
**TOWN OF BLADENSBURG,
MARYLAND**

Audit Services Proposal

**For the Years Ended
June 30, 2024 - 2026**

LSWG
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS



June 6, 2024

*via email to: vtinelli@bladensburgmd.gov &
clerk@bladensburgmd.gov*

Town of Bladensburg, Maryland
Attn: Vito Tinelli, Treasurer
4229 Edmonston Road
Bladensburg, Maryland 20710

Thank you for the opportunity to submit this proposal to provide audit services to the Town of Bladensburg for the years ended June 30, 2024 - 2026 with the option to continue these services for two additional one year periods.

LSWG is committed to local governments and has been since our inception. With 15 other local government audits, many comparably sized to yours, we believe we are in an ideal position to provide you with the level of service and expertise you deserve. We are not aware of any prior engagements performed by us for the Town of Bladensburg.

Among the 40 principals and staff of LSWG are 12 dedicated audit professionals. Our investment in the local government industry includes continuous education for our 5 full-time government auditors. Highly trained and experienced, your engagement team was selected based on their technical skill, experience, and personality fit. Your audit will be handled by personnel in our Rockville office.

The planning and production schedule we have set forth in the scope of our engagement provides for **personal contact** and **unlimited phone contact** with a focus on ensuring your confidence. This open line of communication is important to us to ensure you receive a quality audit. Count on us to be available when you need us, no matter how immediate your need or how small your request. Our relationship doesn't end with the conclusion of the audit; we are available to you year-round.

Thank you for the opportunity to offer this proposal. If you have any questions, please contact me directly at (301) 662-9200.

Sincerely,

A handwritten signature in black ink that reads "Cynthia E. Webb". The signature is written in a cursive style.

Cynthia "Eva" Webb, CPA
Principal

Specialized Services

Individual and Business Tax
Planning and Preparation
Financial Statement Audit, Review,
and Compilation
Personal Financial Planning
Business Valuation and Consulting
Accounting Essentials – Client
Accounting Services
QuickBooks® Software Support

Memberships

INPACT Americas;
Affiliated w/ INPACT International*

American Institute of CPAs

Maryland Association of CPAs

American Society of Appraisers

Practitioners Publishing Company

**LSWG is a member of a network of accounting firms located throughout the United States and internationally. INPACT and INPACT Americas is an association of local CPA firms united to provide mutual assistance in the growth and development of each individual member. Our affiliation with INPACT and INPACT Americas allows us to partner our expertise with the unique expertise of other member firms giving us "Big 4" abilities without the "Big 4" price tag.*

You can count on us throughout the year to review a new idea or deal with an emerging issue. To help you stay abreast of important matters, we publish a monthly e-newsletter, a quarterly printed newsletter and special issues. As well, our website, www.LSWGcpa.com, was developed to be more than a company brochure and is designed to be a valuable resource for our many and varied clients.

B. LSWG Technical Resources

LSWG has excellent technical resources, which we utilize in all of our service offerings. We believe that the use of technology throughout the audit process assists us in being as efficient as possible. When a client uploads documents to the portal in advance of fieldwork, basic audit procedures can be performed in advance. This allows for as little disruption to your staff as possible and limits the amount of time that is required to be on-site.

- ***Client Portal*** – To facilitate the secure transfer of financial and tax information with our clients, LSWG utilizes an online portal. The service alleviates the need for overnight delivery services, blocked emails due to large attachments, or FTP systems that clients find difficult to understand. Sending information is done easily through a simple online interface accessed through our website (www.LSWGcpa.com). Data centers are SSAE 16 audited and files are transmitted and stored with SSL encryption.
- ***CCH Engagement*** - A paperless audit and review system that has greatly improved efficiency and effectiveness by:
 - supporting the flow of information among our engagement team,
 - ensuring consistency and standardization across all published documents,
 - ensuring compliance with the AICPA's Risk Assessment Standards through the use of an automated audit methodology.

Report on the Firm's System of Quality Control

November 13, 2023

To the Partners of LSWG, P.A. and
the Peer Review Committee of Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of LSWG, P.A. (the firm) in effect for the year ended March 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 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 professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

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

III. How We Work

A. *Your LSWG Engagement Team*

Your engagement team was selected based on their technical skill, experience and personality fit. They are extremely knowledgeable and keep current on accounting standards that apply to your organization.

We strive to provide continuity in the staff assigned to individual audit engagements as we believe this creates efficiencies. In fact, in a recent survey of LSWG clients, “continuity of personnel assigned” earned the highest possible satisfaction rating from all respondents.

Your engagement team will include the following full-time employees:

- **Eva Webb, CPA, Principal**
- **Debbie Free, CPA, Senior Manager**
- **Megan Balentine, CPA, Manager**
- **Yung Wang, Staff Accountant II**
- **Andrew Mullen, Staff Accountant I**

Bios for these staff follow.



Eva Webb, CPA, MBA
Principal
ewebb@LSWGcpa.com

Eva is a principal at LSWG and also our Quality Control partner. She has over 20 years of public accounting experience and specializes in audits of non-profit organizations, local governments, trade associations, and closely held businesses in Montgomery, Prince Georges and Frederick counties as well as the DC metropolitan area. She also has extensive experience with government grants and performs many of the firms Single Audits. Eva is a member of the American Institute of CPAs, the Greater Washington Society of CPAs and the Maryland Association of CPAs. She is a graduate of Mount St. Mary’s University, where she earned an MBA in 2004 and a B.S. in accounting in 2000. Locally, Eva is an active volunteer with many local nonprofit organizations and is a past Treasurer of the Mental Health Association of Frederick County.

B. Scope of Work

We will audit the financial statements and prepare the Uniform Financial Report for the Town of Bladensburg for the years ending June 30, 2024 through 2026, with the option for two additional one year periods. Our audit will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants. We will also prepare required communications with governance and a management letter (if applicable).

Our basic approach to performing an audit is to cause as little disruption to our clients' normal operations as possible therefore our audit approach is segmented into the following three phases:

Phase 1: Planning and Preliminary Fieldwork

We will have an initial audit planning meeting with key management personnel to outline the audit plan and to establish a timeline. At this meeting, we will provide management with a detailed listing of the items we need in order to complete the audit (commonly called a “*PBC – Prepared by Client*” list). Most of our requests are simply copies of routine work papers or schedules prepared by management or derived from your accounting system in the normal course of business. We attempt to include as much as possible in this listing; however, it is not all inclusive. There will be additional items requested as a result of the audit procedures performed. This meeting allows us to discuss any upcoming issues or any changes that took place during the year.

Preliminary fieldwork procedures are performed concurrently with the planning process. The purpose of preliminary fieldwork is to obtain an understanding of your accounting system, including a review of your internal controls, financial policies and procedures. This is also when testing of internal controls will take place. In addition, we will hold preliminary discussions with key personnel and Council members to review your compliance with laws and regulations that have a direct material effect on your financial statements.

Phase 2: Final Fieldwork

The majority of audit work is performed during this phase. Our primary focus will be on key, significant and high-risk audit areas through examination of source documents. In addition to testing and examination of source documents, analytical procedures will also be performed.

Phase 3: Concluding

The final phase of the audit generally includes final analytical review procedures, the preparation of your financial statements as well as the preparation of the Uniform Financial Report. This portion of the audit is generally performed in our offices.

We will provide the proposed audit adjustments and drafts of the financial statements, governance letter and deficiency letter (if any) to management for their review and approval prior to finalizing the drafts. If requested, an exit conference can be held with management to go over the results. We will also present the financial statements to the Mayor and Council at a selected meeting.

IV. Fees

We are excited at the prospect of working with you! We are confident we can meet your needs as outlined in this proposal. Our fee structure is typical of the industry with hourly rates established for each person, and further broken down by type of task. While we accumulate time charges by the hour, our proposed fees represent a **fixed price** for our services, which is contingent only on your representations about your readiness for the annual services and the level of support you provide. Accordingly, we propose the following fees for June 30, 2024 – 2026, with the option for two-one year renewals.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Audit of the Town of Bladensburg for the year ending June 30, to include: <ul style="list-style-type: none"> • Financial Statement Audit • Preparation of management letter (if applicable) • Preparation of required governance letter • Preparation of the Uniform Financial Report 	\$15,000	\$15,500	\$16,000	\$16,500	\$17,000
Alternative Compliance Engagement (if applicable): the fee is a range as it is dependent upon the level of activity in each year	\$5,000 - \$10,000	\$5,000 - \$10,000	----	----	----
Single Audit (if applicable): the fee is a range as it is dependent upon the number of federal awards that will be required to be tested	\$10,000 - \$20,000	\$10,000 - \$20,000	----	----	----

Town of Chevy Chase
Mr. Todd Hoffman, Town Manager
thoffman@townofchevy Chase.org
4301 Willow Lane
Chevy Chase, MD 20815
301-654-7144

Additional references available upon request.