



TECHNICAL PROPOSAL FOR PROFESSIONAL AUDIT SERVICES FOR:

WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY

For the year ended: June 30, 2024

CRFQ 0439 EBA 2400000003

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WV PURCHASING
DIVISION

Submitted By: BHM CPA Group Inc.
Timothy W. Loper Jr, CPA, Shareholder

Member of the:



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May 15, 2024

Bid Clerk
Department of Administration
Purchasing Division
2019 Washington St. E.
Charleston, WV 25305

BHM CPA Group, Inc. is pleased to present this proposal to serve as the independent certified public accountants for the West Virginia Educational Broadcasting Authority and Affiliate, the West Virginia Public Broadcasting Foundation, Inc. (the Agency) for the audit periods ending June 30, 2024, 2025, 2026 and 2027. Our knowledge and collective experience working with governmental entities, and nonprofit organizations, 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 has 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.
Shareholder

WHY SELECT BHM CPA Group, Inc.

BHM's qualifications for this engagement compare favorably with any of our peers in the region. Specifically, we are the best choice to provide auditing services to your organization because:

- We have extensive experience in providing auditing and consulting services to: governmental entities, Community Action Organizations, various organizations receiving similar Federal and State funding, and to other not-for-profit entities,
- Our training, education and professional background compares favorably to our peers in the region,
- We are committed to quality work and maintaining current industry specific continuing professional education and practice software as a cornerstone of our practice,
- I, personally, will perform or closely oversee all aspects of this engagement to ensure timeliness and responsiveness.

CREDENTIALS OF THE FIRM

Background and Reputation

BHM CPA Group, CPAs, 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 County, not for profit organizations and governmental entities, financial County, utility co-operatives, farm co-operatives, family and owner managed businesses, pension plans, Sarbanes-Oxley 404 reviews and computer consulting. Our firm is registered with the American Institute of Certified Public Accountants, Ohio State Accountancy Board, WV Chief Inspector Division and the Auditor of State of Ohio - IPA Division. Our firm is classified as a Hub-zone small business in accordance with the U.S. Small Business Administration. We have four office locations in Circleville, Columbus, OH, South Shore, KY and Huntington, WV. The location of the office from which the work on this engagement is to be performed is 618 Tenth Street, Huntington, WV.

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. Also, we have assisted clients in developing financial forecast 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 governments and not-for-profit entities.

Included in this group are our specialists on governmental non-profit organizations. This specialization has allowed us to develop personnel who have become very familiar with issues and concerns of higher education. Our staff of professionals has the depth and breadth of experience and expertise needed to understand a CAC'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 educational 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 and educational entity, and to determine our firm's approach and how it affects our clients. We are aware that educational entities are facing significant challenges in today's challenging academic environment. Educators and administrators are required to make crucial decisions, not only about educational delivery methods, but about outsourcing and collaboration, student satisfaction and fiscal management. Faced with new accounting standards, as well as ever-changing state and federal regulations, educational entities personnel and other resources are stretched on a daily basis 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 memberships in professional organizations. Our firm's 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 a 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 Certified 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.

Firm Qualifications:

BHM CPA Group, Inc was created with the belief that audit services can be provided efficiently while still being cost effective and maintained on a personal level. It is the conviction that sets us apart from our peers. While serving clients throughout West Virginia and other states, we have performed audits for numerous local governments including many organizations and have experienced the unique challenges each of our client's face. Because of our vast experience and an appreciation for the distinct issues that our clients face, we approach every assignment with an individual view and adapt our methods to meet the specific needs of each of our clients.

BHM has dedicated professionals knowledgeable in government accounting, audit, and financial reporting. With numerous years of experience in the public sector, our auditors possess the knowledge and capability to support your organization's auditing and assurance needs. Our support structure, resources and training are devoted to providing local governments with accurate, prompt, and efficient audits and financial related services. With an in-depth knowledge of single audits, the latest GASB pronouncements, and state and federal regulations we aim to provide each of our clients with the most efficient audit and long-term guidance possible. Our focus lies on exceptional customer service which we accomplish through accessibility, efficiency, quality, and knowledge. Current governmental clientele includes over 200 local government clients consisting of Colleges, Community Organization, Organization Districts, Counties, Cities, Villages, Townships, and many other local governments.

BHM currently provides quality audit services to over 200 organizations. We have included three of those below for reference.

Dedication to Quality

BHM CPA Group provides outstanding service to our clients that is the result of our dedication to three fundamental values of professionalism, quality and relationships.

Professionalism - By combining our expertise, experience and the energy of our team, each client receives close personal and professional attention to all their financial needs. We encourage our staff to be out with our clients. Our high standards, service and specialized team members ensures we deliver outstanding performance. We make sure every client is served by entire firm through a team approach lead a designated client advisor.

Quality - Our firm's reputation reflects the high standards we demand of ourselves. Our primary goal as a trusted advisor is to be available and to provide insightful advice to our clients to make informed financial decisions. We believe it is extremely important to continually professionally educate ourselves to improve our technical expertise, financial knowledge and service to our clients.

Relationships - Our legacy is our families, our kids, our friends, our team and our clients. All together we have built a culture where relationships are the foundation of all we do, and we honor those relationships.

Qualifying Audit Experience

BHM has continued ongoing exposure to engagements requiring audit services in accordance with *Government Auditing Standards* OMB 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards."

BHM specializes in audits of Local Government Entities and Non-Profit Organizations. The following lists recent audit engagements for various governments performed by BHM:

WEST VIRGINIA

WV Educational Broadcasting Authority
Workforce West Virginia
Jefferson County Commission
Randolph County Commission

Ohio

Belmont Collect
Zane State College
North Central State College

Firm Size and Structure

BHM CPA Group, Inc. is a CPA firm licensed in Ohio, West Virginia and surrounding states. We employ approximately 75 people of which 67 are professional staff, including approximately 26 CPAs. They also have Certified Fraud Examiners and Certified Information Systems Auditors on staff. The majority of the client base includes businesses in Ohio, West Virginia and the neighboring states. The clients are served by offices in Circleville, Columbus, OH, South Shore, KY, and Huntington, WV. Our Huntington office employs 3 CPAs, and 7 professional staff.

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 West Virginia Educational Broadcasting Authority 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.

General Audit Requirements

We understand the audit will be conducted in accordance with generally accepted governmental auditing

standards. We will also test material West Virginia Code compliance and any debt covenants.

We understand the scope of the audit shall include but not be limited to a financial and legal compliance audit of records of the agency for the fiscal years covered by this engagement.

We understand that as stipulated in Statement on Auditing Standards (SAS) 78, an understanding of internal control activity must be sufficiently gained to plan the audit, assess risk, and determine the nature, timing, and extent of audit tests to be performed. Information system control activities must be considered to help ensure transactions are valid, properly authorized, and completely and accurately processed. Control activities to help ensure proper segregation of duties, logical and physical security, and disaster recovery should also be considered and tested.

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 West Virginia Educational Broadcasting Authority for the contract period of July 1, 2023, through June 30, 2024, our timetable is listed below.

Engagement Activity	Date
1. BHM and representatives of the EBA 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 EBA staff.	6/15/2024
3. BHM will begin final audit work	By 7/15/24
4. BHM will deliver a draft audit report to the Agency for review	8/21/2024
5. BHM revised draft with all requested changes delivered to the Agency	8/31/2024
6. BHM submit a draft to FARS	9/15/2024
7. BHM will submit the final signed report to the agency and FARS	10/15/2024
8. BHM will Foundation Audit will be submitted to the EBA	10/31/2024
9. BHM will submit the Foundation 990 to the IRS and a copy to the EBA	11/10/2024
10. Review and Certify AFR Reports in CPB automated system	11/10/2024

Technical Assistance

As auditors, we are limited to the amount of consulting we can provide to an audit client and maintain our independence. However, we pride ourselves on being available to offer technical advice, to the extent we can, to our clients at no charge.

Communication

We understand that communication and continuity of staff are important to our clients. Your service team will always be available to provide proactive and responsive service whenever needed.

BHM CPA Group Inc. is committed to open communications with its clients in whatever method they choose or view as most effective throughout the audit. These methods could include, but are not limited to, phone conversations, email messages, written communication and in-person meetings. Status meetings will be arranged to communicate any significant audit issues identified, any difficulties obtaining sufficient audit documentation, or at the request of the organization.

Your team of trusted advisors will be available to you throughout the entire contract period, not just during the completion of the audit. Our dedicated team of advisors are always a phone call or an email away to assist you with whatever need arises.

At the entrance meeting noted above, we will provide the organization with the annual audit engagement letter which will specify the audit objectives as well as management's responsibilities associated with the audit. At the exit conference noted above, we will request management to sign a representation letter associated with the current year audit. We will work with the agency to meet your expectation of proper communication during the audit engagement.

Boosting Accountability Through Quality BHM Services

Accountability is an important part of any organization, but it's especially important in local government.

Governments must responsibly use their resources to provide services that meet the needs of constituents. Local governments answer to state and federal laws and guidelines for effective operations but must of all, they answer to people they serve.

BHM's specialized government services practice helps clients in the public sector better manage their programs, protect their assets and plan for the future. Our dedicated government accounting professionals spend 100% of their time providing advisory services as well as audit and assurance services to a wide variety of local governments. From full-scale annual financial and compliance audits to financial planning and forecasting, our passion is to become your trusted advisor in helping you reach your goals and promote progress.

BHM's audit team will provide high quality services based on our vast experience in dealing with organizations of similar size and scope to yours. Our uniform guidance experience, and our audit software package give us a unique set of skills that we will utilize to earn your trust in providing high quality audit services. We take pride in our client satisfaction ratings and look forward to serving you.

Specific Audit Approach

BHM uses a knowledge-based audit methodology to perform financial statement audits of governmental entities efficiently and effectively in accordance with auditing standards generally accepted in the United States of America (GAAS). This is accomplished by obtaining an understanding of the organization and its environment to sufficiently assess the risk of material misstatement. Audit procedures are then designed and performed in response to the risk of material misstatement. All audit procedures performed will be done so by the professionals of BHM CPA Group, Inc. who are dedicated to maintaining a presence throughout the audit process. Our goal in this is to reduce the burden on Organization staff while adhering to the established budget and timeline. These procedures are more fully detailed in the Audit Approach section of this proposal and will be conducted in accordance with the following standards:

- Generally Accepted Auditing Standards established by the American Institute of Certified Public Accountants.

- Financial Audit Standards established by the General Accounting Office's Government Auditing Standards.
- All provisions of the Uniform Guidance and the U.S. Office of Management and Budget (OMB) single audits of states, local governments, and not-for-profit organizations.

Planning the Audit:

Our audit plan will embrace the philosophy of auditing and understanding the business of organization finance and accounting. This approach places great emphasis on looking beyond the accounting entries to the underlying operations and substance which give rise to those entries. We believe that for our audits to be truly effective, they must be specifically designed to examine the unique characteristics and risks of the organization in relation to the governmental environment, needs of financial statements users, and your goals.

Our plan requires that we gain a thorough understanding of your operational and administrative environment. It is essential that we recognize internal and external factors that impact the organization. It is this understanding and recognition that allows us to assess risk and evaluate your internal control. With this background, we are prepared to conduct an effective and efficient audit.

Our understanding of the organization and its environment will include the following:

- Economic, regulatory, and other external factors
- Nature of the Organization
- Objectives, strategies and related risks that may cause material misstatement of the financial statements
- Measurement and review of the organization's financial performance
- Internal controls

Providing our services timely and professionally requires careful planning of the critical phases of our work and adherence to a pre-established time plan. At all phases of the audit, 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.

In planning our audit, consideration will be given to certain matters in addition to those ordinarily connected with an audit of financial statements in accordance with auditing standards generally accepted in the United States of America. Matters that we will consider in planning all components of the audit will include the following:

- Preliminary assessment of audit risk
- Identifying, obtaining information, and assessment of the risks of material misstatement due to fraud
- Preliminary analytical procedures using ratios, account comparisons, and budgetary comparisons
- Materiality
- Compliance requirements

Prior to our first day of fieldwork, we will schedule a meeting to discuss the desired timeframe, estimated report delivery, and extent of management and auditor responsibilities as it relates to the audit. We will also provide a detailed list of requests we would like the organization to assist with, "Client Assistance Package", that will provide the items needed for the audit, and a link to our secure file sharing system where those

items can be uploaded. This streamlines the audit approach and allows us to get information in the most efficient manner possible.

Internal Control Documentation/Evaluation:

Audit standards require that we obtain an understanding of the organization sufficient to evaluate the design of the internal controls and to determine whether they have been implemented. Our understanding of the organization's internal controls will include the control environment, risk assessment, information and communication systems, control activities, and monitoring controls.

Our risk assessment and control evaluation will include:

- Conducting interviews of selected management and staff
- Evaluating the Organization's financial reporting and management policies, budget documents and process, and informational systems
- Documenting our understanding of the organization's entity wide control environment and activity level controls
- Trusting the design and implementation of selected key controls by performing a walk-through of the selected transactions class.
- Testing the operating effectiveness of selected controls where deemed appropriate.

The evaluation above will allow us to obtain an understanding of internal control sufficient to assess control risk. This includes obtaining knowledge about internal control relevant to compliance with laws and regulations that have a direct and material effect on the determination of financial statement amounts. We will use this knowledge to:

- Identify types of potential misstatements
- Consider factors that affect the risk of material misstatements
- Design our audit tests
- Document our understanding of internal control by use of written narratives and flow charts

The results of our inherent and internal controls risk assessments will allow us to identify and assess the risk of material misstatement within the organization to form our overall audit plan and design the extent, nature, and timing of substantive audit procedures to mitigate that risk to an acceptable level.

Information Technology (IT) Evaluation:

The Organization's IT environment will be analyzed in two separate components: 1) the general computer control environment, and 2) specific applications which affect amounts or disclosures within the basic financial statements.

General computer controls include the network security settings, ability to gain access to the network, procedures used to add or remove network access permissions, and disaster recovery plans. We will interview the appropriate personnel to document the items noted above as well as perform a walk through if necessary to determine appropriate controls have been implemented to address the risk associated with these general computer controls.

Specific application controls will be tested in conjunction. Specific user controls identified will be documented and a walkthrough performed, if necessary, to determine if appropriate controls have been established over the financial accounting system. Any other specific applications significant to the financial

statements amounts, we will utilize the services of our IT consulting division to assess the control environment to determine the audit risk associated with any such specific application.

Substantive Procedures:

Based on the results of our risk assessment and internal control evaluation, a specific audit plan will be designed to focus expanded procedures on areas with the greatest risk of material misstatement, error, and fraud. We will use tests of details, substantive analytical procedures, or a combination of the two to conclude on the reasonableness of the given transaction class or account balance.

By utilizing a blend of substantive testing (vouching underlying transactions to support), and substantive analytical testing (testing data through overall and stratified analysis), we can cover significant ground while still getting a quality level of detailed depth to our testing. Striking a good balance and not overlying on one type of testing over the other is integral to a thorough and efficient audit.

Typical substantive procedures include:

- Agreeing the financial statement elements to the underlying accounting records including year-end account balances and transaction activity occurring throughout the year;
- Confirming cash held in bank and investment accounts, accounts receivable, inventory held by other, material grants and long-term debt balances.

Substantive procedures are an integral part of a competent and thorough audit. Significant transactions must be supported evidentially, and when they cannot be supported that may be a symptom of a potential material misstatement or other systematic issue. Typically, the “proof is in the pudding”, so to speak, and in many cases the best way to test something is by verifying the ingredients that make it up.

Typical substantive analytical procedures include:

- Compare financial information with comparable prior periods. Are changes consistent with our expectations based on our understanding of the organization and environment
- Compare operating results with consumption or usage type reports. Do results align with these operating figures where applicable
- Compare ratios of correlating accounts year over year. Are ratios consistent with our expectations based on our understanding of the organization and environment
- Compare results to budget and determine reasons for any significant variances between budget to actual results.

In developing expectations based on thorough investigation of the organization and its environment, this allows us to form quality expectations to compare results to. When results don’t align with our expectations, we investigate further to obtain sufficient evidence to conclude whether there is a valid reason for the deviation or if not, determine the root of the issue causing the variance. This is a great method for identifying systemic and significant issues and/or material misstatements.

Sampling and Sample Sizes:

We utilize the AICPA Audit guide over audit sampling, the objective of which, is to provide a reasonable basis for the auditor to draw conclusions about the population from which the sample is selected. This guide is derived from the AICPA professional standard, SAS No. 122/AU-C section 530, Audit Sampling. A

standard audit may incorporate a variety of sampling techniques including statistical, judgmental, & random selection.

Statistical sampling explicitly measures the sampling risk associated with the sampling procedure by providing for a level of sampling risk (confidence factor and precision). Nonstatistical sampling methods requires the auditor to rely on professional judgment, in combination with nonstatistical sampling guidance and knowledge underlying statistical concepts, to design and evaluate audit samples. The extent to which sampling will be used and related sample sizes will be determined based on the results of our control and risk assessments, materiality, and overall population of the audit area.

Tests of controls over compliance and compliance with requirements of major federal programs are based on the guidance included in the AICPA Audit Guide Government Auditing Standards and Single Audits which is devoted to audit sampling in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) compliance audits.

Analytical Procedures:

BHM CPA Group, Inc. will utilize the AICPA professional standards AU-C Section 520, Analytical Procedures, which provides guidance for analytical procedures performed as substantive procedures and performed as part of the audit. We also utilize AICPA standard AU-C Section 315, “Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement”, which provides guidance for analytical procedures performed as risk assessment procedures during the planning phase of the audit.

Analytical procedures include an evaluation of financial information through analysis of plausible relationships among both financial and nonfinancial data. Analytical procedures also encompass such investigation, as is necessary, of identified fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount.

Analytical procedures involve comparisons of recorded amounts, or ratios developed from recorded amounts to expectations developed by your auditor. When performing analytic procedures, we take into account the assessed risks of material misstatement and tests of details, if any, for the audit assertions we are substantiating. We will evaluate the reliability of data utilized, considering the source, comparability, and nature and relevance of information available and controls over preparation of that data. Next, we will develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise to identify a misstatement that, individually or when aggregated with other misstatements, may cause the financial statements to be materially misstated. A comparison of our results to the actual balances are then made and a conclusion is reached.

Concluding the Audit:

At the conclusion of every audit, we will decide whether sufficient audit evidence has been accumulated to warrant the conclusion that the financial statements are fairly stated in accordance with generally accepted accounting principles (GAAP).

Prior to issuing our audit report we will perform the following procedures:

- Evaluate the sufficiency and appropriateness of audit evidence obtained
- Evaluate and conclude on the results of audit procedures, adjustments, and unadjusted misstatements
- Provide all adjusting entries noted during the audit to the Organization Council and management
- Communicate audit findings and issues with management and those charged with governance

Quality Control Procedures:

Every audit engagement performed by BHM undergoes an initial review by the assigned audit manager, as well as first partner review and second/concurring partner review process. We have structured our firm around audit quality and take great pride in our ability to offer our clients accurate, efficient, and timely audits. All staff auditors at BHM receive a minimum of 40 hours of government audit/accounting specific continuing education. Your audit will be performed by an experienced and well-seasoned audit team from top to bottom. With this approach, we can minimize mistakes, address issues immediately, and give our clients access to the most experienced personnel in our firm, should they have any questions or concerns. Prior to issuance, our clients are provided with the draft financial report and letters for review.

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 AdvanceFlow: AdvanceFlow 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 Checkpoint Engage; Checkpoint Engage 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.

We also have experience assisting organizations with the set-up of new accounting systems and provide compilation and review services to numerous nonprofit organizations and governmental entities.

BHM Offers a Limited Contact Approach to Auditing:

Since the global pandemic, it is important to provide our clients with the opportunity to limit contact during the audit process. BHM offers a limited contact solution as part of our audit approach. Because of our heavy investments in technology, we are able offer all of our clients the ability to upload requested documents to sharefiles over the internet. We offer our clients the ability to conduct all meetings online via Microsoft Teams. We set up remote access to our clients' systems, as well as our own cloud-based audit suite. This allows our audit teams to work remotely from their own homes when feasible. This allows both our staff and our clients the ability to complete the audit process as safely and efficiently as possible.

Significant Anticipated Audit Issues:

We do not anticipate any significant matters currently. Our philosophy is to address reporting, accounting, or auditing concerns in a timely manner. We believe clients do not like surprises; likewise, we like to maintain open lines of communication to deal with matters as quickly as they arise.

The Engagement Team

When you engage BHM CPA Group, Inc. you can be confident that experienced professionals will perform each step of the audit process, giving you and your staff direct access to our highest level of expertise. We keep overhead low and quality high with our highly specialized audit teams and by connecting the agency to our partners. We have hand-picked a team, who are experienced specialists in public sector auditing, who understand your environment, know governmental accounting, have a long practiced the specialty of governmental 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 Executive – Timothy Loper Jr., CPA

Tim is a graduate of Shawnee State University with a B.S. degree 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*.

Licenses; Ohio CPA License – [REDACTED]

West Virginia CPA – [REDACTED]

Concurring Review Partner – Brenden D. Balestra, CPA, CGAP, CISA, CGEIT

Brenden a graduate of Liberty University with a B.S. degree in accounting. Brenden has extensive experience serving governmental entities in the area of internal and external auditing, single audits, taxation, information returns, and financial reporting, and will serve as the concurring review partner on your engagement. Brenden has over twenty-seven years' experience working with counties, cities, townships,

villages, organization districts, fire districts, and public authorities. His expertise includes pension and other postemployment benefits reporting requirements and he maintains and exceeds the continuing professional education requirements of *Government Auditing Standards*.

Licenses: Ohio CPA License – [REDACTED]
Kentucky CPA – [REDACTED]

Audit Manager—David Michael

David is a graduate of Shawnee State University with a B.S. degree 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 Randolph County Commission, Ritchie County Commission, City of Ripley, and other major projects around the state of West Virginia.

Audit Senior—William Malone

William is a graduate of The Ohio State University with a B.S. degree in accounting. William served as a teacher assistant at the Ohio State University until his graduation. William has over five years' experience serving as an Audit Senior as well as a consultant. William is tasked with special complex problems that arise during the course of various audits. William 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—Robert Thurman

Robert is a graduate from Thomas Moore College with a major in accounting and has been employed with the firm for ten 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.

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 educational entities. We will utilize this vast experience base as required during any phase required on this project.

In addition to these staff, we have complete access to our firm's Accounting and Audit Support Group. There are two individuals in this group. They devote a considerable amount of time to government accounting and auditing. One individual, **Paul Rennick, CPA**, devotes a considerable amount of time to government accounting and auditing.

During his career he has gained extensive experience in audits and consulting for governmental entities and non-profit organizations. He has worked in the government field for 40 years. Paul's experience ranges from working as a manager for an international accounting firm to being the Chief Deputy for Local Government Services of the Auditor of State before joining our firm. Mr. Rennick is responsible for monitoring the activities of OMB, the Federal Agencies, and state agencies and others regarding government funding and audit requirements for government entities. He will be used for technical and research issues as needed.

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 Hixenbaugh, 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 15 years of experience in the research and review of technical issues and strategic tax planning.

FEES AND FUTURE AUDITS

The fees required by BHM for this engagement are shown below. No out-of-pocket expenses will be billed.

During the course of the audit, it may be necessary to provide non-audit services to the agency. Should the Agency need these additional non-audit services they will be billed on an hourly basis at \$125 per hour.

The fee schedule for these services, including optional years, will be:

June 30,	2024	2025	2026	2027
GAGAS	\$ 42,500	\$ 45,950	\$ 48,100	\$ 49,500



**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.

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

Exhibit A - Pricing Page										
CRFQ EBA24-03 - Audit Services										
Labor Type per Section 3.1.1	Estimated Hours	Hourly Rates Year One	Extended Cost Year One	Hourly Rates Year Two	Extended Cost Year Two	Hourly Rates Year Three	Extended Cost Year Three	Hourly Rates Year Four	Extended Cost Four	Year
Senior CPA	40	\$ 175.00	\$ 7,000.00	\$ 180.00	\$ 7,200.00	\$ 190.00	\$ 7,600.00	\$ 200.00	\$ 8,000.00	
CPA	100	\$ 125.00	\$ 12,500.00	\$ 135.00	\$ 13,500.00	\$ 140.00	\$ 14,000.00	\$ 150.00	\$ 15,000.00	
Senior Accountant	100	\$ 100.00	\$ 10,000.00	\$ 115.00	\$ 11,500.00	\$ 120.00	\$ 12,000.00	\$ 120.00	\$ 12,000.00	
Accountant	150	\$ 75.00	\$ 11,250.00	\$ 80.00	\$ 12,000.00	\$ 85.00	\$ 12,750.00	\$ 85.00	\$ 12,750.00	
Clerk	50	\$ 35.00	\$ 1,750.00	\$ 35.00	\$ 1,750.00	\$ 35.00	\$ 1,750.00	\$ 35.00	\$ 1,750.00	
Total	440.00	TOTAL YEAR ONE	\$ 42,500.00	TOTAL YEAR TWO	\$ 45,950.00	TOTAL YEAR THREE	\$ 48,100.00	TOTAL YEAR FOUR	\$ 49,500.00	
Bid Total - Grand total of all yearly totals									\$ 186,050.00	
HOURS SHOWN ARE AN ESTIMATION AND IS FOR AWARD PURPOSES ONLY										
AWARD WILL BE BASED ON GRAND TOTAL , HOWEVER THE COST OF THE HOURS WILL BE ACTUAL PAYMENT AND THOSE HOURS ARE NOT GUARANTEED.										
VENDOR MAY INVOICE MONTHLY FOR THE ACTUAL TIME WORKED.										
WV EDUCATIONAL BROADCASTING REQUIRES THAT THE ACCOUNTING FIRM BE AVAILABLE TO ASSIST WITH ACCOUNTING ISSUES AND NEW REPORTING REQUIRMENTS AS THEY ARISE ON AN AS-NEEDED BASIS. THE TOTAL COST SUBMITTED FOR BID MUST INCLUDE ALL TRAVEL AND OUT-OF -POCKET EXPENSES.										

List of Employees Who May Work Under This Contract						
Employee Name	Senior CPA	CPA	Senior Accountant	Accountant	Clerk	
Timothy Loper	X					
Brenden Balestra		X				
David Michael			X			
Robert Thurman				X		
Dani Cline				X		
Ola Rhodes					X	
William Malone				X		

BY SIGNING BELOW, I ATTEST THAT THE EMPLOYEES LISTED MEET THE REQUIREMENTS AS TO THEIR LABOR TYPE AS OUTLINED IN SECTION 3.1.1. I ALSO UNDERSTAND THAT, BY SIGNING, I AGREE TO HONOR THE PRICING AS LISTED ON THIS PRICING PAGE.

Timothy Loper, CPA, Shareholder
 Printed Name, Title

5/15/2024
 Date


 Authorized Signature

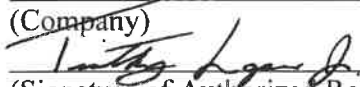
DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

(Printed Name and Title) Tim Loper
(Address) PO Box 325, Huntington, WV 25708
(Phone Number) / (Fax Number) 304.521.2648, 888.900.1264
(email address) Tim.loper@bhmcpagroup.com

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that: I have reviewed this Solicitation/Contract in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation/Contract for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that this bid or offer was made without prior understanding, agreement, or connection with any entity submitting a bid or offer for the same material, supplies, equipment or services; that this bid or offer is in all respects fair and without collusion or fraud; that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; that I am authorized by the Vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on Vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

By signing below, I further certify that I understand this Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law; and that pursuant to W. Va. Code 5A-3-63, the entity entering into this contract is prohibited from engaging in a boycott against Israel.

BHM CPA Group Inc.

(Company) _____

(Signature of Authorized Representative) _____
Timothy Loper, Shareholder, 5/15/24
(Printed Name and Title of Authorized Representative) (Date) _____
304.521.2648, F 888.900.1264
(Phone Number) (Fax Number) _____
Tim.loper@bhmcpagroup.com
(Email Address) _____