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State of West Virginia
Centralized Request for Proposals
Service - Prof

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BID RECEIVING LOCATION

BID CLERK
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
2019 WASHINGTON ST E
CHARLESTON WV 25305
US

VENDOR

Vendor Customer Code: 000000187684
Vendor Name : Eide Bailly LLP
Address :
Street : 877 W Main St #800,
City : Boise
State : ID **Country :** United States **Zip :** 83702
Principal Contact : Lealan Miller, Partner
Vendor Contact Phone: 208.383.4756 **Extension:**

FOR INFORMATION CONTACT THE BUYER

Melissa Pettrey
(304) 558-0094
melissa.k.pettrey@wv.gov

Vendor Signature X *Lealan Miller* **FEIN#** 45-0250958 **DATE** April 29, 2024

All offers subject to all terms and conditions contained in this solicitation

RECEIVED

2024 APR 30 AM 11:25

WV PURCHASING
DIVISION



INSPIRED TO REMAIN CONFIDENT

April 29, 2024

**Technical Proposal for Assurance/Audit Services & ACFR Technical Assistance Services
Request for Proposal (RFP) CRFP-0203-CPR2400000002**

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

Submitted By:

Eide Bailly LLP
877 W Main St #800 | Boise, ID 83702
Ph. 208.344.7150 | F. 208.344.7435

Lealan Miller, CPA | Partner
208.383.4756 | lmiller@eidebailly.com

Ellen Duncan, CPA | Senior Manager
208.424.3527 | eduncan@eidebailly.com

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What inspires you, inspires us.
eidebailly.com

Certification and Signature Page

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) Lealan Miller, Partner

(Address) 877 W Main St #800, Boise, ID 83702

(Phone Number)/ (Fax Number) Ph. 208.383.4756 | F. 208.344.7435

(email address) lmiller@eidebailly.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contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation/Contract for that product or service, unless otherwise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.

Eide Bailly LLP

(Company)

Lealan Miller

(Signature of Authorized Representative)

Lealan Miller, Partner

April 29, 2024

(Printed Name and Title of Authorized Representative) (Date)

Ph. 208.383.4756 | F. 208.344.7435

(Phone Number) (Fax Number)

lmiller@eidebailly.com

(Email Address)

REQUEST FOR PROPOSAL

WV Consolidated Public Retirement Board – CRFP# CPR24000000002

Example:

Proposal 1 Cost is \$1,000,000
Proposal 2 Cost is \$1,100,000
Points Allocated to Cost Proposal is 30

Proposal 1: Step 1 – $\$1,000,000 / \$1,000,000 = \text{Cost Score Percentage of 1 (100\%)}$
Step 2 – $1 \times 30 = \text{Total Cost Score of 30}$

Proposal 2: Step 1 – $\$1,000,000 / \$1,100,000 = \text{Cost Score Percentage of 0.909091 (90.9091\%)}$
Step 2 – $0.909091 \times 30 = \text{Total Cost Score of 27.27273}$

- 6.8. Availability of Information:** Proposal submissions become public and are available for review immediately after opening pursuant to West Virginia Code §5A-3-11(h). All other information associated with the RFP, including but not limited to, technical scores and reasons for disqualification, will not be available until after the contract has been awarded pursuant to West Virginia Code of State Rules §148-1-6.3.d.

By signing below, I certify that I have reviewed this Request for Proposal in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that, to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

Eide Bailly LLP

(Company)

Lealan Miller, Partner 

(Representative Name, Title)

Ph. 208.383.4756 | F. 208.344.7435

(Contact Phone/Fax Number)

April 29, 2024

(Date)

Executive Summary

WE WANT TO WORK WITH YOU

Thank you for giving Eide Bailly the opportunity to propose on Assurance/Audit Services & ACFR Technical Assistance services for West Virginia Consolidated Public Retirement Board (CPRB). Based on our extensive understanding of your operations, industry experience and additional resources and services we can offer, we believe Eide Bailly remains the right firm for the CPRB.

➤➤➤ **Extensive Industry Experience:** We've served the government industry for more than 70 years and annually serve more than 1,300 government clients nationwide. We specialize in providing accounting and assurance services for state and municipal public pension plans and investment pools, with more than \$460 billion in total assets nationwide. The staff working on these retirement funds and investment pools will bring a wealth of experience and expertise to the CPRB.

Business is about more than numbers, and we are active in the industries we serve. We stay abreast of current issues impacting the government industry and grow our knowledge by attending workshops and trainings. We also provide an annual pension plan training specifically for our public pension clients. During your engagement, we'll work closely with your management team to identify issues and provide responsive solutions tailored to your organization. As a valued client, you'll continue to experience:

- **Experienced Team:** You'll be served by dedicated professionals with extensive experience, not only with the CPRB, but other pension plans; very few accounting firms will have their audit professionals with the same level of experience. The CPRB will also have access to national resources, including more than 3,000 professionals with diverse skill sets and experiences across the firm.
- **Proactive Communication:** Your service team will continue to keep you informed of changes affecting your organization.
- **Partner Involvement:** You'll experience partner and senior staff involvement not only during the engagement, but throughout the year as issues, questions and opportunities arise.

➤➤➤ **Timeliness:** We'll meet your deadlines. We understand the importance of the October 15th deadline and have met that deadline for the past four years. Our assigned team is trained to anticipate, identify and respond to your needs in a timely manner. We'll work closely with your management team to further customize our services to your needs. We believe in clear, up-front and open communication with no surprises. We understand and will comply with the schedules and scope for the engagement, as outlined in your RFP, and will perform all work within the timeframes outlined.



EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

PEOPLE

We're a team of collaborators and innovators. Our culture is the heart of our firm, and we're always working together to do things differently and better.

COMMUNICATION

Open, honest, frequent communication ensures that you're not in for any surprises. We'll stay in touch throughout the year so you feel understood, connected and confident.

CORPORATE RESPONSIBILITY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.

▶▶▶ **Same Audit Team Benefits:** Having Eide Bailly return as your auditors provides several benefits to CPRB. The audit team knows your people, accounting systems, accounting processes and has intimate knowledge regarding your financial reports. This means a more efficient audit since you will not be spending additional time training new auditors and trying to accommodate a different audit process than what you are already use to. We will be able to spend more time focusing on those areas that have been determined through our audit planning to be significant or higher risk rather than gaining an understanding of your accounting and reporting systems. We understand the extreme importance of meeting the various deadlines and will already have in place a plan to successfully accomplish this.

▶▶▶ **Unmatched Client Service is Our Passion:** Our history of high staff continuity — significantly higher than most firms — means you'll work consistently with the same team, all of whom have been chosen because of their experience serving and advising pension plans and government entities similar to the CPRB. Working with Eide Bailly means all your service needs will be addressed within a single, core team, resulting in greater efficiency and scale.

▶▶▶ **Thought Leadership:** We are leaders in the government and public pension plan industries, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're business advisors who want to help guide the strategy and operations of your organization, and we'll make sure you feel connected and understand the process. Our professionals work closely together so you receive valuable service from people who understand your needs and know your business.

▶▶▶ **We Want to Work with You:** We know you and your staff and understand your specific challenges and opportunities. We deliver honest and insightful advice beyond what is normally experienced in the public accounting industry. Our tagline, **what inspires you, inspires us**, is more than words to add to marketing materials. We gain energy from those we serve, which turns into a passionate interest in our clients' success.

The following pages highlight our firm's strengths and solutions we can provide for the CPRB. We believe this demonstrates why Eide Bailly merits serious consideration. You'll remain a highly valued client, and we would be proud to continue to work with West Virginia Consolidated Public Retirement Board, building on the trusting relationship we have with your team. Please contact us if you would like to discuss any aspect of this proposal.

Sincerely,



Lealan Miller, CPA
Partner
208.383.4756
lmiller@eidebailly.com



Ellen Duncan, CPA
Senior Manager
208.424.3527
eduncan@eidebailly.com

4.3.2 Mandatory Qualification/Experience Requirements

EIDE BAILLY MEETS CPRB'S QUALIFICATIONS

Qualification	Eide Bailly Meets Qualifications?
<p>4.3.2.1. Eide Bailly must be independent of the CPRB and the State of West Virginia. The proposing firm must be licensed to practice in West Virginia before commencement of the work under the resulting contract.</p>	<p>Yes. Eide Bailly is independent of CPRB and the State of West Virginia. We are licensed to practice in West Virginia, as shown in the <u>Independence and Licensed to Practice</u> sections.</p>
<p>4.3.2.2. Eide Bailly's directors, principals or partner equivalents on the engagement must be licensed CPAs with at least five (5) years of audit experience with governmental entities and multi-employer defined benefit retirement plans / systems. All manager level employees on this engagement must be CPAs with three (3) years of experience on governmental engagements and multi-employer defined benefit retirement plans / systems. The firm should provide, in its proposal, resumes for each proposed engagement team member. Vendor must provide any documentation requested by the State to assist in confirmation of compliance with this provision. References, documentation, or other information to confirm compliance with this experience requirement are preferred with the bid submission but may be requested after bid opening and prior to contract award. The CPRB retains the right to approve or reject replacements engagement team members based upon their qualifications, experience or performance throughout the life of the contract.</p>	<p>Yes. All the engagement team proposed exceeds these provisions. Engagement leaders have decades of experience with a focus on defined benefit plans, investments and state and local governments of all types and sizes.</p> <p>Please see the <u>Team Qualifications and Experience Working with Public Pension Plans</u> sections of our proposal for more information on our experience.</p>
<p>4.3.2.3. Eide Bailly must have experience auditing / consulting with three (3) different state (does not have to be West Virginia) government entities (agencies) over the past five (5) years. In its proposal, the proposing firm must submit a list of those state audits / consulting engagements.</p>	<p>Yes. Eide Bailly has over 1,300 public sector clients ranging from the previous experience with CPRB, to the States of Nevada, California and Maine, to cities, counties, school districts, special districts, many engaged for five years or longer. We perform audits of state public pension plans for Idaho, Utah, Mississippi, Missouri, South Dakota, Oklahoma, New Mexico, Nevada and Wyoming.</p>
<p>4.3.2.4. Eide Bailly shall submit a statement, in its proposal, that they have not failed their two (2) most recent reviews under the American Institute of Certified Public Accountants (AICPA) Peer Review Program over their audit / accounting practice and must furnish their most recent review report with their proposal.</p>	<p>Yes. We have not failed our two most recent reviews under the AICPA Peer Review program. Our most recent review report is found in Appendix A.</p>

Qualification	Eide Bailly Meets Qualifications?
4.3.2.5. Eide Bailly must have at least seven (7) licensed CPAs on staff within the audit firm that are strictly audit and not tax professionals. This insures we have a firm that has a breadth of experience that we are looking for and can substitute engagement members should turnover occur.	Yes. We have proposed a staff for your engagement of four CPAs at the manager level or higher that are strictly audit with over 275 additional professionals available who focus on public sector clients nationwide.
4.3.2.6. Eide Bailly must not have had a final audit report issued by the proposing firm that had to be reissued due to material errors or omissions discovered by West Virginia Financial Accounting and Reporting Section or other West Virginia state agency two times or more.	Yes. Eide Bailly has not had to reissue a final audit report for the State of West Virginia, the CPRB or any other government entity in West Virginia due to material errors or omissions two times or more .
4.3.2.7. Eide Bailly must be a member in good standing of the AICPA's Governmental Audit Quality Center (GAQC). The proposing firm must provide an affirmative statement regarding	Yes. We are members of the GAQC <i>and</i> serve on its executive committee.



Qualifications and Experience Information

WHAT INSPIRES YOU, INSPIRES US

Your experience will be different than working with other CPA firms because we offer knowledge and skills backed by more than 100 years of service. Our professionals deliver industry and subject matter expertise resourcefully, ensuring we're providing guidance that directly reflects your needs. Our clients benefit from local, personal service and, at the same time, enjoy access to more than 3,000 professionals with diverse skill sets and experiences.

Navigating a Path to Success Together

By embracing change and focusing on innovative ideas, we've grown along with our clients to become one of the top 25 accounting firms in the nation. Accounting is about numbers, but our business is about relationships.

We'll be there for you every step of the way. Talented, down-to-earth people work at our firm, and we're inspired to deliver outstanding expertise and care. We're driven to help you take on the now and the next with inspired ideas, solutions and results.

Our work with clients is more than an engagement. It's a relationship, built on values and trust — and results. When working with Eide Bailly, you'll:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.
- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions knowing you're guided by advisors who care about your success.
- Appreciate our hands-on service style; we're always looking for new ways to solve your problems or help you embrace opportunities.

AT A GLANCE



TOP 25 CPA FIRM



40+ OFFICES IN U.S. & INDIA



375+ PARTNERS



3,000+ STAFF MEMBERS



FOUNDED IN 1917

Independence

Eide Bailly is independent of the State of West Virginia Consolidated Public Retirement Board as defined by the generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards*.

Should Eide Bailly enter into any professional relationships deemed relevant during this engagement, we will notify you in writing of such relationship.

License to Practice

Eide Bailly and each of the professional staff assigned to CPRB are properly registered and licensed to practice in West Virginia.

Firm Registration:

West Virginia Secretary of State Registration Number: 95025

West Virginia State Board of Accountancy Registration Number: F0403

Most states, including West Virginia have adopted mobility legislation — a practice privilege that generally permits a licensed Certified Public Accountant (CPA) in good standing from a substantially equivalent state to practice outside of his or her principal place of business without obtaining another license.

All assigned key professional staff have complied with governmental qualification standards, including governmental continuing education requirements.

Team CPA Certifications	State	Certificate Number
Lealan Miller	Idaho	[REDACTED]
Brad Berls	Idaho	[REDACTED]
Sara Kurtz	Colorado	[REDACTED]
Ellen Duncan	Idaho	[REDACTED]

Insurance

Eide Bailly carries standard levels of insurance. Our insurance policies are renewed and reviewed on an annual basis. We can meet the requirements as listed in the RFP and will provide an appropriate certificate of insurance upon being awarded the contracted work.

Peer Review

Eide Bailly is registered with the Public Company Accounting Oversight Board. This Board oversees the public company audit practices for accounting firms in the United States and is responsible for the inspection of that portion of a firm's audit practice. Our firm is a member of both the Center for Public Company Audit Firms (formerly SEC Practice Section) and the Private Companies Practice Section of the AICPA.

These memberships require strict adherence to established technical and behavioral standards. Compliance is regulated through member participation in an extensive peer review program. Our

membership with the AICPA requires a third-party peer review of our audit and accounting practice every three years.

In our two most recent peer reviews, there were no material issues and we did not fail the peer review. The past two reviews were given a rating of 'Pass,' the highest rating possible. A copy of our firm's most recent peer review is included in [Appendix A](#) of this technical proposal. The review included several governmental engagements.

West Virginia Reports

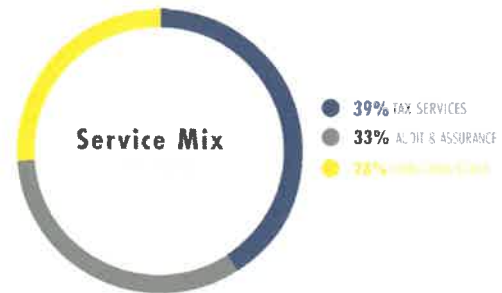
Eide Bailly has not had a final audit report issued by the firm that had to be reissued due to material errors or omissions discovered by the West Virginia Financial Accounting and Reporting Section or any other West Virginia state agency two times or more.

AICPA Good Standing

The firm is a member in good standing of the AICPA's Governmental Audit Quality Center. We have included the most recent letter received from the AICPA in [Appendix B](#).

Audit Experience

Assurance services account for more than 33 percent of Eide Bailly's work. Through our local and national resources, we can assist clients with audit services such as financial statement audits, agreed upon procedures, compilations, review of financial statement forecasts and projections, as well as aiding in understanding financial statements, conducting internal audits and evaluating and testing internal controls.



The government industry is widely diversified among nearly every conceivable product or service for the benefit of our society at large. Because of this, government specialists must have broad cross-discipline knowledge and experience. One can easily understand there are significant operating differences among governmental entities, yet, government service providers must be able to understand the financial and operating realities of each of these in order to connect the commonalities and apply all their experiences to new and novel situations. Firmwide, **we have 943 professionals working on audits, 275 dedicated specifically to the public sector.** The engagement team has the expertise and experience to serve CPRB at the highest level and bring insight, creativity, desire to make a difference, and a relentless commitment to surprise you with the depth of our attention to your needs.

We focus on providing value beyond traditional assurance services and view these services as an opportunity to help you improve your organization's financial performance and profitability while strengthening your business and administrative practices. By developing strong professional relationships with our clients, we can offer objective, valuable insights into their operations, business models, internal controls and other areas that can help them achieve maximum effectiveness and financial performance.



Team Qualifications

AN EXPERIENCED SERVICE TEAM

We're passionate about our work — and your success. We've selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the government industry and with CPRB.

Lealan Miller will serve as the Engagement Partner overseeing all services. **Brad Berls** will serve as a Technical Consulting Partner, with **Sara Kurtz** serving as Quality Review Partner. **Ellen Duncan** will serve as the Audit Senior Manager, working closely with CPRB accounting personnel and the audit team assigned to the engagement. **Kasey Edwards** will serve as the Audit Senior Associate. All of these are returning professionals from the prior four years of audits performed for CPRB. Other professionals that will be used during audit is our IT specialists regarding the IT system of CPRB and the IT controls over accounting and financial reporting and an in-house actuary professional that will review the actuary reports for reasonableness.

CPRB may recognize the names as they are all nationally known. **Brad Berls** and **Lealan Miller** are frequent speakers and attendees as the Public Pension Financial Forum (P2F2) as well as attending the National Association of State Retirement Administrators (NASRA).

These professionals bring strong credentials and a desire to work with CPRB. If awarded this engagement, these individuals will serve as your primary contacts. Additional resources will support the project team as necessary.

Senior and Staff Associates

Kasey Edwards will return as the Senior Associate; once we determine the timing that works best for you, we'll assign staff associates to your engagement. All members of our staff are required to comply with necessary continuing professional education (CPE) requirements, and most members of our staff significantly exceed their required amount.

LEALAN I. MILLER, CPA

Partner | 30 years of experience

INSPIRATION: I enjoy helping my clients achieve their goals and sharing my knowledge with professionals so they can better understand and expand their expertise in accounting.

208.383.4756 | lmiller@eidebailly.com

Lealan has 30 years in public accounting with experience in the government and employee benefit plan industries throughout his career. He has current and past partner responsibility with many similar clients in the past five years including the Public Employee Retirement System of Idaho, Public Employees' Retirement System of Mississippi, Municipal Fire and Police Retirement System of Iowa, Fire and Police Pension Association of Colorado, Wyoming Retirement System, Washington State Investment Board and the South Dakota Retirement System.

He is the past Director of the firm's Governmental Services Group. Lealan has served as a member of the AICPA's State and Local Government Expert Panel (Panel). His involvement with the Panel includes reviewing and suggesting changes to the AICPA's State and Local Government Accounting and Audit Guide and the AICPA's Government Auditing and A-133 Audit Guide. Lealan is a past member of GASAC which advises GASB on government standards. He has government experience for various entities, including pension plans, cities, school districts, colleges and universities, counties, state agencies, single audits and nonprofits.

Lealan has presented several training courses over the years including single audit, pension plan, grant management, accounting and update, Yellow Book updates and GASB 67 and 68. He has also presented at the national level for the National Association of State Auditors, Controllers and Treasurers (NASACT), GFOA (An Accountant, an Actuary and an Auditor Walk into a Bar, 2019) and AGA.

Client Work

Provided training for a state agency client pertaining to the new Uniform Guidance, which included a review of the Guidance, group discussions and case studies. As a result of this training and improvements made by the client, they were able to see a drop in the number of findings during their single audit.

Memberships

American Institute of Certified Public Accountants, Past member of State and Local Government Expert Panel

Government Accounting Standards Advisory Council (GASAC), Member

Eide Bailly Governmental Services Group, Past Director

Idaho Society of Certified Public Accountants, Past President and Treasurer

Association of Government Accountants, Chair -- Financial Management Standards Board

Designation/Licensures

Certified Public Accountant

Certified Government Financial Manager

Education

Master of Science, Accounting - California State University, Sacramento

Bachelor of Administration, Accounting - Idaho State University, Pocatello

BRAD A. BERLS, CPA

Partner | 20 years of experience

INSPIRATION: I like the constant challenges that my jobs brings. Be it the difficulties encountered on an audit or assisting clients with one of their problems, the constant challenges makes this job enjoyable.

208.383.4711 | bberls@eidebailly.com



Brad joined Eide Bailly in 2006 and has experience providing the full range of public accounting services to a wide variety of clients, including those in the manufacturing and nonprofit industries, as well as governmental entities. He also has experience serving employee benefit plans for business clients and regularly conducts audits and financial reviews. In the past five years Brad has worked on public entities including Public Employee Retirement System of Idaho, Public Employees' Retirement System of Mississippi, Municipal Fire and Police Retirement System of Iowa, Wyoming Retirement System, Washington State Investment Board and the South Dakota Retirement System.

When you work with Brad, you'll be working with someone who is good natured and strives to maintain excellent working relationships not only with you, but with your entire team as well. He combines his technical accounting skills with a personable approach to business that makes his clients feel welcomed and appreciated.

When he's not working with clients, Brad loves to spend time with his family, taking them camping whenever the opportunity presents itself. He also likes to take in Idaho's breathtaking scenery from the vantage point of his mountain bike.

Client Work

Provided public accounting services to clients in various industries, including manufacturing and startups.

Consulted various government entities, focusing largely on state retirement systems.

Provided accounting and planning services related to employee benefit plans, including 401(k)s, health and welfare plans, employee stock ownership plans and defined benefit plans.

Memberships

Idaho Society of Certified Public Accountants

American Institute of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Business Administration, Accounting and Finance - Idaho State University, Pocatello

Community

Idaho State Society of CPA's CPE Committee

SARA A. KURTZ, CPA

Partner | 20 years of experience

INSPIRATION: I enjoy working with my clients because they have a passion for what they do. They have a genuine interest in making their business the best that it can be and value recommendations or advice we provide.

970.999.8928 | skurtz@eidebailly.com

Sara has 20 years of audit experience and has specialized in the government industry throughout her career. She provides technical and accounting expertise for government clients that need to understand the professional accounting standards they must adhere to in order to issue General Accepted Accounting Principles (GAAP) financial statements as well as single audit requirements. As continuous education and training is crucial within the government sector, Sara is a firm resource for staff training. She has performed quality reviews of our major public pension plans and was the partner in charge of the Fire & Police Pension Association of Colorado.

Sara's working style is collaborative. She listens to clients' needs, concerns and challenges and works with them to find a solution, delivering information and explanations in a way that makes sense. Sara believes that timely communication is key during an audit and she demonstrates this by being on-site with the client and team, facilitating the successful completion of the audit. She is accessible to clients not only during an audit, but throughout the year.

Outside of work, Sara likes pretty much anything outside, particularly hiking and running. She's run in a Ragnar Trail relay, a 24-hour relay where teams of eight run different trail loops covering about 14 miles each. She also tries to hike a new Colorado 14er (peaks of the mountain higher than 14,000 feet) every year.

Client Work

Works with clients on best practices to implement controls to prevent single audit findings, such as reducing one client's findings from more than 25 to less than five over the process of several years.

Provides training to clients and staff on government reporting/annual report topics.

Works with clients on special projects to evaluate their internal controls and provide recommendations for improvements.

Serves internal clients by researching technical topics and providing recommendations as part of the National Assurance Office.

**Memberships**

American Institute of
Certified Public Accountants

Colorado Society of Certified
Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Arts, Accounting -
University of Northern Iowa,
Cedar Falls, IA

Community

Colorado Government
Finance Officers Association
Education Committee,
Member and Presenter at
annual conferences

Colorado Society of Certified
Public Accountants
Governmental Issues
Committee, Member

American Institute of
Certified Public Accountants
Technical Issues Committee
Telephonic, Member

ELLEN DUNCAN, CPA

Senior Manager | 15 years of experience

208.424.3527 | eduncan@eidebailly.com



Ellen has been providing audit and accounting services for clients since 2009, with a focus on government entities and nonprofit organizations. She has been the manager of the public pension audit of CPRB for the past four years, the manager of the Virginia 529 Plan for the past 5 years as well as manager of the Mississippi Public Retirement System for two years.

When you work with Ellen, you can expect her to take the time to understand your situation, to dig deep into what makes your organization run and thoughtfully analyze how your technology processes and structures are helping or working against your goals.

Outside of work, Ellen enjoys being outdoors and spending time fishing, hiking, biking and taking road trips to national parks.

Client Work

Provides audit and accounting services for a variety of clients, including government entities and nonprofit organizations.

More than 12 years of public accounting experience serving a variety of industries through audits, reviews and compilations.

Memberships

American Institute of
Certified Public Accountants

Idaho Society of Certified
Public Accountants

Association of Government
Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Business
Administration - Longwood
University, Farmville, Va.

Community

Women Fly Fishers of Idaho

Leadership Boise Class of
2019

KASEY N. EDWARDS

Senior Associate | 6 years of experience

INSPIRATION: I enjoy getting to work with a variety of individuals and building relationships with them on both a professional and personal level. I love being able to obtain insight into a client's operations with the goal of helping to troubleshoot solutions and help find resources in order to provide exceptional client services.

208.383.4746 | kedwards@eidebailly.com



Education

Bachelor of Accountancy -
College of Idaho, Caldwell, ID

Kasey works closely with clients to understand their business model and processes, performs planning procedures and ensures efficient and effective interactions throughout an audit engagement.

When you work with Kasey, you can expect her to thoroughly understand how your business functions and how the client team we are working with prepare for the audit so she can best assist with a smooth audit from start to finish. Kasey has effective and meaningful communication, time management and problem-solving skills.

Outside of work, Kasey enjoys spending time with family and friends, cooking/baking, reading books and going for walks/hikes on the Boise Greenbelt or up in the mountains. She is currently teaching herself how to crochet.

Client Work

Provides auditing services to clients in a variety of industries including government, employee benefit plans and state retirement systems.

Staff Continuity

One of the attributes most valued by our clients is our commitment to provide continuity on their engagements. Since we generally staff our engagements with a higher percentage of manager and partner time than is typical for the industry (especially when compared to larger firm leverage models), you'll be working with individuals who on average are more likely to be dedicated to working in the

government and pension plan industries and committed to a career at Eide Bailly. We continually review our partner involvement, rotation options and staffing to ensure high quality audits that provide value and fresh perspective to you throughout our relationship. Eide Bailly has a quality recruitment and onboarding process that gives new team members a thorough understanding and grasp of their job duties and responsibilities.

FY23 Attrition Comparison

	Eide Bailly	Top 30 Accounting Firms
Overall Client Serving Population	15%	21%
Audit Associates	18%	29%
Audit Senior Associates	20%	27%
Audit Managers	8%	23%
Audit Senior Managers	6%	15%
Tax Associates	14%	30%
Tax Senior Associates	14%	25%
Tax Managers	10%	17%
Tax Senior Managers	7%	15%

Top 30 Accounting Firms information according to Mercer annual survey

Continuing Education

Because we are committed to the industries we serve, we provide our professionals with specific, ongoing training. This investment ensures our people stay current on the unique challenges and opportunities within their industries so they are in the best position to help clients address these issues.

Firmwide, our CPE program requires all professional staff obtain education that exceeds the requirements of the AICPA and where applicable, *Government Auditing Standards*. The firm places a strong emphasis on lifelong learning and recognizes the importance of developing our professionals to best serve our clients. We continually provide yearly CPE credits for our staff at a rate higher than the industry average. In addition, we regularly share information among the audit teams in different offices to ensure we are providing clients with the latest thinking and best possible solutions. Our government professionals obtain continuing professional education through:

- Government-specific seminars sponsored by the AICPA and GAQC.
- Seminars sponsored by the Government Finance Officers Association (GFOA).
- Involvement with local chapters of the GFOA (we teach and attend GFOA conferences, regularly).
- Firm seminars specific to government issues, taught by our experienced managers and partners.

By expanding our knowledge of issues important to government organizations, we are able to provide more in-depth, knowledgeable solutions to our clients. Additional communication, webinars and training are provided throughout the year on a variety of topics important to state and local governments.

Proof of Licensure

NAME: LEALAN ISAAC MILLER
STATE OF LICENSE: ID
LAST UPDATED: 2024-04-27

	Business	Mail
Address:	BOISE, ID, USA	BOISE, USA
License/Permit/Certificate Number:		
Registration Number:		
License/Permit/Certificate Status:	ACTIVE	
License/Certificate Status Details:	The license is current and in good standing. The licensee can engage in the practice of public accountancy prior to the license expiration date.	
License Type:	CPA	
License Type Details:	Certified Public Accountant	
Basis for License:	EXAM	
Basis for License Details:	Initial License. Applicants who have passed the Uniform CPA Examination and are not licensed to practice public accounting in any jurisdiction may apply for an Initial License in Idaho.	
Issue Date:	1992-12-03	
Expiration Date:	2024-06-30	
Enforcement, Non-Compliance or Disciplinary Actions:	None Reported To This Site By The Board	

NAME: BRAD ALLEN BERLS
STATE OF LICENSE: ID
LAST UPDATED: 2024-04-27

	Business	Mail
Address:	BOISE, ID, USA	BOISE, USA
License/Permit/Certificate Number:		
Registration Number:		
License/Permit/Certificate Status:	ACTIVE	
License/Certificate Status Details:	The license is current and in good standing. The licensee can engage in the practice of public accountancy prior to the license expiration date.	
License Type:	CPA	
License Type Details:	Certified Public Accountant	
Basis for License:	RECIPROCITY	
Basis for License Details:	Reciprocal. Applicants who have passed the Uniform CPA Examination in another jurisdiction may apply for an initial license by grade transfer. An Applicant having a valid unrevoked active license to practice as a CPA or an inactive or retired license from any jurisdiction may apply for a Reciprocal License of the same status.	
Issue Date:	2006-11-22	
Expiration Date:	2024-06-30	
Enforcement, Non-Compliance or Disciplinary Actions:	None Reported To This Site By The Board	

NAME: SARA ANN KURTZ
STATE OF LICENSE: CO
LAST UPDATED: 2024-04-29

	Business	Mail
Address:		
License/Permit/Certificate Number:		
Registration Number:		
License/Permit/Certificate Status:	ACTIVE	
License/Certificate Status Details:	The status of a Licensee's Certificate, license, or Registration, or other authority allowing the Licensee to assume or use the CPA designation and to offer or perform any service for which an active certificate of CPA or active or valid registration is required pursuant to Section 12-2-120(6), C.R.S.	
License Type:	CPA	
License Type Details:	Certified Public Accountant	
Basis for License:	TRANSFER OF GRADES	
Basis for License Details:	Colorado Certificate was granted based on the transfer of the CPA exam grades from another state.	
Issue Date:	2005-02-04	
Expiration Date:	2025-11-30	
Enforcement, Non-Compliance or Disciplinary Actions:	None Reported To This Site By The Board	

NAME: REBECCA ELLEN DUNCAN
STATE OF LICENSE: ID
LAST UPDATED: 2024-04-27

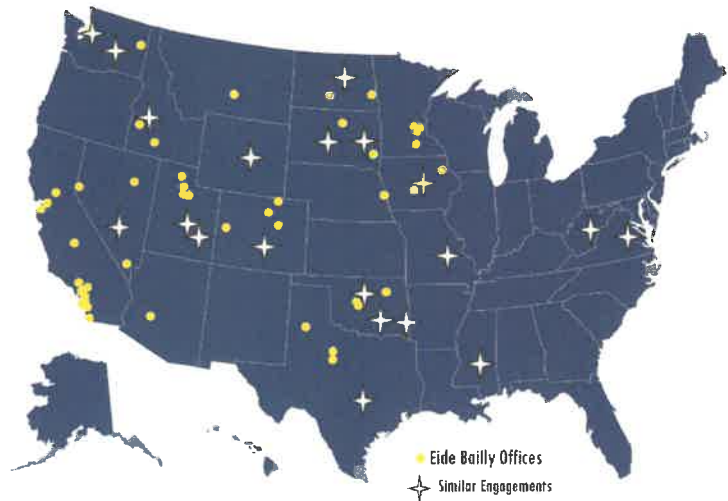
	Business	Mail
Address:	BOISE, ID, USA	BOISE, USA
License/Permit/Certificate Number:		
Registration Number:		
License/Permit/Certificate Status:	ACTIVE	
License/Certificate Status Details:	The license is current and in good standing. The licensee can engage in the practice of public accountancy prior to the license expiration date.	
License Type:	CPA	
License Type Details:	Certified Public Accountant	
Basis for License:	RECIPROCITY	
	Reciprocal. Applicants who have passed the Uniform CPA Examination in another jurisdiction may apply for an initial license by grade transfer. An Applicant having a valid unrevoked active license to practice as a CPA or an inactive or retired license from any jurisdiction may apply for a Reciprocal License of the same status.	
Basis for License Details:		
Issue Date:	2018-07-02	
Expiration Date:	2024-06-30	
Enforcement, Non-Compliance or Disciplinary Actions:	None Reported To This Site By The Board	

Experience Working with Public Pension Plans

Pension Plan Experience

Eide Bailly has been providing financial auditing services for defined benefit pension plans for more than 30 years. Over that time, we have built a core group of professionals specializing in providing assurance and other services for municipal and statewide retirement and healthcare funds, college savings plans and investment pools. A comprehensive list is provided later in the proposal.

Firmwide, Eide Bailly serves more than 1,350 employee benefit plans, which includes municipal and statewide government defined benefit pension and healthcare plans, defined contribution plans, agent multiple retirement systems, single-employer government defined benefit plans, corporate defined benefit and contributions plans, finance authorities and investment pools, all of which have complex investments like CPRB.



A few of the services we provide our pension plan clients include assurance services, tax consulting (individual tax issues, partnership returns / refunds filings, and international tax consulting), information technology (IT) consulting, forensic consulting, internal control reviews and recommendations.

Clients select and choose to remain with Eide Bailly because of our nationally recognized expertise coupled with our approach tailored to each system. We do not apply the cookie cutter approach in our audits.

Due to our experience auditing similar public plans across the United States, we have extensive expertise with the various investments including fund of funds, derivatives, real estate, alternative investments, commingled funds and private equity.

We are also proficient in dealing with the various distribution options available to participants and the associated complexities involved with those calculations. Eide Bailly is accustomed to using different clients' systems as applicable. Whether verifying demographic information in a client's database or the inputs used for the various distribution calculations, we are adept at working in a client's system to perform various audit tests.

Investment Management Experience

Our investment management practice includes audit, tax and advisory professionals dedicated to clients in the investment management sector. Our investment management clients include alternative investments (hedge funds, private equity, etc.) and real estate funds. These professionals will give CPRB's audit team access to the group's experience and bring that experience to CPRB.

Government Industry and GASB Involvement

As previously stated, the government industry represents one of Eide Bailly's largest niche area and encompasses more than 1,300 clients firmwide. Through serving these clients, our professionals have gained focused expertise in this industry and will provide you with insightful advice that aids in managing the finances of CPRB.

Our Government Services Group professionals share information, learn from others and stay up to date on industry developments. To gain the greatest benefit, the knowledge is shared with professionals across the firm. In an industry where standards continually evolve and change, Eide Bailly makes it a priority to stay ahead of and assist our clients with necessary changes. In addition to helping clients implement new standards, we also help them adapt to changes within the existing standards. Our team members are truly engaged in the government industry and are well positioned in organizations associated with government entities.

We are leaders in the AICPA State and Local Government Expert Panel, GAQC and its Executive Committee and the Private Companies Practice Section (PCPS) Technical Committee, national boards of the Association of Government Accountants (AGA), including the Financial Management Standards Board, and the review committee for the GFOA's Certificate of Excellence for Achievement in Financial Reporting. Due to our leadership positions, **CPRB will have access to information not available from other firms.**

Further benefiting CPRB, **Eric Berman**, Partner, is the author of the entire Government Library for Commerce Clearinghouse Wolters Kluwer (CCH). This library serves as the interpretative reference on government generally accepted accounting principles (GAAP), government best practices and government audits for governments, auditors and educators nationwide. He also regularly attends GASB meetings throughout the year and communicates the results of those meetings to our clients through our newsletters, e-blasts and webinars. The monthly webinars are free to our clients.

We are also directly involved with GASB's financial reporting reexamination task force, shaping the future of state and local government accounting and reporting, and we participate in the reexamination of the revenue and expense model and note disclosure projects with GASB.

Janeen Hathcock, an Eide Bailly senior manager, completed a two-year fellowship at the GASB. Among her many responsibilities, she worked on the GASB's Financial Reporting Model Improvements project as part of the GASB staff. Drawing upon her fellowship experience, she will work with our clients nationwide to implement the coming changes.

No other firm has this extensive and comprehensive commitment and involvement with GASB and the standard setting process. Because of our involvement, CPRB will be able to understand the impact of these future changes and update policies and procedures far in advance of the implementation of any new standards.

Thought Leadership

A number of partners at Eide Bailly are nationally recognized state and local government thought leaders who present at dozens of national venues including: the National Association of State Auditors, Comptrollers, and Treasurers; California Society of Municipal Finance Officers; Oregon GFOA; the California State Association of County Retirement Systems; the California Association of Public Retirement Systems; AGA National Professional Development Conference; various States' Societies of CPAs and local GFOA chapters.

We are involved with **P2F2** as sponsors and speakers for the annual P2F2 conference. For the past nine years, **Lealan Miller**, **Brad Berls**, and **Eric Berman** have presented at the conference. We also attend the **NASRA** annual conference as sponsors. Our involvement with these conferences shows our dedication to the state retirement fund industry and helps us to stay up to date on current trends and issues.

For the past two years we have provided four hours of training for our public retirement systems. This training presents topics pertinent to public retirement systems. For example we have speakers present on actuary update, government accounting update, the use of AI and robotic activities, etc. We have also provided training for state and local agencies. Some of these agencies include Controllers' offices of the states of California, Tennessee, Montana and Nevada, the Commonwealth of Massachusetts and the Texas State Auditor.

Online Publications: CPRB will also have access to resources on our Eide Bailly Government Industry website. We publish articles related to hot issues within the government accounting arena.

**SIGN UP FOR NEWSLETTERS,
E-BLASTS AND WEBINARS:**

www.eidebailly.com

Webinars: We host frequent webinars dedicated to helping you and your organization navigate complex issues. Each webinar covers a different topic to help evaluate the steps necessary to achieve success and remain ahead of the curve. In April, we held our **annual Pension Plans' Webinar**, during which we presented topics that are unique for our pension plan clients.

Clients with More than \$1 Billion in Assets

Eide Bailly provides assurance services on nearly **\$460 billion in plan assets** to statewide retirement systems, investment pools and other employee benefit plans nationally. Our largest plans are as follows.

Client Name	Types of Investments	Plan Assets	Dates of Service
Washington State Investment Board (Investment fund for the Washington Retirement System)	Commingled Trust Funds, U.S. treasuries and agencies, commercial mortgages, domestic and foreign corporate bonds, asset-back securities, tangible assets, securities lending, equities, futures, hedge funds, private equity, real estate.	\$203 Billion	2015-present
Utah Retirement System	Asset backed, commercial mortgage-backed, corporate bonds, U.S. agencies and bonds, equities, real assets, private equity, derivatives, comingled funds, securities lending.	\$56.2 Billion	2018-present
Public Employees' Retirement System of Mississippi	Commercial paper, repurchase agreements, corporate bonds, U.S. agency and treasuries, asset-backed securities, Yankee bonds, equities, private equity, real estate, currency, securities lending.	\$39.8 Billion	2016-present
Public Employees' Retirement System of Idaho	Domestic fixed income, co-mingled domestic fixed, international fixed, commercial mortgages, real estate, equities, private equity, mutual, collective, and unitized funds, derivatives.	\$24.8 Billion	2008-present
Teachers' Retirement System of Oklahoma	U.S. agencies and treasuries, mutual funds, corporate bonds, private equity, real estate, securities lending.	\$23.6 Billion	2016-present
Employees' Retirement System of Hawaii	Short term bills and notes, U.S. treasuries, U.S. agency mortgage backed, U.S. corporate bonds, equities, real assets, private equity, real assets – real estate, alternative investments, options, forwards	\$22.7 Billion	2022-present
West Virginia Consolidated Public Retirement Board	Domestic equity, international qualified, international equity, private markets, total return fixed income, hedge funds, short-term, collective investment trusts, foreign currency.	\$21.4 Billion	2020-present
South Dakota Retirement System	U.S. treasuries and agencies, corporate bonds, mortgage-backed securities, equities, hedge funds, real estate, private equity.	\$14.6 Billion	2012-present
Missouri State Employees' Retirement System	Equities, bonds, commodities, U.S. treasuries and agencies, asset-backed securities, real estate private equity, hedge funds, derivatives.	\$13.6 Billion	2019-present
Wyoming Retirement System	U.S. treasuries and agencies, corporate debt, equities, real estate, real assets, private equity, derivatives, securities lending.	\$13.4 Billion	2015-present
Oklahoma Public Employees Retirement System	U.S. treasuries and agencies, corporate bonds, asset-backed securities, commercial mortgage-backed securities, equities, real estate, securities lending.	\$13.1 Billion	2017-present
Fire and Police Pension Association of Colorado	U.S. treasuries and agencies, equities, corporate bonds, mortgages, derivatives, private equity, real assets, real estate.	\$7.9 Billion	2018-present

Client Name	Types of Investments	Plan Assets	Dates of Service
Municipal Fire and Police Retirement System of Iowa	U.S. treasuries, mortgage-backed securities, corporate bonds, fund of funds, real estate, private equity.	\$3.4 Billion	2014-present
Fort Worth Employees' Retirement Fund	U.S. treasuries, corporate bonds, government bonds, asset and mortgage-backed debt, securities lending, private equity, real estate, commingled funds, derivatives.	\$3.2 Billion	2017-present
City of Wichita Employees' Retirement System	Domestic and international equities, domestic and international fixed income securities, real estate, timber and cash equivalents.	\$1.6 Billion	2021-present

EXPERIENCE WITH SIMILAR CONTRACTS

As a top 25 CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service. The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

References

Wyoming Retirement System 6100 Yellowstone Ave, Ste. 500 Cheyenne, WY 82002 Santa Ana, CA	Contact	David Swindell , Director 307.777.6109 david.swindell@wyo.gov
	Dates	2015-Present
	Goals & Objectives	ACFR, Census attest work GASB 68, GASB 75
	Engagement Team	Brad Berls, Lealan Miller
Public Employee Retirement System of Idaho (PERSI) 607 N 8th St Boise, Idaho 83720	Contact	Alex Simpson , Financial Executive Officer 208.334.3365 alex.simpson@persi.idaho.gov
	Dates	2008-Present
	Goals & Objectives	ACFR, Census attest work GASB 68, GASB 75
	Engagement Team	Brad Berls, Lealan Miller
South Dakota Retirement System PO Box 1098 Pierre, SD 57501	Contact	Michelle Mikkelsen , Chief Financial Officer 605.773.4598 michelle.mikkelsen@state.sd.us
	Dates	2017-Present
	Goals & Objectives	ACFR, Census attest work GASB 68
	Engagement Team	Brad Berls, Lealan Miller



UNDERSTANDING OF MANDATORY REQUIREMENTS

We have reviewed your RFQ and understand your needs as follows as discussed in Specifications section of the RFQ.

- Perform the audit with the objective of expressing an opinion about whether CPRB's basic financial statements for the fiscal year ending June 30, 2024, with three optional one-year renewals and ensure notes to the financial statements are fairly presented, in all material aspects, in conformity with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States and all applicable federal and state laws, regulations and rules. The retirements systems to be included are:
 - West Virginia Public Employees Retirement System (PERS)
 - West Virginia Teachers Retirement System (TRS)
 - West Virginia State Police Death, Disability, and Retirement System (SPDDRS)
 - West Virginia State Police Retirement System (SPRS)
 - West Virginia Deputy Sheriffs Retirement System (DSRS)
 - Judges' Retirement system (JRS)
 - Emergency Medical Services Retirement System (EMSRS)
 - Municipal Police & Firefighters Retirement System (MPFRS)
 - West Virginia Teachers Defined Contribution Retirement System (TDCRS)
 - West Virginia Division of Natural Resources Police Officer Retirement System (DNRRS)
- Perform an audit of schedules related to GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No.27. This includes:
 - Annual audits of Schedules of Employer Allocations and Pension Amounts for the five multi-employer defined benefit retirement system.
 - Annual audits of the Schedules of Pension Amounts for the four single-employer retirement systems.
- Provide technical assistance in the preparation and submission of the Certificate in Excellence in Financial Reporting from the GFOA.
- Print and publish 25 bound copies of the audited financial statements and 25 bound copies of the ACFR.
- Retain workpapers and reports for a minimum of five years and make workpaper available upon request.

AUDIT METHODOLOGY

At Eide Bailly, we promise you a better overall experience. Though multiple firms are capable of accomplishing the objectives of an audit, we appreciate that every situation and every organization is different, and our tailored approach is based on the needs of each client.

We value our business relationships and demonstrate this through partner and manager involvement. Our senior-level professionals are involved with our clients and accessible throughout the year. They do not delegate all tasks to staff, but rather stay involved on-site during fieldwork and remain connected throughout the year. This approach delivers the greatest benefit to our clients because we are able to stay abreast of changes in and updates to our clients' operating environments and collaborate to achieve optimal results.

Our clients experience a communication approach that stands apart in both style and frequency. Because we recognize effective interaction is critical throughout the entire audit process, our service and communication begins with planning and continues throughout the year. Additionally, we communicate collaboratively with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization, and interacting with them as a business peer ultimately produces the best outcome.

Prior to beginning the engagement, we will discuss with management:

- The engagement timeline.
- The audit approach and process.
- Additional considerations that may affect scope, schedules and workpapers to be prepared by your personnel.

Upon appointment as your auditor, we will discuss the audit schedules and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members' time.

AUDIT TIMELINES

We tailor our approach based on the needs of *each client* and our audit approach is designed to collaborate with CPRB to achieve optimal results. Upon appointment as your auditor, we will discuss the audit schedules and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members' time. We have provided the following objectives and timing of each component below to demonstrate our expertise and experience for public pension plans.

Summary Engagement Timeline

Activity	Timing
Financial Statements	
Pre-work and Planning	As soon as awarded
Interim Fieldwork	June/July
Year-End Fieldwork	August/September
Exit Conference	Last day of fieldwork
Delivery of Draft Financial Statements to Actuary	Approximately September 10
Delivery of Final Audit Report	No later than October 15
Delivery of Final ACFR	No later than December 31

Activity	Timing
GASB 68	
Pre-work and Planning	As soon as awarded
Census Data Testing	July/August
Year-End Reporting Review	January
Exit Conference	Last day of fieldwork
Delivery of Final Audit Report	No later than March 31
Ongoing Communication	Throughout the year

We will meet your deadlines by engaging in thorough audit planning and communications with management. We begin each engagement with a strong understanding of the various deadlines for the financials and the steps involved along the way to meet these deadlines. An audit project plan will be developed between our team and the CPRB and then followed closely. We will work with the CPRB's management team to customize our auditing services and specific timelines to your needs. We believe in clear, up-front and open communication with no surprises.

Our proposed plan anticipates having all the reports issued as required by the RFP and noted above. The following is additional information for CPRB to consider. A more detailed plan will be provided at the end of pre-work due to the proprietary nature of the plan and how we customize the plan for each client.

AUDIT APPROACH

Pre-Work

- Update/gain an understanding of various processes and controls in place.
- Review minutes, resolutions and ordinances.
- Determine confirmation needs.
- Prepare listing of audit information requested from organization.
- Entrance Conference with Audit Committee and Management, if requested.



Planning

- Update/gain knowledge of organization and environment.
- Perform analytical procedures to identify audit risk areas.
- Consider fraud through inquiry and brainstorming.
- Develop audit budget by individual areas.
- Entrance Conference with CPRB to review and plan for upcoming audit.
- Determine audit procedures by area, based on results of audit planning.
- Review minutes, resolutions and ordinances.
- Determine confirmation needs.
- Prepare listing of audit information requested from organization.



➤➤➤ Interim Work

- Review and test internal controls.
- Perform distribution and contribution testing.
- Progress reporting throughout the process.



➤➤➤ Fieldwork

- Audit areas based on risk assessment.
- Obtain schedules and perform analysis supporting the financial information.
- Discuss findings with management, if any.
- Discuss proposed journal entries with management, if any.
- Progress reporting throughout the process (at least weekly).
- Exit Conference on last day of fieldwork



➤➤➤ Reporting

- Develop required reports and communications to CPRB management and the Board.
- Finalization of engagement.
- Review CPRB's Annual Financial Report for consistency and reasonableness.
- Progress reporting throughout the month.



**Ongoing Communication Throughout the Audit and the Year
as Your Most Trusted Advisor**

GASB-68 AND CENSUS ATTESTATION

For the GASB-68 and census attestation related work, we will use a risk-based approach to test the demographic information, payroll and corresponding contribution amounts by selecting a sample of participants focusing on the most relevant information provided to the actuaries impacting the pension liabilities. Testing will occur during interim and final fieldwork. We can be flexible on the allocation report review upon receipt of the necessary reports with drafts to management at the same time as the audit report.

During this phase, we will perform required testing on the various elements and schedules related to GASB Statement No. 68, as amended.

Key Activities in GASB-68 Related Work

- Employee Census Testing.
- Tests of GASB-68 Related Assertions.
- Examination of Assertions of Significant Census Data Elements.
- Test Allocations of Schedule of Changes in Fiduciary Net Position by Employer

Key Performance Measures

- Schedule of Changes in Fiduciary Net Position by Employer.
- Carry forward documentation for following year testing (focus on incremental changes).
- Required attestation examination report.

For the census attestation related work, we will work with select departments within CPRB using a risk-based approach to test the significant elements of the census data including employee name, gender, date of birth, hire date, employer number, position (if revised Elected County Official, vesting, type of plan, tier, date of retirement, creditable service, spouse data of birth (retirees), employee contributions, employer contributions, employment status, termination status, type of annuity, early retirement incentive, disability benefits, surviving spouse, final date of earnings, annual benefit payment for retirees, For this testing, we will select a variety of samples to test the different elements. The number of items tested for each sample will be based on overall risk, volume and nature of the element being tested. Considerations will be made based on the controls, processes and reporting available based on the different elements of the report, as well as incremental changes where appropriate. **Testing will occur during interim fieldwork.**

Testing of the Schedule of Changes in Fiduciary Net Position by Employer (the Schedule)

We will perform testing of the Schedule and the various components presented to ensure the accuracy of information provided to the employers including contributions, distributions and the allocation of investment income and administrative expenses.

Steps include, but not limited to verifying contributions and distributions on a sample of employers to underlying testing performed during interim procedures. Eide Bailly will agree total schedule amounts to those reported in the ACFR. Testing will be performed on the allocation process in total as well as selecting a sample of employers to ensure the total allocation process is calculating correctly. Additional procedures will be performed on a sample of employers comparing current year amounts reported to prior year amounts to ensure items did not get shifted a line in the report causing all employers to be incorrect. This will also reduce the risk that employers are assigned a different employer's information.

EVALUATION OF INFORMATION TECHNOLOGY

For most organizations, information security remains a major audit risk due to the endemic threats posed by cybersecurity failures. CPRB needs to have a heightened awareness due to the nature of its operations and access to confidential information.

Eide Bailly utilizes a four-phased approach in reviewing information system controls and systems security measures, most of which can be performed as part of interim work to capture any changes during the year. However, it may also be performed at any point during the year.

We have an extensive IT group that is an important part of the audit team, which for your engagement will be led by **Anders Erickson**. This group has the experience planning, implementing, supporting and calculating business technology systems and security programs in the public, private, government and nonprofit sectors. Their experience also includes operations, security and software development auditing, internal vulnerability testing and external penetration testing. Many of the group members are CISSP, CISM, and CISA certified. The IT principal assigned has performed work on South Dakota Retirement System, Public Employee Retirement System of Idaho, Public Employees' Retirement System of Mississippi, Missouri State Employees' Retirement System and Washington State Investment Board assisting in the IT review for the audit.

We will evaluate both the general technology controls and specific application controls that are in effect. This requires our IT auditors to consider how the accounting systems, infrastructure, processes and people work individually and together to ensure that financial records are being appropriately processed, secured and reported. Our methodology is based on AICPA guidelines, the internal controls framework prescribed by COSO, and the best practices for technology controls as defined by Control Objectives for Information and Related Technologies (COBIT). Our team will work with IT staff to assess how the relevant systems and technology environment are administered and supported. Segregation of duties regarding the maintenance and enforcement of system controls is also a focus area.



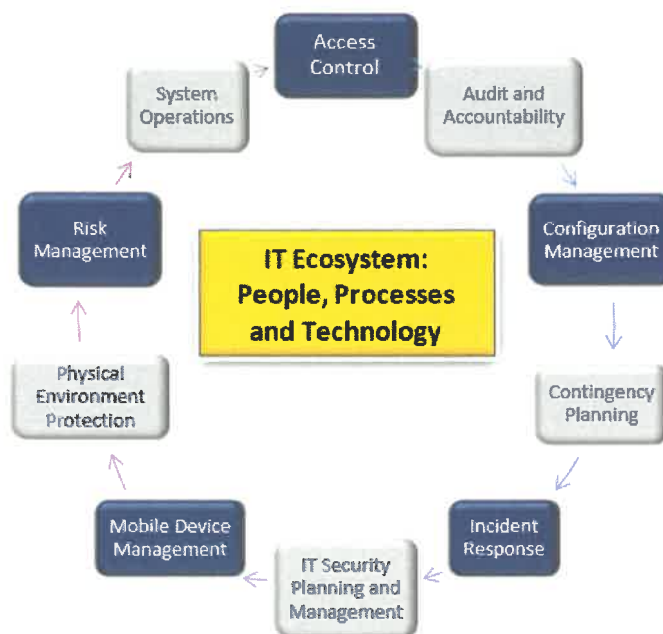
Phase 1: Pre-Assessment Survey

We will prepare with CPRB's staff an initial assessment of the IT environment. This is facilitated by a questionnaire with the following points of focus:

- Inventorying of existing documentation and policies.
- Collecting information about technical security controls.
- Understanding your organization's high-level processes for assessing risk.
- Developing an understanding of your organization's capabilities for responding to a cyber security incident.

Phase 2: Interviewing

Eide Bailly will interview key personnel at CPRB to collect more detailed information about current cyber security environment. This process can be completed either via a phone conference or on-site. The ten topics covered during this interview are outlined to the right.



Phase 3: Analysis

After completion of the interview phase, Eide Bailly's IT professionals, with the input of our Cybersecurity Consultants, will analyze the data collected on CPRB's existing controls. This "roadmap" includes an assessment of current risk and recommended remediation plans from three perspectives: *People*, *Processes* and *Technology*.

Phase 4: Report Delivery

Eide Bailly will present an assessment and recommendation report to your organization, which may remain confidential due to the sensitivity of findings and recommendations related to personally identifiable information or network security, if required by state law. This report will include:

- An executive/Board-level summary of our findings and recommendations.
- A detailed risk rating for each of the assessed control areas.
- Remediation recommendations and priorities.

Advanced Data Analytics

We have incorporated **advanced data analytics in our audit process and will be included** in CPRB's engagement. We will have access to **Jon Ault** and his team of certified data analysts. This group will parse through the volume of CPRB's data using artificial intelligence to find patterns of potential issues requiring additional testing, allowing our teams to work smarter. We anticipate advanced analytics to be helpful in areas with large amounts of data, including but not limited to journal entries, contributions, distributions, investment transactions and census data.

Not only does data analytics streamline the audit process, but it also helps CPRB reduce the burden on your whole organization. We do not just ask you for the 'same as last year'. We use tools like Tableau, Snowflake, Alteryx and other analytical tools to aid in the audit.

➤➤➤ Approach to Identify and Audit Significant Risk Areas

As required by the generally accepted auditing standards (GAAS), our audit is performed based on a risk approach. While several of our steps are common amongst all audit firms, we have fine tuned our process to perform the most efficient audit while focusing on the higher risk areas. **We do not apply a cookie cutter approach to our audits.** Our approach is flexible and designed to meet the unique challenges any of our clients may present, whether due to size, complexity, personnel, regulations and market conditions.

The risk assessment process involves the following types of risks:

- **Inherent risk** where an error in the accounting system may occur.
- **Control risk** where there maybe failures in the internal control systems due to a breakdown in the prevention and detection of errors.
- **Detection risk** where the audit procedures may fail to detect any errors.

The first and most important step is to gain a strong understanding of CPRB. This includes the organization, management style, personnel, external and internal items that affect the operations of CPRB. As outlined in the work plan below, we do this through a review of past minutes, discussions with management, interim financial statements, preliminary analytical review, our IT audit members' assessment of IT controls over the accounting system and audit team members brainstorming about potential fraud risks. We will also understand CPRB management's assessment of risk and their perspective on the effectiveness of the internal controls, not only over the accounting system, but also of the financial reporting. We will meet with the internal auditors to determine the projects performed during the year, as well as up-coming projects to potentially leverage any work into our audit. We also review their risk assessment and audit plan to see what CPRB sees as risks to the organization. We appreciate being able to meet with the various departments throughout the organization from compliance, training, employer and employee outreach, etc. to get a comprehensive picture of your organization.

Another method of learning about the organization is to attend board meetings whenever possible. The qualifications of the board, their involvement and questions and overall interactions with management help tell a lot about an organization. Applying the risk approach allows us to spend the time on the necessary areas and not spend our resources, and CPRB's resources, on low-risk areas.

With all audits, the level of assessed risk can change at any given time during the audit. We've designed our audit process and trained our people so we can make necessary changes to our procedures to address those changes to the assessed risks.

Based on our initial review of CPRB financial statements and our experience with other pension plans, we think the areas of highest risk of CPRB's audit include, but are not limited to:

Key Point of Engagement	Points of Focus
Investment Portfolio	Valuation, Recognition, Disclosure.
Contributions	Flows of member and employer contributions, recognition, separation for pensions, including completeness, accuracy, existence and compliance.
Distributions	Flows of payments to beneficiaries including completeness, existence, accuracy, compliance and eligibility.

We have provided our approach to the above areas on the following pages, knowing this is where we will spend most of our time during the audit.

Audit Approach for Contributions & Distributions

As previously noted, Eide Bailly utilizes a risk-based approach, combining our testing over the design, implementation and functionality of internal controls, with substantive audit procedures. Substantive audit procedures include testing over compliance, calculation and approval of transactions to obtain appropriate audit evidence and substantiate the contribution and distributions amounts reported and disclosed within the financial statements.

Initially, via discussions and interviews with management and benefits personnel and your internal process documentation, we understand processes, procedures and internal controls over, but not limited to, the following:

Contributions	Distributions
Establishment of required rates, whether determined by state statute or plan policy.	Application and approval and review process for retirement.
Calculations over employee and employer contributions, as applicable.	Initial benefit calculation and process for subsequent correction of benefit amounts, if applicable.
Processes for employer submission and approval.	Verification and reliability of underlying payroll and member data used in the above calculations.
Verification and reliability of underlying payroll data used in the above calculations.	Payment of, or disbursement of benefits, including payment method and timing.
Reconciliation and recording of final contribution amounts.	Reconciliation and recording of final distribution amounts.
Processes for error correction and / or audits of employer information.	Process for notification to individuals of tax impact of distribution (Form 1099-R).
Any additional special provisions or requirements mandated by state code or law.	Process for subsequent adjustment to benefit amounts, through COLAs or other adjustments. All additional benefit types, including, but not limited to: Lump Sum Payments, Death and Disability, Beneficiary or Survivor Annuity, Divorce Settlements and DROP Payments. Any additional special provisions or requirements mandated by state code or law.
	Application and approval and review process for retirement.

We assess risk at the assertion level. Factors included in the assessment of the risk of material misstatement commonly include, but are not limited to:

- The frequency, complexity, and number of calculations involved, for both contributions and distributions.
- The number of employers and members participating, both active and retired.
- The number of noted changes to state statutes or requirements related to contributions or distributions.
- The presence of, or lack of known errors in previous audits.
- Management's level of involvement in monitoring and reconciling contribution and distribution amounts.
- The skills, knowledge and experience of CPRB's staff and management in charge of monitoring and overseeing the various aspects included within contributions and distributions.
- The systems in place to track various aspects of different aspects of contributions and distributions.

Testing procedures and sampling sizes are determined and can vary based on these assessed risks, as well as the relative size, complexity and frequency of contributions made, and distributions paid.

The documentation below represents general guidelines for scoping and testing procedures. However, it may be modified depending on further understanding of CPRB's processes, or deviations noted in testing performed. Eide Bailly will ensure sample sizes are selected following generally accepted auditing standards.

Audit Approach for Investments

Eide Bailly utilizes a risk-based approach to obtain appropriate audit evidence to substantiate investment amounts recorded on and disclosed in the financial statements. Initially, via discussions and interviews with management and investment personnel and your internal process documentation, we gain an understanding of processes, procedures and internal controls over, but not limited to, the following:

- Investment policies, including all state and local compliance requirements.
- Daily, monthly, quarterly, and annual reconciliations between custodian, third-party statements and the general ledger.
- Purchases and sales.
- Valuation and income verification.
- Use of third-party specialists.
- Due diligence on initial commitment approvals.
- Due diligence and monitoring of complex investments.
- SOC 1 review of significant service organizations relating to investments.
- Benchmark and performance reporting.

We assess risk at the assertion level, considering the type, nature and valuation method for each respective investment. Factors included in the assessment of the risk of material misstatement commonly include, but are not limited to:

- The type, complexity and availability of readily determinable pricing for the investment(s).
- The level of uncertainty and variability of inputs used to determine the valuation of the investment(s).
- The volume of exposure to such investments.
- Management's level of involvement in monitoring the activity between the investment managers and custodian.
- The extensiveness of the transaction verification processes, parallel pricing systems or other tools used for pricing and valuation.
- The skills, knowledge and experience of CPRB staff and management in charge of monitoring and overseeing the various aspects included within investments.
- The terms of the investment, including whether the investment includes other embedded instruments.
- The level of detail, sufficiency, and adherence to internal policies governing the initiating, recording, reconciling, monitoring, exception reporting, conflict resolution and general safeguarding of investments.
- The systems in place to track various aspects of different investment contracts and compliance with those terms.

Testing procedures and sampling sizes are determined and can vary based on these assessed risks, as well as the relative size and concentration of assets under management. The documentation below represents general guidelines for scoping and testing procedures but may be modified depending on further understanding of CPRB processes, or deviations noted in testing performed. Eide Bailly will ensure sample sizes are selected following generally accepted auditing standards. Procedures and sample selection related to the testing of investments typically include, but are not limited to:

Element	Procedures May Include
Examination of manager contracts and associated due diligence	Eide Bailly will gain an understanding of this process and select a sample to test for compliance. The sample size will vary from year to year depending on the number of new contracts entered into as well as the significance of any amendments made to existing contracts. Our sample will be representative of the population, and we may select additional items based on auditor judgement considering additional factors such as higher risk contracts, size of commitment, length of contract or the complexity of investment instruments.
Reconciliations of current holdings to the general ledger as well as the custodian, in aggregate, and by investment type.	This includes gaining an understanding of the reconciliation process itself, while also understanding what CPRB policy is regarding acceptable variances, follow-up procedures on prior reconciling items and ultimate resolution of those items. We will review the reconciliations by agreeing the amounts to third party statements, to the custodian and to general ledger information. We test to ensure reconciliations are reviewed by the appropriate personnel in a timely fashion and in accordance with the investment policy, if documented. Samples will be selected for reconciliations of various investment types throughout the year. Sample frequency, size and testing techniques used will be dependent on the reconciliation process, the frequency of those reconciliations and the monitoring process for the groups or departments involved in those reconciliations.
Confirmations of investments held by the custodian as well as funds held by different investment managers. This includes investments measured at Net Asset Value, including, but not limited to, hedge funds, real estate funds and private equity firms.	<p>Through this process, we obtain independent verification of various aspects of the investment and contract, typically including, but not limited to:</p> <ul style="list-style-type: none"> • Ending values. • Activity during the year. • Original and remaining commitment amounts. • Existence of any side letter agreements. • March trued up values. • June rolled values. • June trued up values. • Any other significant contract terms. <ul style="list-style-type: none"> ○ Sample sizes for each investment type will vary from year to year depending on factors such as the size of the investment, its availability and the frequency of pricing of the investment type. Confirmations are typically emailed to the investment contact assigned to CPRB for each investment and/or manager, ensuring the confirmation gets to the correct person, resulting in the highest possible response rate. Eide Bailly is very cognizant that the information being confirmed may be proprietary and/or confidential in nature, so we work with CPRB to ensure all emails are sent securely. Alternatively, if requested, the

Element	Procedures May Include
	<p>confirmations can be mailed, or an alternative secure document-sharing method can be provided to the managers to submit the confirmation to Eide Bailly.</p>
<p>Valuation testing for a sampled selection of investments recorded at fair value.</p>	<p>This testing provides assurance over the year-end valuation of the different investments being held by CPRB. Eide Bailly has many pricing tools at its disposal, including, but not limited to common online resources, EstateVal (third-party pricing service), Harvest Investments (third party pricing service) and Eide Bailly's internal business valuation team. Any of these resources may be used depending on the investment type and availability of fair value information. A separate sample will be selected for each significant investment type where there is a different method of obtaining the valuation. Investments that are harder to value and do not have readily available pricing are tested through a three-step approach.</p> <ul style="list-style-type: none"> • The first step is to test the rollforward process that is being performed by CPRB or the third-party investment consultant to verify the general ledger is being updated for the various monthly or quarterly activities occurring including calls, distributions, fees and unrealized gain/loss adjustments (true ups). Testing this process, we ensure the client is recording all activity and that any differences due to timing or classification adjustments are adjusted appropriately on CPRB's general ledger. As a part of our testing of the rollforward data, we are evaluating for the following items: <ul style="list-style-type: none"> ○ Management's estimates and techniques. ○ Underlying data used in formulating those estimates. ○ Consistency of techniques used by management. ○ Agreeing year-end balances, cash flows, significant additions and deletions to most recent audited third-party financial statements and subsequent monthly and quarterly statements. We will also select a sample of transactions to test the cash activity occurring in the rollforward reconciling to cash movement within CPRB or the investment account. • The second step is confirming a sample of hard to value investments as discussed above. • The third step is evaluating the investment returns for CPRB by comparing to benchmarks and industry data. Through this process, we validate the reasonableness of the return and investigate and verify the basis for any significant differences from benchmark or industry data. We may utilize the expertise of our Eide Bailly Business Valuation group in this process.

Element	Procedures May Include
Purchase and sale testing for a sample selection that includes testing realized gains and losses.	In this testing, we are verifying the transaction was properly approved, properly recorded, activity is verified against the receipt or disbursement of funds and realized gain/loss is vouched to the general ledger as applicable.
Pending purchase, sale and cutoff testing for a sampled selection.	This testing assures transactions are reported in the correct period. For the sample selected, we verify the date the trade was initiated and compare this data to the activity to the subsequent month's custodian statement to verify it was appropriately recorded as a pending transaction in the correct period.
Testing of valuation, terms, and agreements for selected samples of Securities Lending contracts, as applicable.	In this testing, we will obtain the Securities Lending contracts to verify the collateral amounts are appropriately maintained and reported per the terms of the Securities Lending agreement. Based on this testing, we can verify the amounts are properly reported within the statement of fiduciary net position and disclosures are properly recorded.
Testing and evaluation of performance returns including the use of internal and external benchmarks.	In this testing, we perform analytical procedures by investment type to determine whether the returns recorded are reasonable in comparison to market data, internal and external benchmarks. Additional factors considered timing of investment activity, the accuracy of information presented, and reasonableness of any explanations provided by CPRB.
Testing of investment footnote disclosures.	<p>This testing includes obtaining an understanding of the leveling classifications as documented by CPRB to determine that the methodology used and application of that methodology appears appropriate. We will obtain the details for all the tables presented in the financial statement disclosures and test the underlying detail that is deriving that information.</p> <ul style="list-style-type: none"> • Testing of various items include GASB 72 classifications, to verify the rationale, pricing sources, trading volumes, inputs, and activities are appropriate. For items classified outside what might be considered, "normal" classifications, we will obtain detail to verify the considerations used were appropriately applied and the classification of the investment is reasonable based on the inputs used. <p>Another significant component of investment footnote disclosure testing is GASB 40.</p> <ul style="list-style-type: none"> • We will obtain the underlying detail to test the different risks associated with each investment and verify they are appropriately classified. In this area, we pay close attention to how the derivatives and securities lending items are being considered to ensure all relevant disclosures are addressed.

Should anything arise outside of the team's expertise on-site, Eide Bailly has a dedicated valuation services team with extensive experience in complex investments. They review inputs used and assumptions made to determine the valuation of investments and compare those assumptions to benchmarks and other industry standards.

Approach to Gain and Document Internal Control Structure

A significant aspect of the planning process involves understanding each reporting units' internal control environment, including IT controls and testing of internal controls, where relevant. The following is a summary of the process Eide Bailly uses regarding internal controls over financial reporting and compliance:

Our approach will start with any documentation related to internal controls already developed. We review that documentation to obtain an overview of the internal control system and then conduct interviews with CPRB staff to complete the documentation of our understanding related to internal controls and significant changes each year.

After conducting the interviews, we will evaluate the internal control system design and expected operating effectiveness for significant areas. We expect that by completing control testing in these areas, we can reduce substantive testing and conduct an efficient audit. Our approach toward control testing will be focused on key process controls or overall system controls, rather than detailed control process testing. We will also focus on key IT related controls in process areas such as revenue, expenses and investments, as they tend to allow more efficiency for an audit perspective relative to the control process. Areas we commonly perform control tests include contributions, distributions and investment manager reconciliations.

Eide Bailly utilizes a risk-based approach incorporating both control testing and substantive tests of balances, where appropriate. In certain areas we do not consider as significant, we will plan to conduct the audit using a primarily substantive approach. It has been our experience that it is often more efficient and effective to substantively audit a balance rather than complete an extensive control test.

The approach we will take to gain an understanding of your internal controls includes:

- Interview CPRB personnel.
- Review organizational charts, accounting and procedure manuals and programs.
- Complete internal control questionnaires.
- Write-up system narratives.
- Evaluate items selected for testing.
- Review controls over financial information systems.

In addition, our engagement approach is based on two key assumptions:

- Observations to help CPRB achieve its objectives will be shared. We will also be pleased to respond to inquiries you may have about financial or other business matters.
- The assistance to be provided by your personnel, including the preparation of schedules and analyses of accounts, will be discussed with the finance department.

The timely completion of this work will assist us in performing our work efficiently, and we will communicate any potential recommendations as soon as possible.

Internal Controls and Testing of Compliance

Our approach for internal controls over compliance associated with laws and regulations is similar to the approach regarding internal controls over financial reporting related to accumulation, documentation and evaluation of the control environment.

Our approach is to identify key controls applicable to the relevant compliance requirements for testing and incorporate results from tests of internal controls over financial reporting and IT.

We will perform tests of CPRB compliance with certain provisions of laws, regulations and contracts. We will assess the risk of material misstatement resulting from violations of laws and regulations that influence the determination of financial statement amounts. These laws and regulations can relate to items such as purchasing compliance, cash and investment compliance, as well as contract compliance, as applicable.

▶▶▶ Sample Size and Statistical Sampling Used in the Engagement

We design our audit procedures for compliance using sampling procedures to result in sample items being selected on a random basis. To accomplish this, we utilize our data extraction software, TeamMate, to ensure our selections meet the established criteria while maintaining the random selection.

Sampling may be performed for tests of controls, compliance testing and substantive tests of certain accounts and transactions. During our audit of the financial statements, we will also select various transactions for testing based on materiality assessed at the appropriate level. These transactions may include such items as investments, expenditures, subsequent disbursements and subsequent receipts. We also use samples across different audit areas to be as efficient as possible while testing the necessary items to get comfortable with the applicable balances.

Sample sizes will be selected using our statistical sample form whenever possible. Sample selection may also incorporate guidance under control testing which may indicate a sample of up to 25 or 40 but may be lower dependent on the population size and level of control risk that is necessary to achieve. This may also be altered with the use and reliance on CPRB's internal audit work. We will select the appropriate sample size to support our conclusions in compliance with laws and regulations.

Sample sizes related to the Schedules of Pension Information for Participating Employers will be dependent on the reliability of the tests of internal controls. The overall sampling guidance will follow guidelines provided in white papers and audit guides issued by the American Institute of Certified Public Accountants.

During our proposed engagement with CPRB, auditing may change as a result of this multiyear collaboration creating a new, innovative process of auditing using technology. We have already engaged our advanced data analytics group as part of this effort, which may lead to an audit of every transaction using metadata instead of sampling.

▶▶▶ Use of Technology

Our staff utilizes progressive and effective software to streamline the audit process and make it as efficient as possible. These technologies include:

Suralink

Years of dedicated service have helped us develop the skills, abilities and tools necessary to exceptionally serve our clients. To aid in this process, we've researched ways to enhance our use of software to better streamline the audit process and deliver state of the art technology solutions to our clients.

Suralink is an interactive Provided by Client (PBC) software solution aimed at improving the client experience for document exchange. This addition to our suite of tools has the potential to save a substantial amount of time managing PBC documents, creating increased efficiencies during your engagement.

Data Extraction Software

TeamMate: Eide Bailly designs our approach to incorporate the use of TeamMate Analytics to maximize efficiency while conducting a very effective audit. Through TeamMate, we can extract information from related databases and create databases that check for duplicate payments, summarize payments, extract journal entries from specific accounts, develop expectations for analytical procedures and recalculate system calculations, among a host of other procedures developed by our audit team.

DataSnipper: Eide Bailly's audit approach is enhanced by the use of DataSnipper, a powerful Excel add-in that improves efficiency and fosters effective auditing practices. This innovative tool allows us to leverage artificial intelligence (AI) for automated document matching. With configurable templates for standardized audit procedures, DataSnipper streamlines worksheet preparation and review while enhancing collaboration within our audit practice.

➤➤➤ Analytical Procedures Used in the Engagement

Eide Bailly will apply analytical procedures throughout general planning to improve our understanding of your operations and to identify audit areas for increased attention. These will be applied to assist in planning the nature, timing and extent of other procedures. They will be applied to all Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position areas. These procedures include, but are not limited to, the comparison of current year to prior year amounts and expected amounts based on budgets and investment allocations. Areas that show results different from those anticipated or planned will be further investigated to determine the validity of the variance.

During the year-end audit fieldwork, we use analytical procedures to test if errors affecting account balances or classes of transactions have occurred by comparing the recorded amount with an independently developed expectation of that amount. We develop the expectation in such a way that a significant difference between the expectation and the recorded amount is indicative of a financial statement misstatement, unless we can obtain and corroborate explanations for the difference. The key areas we use analytical procedures focus on contributions, distributions, investment returns and census data. Analytical procedures are a natural extension of our understanding of your business because the key factors influencing your system may be expected to affect the financial data.

In the audit reporting phase, we perform a final analytical review at the financial statement level as the last step to ensure we comprehensively understand the financial statements during the audit engagement and to determine whether the financial statements are appropriately presented and contain appropriate disclosures. Such final analytical procedures highlight and explain significant changes from the previous year and ensure such changes are consistent with the knowledge of your system and our audit evidence. These procedures typically consider trends based on several previous years instead of comparison only with the prior period.

➤➤➤ Approach Regarding Actuarial Information

The implementation of GASB-67 and 68, as amended, placed a renewed focus on the testing of actuarial information as part of the audit plan. In addition to census data testing, testing of the actuarial assumptions is needed to provide reasonable assurance that the liability is fairly stated. Such tests may include, but not be limited to:

- Gaining an understanding of the processes and controls used by CPRB to support the completeness and accuracy of significant elements of data that are provided to the actuary.
- Obtaining information on any incremental changes to the data file(s) since the prior actuarial valuation(s).

- Obtaining and evaluating the actuarial report and reconciling amounts from the report to the information in the financial statements, required supplementary information and related note disclosure.
- Evaluating the information in the actuarial certification, the actuary's professional qualifications, competence and objectivity (This may include the actuary's membership in a professional organization, number and types of public plans served, years of experience and the opinion of other actuaries that service our other plans.).
- Evaluating whether the methods and assumptions used in determining the total pension liability and actuarially determined contributions information are in accordance with GASB-67, as amended, and Actuarial Standards of Practice, in conjunction with our firm's actuaries, and consistency of application as part of our risk assessment.
- Reviewing the appropriateness of the update procedures to roll forward the total pension liability to CPRB's fiscal year-end and determining whether all significant known events have been properly included, especially for non-valuation years.
- Evaluating the propriety of the long-term expected rate of return used in the calculation of the discount rate in conjunction with our investment valuation specialists and publicly available data from P2F2, NASRA and the Boston College Center for Retirement Research.

We would plan to begin this portion of the audit as part of planning for the engagement and finalizing some portions as soon as the final draft actuarial valuation(s) are received by management. Should the actuary be engaged for an experience study, additional procedures on the preliminary results of the study may be warranted, primarily focusing on the assumptions made by the actuary in the past versus results achieved.

ACFR Preparation Experience

Eide Bailly has provided services to the government industry for more than 70 years. The government industry represents one of Eide Bailly's largest niche area — with more than 1,300 government clients firmwide. We provide auditing and consulting services, including ACFR preparation, for a variety of states, cities, counties, colleges and universities, fire relief agencies, housing authorities, school districts, state agencies, and tribal entities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice that aids in preparing the the CPRB's ACFR.

We work with clients to prepare or provide additional review and critique of their ACFR or other financial reports the client prepares, in addition to or in lieu of the ACFR. When our client prepares the ACFR containing audited financial statements, it is our responsibility to provide assurance that the information contained in the ACFR articulates the work that has been audited during the engagement. We use disclosure checklists and procedures are updated for each new standard released to gain this assurance.

In certain cases, we review the previously issued ACFR for readability, clarity and consistency with standards. We base this review not only on disclosure checklists, but also on peer trends and techniques. We perform this service for clients such as the Office of Montana Board of Investments, Office of the State Controller of California, the Office of the State Controller of California, State of South Dakota Bureau of Finance and the State of Nevada Controller's Office, annually reporting to management suggested changes, or assisting them with other GASB thought leadership.

We work with and refer to GFOA's *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) and its supplements as an additional source of guidance when assisting our clients in preparation of the ACFR. We also have available to the team CCH Wolters Kluwer's *Governmental Generally Accepted Accounting Principles (GAAP) Guide*, *Governmental GAAP Practice Manual* and *Governmental GAAP Disclosures Manual*.

Communication Approach

Early in our engagements, we establish your expectations for delivery of PBC workpapers, testing and final delivery of information in advance of need by the Audit Committee and Boards. By managing to exceed these expectations, we will deliver in advance of deadlines, except for unforeseen circumstances. Technology minimizes the audit period, especially using online processes and procedures secured by Surelink.

Our service model does not view the audit process as an annual "event." Instead, we communicate with management on an ongoing basis and keep you apprised of accounting pronouncements, changes in regulations and other changes that may impact CPRB.

Our communication with management will include the following:

- Personal interaction between the team serving CPRB and management in the form of meetings, phone calls and emails. We like to be involved with clients throughout the year to help address ongoing issues that impact your operations. Our preferred communication is through face-to-face meetings, or at least phone conversations. We value your time and try to keep meetings relevant, appropriate and productive.
- Status updates as audits progress with appropriate members of management through oral and written communications.
- Ongoing communication of important regulatory changes and accounting updates occurs via email, shortly after the changes are announced or finalized.
- Occasional webinars and seminars on topics of critical interest to our government clients will communicate important information for management to be aware.

Under this communications approach, we will discuss specific preferences you have in communicating with us, including frequency and style. As we get to know your organization, our process will become increasingly customized to CPRB, yet still follow the guidelines we have that our staff embrace as part of our service culture.

Additional Resources

We're leaders in the government industry, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're business advisors who want to help guide the strategy and operations of your organization, and we will make sure you feel connected and understand the process. Our professionals work closely together so you receive valuable service from people who understand your needs and know your business.

When you work with us, you will have access to the knowledge and talents of more than 3,000 professionals across our firm. This includes specialized tax knowledge, a full spectrum of audit/assurance services and our many specialized services, such as:

Government Advisory Services

Running a government can be rewarding, challenging and exhausting all at the same time. The responsibility of handling public money coupled with increased scrutiny of public expenditures make accounting and finance decisions incredibly important, but balancing the day-to-day needs of these areas with big-picture thinking can be difficult.

You don't have to carry this burden alone. Advisory services can relieve the stress of critical government functions that you either don't want to do or don't have the deep expertise on staff to complete successfully. Our outsourcing solutions can make your life easier so you can focus on your operations while saving money.

Cybersecurity

Our professionals have deep IT backgrounds, specializing in a broad range of security services and allowing us to tailor solutions to your needs. We work with every level of your organization — your boards and executives, technical IT admins and general users — to provide insight and guidance so you can be confident your data is protected.

IT Consulting

Business planning and technology strategy go hand-in-hand, like having a good offense and defense. You cannot win the game without planning for both. Whether you want a better way to power your decision making, a simpler way to run your organization or you just want to see a return on your technology, a solid strategy always comes first. Our consultants will help you define your goals and needs so your technology game plan keeps you winning.

Forensic Accounting

We have seasoned professionals with years of relevant investigative experience. Our forensic accountants are experienced in assisting with internal, civil, criminal and insurance recovery investigations related to allegations of theft, fraud and accounting irregularities. The forensic methodologies and technology used by our team of specialists help get to the facts of these situations and are court proven. We understand the urgency of resolving these types of matters and deliver a quality work product in an efficient and timely manner.

Internal Audit

An internal audit is an independent, objective review of an organization's internal controls, corporate governance and accounting processes and procedures, with the main role of an internal audit being to reduce and mitigate risk, as well as improve operational performance, controls and governance processes. When it comes to internal audit, different institutions have varying needs, policies, procedures, staffing, and other variables. You need an internal audit function as unique as your organization — Eide Bailly's tailors our internal audit services to your specific needs.



The Right Choice for the CPRB

YOUR SUCCESS IS OUR SUCCESS

The value of being an Eide Bailly client is that we offer you the best of all worlds. Since we are a full-service firm, you will have multiple industry specialists available when you need them, but your service team will always be client focused. You will experience partner involvement during all phases of the engagement, as well as throughout the year. At Eide Bailly, we promise our clients an experience, second to none, where they feel understood, connected and confident.

Understood

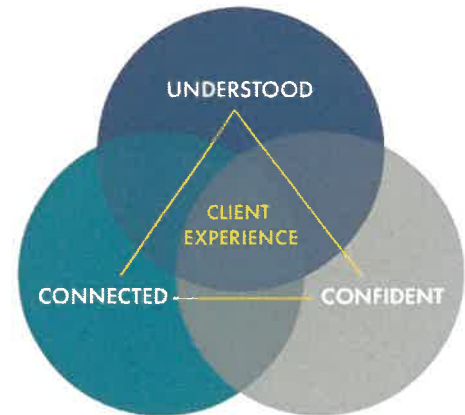
You have goals and dreams. We're inspired to help you achieve those goals now and in the future. By applying our technical and industry knowledge, we make the complex simple.

Connected

Our professionals bring their expertise and thought leadership to every interaction with you. You'll benefit from new ideas, opportunities and solutions as they happen. We'll connect you with the right resources and deliver comprehensive solutions in a respectful, peer-to-peer approach. We keep the answers within your reach.

Confident

With Eide Bailly beside you, you'll feel confident addressing challenges and embracing opportunities as they arise. We go the extra mile to deliver unmatched solutions for your business because your success is our success.



Our Culture

It's no secret that culture speaks volumes about a company. Some companies stand for honesty, trust, accountability, respect and integrity. Others value passion, teamwork, innovation and superior customer service. At Eide Bailly, these values and more are at the forefront of our business.

Culture has been the unshakable foundation underpinning 100 years of growth and innovation. Without it, Eide Bailly would be just a name, instead of the symbol for 'business done right' that it is today. Our clients know and respect us for our positive culture — we're proud to be **ranked as a top 10 firm in the Vault 2024 Accounting 25 list for culture and client interaction.**

GROWING OUR SUCCESSFUL RELATIONSHIP

Our longstanding relationship with CPRB has allowed us to build efficiencies into the audit process to enable an efficient and effective audit process. We will continue to leverage this historical knowledge to provide value to CPRB beyond our assurance engagement.

We understand and recognize the careful consideration CPRB must undertake when determining whether to continue with Eide Bailly as your current accounting firm or transition to a new firm. Other firms responding to your proposal request will highlight their abilities to create a smooth transition; however, the reality is that a transition will cause some inconvenience to management and staff. Sometimes circumstances exist that may ultimately drive your decision to switch firms, but we hope to highlight all the reasons not to.

Eide Bailly has made a commitment to provide you with a level of service and attention that surpasses our competitors, and more importantly, makes you feel as valued as you are.

ADVANTAGES OF WORKING WITH EIDE BAILLY

Depth of Resources: We have the ability to rotate partners to provide a fresh, objective view.

Additional Offerings: Extensive experience extends firmwide and provides additional resources at your disposal.

Senior-Level Involvement: Partners and managers are extensively involved throughout the audit process.

Proactive Communication: We're responsive and direct; we present information relevant to decision-making.

A Trusted Advisor: We strive to be your trusted advisor, making recommendations and identifying mutually beneficial business opportunities.

To us, work isn't just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your business, we think we remain the best fit for this opportunity.

We will continue to connect you with the knowledge, resources and solutions that help bring confidence to your business decisions. If you have questions or would like additional information, don't hesitate to contact us. We want to make sure you have everything you need to make your decision.



Lealan Miller, CPA

Partner

208.383.4756

lmiller@eidebailly.com



Ellen Duncan, CPA

Senior Manager

208.424.3527

eduncan@eidebailly.com

We Want to Work with You

We're driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.

Appendix A: Peer Review

PEER REVIEW



Report on the Firm's System of Quality Control

To the Partners of Eide Bailly LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended April 30, 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 on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 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*. Eide Bailly LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Atlanta, Georgia
January 9, 2024

cbh.com

Appendix B: AICPA Letter of Good Standing



January 25, 2024

Eide Bailly LLP
4310 17th Ave S
Fargo, ND 58103-3339

AICPA Account Number: 2001584

To Whom It May Concern,

This letter is to confirm that Eide Bailly LLP is in good standing since with the AICPA.

Thank you for allowing us to be of service. Please let us know if we may be of further assistance.

Regards,

A handwritten signature in black ink that reads 'Kathleen Johnson'.

Kathleen Johnson
Senior Manager
AICPA, Global Engagement Center

Member Service: 888.777.7077, 9am-8pm ET, Monday-Thursday and 9am-6pm ET, Friday; or
service@aicpa.org

Thank you for your continued support.

**Please note that membership in the AICPA is not verification of CPA certification.*

Appendix C: Requested Contract Exceptions

Based on feedback from our firm's legal counsel, we have noted the following suggested modifications to the provided sample contract. We have found that a phone call with our legal group to discuss the changes enables for a quicker resolution for any concerns from the State of West Virginia perspective. We also found that conversations earlier in the evaluation process helps move the process even better. Please reach out as soon as possible to review these changes.

Please note that in order to ensure compliance with applicable professional standards, the firm will also require the CPRB to sign an annual engagement letter on commercially reasonable terms to be negotiated in addition to the requested exceptions described herein. We have provided our FY2023 engagement letter with CPRB as an example.

CRFP CPR24-02

GENERAL TERMS AND CONDITIONS:

8. INSURANCE:

The apparent successful Vendor shall furnish proof of the insurance identified by a checkmark below prior to Contract award. The insurance coverages identified below must be maintained throughout the life of this contract. Thirty (30) days prior to the expiration of the insurance policies, Vendor shall **endeavor to** provide the Agency with proof that the insurance mandated herein has been continued. Vendor must also provide Agency with **immediate** notice **as soon as practicable** of any changes in its insurance policies, including but not limited to, policy cancelation, policy reduction, or change in insurers.

Comments: Certificates of Insurance will be provided prior to expiration of policy coverage. However, we cannot guarantee that they will be delivered 30 days prior to expiration.

Immediate notice is administratively and practically unworkable

Professional/Malpractice/Errors and Omission Insurance in at least an amount of: 1,000,000 per ~~occurrence~~ **claim and in aggregate.**

Cyber Liability Insurance in an amount of: 1,000,000 ~~per occurrence~~ annual aggregate

28. WARRANTY:

The Vendor expressly warrants that the goods and/or services covered by this Contract will: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; ~~(b) be merchantable and fit for the purpose intended;~~¹ and ~~(c) be free from defect in material and workmanship~~ **performed in accordance with applicable professional standards.**

Comments: ¹Not applicable to the services being provided. ²An auditor cannot under applicable standards warrant that its work is "free from defects" but can warrant that the work was performed in accordance with professional standards.

30. PRIVACY, SECURITY, AND CONFIDENTIALITY

The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency's policies, procedures, and rules, **or disclosure is required by law or applicable professional standards.**¹ Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in www.state.wv.us/admin/purchase/privacy, **as amended.**

Comments: *Some disclosures are required by law (e.g., subpoena) or professional standards (e.g., mandatory peer review, where the reviewers are held to the same level of confidentiality as the firm providing the services to the client).*

² The firm will request some reasonable revisions to the embedded documents.

36. INDEMNIFICATION

The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against:

Comments: *The firm cannot assume the duty to defend a client for claims arising from the firm's actual or alleged errors and omissions in the performance of professional services. The firm's professional liability policies are indemnity policies only. They do not provide a defense to the firm or its clients. Assuming a duty to defend places professional liability coverage at risk (problematic for both the firm and the client) and puts firm in position where any defense obligation is borne solely by firm and its partners.*

Further, assuming a defense has the potential to violate AICPA Conduct Rule 1.228-020. Under that rule, an auditor cannot indemnify an "attest client for damages, losses, or costs arising from lawsuits, claims, or settlements that relate, directly or indirectly, to the attest client's acts."

Finally, to the extent auditor and client disagree about who is responsible for an alleged loss, assumption of a defense may create an adverse interest threat to auditor independence. If there is a disagreement between the firm and our client, we could not be represented by the same attorneys, nor could we assume the legal fees for a client to bring an action against us.

39. REPORTS:

Such reports as the Agency and/or the Purchasing Division may **reasonably** request. Requested reports may include, but are not limited to, quantities purchased, agencies utilizing the contract, total contract expenditures by agency, etc.

Comments: *There should be a standard of reasonableness.*

Notice of State of West Virginia Confidentiality Policies and Information Security Accountability Requirements

3.0 BACKGROUND

Utilization of safeguards can greatly minimize potential exposure to sensitive information, and vendors are expected to adhere to industry standard best practices in the management of data collected by, or on behalf of, the State, and in the vendor's possession for a business purpose. Even when sound practices and safeguards are in use, exposures can occur as the result of a theft, loss, or compromise of data, or systems containing data. At these times, vendors must be accountable for the loss of data in their possession by **immediately**¹ reporting the incident surrounding the loss **as soon as practicable**, and by absorbing any **reasonable** cost associated with the appropriate **reasonable** response actions **deemed by the State to be reasonable and necessary**.² Additional vendor funding may be needed for required activities, such as: rapid notification to affected persons, and provision of a call center to handle inquiries. **Notification and call handling will use a State-specified method, format, language, and personnel staffing level.**³

Comments: ¹ Immediate notice is practically and administratively unworkable. ² We don't know if we can agree because we don't know what would be required, but have concerns that it would be solely determined by the State with few limitations. ³ This is a preemptive exception. We are unsure if we can agree to this, as there is no specificity in what would be required.

4.0 POLICY

4.1 All vendors for the Executive Branch of West Virginia State government shall sign both the RFP or RFQ, as applicable, and the Purchase Order which contain the confidentiality statement, incident response

accountability acknowledgement, and adopt this policy by reference **in the performance of services under this Agreement.**

Comments: *Clarification added to what we believe is the intent.*

4.3.1 Confidential Information shall only be used or disclosed for the purposes designated in the underlying contract and at no time shall it be disclosed or used for a personal, non-work or non-contract related reason, unless specifically authorized in writing by the Agency, **or disclosure is required by law or applicable professional standards.**

Comments: *Some disclosures are required by law (e.g., subpoena) or professional standards (e.g., mandatory peer review, where the reviewers are held to the same level of confidentiality as the firm providing the services to the client).*

~~4.3.4 The State may periodically monitor and/or audit use of the information systems and other record-keeping systems at a vendor location or a State location in an effort to ensure compliance with this policy. In addition, the State may audit, and require strengthening of, vendor policies and/or practices as they impact security of State data within the vendor's possession.~~

Comments: *The firm is happy to make its personnel available to answer reasonable security questions in lieu of allowing third-party testing of its systems or providing the firm's confidential internal policies and procedures.*

4.4.2 Notification of Breach.

4.4.2.1 Upon the discovery of Breach of security of Confidential Information, if the Confidential Information was, or is reasonably believed to have been, acquired by an unauthorized person, the vendor shall notify the individuals identified in 4.4.2.3 **immediately as soon as practicable** by telephone call plus e-mail, web form or fax; or,

Comments: *Immediate notice is practically and administratively unworkable.*

4.4.2.2 Within 24 ~~72~~¹ hours by e-mail or fax of any suspected² Security Incident, intrusion or unauthorized use or disclosure of Confidential Information, in violation of the underlying contract and this Notice, of ~~potential~~ loss of confidential data affecting the underlying contract. **The parties acknowledge and agree that this section constitutes notice by vendor to State or Agency of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which no additional notice to State or Agency is required by applicable laws or regulations. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on vendor's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI, and so long as additional notice to State or Agency is not required by applicable laws or regulations.**³

Comments: ¹ 24 hours is practically and administratively unworkable. ² While the firm recognizes a duty to investigate any suspected security incident, we prefer to avoid a notification trigger unless we are reasonably certain harm will follow. This is consistent with data breach statutes. ³ Additional language is appropriate in light of the definition of a Security Incident and the reality of today's cybersecurity environment.

4.5 ~~The State may require that a v~~ **Vendor provide evidence of adequate will certify that it completes industry-standard background checks, including a nationwide record search,** for individuals who are entrusted by the vendor to work with State information.

Comments: *The firm completes industry-standard background checks at the inception of employment. If additional background checks are required in order to complete this work, we can likely accommodate this, however, use of the word "adequate" is not clear as to what the background checks would need to entail.*

HIPAA BUSINESS ASSOCIATE ADDENDUM

j. Federal and Agency Access.

Upon Agency's request, the Associate shall provide ~~proof of compliance with HIPAA and HITECH data privacy/protection guidelines, certification of a secure network and other assurance~~ **reasonable summaries of its non-confidential documentation** relative to compliance with the Privacy and Security Rules.

Comments: The firm is happy to make its personnel available to answer reasonable security questions in lieu of sharing the results of information security testing or providing the firm's confidential internal policies and procedures.

k. Security

The Associate shall take all steps necessary to ensure the continuous security of all PHI and data systems containing PHI. In addition, **substantial** compliance with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII is required, to the extent practicable. If Associate chooses not to adopt such methodologies as defined in 74 FR 19006 to secure the PHI governed by this Addendum, it must submit such written rationale, ~~including its Security Risk Analysis~~, to the Agency Procurement Officer for review prior to the execution of the Addendum.

Comments: The firm is substantially in compliance with 74 FR 19006.

The firm is happy to make its personnel available to answer reasonable security questions in lieu of providing the firm's confidential internal policies and procedures.

l. Notification of Breach.

During the term of this Addendum, the Associate shall notify the Agency and, unless otherwise directed by the Agency in writing, the WV Office of Technology **as soon as practicable** ~~immediately~~ by e-mail or web form upon the discovery of any Breach of unsecured PHI; or within ~~24~~ **72**¹ hours by e-mail or web form of any ~~suspected~~² Security Incident, intrusion or unauthorized use or disclosure of PHI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the Agency Procurement Officer at www.state.wv.us/admin/purchase/vrc/agencyli.htm and, unless otherwise directed by the Agency in writing, the Office of Technology at incident@wv.gov or <https://apps.wv.gov/ot/ir/Default.aspx>. **The parties acknowledge and agree that this section constitutes notice by the Associate to the Agency of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which no additional notice to the Agency is required by applicable laws or regulations. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on the Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI, and so long as additional notice to the Agency is not required by applicable laws or regulations.**³

Comments: ¹ Immediate/24 hours is practically and administratively unworkable. ² While the firm recognizes a duty to investigate any suspected security incident, we prefer to avoid a notification trigger unless we are reasonably certain harm will follow. This is consistent with data breach statutes. ³ Additional language is appropriate in light of the definition of a Security Incident and the reality of today's cybersecurity environment.



May 3, 2023

Jeffrey E. Fleck, Executive Director
West Virginia Consolidated Public Retirement Board
4101 MacCorkle Avenue Southeast
Charleston, West Virginia 25304

The following represents, along with all requirements mandated by RFQ#CPR200000023, our understanding of the services we will provide as mandated by RFQ#CPR200000023, to West Virginia Consolidated Public Retirement Board.

You have requested that we audit the financial statements of West Virginia Consolidated Public Retirement Board (Retirement Board), as of June 30, 2023, and for the year then ended, and the related notes, which collectively comprise West Virginia Consolidated Public Retirement Board's basic financial statements. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements. Our audit will be conducted with the understanding that the Retirement Board will issue a Basic Financial Statement and an Annual Comprehensive Financial Report (ACFR).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedules of Net Pension Liability and Changes in Net Pension Liability

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- Schedules of Contributions
- Schedules of Investment Returns

Supplementary information other than RSI will accompany the Retirement Board's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Schedule of Administrative Expenses
- Schedule of Payments to Consultants

Also, the ACFR will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Letter of Transmittal
- Organization Chart
- Board of Trustees, Administrative Staff, and Advisors
- Awards and Recognition
- Introductory Section
- Investment Section
- Actuarial Section
- Statistical Section

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Retirement Board's ability to continue as a going concern for a reasonable period of time.

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Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and, in accordance with *Government Auditing Standards*. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Retirement Board'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.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by us, including
 - a. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - b. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report;

- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- Typing, printing and binding of the financial statements.

We will not assume management responsibilities on behalf of the Retirement Board. The Retirement Board's management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

The Retirement Board's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

Reporting

We will issue a written report upon completion of our audit of the Retirement Board's basic financial statements. Our report will be addressed to the Board of Trustees of the Retirement Board. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

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Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Lealan Miller is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our interim audit on approximately May 15, 2023.

Our fees are based on the amount of time required at various levels of responsibility, which include actual out-of-pocket expenses, including administrative charges. Invoices are payable upon presentation. Whenever possible, we will attempt to use West Virginia Consolidated Public Retirement Board's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The ability to perform and complete our engagement consistent with the quoted fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information required to perform our engagement, as well as a planned timeline for the engagement.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Furthermore, upon request, we may provide copies of selected audit documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP.

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You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor's report but before the date your financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Retirement Board the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Eide Bailly LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to State of West Virginia pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to State of West Virginia. The State of West Virginia may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Government Auditing Standards require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD

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We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



Lealan Miller
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of West Virginia Consolidated Public Retirement Board by:

DocuSigned by:

Name: _____

Title: Executive Director _____

Date: 5/15/2023 _____

Appendix D: Addenda Acknowledgement**ADDENDUM ACKNOWLEDGEMENT FORM**
SOLICITATION NO.:CPR2400000002

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

<input checked="" type="checkbox"/> Addendum No. 1	<input type="checkbox"/> Addendum No. 6
<input type="checkbox"/> Addendum No. 2	<input type="checkbox"/> Addendum No. 7
<input type="checkbox"/> Addendum No. 3	<input type="checkbox"/> Addendum No. 8
<input type="checkbox"/> Addendum No. 4	<input type="checkbox"/> Addendum No. 9
<input type="checkbox"/> Addendum No. 5	<input type="checkbox"/> Addendum No. 10

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Eide Bailly LLP

Company



Authorized Signature

April 29, 2024

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.
eidebailly.com