

**BOONSBORO MAYOR AND COUNCIL  
AUDIT PROPOSAL**



**YEAR ENDING JUNE 30, 2023  
(Option Years 2024 through 2027)**

ALBRIGHT CRUMBACKER MOUL & ITELL, LLC  
Certified Public Accountants  
1110 Professional Court  
Hagerstown, MD 21740  
(301) 739-5300  
E-mail: [KShipway@albrightcpa.com](mailto:KShipway@albrightcpa.com)

Contact: R. Kert Shipway, CPA  
Partner

# BOONSBORO MAYOR AND COUNCIL

## AUDIT PROPOSAL

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ALBRIGHT  
CRUMBACKER  
& MOUL  
ITELL

*Certified  
Public  
Accountants  
& Business  
Consultants*

To the Boonsboro Mayor and Council,

We are pleased to submit our proposal for audit services for the Boonsboro Mayor and Council (the Town). We appreciate the opportunity to tell you about our firm's background and philosophy and the services we can provide your Town.

We propose to audit the financial statements of the Town for the year ending June 30, 2023, with option years 2024 through 2027. Our proposal indicates that we accept all terms and conditions contained in your request for proposal. These statements shall consist of the government-wide financial statements, the fund financial statements, notes to financial statements, and required supplementary information. In addition to the aforementioned audit services, we will also perform certain non-audit services which include preparing and submitting the annual Maryland Uniform Financial Report.

For over forty-five years, Albright Crumbacker Moul & Itell has performed audits of, and provided various other accounting services to, similar sized municipalities throughout the region. Furthermore, our experienced staff have been trained extensively in performing audits in accordance with U.S. generally accepted auditing standards, as well as the additional requirements under *Governmental Auditing Standards*. Consequently, we believe the accompanying proposal will demonstrate that we have the knowledge and experience necessary to meet the needs of the Boonsboro Mayor and Council.

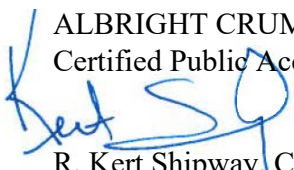
R. Kert Shipway, CPA will be the engagement partner should you choose to accept our proposal for audit services or have any questions pertaining to our proposal. His contact information is as follows:

1110 Professional Court, Suite 300  
Hagerstown, MD 21740  
Phone: 301.739.5300  
E-mail: kshipway@albrightcpa.com

We appreciate the opportunity to submit this proposal. If you have any questions related to our proposal or would like additional information, please contact the undersigned.

Sincerely,

ALBRIGHT CRUMBACKER MOUL & ITELL, LLC  
Certified Public Accountants



R. Kert Shipway, CPA  
Partner

## INTRODUCTION

Albright Crumbacker Moul & Itell, LLC (ACMI) was founded in 1975. We are a progressive accounting and business management firm, headquartered in the heart of the Mid-Atlantic Region. We have offices in Hagerstown, Maryland and Martinsburg, West Virginia. Our goal is to provide an exceptional level of service to the Town by carefully orchestrating our resources to create an approach tailored to best meet the Town's specific needs.

The following further summarizes elements of our process:

- **Specialty and Expertise.** With a team of professionals who have served the not-for-profit and local government community for four decades, we understand the commitment and values that drive such Towns. Our small firm culture, combined with a wealth of knowledge and expertise gained from years of experience in the industry allows us to provide the highest level of technical service, while still providing the personal care and attention you deserve.
- **Commitment of Senior Personnel.** The partners, managers, and specialists you will be working with will be heavily involved in the services provided to the Finance Committee and/or Business Manager. Our proactive approach means we call and meet with you throughout the year to raise important issues before opportunities are missed. Thus, we view our services to be a year-round function, not an annual activity.
- **Accessible Staff.** You will be working with experienced staff that are dedicated to performing audits and consulting with Towns similar to yours. We have had very little turnover in our group and have made a commitment to maintain adequate staffing levels throughout the year.
- **Technology.** We use technology to the greatest extent possible to streamline the audit process. In addition, we will monitor the effectiveness of your current technology capabilities and report to you any suggestions for enhancement. This results in timelier and more accurate reporting which results in more efficient and cost-effective audits.
- **Timeliness.** Based on our study of your financial statements, our knowledge about your accounting system, and the availability of our experienced staff throughout the year, we are confident that we will meet all of your reporting deadlines as well as any special projects that may arise.
- **Smooth Transition.** Our in-depth knowledge and years of experience serving educational, governmental and other not-for-profit Towns will ensure a smooth transition to the Albright Crumbacker Moul & Itell team.
- **Quality Assurance.** We are dedicated to excellence in our accounting and auditing practice. Some aspects and processes of our quality assurance include pre-issuance report review, post-issuance report review, assignment and training of personnel, supervision, and monitoring engagement performance. As evidence of our commitment to quality, we received an unmodified report for our most recent peer review (See Exhibit A).

## **LICENSED TO PRACTICE IN MARYLAND**

*Albright Crumbacker Moul & Itell, LLC* is licensed to practice in the State of Maryland (Registration #36213), renewable semi-annually in May, as are key members of the staff.

## **PEER REVIEW LETTER**

See Exhibit A for the results of *Albright Crumbacker Moul & Itell, LLC's* most recent peer review conducted for the year ended June 30, 2020.

## **FEDERAL OR STATE DESK REVIEWS**

*Albright Crumbacker Moul & Itell, LLC* is proud to state that for the past three years we have no unfavorable letters requiring changes to any financial statements due to a federal or state desk review. The firm has not had any disciplinary action taken or pending against the firm during the past three years with any state regulatory bodies or professional Towns.

## PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

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

	CPA Yes/No	Years of Audit Experience	Years of Government Audit Experience
<b>Engagement Partner</b>			
R. Kert Shipway, CPA Partner	Yes	34	24
<b>Audit Supervisor</b>			
Cheryl M. Dodson, CPA Audit Supervisor	Yes	20	20
<b>Audit Supervisor</b>			
Jason P. Knode, CPA Audit Supervisor	Yes	26	17
<b>Audit Staff</b>			
Breanna Barnhart Staff Accountant	Yes	4	1

See Exhibit B for biographies of the Audit Management Team.

The employees listed above will have met or exceeded the professional education requirements contained in the Government Auditing Standards (Yellow Book) prior to commencement of the Town's audit engagement.

## **SCOPE OF ENGAGEMENT**



*Certified  
Public  
Accountants  
& Business  
Consultants*

1110 Professional Court, Suite 300  
Hagerstown, MD 21740  
p 301.739.5300 | f 301.739.5332

212 Lutz Avenue  
Martinsburg, WV 25404  
p 304.264.2004 | f 304.264.2005

[www.albrightcpa.com](http://www.albrightcpa.com)

March 9, 2023

Boonsboro Mayor and Council  
Town of Boonsboro  
21 North Main Street  
Boonsboro, MD 21713

We propose to audit the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Boonsboro, MD (the Town), as of June 30, 2023, with optional extensions for the years ending June 30, 2024 through 2027, and for the year(s) then ended and the related notes, which collectively comprise the Town's basic financial statements. Our audit would be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

The objective of our audit(s) is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Our audit(s) will be conducted in accordance with U.S. GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual and the standards for financial audits contained in *Government Auditing Standards*. If our opinion on the financial statements would be other than unmodified, we would discuss the reasons with you in advance. If, for any reason, we would be unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

In addition, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Town's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion unless required to do so.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will also request written representations from the Town's attorneys as part of the engagement, and they may bill the Town for responding to this inquiry. At the conclusion of our audit(s), we will require certain written representations from management about the financial statements and related matters.



In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing our opinions on the financial statements.

We will obtain an understanding of the Town's operations, including the design of the relevant internal controls and whether they have been placed in operation, and assess risk of material misstatements at the financial statement level and the relevant assertions level. Tests of controls will also be performed to assess the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements.

An audit is not designed to provide assurance on internal control or to identify control deficiencies. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be significant deficiencies and/or material weaknesses under standards established by the American Institute of Certified Public Accountants.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

### **Other Services**

As outlined previously, in addition to the audit services we will also prepare and submit the annual Maryland Uniform Financial Report.

Please refer to "Audit Approach" and "Schedule of Work and Deliverables" sections regarding our planned timing for meetings and progress reports.

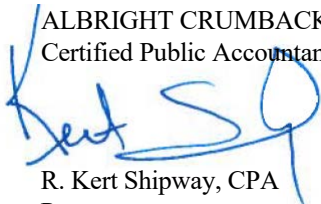
As part of our engagement Albright Crumbacker Moul & Itell, LLC will retain all working papers and reports, at our expense, for a minimum of five (5) years.

At the conclusion of our engagement we will provide the Town with any adjusting entries and a final trial balance

We will also consult with and advise management and the governing body of the Town regarding technical accounting matters as the need arises. Such matters may include, but are not limited to, implementation of new pronouncements under FASB/GASB Accounting Standards Codification and/or governmental regulations affecting the Town's financial statements and/or disclosures. Fees for these services will be billed at our standard hourly rate less a 25 percent charitable discount. Such discounted rates can range from \$100 to \$175 per hour. These costs would be in addition to any costs proposed for the audit of the Town.

Sincerely,

ALBRIGHT CRUMBACKER MOUL & ITELL, LLC  
Certified Public Accountants



R. Kert Shipway, CPA  
Partner

## AUDIT APPROACH

### Design of Procedures

Albright Crumbacker Moul & Itell's approach to the audit will be as follows:

Phase 1 Pre-Planning	Phase 2 Audit Planning	Phase 3 Year-End Financial Audit
<ul style="list-style-type: none"> <li>• Obtain understanding of:               <ul style="list-style-type: none"> <li>- Entity's environment including internal controls</li> <li>- Management's goals and objectives</li> <li>- Operations</li> </ul> </li> <li>• Review prior year's work papers</li> <li>• Perform engagement acceptance or continuance procedures</li> <li>• Prepare engagement letter</li> <li>• Preliminary audit goals</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain and document understanding of control environment:               <ul style="list-style-type: none"> <li>- Entity level controls</li> <li>- Activity level controls</li> <li>- IT system controls</li> </ul> </li> <li>• Evaluate the design of such controls</li> <li>• Confirm operating effectiveness of such controls via walkthroughs</li> <li>• Test operating effectiveness of controls</li> <li>• Assess audit risk</li> <li>• Develop audit strategies for account balances including interim audit work</li> <li>• Tailor audit programs for all audit areas and link audit procedures to any identified risks</li> <li>• Schedule staff</li> <li>• Develop client assistance schedule</li> <li>• Progress report and client assistance plan</li> <li>• Identify and resolve any accounting or reporting issues discovered during audit planning</li> <li>• Perform preliminary analytical review</li> <li>• Actual versus prior year budget testing</li> </ul>	<ul style="list-style-type: none"> <li>• Perform or update testing in all audit areas including compliance tests and internal control testing</li> <li>• Evaluate audit tests results</li> <li>• Review of audit work papers</li> <li>• Resolve any accounting or reporting issues with management</li> <li>• Draft financial statements</li> <li>• Draft internal control and management letter</li> <li>• Review of various reports by Audit Supervisor and Audit Partner</li> <li>• Exit conferences</li> <li>• Meet with Town Officials, if desired, to review:               <ul style="list-style-type: none"> <li>- Financial statements and auditor's report</li> <li>- Reportable control structure conditions</li> <li>- Suggestions in management letter</li> </ul> </li> <li>• Preliminary planning for next year's audit</li> </ul>

## Commitment to Quality Assurance

Our quality control procedures include the following:

- ❑ *Pre-Issuance Review* – All reports on audited financial statements are reviewed before issuance by an audit supervisor/manager who, along with the engagement partner, has significant experience in the industry. This provides assurance that our audit reports conform to the latest developments in professional standards.
- ❑ *Post-Issuance Report Review* – A Quality Control Team conducts post-issuance reviews of selected reports issued by every audit partner. The reports are selected randomly from audit reports issued throughout the year and are reviewed for compliance with professional and Firm standards as well as clarity and consistency within the statements themselves.
- ❑ *Assignment and Training of People* – We schedule professionals only to engagements for which they have the necessary background and training. Those without the necessary background are trained before an assignment.
- ❑ *Supervision* – Our engagement teams are subject to a “chain of supervision” over all the work performed. All audit work papers are reviewed by the person supervising the preparer of the work papers. The reviewers write review comments, as appropriate, for the preparers to clear. The reviewers have to agree with the manner in which such comments are cleared.
- ❑ *Monitoring Performance* – We monitor performance of persons in the field with weekly reports and the preparation of status reports for clients. The weekly progress report on each engagement shows the following:
  - a) Amount of time charged against the time budgeted for the job.
  - b) Progress of the job according to the planned schedule.
  - c) Major problems encountered on the job.
  - d) Whether the task will be completed within the time provided.
- ❑ *Engagement Manager and Partner Review* – Managers and partners assigned to engagements perform detail reviews of the audit work papers and reports. Specifically, the managers review all work papers supporting our reports, and the engagement partner reviews work papers of critical audit areas as deemed appropriate.
- ❑ *Client Management Review* – Our engagement partner and/or manager reviews all draft reports with client management before finalizing the reports.
- ❑ *Technical Review* – For all audit engagements, the Firm’s quality control procedures require a pre-issuance technical review of the audited financial statements and work papers for significant audit areas by the audit partner.
- ❑ *Retention* – Our quality control procedures require that we conform to professional standards and retain audit documentation for not less than five years from the issue date of our reports.

## SCHEDULE OF WORK AND DELIVERABLES

Albright Crumbacker Moul & Itell is committed to meeting your timeline of completing the June 30, 2018 through 2022 audits. To that end, following is a **sample** work plan to meet this objective. Upon engagement, this timetable would be reviewed and actual dates discussed to ensure a mutually agreeable timeframe.

Time-Phased Service Plan	
	Timeframe
<ul style="list-style-type: none"> <li>▪ <b>Planning</b></li> </ul>	Beginning upon appt.
<ul style="list-style-type: none"> <li>▪ <b>Internal control review and preliminary fieldwork</b></li> </ul>	June/July
<ul style="list-style-type: none"> <li>▪ <b>Year-End fieldwork and compliance work</b> <ul style="list-style-type: none"> <li>➤ Perform substantive audit test work.</li> <li>➤ Meet with management to discuss adjustments and management letter comments.</li> <li>➤ Review draft financial statements with management.</li> </ul> </li> </ul>	Late September/Early October End of October End of October
<ul style="list-style-type: none"> <li>▪ <b>Issue deliverables (draft to finalization)</b> <ul style="list-style-type: none"> <li>➤ Issue draft documents</li> <li>➤ Issue final documents</li> </ul> </li> </ul>	No later than October 31st (for each reporting year).

## EQUIPMENT AND STAFF AVAILABILITY

The Finance Department staff or its agent(s) and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. Clerical support will be made available to the auditor for the preparation of routine confirmation letters, account reconciliations, and memoranda.

Management is responsible for making all financial records and related information required for our audit available to us and is responsible for the accuracy and completeness of such information. Managements responsibility includes (a) establishing and maintaining adequate records and related internal control policies and procedures, (b) selecting and applying accounting principles, (c) safeguarding assets, (d) identifying all federal awards expended during the period, and (e) identifying and ensuring that the entity complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs.

The Town will provide the auditor with reasonable workspace. The auditor will also be provided with access to telephone, internet, photocopying, FAX, and Wi-Fi (if available).

## SIMILAR ENGAGEMENTS WITH OTHER ENTITIES

CLIENTS	Type of Entity	Type of Audit	Type of Funding	Tax Preparation/ Consultation	Length of Service (years)
Town of Smithsburg	GOV	YB	PUB	N/A	4
Mayor and Council of Funkstown	GOV	YB	PUB	N/A	14
Hospice of the Panhandle, Inc.	NPO	FA	MED	X	20+
Hospice of Washington County	NPO	FA	MED	X	20+
Mid-Atlantic Regional Air Management Association	GOV	SA	FED	N/A	15+
Saint James School	COL	FA	PUB	X	15+
Star Community, Inc.	NPO	FA	PUB	X	15+
United Way of Washington County MD	NPO	FA	PUB	X	15
United Way of Washington County MD Foundation	FND	FA	PUB	X	15
Washington County Museum of Fine Arts	NPO	FA	PUB	X	15

Type of Entity

NPO = Not-for-Profit Town  
 GOV = Governmental Unit  
 EBP = Employee Benefit Plan  
 FND = Foundation  
 COL = Education

Type of Audit

FA = Financial Audit  
 YB = Yellow Book Audit  
 SA = Single Audit  
 ER = ERISA

Type of Funding

FED = Direct Federal  
 P/T = Federal Pass-Thru  
 ST = Direct State  
 PS = Plan Sponsor  
 MED = Medicare/Medicaid  
 PUB = Public or Other Funding

## FEE PROPOSAL

Our fee for this engagement has been estimated after consideration of the audit procedures and related time that we anticipate will be required for each audit segment. Our estimate is based on our experience with other similar Towns. Depending upon the availability of the information relevant to the audit, it would be our intention to start our planning and preliminary audit work as soon as practical after appointment as auditors. Delivery of the final audited financial statements will be no later than October 31, 2023 (and each October 31st thereafter). However, we will discuss further your specific requirements upon our appointment as the auditors for the Town of Boonsboro, MD.

Our estimated fees, including additional years 2024 through 2027 to be performed at the mutual option of ACMI and the Town, for the services described in this proposal are as follows:

	Maximum Fees	
	2023	2019-2022 (Optional)
<i><b>Audit fees</b></i>	\$21,500	\$21,500

The gross annual fees listed above are based on an audit conducted in accordance with U. S. Generally Accepted Auditing Standards and *Government Auditing Standards* (consistent with prior years) and include correspondence and discussions throughout the year with management. In the event that additional projects and/or requests for services arise, we will discuss with the appropriate management personnel to negotiate an estimated fee for the project and/or service to be rendered.

It is our firm’s policy to discuss and resolve all differences of opinion with our clients in a professional manner and under the guidelines that the client should not pay in excess of what they perceived was the benefit obtained. If the resolution is agreed upon satisfactorily by both parties then the professional relationship continues as before. Should the parties not be able to reach a satisfactory resolution, the client pays what they feel is fair in relation to the benefit they received and the remaining fees are removed. At such time, we reserve the right to end any professional relationship and to cease all professional services.

We confirm that *Albright Crumbacker Moul & Itell, LLC* is independent to the Town as defined by the independence standards issued by the American Institute of Certified Public Accountants.

**Latest Peer Review Report**

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Members of  
Albright Crumbacker Moul & Itell, LLC  
and the Peer Review Committee of the Maryland Association of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Albright Crumbacker Moul & Itell, LLC (the "Firm") in effect for the year ended June 30, 2020. 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](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

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

### **Peer Reviewer's Responsibility**

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

### **Required Selections and Considerations**

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit 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.



**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Albright Crumbacker Moul & Itell, LLC in effect for the year ended June 30, 2020, 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*. Albright Crumbacker Moul & Itell, LLC has received a peer review rating of *pass*.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
November 11, 2020

**Biographies of Audit Management Team**

### **R. Kert Shipway, CPA**

R. Kert Shipway is a Certified Public Accountant who received his Bachelor of Science degree in accounting from Frostburg State University in 1988. Mr. Shipway has been in public accounting since December of 1988. In September of 1999 he was appointed to the position of Manager of the Tax and Accounting areas and became a Partner in 2004. His accounting and auditing areas of practice include the planning and conducting of not-for-profit, governmental, charitable, pension plan, and for-profit entity audits, reviews, and compilation engagements. His tax and consulting experience includes financial and retirement planning for individuals; corporate, estate, and individual tax planning and preparation, including the preparation of multi-state tax returns; and consulting for non-public, closely-held businesses. He has diversified experience in several industries, including construction and manufacturing entities. Mr. Shipway's professional memberships currently include the American Institute of Certified Public Accountants as well as the Maryland Association of Certified Public Accountants. He has also been a guest speaker and lecturer for various businesses and organizations.

### **Cheryl M. Dodson, CPA**

Cheryl Dodson is a Certified Public Accountant who received her Bachelor of Science degree in Accounting in 2002 from Pensacola Christian College. She has been in public accounting since 2003 and has experience with both financial statement services and income tax preparation. Mrs. Dodson began working with Albright Crumbacker Moul & Itell in February 2016 as an Audit Supervisor where she is responsible for managing audit engagements. Cheryl specializes in audits of privately held businesses, not-for-profit organizations, and governmental entities. Her areas of expertise include operational, financial and compliance auditing, nonprofit and governmental accounting, and Title 2 CFR Part 200 Uniform Guidance compliance. Mrs. Dodson's professional memberships include the American Institute of Certified Public Accountants and the Maryland Association of Certified Public Accountants. She is also currently serving as the Treasurer for Habitat for Humanity in Washington County.

### **Jason P. Knode, CPA**

Mr. Knode is a Certified Public Accountant with approximately 20 years of experience in public accounting and 9 in private industry, operating in the capacities of controller and accounting manager. Jason returned to the firm in September 2016. In this capacity, he is responsible for managing numerous audit engagements and providing technical training to the firm's capable staff. Jason specializes in audits of not-for-profit organizations, governmental units, and retirement plans. His areas of expertise include operational, financial and compliance auditing, non-profit and governmental accounting, Title 2 CFR Part 200 Uniform Guidance compliance, and retirement plan ERISA compliance. Jason holds a Bachelor of Science degree in Accounting from Frostburg State University and an Associate of Arts degree in Business Administration from Hagerstown Community College. His professional memberships currently include the American Institute of Certified Public Accountants as well as the Maryland Association of Certified Public Accountants. His community activities include being a current member of the Board of Directors YMCA of Hagerstown, the former Treasurer of Dream Come True, Inc., former Treasurer of Healthy Community Partnerships of Greater Franklin County, and former Board Member of Star Community, Inc.

**Financial Stability Statement**

(Due to firm confidentiality this will be provided in a separate,  
sealed envelope)

## **Exhibit D**

### **References**

## ***REFERENCES - GOVERNMENTAL ENTITIES AND SIMILAR ORGANIZATIONS***

The following list of references includes engagements with other governmental entities that have similar reporting requirements:

<b>Entity</b>	<b>Contact Person</b>	<b>Type of Entity</b>	<b>Type of Audit</b>
Town of Smithsburg, MD	Brian Brandt Town Manager Phone: 3301-824-7234 Email: townmanager@townofsmithsburg.org	Municipality	Yellow Book
Town of Funkstown, MD	Brenda Haynes Clerk/Treasurer Phone: 301-791-0948 Email: bhaynes@myactv.net	Municipality	Yellow Book
Town of Hancock, MD	Michael Faith Town Manager Phone: 301-678-5622 Email: townmanager@townofhancock.org	Municipality	Yellow Book
Mid-Atlantic Regional Air Management Association, Inc.	Marc Cone Executive Director Phone: 443-901-1882 Email: mcone@marama.org	Not-for-Profit	Yellow Book/Single Audit

**Sample Management Letter**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

**Mayor and Council Anytown**  
Anytown, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the **Anytown Mayor and Council** (“the Town”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated October 28, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-01, 2022-02, and 2022-03 that we consider to be material weaknesses.



### ***Report on compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2022-01.

### ***The Town's Response to Findings***

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Albright Crumbacker Moul & Itell LLC*

Hagerstown, Maryland  
October 28, 2022