting the comment; and (6) management's responses, including action plan.

We will prepare and submit the final reports and management letter after addressing the audit committee's and City's final comments on the report. We will then coordinate with the audit committee and City's management to schedule an exit conference to discuss engagement results and any pending matters.

We will have developed a complete and accurate work papers that document all work performed and support conclusions reached in accordance with document requirements included in the Yellow Book, BHM CPA Group, Inc. guidance, and AICPA standards, specifically Statement of Auditing Standards 96, *Audit Documentation*. We will provide the Auditor of State representatives with easy access to our work papers during the course of the engagement. At the end of the engagement, we will store engagement work paper files and other pertinent reference documents under secured conditions for a minimum of five (5) years after the issuance of our final reports.

Independence

The Yellow Book, at Paragraph 3.02, states that the audit organization and the individual auditor *must* be independent. Independence includes both independence of mind and independence in appearance. According to Paragraph 3.05 of the Yellow Book, the auditor should be independent from an audited entity during *both* of the following periods of time:

- Any period of time that falls within the period covered by the financial statements to be audited.

- The entire period of the professional engagement, which begins when the auditor signs the engagement letter (or other agreement to perform an audit) or actually begins to perform an audit, whichever is earlier.
-

We are independent with regard to the Corporation of Shepherdstown as defined by the Yellow Book and the Accountancy Board of West Virginia and expect to maintain our independence through the period covered by this proposal.

Professional Insurance

As required by the State of West Virginia and the professional standards for public accounting firms that perform attestation services, BHM maintains professional liability insurance in the amounts required. Policy declaration page is attached.

Engagement Timetable

Providing our services timely and professionally requires careful planning of the critical phases of our work and adherence to a pre-established time plan. Our services will be performed both before and after the end of your year. At all phases, service will be managed and directed by the partner of your engagement team.

We will plan fieldwork to provide all final reports to you by a mutually agreed upon date for the audit of the financial Statements of the Corporation of Shepherdstown for the contract period of July 1, 2024, through June 30, 2025, our timetable is listed below.

Engagement Activity	Date
1. BHM and representatives of the City hold progress conference	As Needed
2. BHM provides detailed work schedule containing the on-site dates and times, work to be accomplished, and schedules/information required from City staff.	11/15/2025
3. BHM will start field work	11/15/2025
4. BHM will complete final audit field work	12/15/2025
5. BHM will issue final management letters (if necessary)	12/15/2025
6. BHM will finalize audit of financial statements and schedules	12/15/2025
7. BHM will complete review and issue Auditor's opinion	Before 12/30/2025
8. BHM will attend a City meeting following issuance	TBD

Audit Fees

The fees required by BHM For this engagement will be as follows. No out-of-pocket expenses will be billed.

Description	Amount
Regular Audit 2025	\$8,625
Regular Audit 2026	\$8,625
Total for FY25 and FY26	\$17,250

SIMILAR WV GOVERNMENT EXPERIENCE 2024

County Commission's	Towns's
Berkeley County Commission	Town of Anmoore
Cabell County Commission	Town of Ansted
Greenbrier County Commission	Town of Bethlehem
Lincoln County Commission	Town of Burnsville
Logan County Commission	Town of Ceredo
Mason County Commission	Town of Fayetteville
McDowell County Commission	Town of Montrose
Ritchie County Commission	Town of Rainelle
Roane County Commission	Town of Rupert
	Town of Triadelphia
	Town of Wayne
	Town of Union
City's	Airport/Transit Authority's
City of Elkins	Buckhannon-Upshur Airport Authority
City of Hinton	Central WV Transit Authority
City of Keyser	Eastern Panhandle Transit Authority
City of Montgomery	Elkins-Randolph Airport Authority
City of Morgantown	Fairmont-Marion Transit Authority
City of Moundsville	Greenbrier Valley Airport Authority
City of New Martinsville	Mercer County Airport Authority
City of Ripley	New River Transit Authority
City of Spencer	Roane County Airport Authority
City of Salem	Tri-River Transit Authority
City of Welch	Tri-State Airport Authority
City of Winfield	
Health District's	Public Service District's
Grafton-Taylor Board of Health	Branchland-Midkiff PSD
Grant County Board of Health	Buffalo Creek PSD
Greenbrier County Board of Health	Enlarged Hepzibah PSD
Jackson County Board of Health	Greater Harrison County PSD
Lewis County Board of Health	Marshall County PSD #2
Lincoln County Board of Health	Marshall County PSD #3
Mason County Board of Health	Marshall County PSD #4
Mineral County Board of Health	Northern Jackson PSD
	Southern Jackson PSD
	Shady Springs PSD
	Sun Valley PSD

APPENDIX A

PARTNER, DIRECTOR, AND MANAGER RESUMES



Timothy W. Loper Jr., CPA

ENGAGEMENT PARTNER

Tim is the firm's managing partner for our West Virginia governmental services. Tim has extensive experience serving governmental entities in the areas of internal and external auditing, single audits, taxation, information returns, and financial reporting and will serve as the primary partner in your engagement. As the leader of our West Virginia governmental services group, Tim is responsible for reviewing all governmental financial statements and assists with managing and delivering services by facilitating risk assessment and client expectations for our larger governmental clients. Tim has over eighteen years of experience working with counties, cities, townships, villages, City districts, fire districts, and public authorities. His expertise includes reporting requirements for pension and other post-employment benefits, and he maintains and exceeds the continuing professional education requirements of *Government Auditing Standards*.

Education:

Shawnee State University – BS Accounting

Continuing Professional Education hours:

Licenses: Ohio CPA License - 56562

West Virginia CPA - 5653

	Gov't	Other	Total
2024	67.0	24.0	91.0
2022	37.5	24.0	61.5
2021	42.0	24.0	66.0

Professional Affiliations:

Association of Government Accountants

Institute of Internal Auditors

Information Systems Audit & Control Association

Association of Certified Fraud Examiners

American Institute of Certified Public Accountants

Ohio Society of CPAs

West Virginia Society of CPAs

Government Finance Officers' Association

Representative Current Audit Clients:

- City of Portsmouth
- City of Ripley
- City of Moundville
- City of Winfield
- City of Welch
- City of Napoleon
- City of Harpers Ferry
- City of Spencer
- City of Logan
- City of Elkins

APPENDIX A

PARTNER, DIRECTOR, AND MANAGER RESUMES



Paul W. Rennick, CPA

DIRECTOR OF QUALITY ASSURANCE

Phone: 740-289-4131
email: paul.rennick@bhmcpagroup.com
www.bhmcpagroup.com

Paul is a seasoned accounting professional with over forty years of experience in services to exempt organizations, including county, city, village, and township local governments. Paul also serves housing authorities, water & sewer districts, higher education institutions, and nonprofit organizations. He has extensive knowledge in auditing and reporting in accordance with *Government Auditing Standards*, maintaining and exceeding all continuing professional education requirements. Paul designs all of the firm's governmental staff training. He is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants, and the Association of Government Accountants. Paul performs reviews over all governmental audits to ensure that applicable standards are met and to ensure the overall quality of each engagement.

Education:

Wilmington College – Bachelor of Science Accounting

Continuing Professional Education hours:

Licenses: Ohio CPA License - 17046

	Gov't	Other	Total
2024	77.0	16.0	93.0
2022	47.5	28.0	74.5
2021	42.0	40.0	82.5

Professional Affiliations:

Association of Government Accountants

American Institute of Certified Public Accountants

Institute of Internal Auditors

Ohio Society of CPAs

Information Systems Audit & Control Association

West Virginia Society of CPAs

Association of Certified Fraud Examiners

Government Finance Officers' Association

Representative Current Audit Clients:

- City of Hillsboro
- City of Elkins
- City of Hamilton
- City of Portsmouth
- City of Napoleon
- City of Moundsville
- City of New Martinsville
- City of Ripley
- City of Harrison
- City of Amherst

APPENDIX A

PARTNER, DIRECTOR, AND MANAGER RESUMES



Michael B. Leach, CPA

SENIOR AUDIT MANAGER

Phone: 740-289-4131
email: michael.leach@bhmcpgroup.com
www.bhmcpgroup.com

Michael has more than 30 years of experience in public accounting and local government auditing. Before joining BHM in 2024, Michael worked for the Ohio Auditor of State as Senior Audit Manager in the Southeast Region. Michael's experience consists of providing quality audit and consulting services to hundreds of government clients including universities, counties, cities, City districts, water and sewer utilities, and other local governments and has performed numerous audits in accordance with OMB Circular A-133 and the Uniform Guidance for agencies and local governments receiving federal awards.

Education:

Ohio University – Bachelor of Science Accounting

Licenses: Ohio CPA License - 30939

Continuing Professional Education hours:

	Gov't	Other	Total
2024	40.0	24.0	64.0
2022	50.5	17.0	67.5
2021	42.0	25.5	67.5

Professional Affiliations:

Association of Government Accountants

Institute of Internal Auditors

Information Systems Audit & Control Association

Association of Certified Fraud Examiners

American Institute of Certified Public Accountants

Ohio Society of CPAs

Kentucky Society of CPAs

Government Finance Officers' Association

Representative Current Audit Clients:

- City of Jackson
- City of Wellston
- City of Napoleon
- City of Portsmouth
- Ross County
- City of Wickliffe
- City of Waterville
- City of Fostoria
- Meigs County
- Vinton County

APPENDIX B PEER REVIEW REPORT



December 15, 2023

Jeffrey Harr
BHM CPA Group Inc.
1 E Campus View Blvd Ste 300
Columbus, OH 43235-5691

Dear Jeffrey Harr:

It is my pleasure to notify you that on December 15, 2023, the Ohio Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2026. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Jodey L. Altier, CPA, Chair
OSCPA Peer Review Committee
peerreview@ohiocpa.com
(614) 764-2727, option 5

cc: Lori Dearfield, Matthew Rakay

Firm Number: 900010081709

Review Number: 602735

APPENDIX B PEER REVIEW REPORT



**Kelley Galloway
Smith Goolsby, PSC**

Certified Public Accountants and Advisors

1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105

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REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 27, 2023

To the Members of
BHM CPA Group, Inc.
and the Ohio Society of CPA's Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BHM CPA Group, Inc. (the firm) in effect for the year ended May 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported 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 the *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

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

Cincinnati, OH

APPENDIX B PEER REVIEW REPORT

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BHM CPA Group, Inc. in effect for the year ended May 31, 2023, 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*. BHM CPA Group, Inc. has received a peer review rating of *pass*.

Kelley Galloway Smith Goolsby, PSC

Kelley Galloway Smith Goolsby, PSC

—◆ FIZER & ASSOCIATES, PLLC ◆—

Andrew J. Fizer, Owner | CPA | MBA | CGMA } Certified Forensic Accountant

October 17, 2025

Maged Kirollos, Director of Finance
Corporation of Shepherdstown, WV
104 N. King Street
Shepherdstown, WV 25443

Maged Kirollos,

Thank you for the request from the Corporation of Shepherdstown, WV, for a proposal to perform your Financial and Compliance Audits in accordance with the standards, requirements, terms and conditions specified by the West Virginia State Auditor's Office, Chief Inspector Division's *Procedures Manual for Procuring and Conducting Audits and Reviews of Local Governments*. I understand the audits are for the fiscal years ending June 30, 2025, and June 30, 2026.

I noted from the Request for Proposal that the organization has 30 full-time employees, 4 part-time employees, and pays approximately 350 invoices annually. I considered this in estimating the audit time, as well as the Funds, Accounts, and Federal and State Grants maintained.

My approach to performing the Single Audits will be guided by professional standards, including:

- Generally Accepted Accounting Principles
- Generally Accepted Auditing Principles
- *Government Auditing Standards*
- State of West Virginia "Procedures Manual for Procuring and Conducting Audits and Reviews of Local Governments"
- Practitioners Publishing Company Guide to Audits

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I will review background information on the organization to acquaint myself with the officials and administration. In addition, I will review reporting requirements and consider general procedures to carefully plan the audit.

I will ask the organization to assemble the following items (if applicable):

- Organization charts
- List of governing board members and members of administration
- Minutes of governing boards
- Main accounting journals, e.g., general ledger, cash receipts, disbursements, payroll, and general journals
- Prior and interim financial statements
- Correspondence with grantors
- Budgets
- Grant agreements
- Contracts, leases, insurance policies, etc.
- Debt agreements
- Bank reconciliations and related bank statements and canceled checks

I will prepare preliminary analytical procedures by comparing account balances for the current period to similar accounts in the prior period annual financial statements. Such analytical relationships will be considered in development of the review and audit programs.

My next steps will be to:

- Prepare a planning materiality analysis
- Study the organization's internal controls
- Prepare an audit work program
- Complete a time budget by audit area
- Hold discussions with appropriate organization officials about key audit dates

I will design the audit programs based upon the risk that matters may materially affect the financial statements. My audit steps could include (if applicable):

- Review Minutes, contracts, and funding source agreements
- Cash
- Investments
- Support, receivables and receipts
- Program service fees, revenue and receivables
- Donations
- Expenses for program, supporting services and accounts payable
- Inventories
- Property and equipment
- Debt and other liabilities

Examples of audit procedures could be:

- Approval of budget documented
- Identify related party transactions
- Confirm bank balances
- Review cash disbursement records for disbursements after the year end to ascertain if the item was an unrecorded liability.

I will be prepared to begin the FYE 2025 audit and complete all fieldwork during December 2025. I plan to issue my report before December 30, 2025.

I will be prepared to begin the FYE 2026 audit and complete all fieldwork during October 2026. I plan to issue my report before November 15, 2026.

I have audited the following types of West Virginia entities for the period 2023 through 2025:

County Commissions
Municipalities (Class III and IV)
Boards of Health
Public Service Districts
Economic Development Authorities
Emergency Ambulance Authorities
Transit Authorities
Solid Waste Authorities
Libraries
Not-For-Profit Organizations

Maged Kirollos, Director of Finance
October 17, 2025
Page 4

Fizer and Associates is enrolled in the Peer Review Program and my system of quality control for the accounting and auditing practice has been reviewed by Vail & Park, P.C., an independent Certified Public Accounting firm. The review was conducted in accordance with standards established by the Peer Review Authority of the American Institute of Certified Public Accountants (AICPA). This review was scheduled and completed in accordance with section 2.2.2 of the Procedures Manual for Conducting Audits and Reviews of Local Governments, which is issued and maintained by the Office of the State Auditor, Chief Inspector Division.

I am a member of the AICPA Governmental Audit Quality Center. I have over 25 years of public and private auditing experience.

The fee will be \$8,200 for the fiscal year ending June 30, 2025, and \$8,200 for the fiscal year ending June 30, 2026. I have included the Bid Summary and Certification Forms.

I welcome the opportunity to become the Auditor for the Corporation of Shepherdstown, WV.

Sincerely,



Andrew J. Fizer, CPA
Enclosures

Bid Summary and Certification

revised 08/2019

The Firm of Fizer and Associates, PLLC proposes to conduct the Financial and Compliance Audit of the Corporation of Shepherdstown, WV, for the period of July 1, 2024 through June 30, 2025 and to issue the report on or before the specified date of December 30, 2025 for the amount of \$8,200.

The Firm's employees assigned to and who will conduct this audit, their level of audit responsibility, credentials, experience, and hourly rates are as follows:

Audit Managers	CPA Yes/No	Years of Governmental Audit Experience	Has Prior experience THIS ENTITY Yes/No	Has Prior experience this entity TYPE Yes/No	Hours	X	Rate/Hour	=	Total
Andrew J. Fizer	Yes	25	No	Yes	82		100		\$8,200.00
									\$0.00
Audit Supervisor(s)									\$0.00
									\$0.00
Audit Staff									\$0.00
									\$0.00
									\$0.00
									\$0.00
									\$0.00
Other Personnel									\$0.00
									\$0.00
Total Hours					82		Total Cost		\$ 8,200

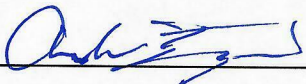
BREAKDOWN OF TOTAL AUDIT/REVIEW HOURS

Planning and Supervision	8	Review	10
Field Work: General	52	Report Preparation	12
Federal Grants	0	Nonaudit services	
Total Hours	82		

The firm will not provide this entity with any services that would violate professional standards issued by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States.

In the preparation of this bid there was no conflict of interest or collusion between the firm and the audit committee members or another representative of the entity. Further, the firm did not influence, directly or indirectly, the audit committee members or any entity personnel in the scoring of the bid proposals and/or the awarding of the contract.

Signature:



Title:

Partner/Owner

Date:

10/17/2025

Bid Summary and Certification

revised 08/2019

The Firm of Fizer and Associates, PLLC proposes to conduct the Financial and Compliance Audit of the Corporation of Shepherdstown, WV, for the period of July 1, 2025 through June 30, 2026 and to issue the report on or before the specified date of November 15, 2026 for the amount of \$8,200.

The Firm's employees assigned to and who will conduct this audit, their level of audit responsibility, credentials, experience, and hourly rates are as follows:

Audit Managers	CPA Yes/No	Years of Governmental Audit Experience	Has Prior experience THIS ENTITY Yes/No	Has Prior experience this entity TYPE Yes/No	Hours	X	Rate/Hour	=	Total
Andrew J. Fizer	Yes	25	No	Yes	82		100		\$8,200.00
									\$0.00
Audit Supervisor(s)									\$0.00
									\$0.00
									\$0.00
Audit Staff									\$0.00
									\$0.00
									\$0.00
									\$0.00
									\$0.00
Other Personnel									\$0.00
									\$0.00
					Total Hours	82	Total Cost		\$ 8,200

BREAKDOWN OF TOTAL AUDIT/REVIEW HOURS

Planning and Supervision	8	Review	10
Field Work: General	52	Report Preparation	12
Federal Grants	0	Nonaudit services	
Total Hours		82	

The firm will not provide this entity with any services that would violate professional standards issued by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States.

In the preparation of this bid there was no conflict of interest or collusion between the firm and the audit committee members or another representative of the entity. Further, the firm did not influence, directly or indirectly, the audit committee members or any entity personnel in the scoring of the bid proposals and/or the awarding of the contract.

Signature:



Title:

Partner/Owner

Date:

10/17/2025

Bid Summary and Certification

revised 08/2019

RFP# 25-232

The Firm of BHM CPA Group, Inc. proposes to conduct the regular audit of Corporation of Shepherdstown for the period of July 1, 2025 through June 30, 2026 and to issue the report on or before the specified date of November 15, 2026 for the amount of \$8,625.

The Firm's employees assigned to and who will conduct this audit, their level of audit responsibility, credentials, experience, and hourly rates are as follows:

	CPA <u>Yes/No</u>	Years of Governmental Audit <u>Experience</u>	has prior experience THIS ENTITY <u>Yes/No</u>	has prior experience this entity TYPE <u>Yes/No</u>	<u>Hours</u>	X	<u>Rate/Hour</u>	=	<u>Total</u>
Audit Managers									
Tim Loper	Yes	18	Yes	Yes	10		155		\$1,550.00
									\$0.00
Audit Supervisor(s)									
Michael Leach	Yes	30	Yes	Yes	5		125		\$625.00
David Michael	No	12	Yes	Yes	10		100		\$1,000.00
Audit Staff									
Zach Shugert	No	6	Yes	Yes	10		85		\$850.00
Chad Doss	No	2	Yes	Yes	40		65		\$2,600.00
Amanda Brent	No	1	Yes	Yes	40		50		\$2,000.00
									\$0.00
									\$0.00
Other Personnel									
									\$0.00
Total Hours					115				

BREAKDOWN OF TOTAL AUDIT/REVIEW HOURS

Planning and Supervision	<u>15</u>	Review	<u>12</u>
Field Work: General	<u>76</u>	Report Preparation	<u>12</u>
Federal Grants	<u>0</u>	Nonaudit services	<u>0</u>
Total Hours	<u>115</u>		

The firm will not provide this entity with any services that would violate professional standards issued by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States.

In the preparation of this bid there was no conflict of interest or collusion between the firm and the audit committee members or another representative of the entity. Further, the firm did not influence, directly or indirectly, the audit committee members or any entity personnel in the scoring of the bid proposals and/or the awarding of the contract.

Signature:



Title:

Director

Date:

October 24, 2025

Bid Summary and Certification

revised 08/2019

RFP# 25-232

The Firm of BHM CPA Group, Inc. proposes to conduct the regular audit of Corporation of Shepherdstown for the period of July 1, 2024 through June 30, 2025 and to issue the report on or before the specified date of December 31, 2025 for the amount of \$8,625.

The Firm's employees assigned to and who will conduct this audit, their level of audit responsibility, credentials, experience, and hourly rates are as follows:

	CPA <u>Yes/No</u>	Years of Governmental Audit <u>Experience</u>	has prior experience THIS ENTITY <u>Yes/No</u>	has prior experience this entity TYPE <u>Yes/No</u>	<u>Hours</u>	X	<u>Rate/Hour</u>	=	<u>Total</u>
Audit Managers									
Tim Loper	Yes	18	Yes	Yes	10		155		\$1,550.00
									\$0.00
Audit Supervisor(s)									
Michael Leach	Yes	30	Yes	Yes	5		125		\$625.00
David Michael	No	12	Yes	Yes	10		100		\$1,000.00
Audit Staff									
Zach Shugert	No	6	Yes	Yes	10		85		\$850.00
Chad Doss	No	2	Yes	Yes	40		65		\$2,600.00
Amanda Brent	No	1	Yes	Yes	40		50		\$2,000.00
									\$0.00
									\$0.00
Other Personnel									
									\$0.00
Total Hours					115				

BREAKDOWN OF TOTAL AUDIT/REVIEW HOURS

Planning and Supervision	<u>15</u>	Review	<u>12</u>
Field Work: General	<u>76</u>	Report Preparation	<u>12</u>
Federal Grants	<u>0</u>	Nonaudit services	<u>0</u>
Total Hours	<u>115</u>		

The firm will not provide this entity with any services that would violate professional standards issued by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States.

In the preparation of this bid there was no conflict of interest or collusion between the firm and the audit committee members or another representative of the entity. Further, the firm did not influence, directly or indirectly, the audit committee members or any entity personnel in the scoring of the bid proposals and/or the awarding of the contract.

Signature:



Title:

Director

Date:

October 24, 2025