



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

**Request for  
 Quotation**

RFQ NUMBER  
**RJC608**

PAGE  
**1**

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
**JOHN ABBOTT  
 304-558-2544**

VENDOR

\*909132501      304-345-8400  
**GIBBONS & KAWASH  
 300 BANK ONE CENTER  
 707 VIRGINIA STREET EAST  
 CHARLESTON WV 25301**

SHIP TO

**REG'L JAIL & CORR'L AUTH'Y  
 1325 VIRGINIA STREET EAST  
 CHARLESTON, WV  
 25301      304-558-2110**

DATE PRINTED <b>04/18/2007</b>	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **05/23/2007**      BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<b>REQUEST FOR QUOTATIONS</b> THE PURCHASING DIVISION IS SOLICITING BIDS FOR THE WEST VIRGINIA REGIONAL JAIL & CORRECTIONAL FACILITY AUTHORITY TO PROVIDE AN OPEN-END CONTRACT FOR AUDITING SERVICES FISCAL YEAR 2007. ATTACHMENTS: 1. SPECIFICATIONS 2. BID FORM 3. AFFIDAVIT MANDATORY PRE-BID: 5/9/2007; 1:30 PM 1325 VIRGINIA STREET, EAST CHARLESTON, WV 25301 (304) 558-2110 PRE-REGISTRATION: PLEASE CALL PAM HODGES TO CONFIRM ATTENDANCE @ THE ABOVE NUMBER.						
0001	1	LS		946-20		\$ 15,880
<b>AUDITING SERVICES</b>  <b>EXHIBIT 3</b>  LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON ..... AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE						

**RECEIVED**

2007 MAY 23 P 1:16

PURCHASING DIVISION  
 STATE OF WV

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE <b>304-345-8400</b>	DATE <b>May 23, 2007</b>
TITLE <b>Shareholder</b>	FEIN <b>55-0738985</b>	ADDRESS CHANGES TO BE NOTED ABOVE



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<p>ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY</p>						

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<p>THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY APPROVED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p style="text-align: center;">VENDOR PREFERENCE CERTIFICATE</p> <p>CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, 5A-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS).</p> <p>A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>( ) BIDDER IS AN INDIVIDUAL RESIDENT VENDOR AND HAS RESIDED CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>(X) BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD-QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING</p>						

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AUCTION

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<p>THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHIP INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR</p> <p>( ) BIDDER IS A CORPORATION NONRESIDENT VENDOR WHICH HAS AN AFFILIATE OR SUBSIDIARY WHICH EMPLOYS A MINIMUM OF ONE HUNDRED STATE RESIDENTS AND WHICH HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA CONTINUOUSLY FOR THE FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION.</p> <p>B. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>( x ) BIDDER IS A RESIDENT VENDOR WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES WORKING ON THE PROJECT BEING BID ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID;</p> <p>OR</p> <p>( ) BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO</p>						

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<p>YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p> <p>BIDDER UNDERSTANDS IF THE SECRETARY OF TAX &amp; REVENUE DETERMINES THAT A BIDDER RECEIVING PREFERENCE HAS FAILED TO CONTINUE TO MEET THE REQUIREMENTS FOR SUCH PREFERENCE, THE SECRETARY MAY ORDER THE DIRECTOR OF PURCHASING TO: (A) RESCIND THE CONTRACT OR PURCHASE ORDER ISSUED; OR (B) ASSESS A PENALTY AGAINST SUCH BIDDER IN AN AMOUNT NOT TO EXCEED 5% OF THE BID AMOUNT AND THAT SUCH PENALTY WILL BE PAID TO THE CONTRACTING AGENCY OR DEDUCTED FROM ANY UNPAID BALANCE ON THE CONTRACT OR PURCHASE ORDER.</p> <p>BY SUBMISSION OF THIS CERTIFICATE, BIDDER AGREES TO DISCLOSE ANY REASONABLY REQUESTED INFORMATION TO THE PURCHASING DIVISION AND AUTHORIZES THE DEPARTMENT OF TAX AND REVENUE TO DISCLOSE TO THE DIRECTOR OF PURCHASING APPROPRIATE INFORMATION VERIFYING THAT BIDDER HAS PAID THE REQUIRED BUSINESS TAXES, PROVIDED THAT SUCH INFORMATION DOES NOT CONTAIN THE AMOUNTS OF TAXES PAID NOR ANY OTHER INFORMATION DEEMED BY THE TAX COMMISSIONER TO BE CONFIDENTIAL.</p> <p>UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), BIDDER HEREBY CERTIFIES THAT THIS CERTIFICATE IS TRUE AND ACCURATE IN ALL RESPECTS; AND THAT IF A CONTRACT IS ISSUED TO BIDDER AND IF ANYTHING CONTAINED WITHIN THIS CERTIFICATE CHANGES DURING THE TERM OF THE CONTRACT, BIDDER WILL NOTIFY THE PURCHASING DIVISION IN WRITING IMMEDIATELY.</p> <p>BIDDER: <u>Gibbons &amp; Kawash, A.C.</u></p> <p>DATE: <u>May 23, 2007</u></p>						

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PURCHASER

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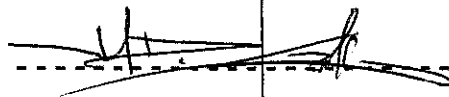
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<p>SIGNED: </p> <p>TITLE: <b>Shareholder</b></p> <p>* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION(S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM 5% PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION            PURCHASING DIVISION            BUILDING 15            2019 WASHINGTON STREET, EAST            CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: <b>JOHN ABBOTT</b></p> <p>RFQ. NO.: <b>RJC608</b></p> <p>BID OPENING DATE: <b>05/23/2007</b></p>						

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May 23, 2007

Ms. Wyetta Fredericks, Executive Director  
West Virginia Regional Jail and  
Correctional Facility Authority  
Charleston, West Virginia 25301

Dear Ms. Fredericks:

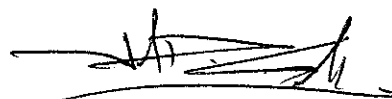
We are pleased to present our credentials to serve as your independent auditors to perform an audit of the West Virginia Regional Jail and Correctional Facility Authority (the Authority) for the year ended June 30, 2007, with the option of reviewing the contract for two additional one year periods ending June 30, 2008 and 2009. As a client of our firm, you can be sure of our total commitment to provide timely, responsive and quality service.

We believe our extensive experience with State of West Virginia government agencies enable us to present unmatched qualifications and expertise in our proposal. Should the Authority decide to prepare a CAFR for submission to the GFOA for a Certificate of Achievement for Excellence in Financial Reporting, we are one of only two West Virginia based CPA firms with a record of successful submissions to the GFOA for the Certificate.

Gibbons and Kawash is independent of the State of West Virginia, and all of its component units, as defined by auditing standards generally accepted in the United States of America and *Government Auditing Standards* (2006 revision), issued by the Comptroller General of the United States. Gibbons and Kawash and all key professional staff are licensed to practice in West Virginia. There were no field reviews of Gibbons & Kawash audits during the past three years and all audits subject to desk reviews have been accepted. No disciplinary action has been taken or is pending against the firm during the past three years.

We have structured this proposal to communicate G&K's experience and qualifications to effectively and efficiently respond to the requirements and expectations of the Authority, and have made every effort to completely respond to all matters identified in your request for proposal. We would be pleased meet with the selection committee and formally present our proposal upon your request. If you have any questions, please do not hesitate to contact me or Bob Denyer.

Very truly yours,



John D. Galloway  
Partner

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## 1. PROFILE OF GIBBONS & KAWASH

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### OVERVIEW

The audit of the West Virginia Regional Jail and Correctional Facility Authority (the Authority) requires experience in serving governmental entities to properly respond to your needs. Our experience in serving governmental entities, including the Authority for the past 12 years, will enable us to effectively and efficiently meet the Authority's needs for quality and timely audit services.

### GIBBONS & KAWASH'S PRACTICE

Gibbons & Kawash is a professional accounting firm which provides a full range of accounting and auditing, tax, and management consulting services to clients throughout West Virginia, and is a leading firm in providing services to governmental clients. We currently employ a staff of 41 employees, of which 10 are certified public accountants. Our governmental services practice includes 22 professionals, of which 7 are certified public accountants. Our professionals have many years of extensive experience in providing competent, high quality audit services to governmental entities throughout West Virginia.

Obtaining a Certificate of Achievement for Excellence in Financial Reporting from the Government Financial Officers Association (GFOA) is a goal for many governmental entities. Gibbons & Kawash is well qualified to assist governments in obtaining and maintaining these certificates. Gibbons & Kawash has provided technical assistance to the West Virginia Department of Transportation, Division of Highways for their successful submissions to the GFOA for the Certificate of Achievement for eight years. We also provided technical assistance to the West Virginia Lottery (an enterprise fund) for the past seven years, the West Virginia Parkways, Economic Development and Tourism Authority for the past six years, and the West Virginia Housing Development Fund for the past three years in submitting their CAFR to the Certificate of Achievement Program.

### AUDIT QUALITY

Gibbons & Kawash's foremost goal is to provide superior quality service. Everything else is secondary to that goal. Our approach to client service incorporates the necessity to meet client needs as the primary focus of service. We strive to identify, understand and satisfy governments' needs and expectations. This approach has helped Gibbons & Kawash build its extensive governmental practice.

The *Government Auditing Standards* (2006 Revision) promulgated by the U.S. General Accounting Office (GAO) outlines requirements that must be met by certified public accounting firms that perform audits of governmental units. Two of these requirements are:

- CPAs performing audits of governmental units should have continuing professional education in programs directly related to government auditing and accounting.
- CPAs performing audits of governmental units must establish an internal quality control review program and participate in an external peer review program for audits of governmental units.

Gibbons & Kawash strongly supports the rendering of quality services to our governmental clients. The following few paragraphs demonstrate the Firm's dedication to each aspect of audit quality.

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## 1. PROFILE OF GIBBONS & KAWASH

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### *External Quality Control Review*

Gibbons & Kawash is a member of the Center for Public Company Audit Firms (the Center) of the American Institute of Certified Public Accountants. The Center has established a self-regulatory process which includes requirements for periodic peer review of member firms. These reviews, which are performed by knowledgeable independent CPAs from other firms, periodically evaluate and test systems of quality control of member firms. Our system of quality control provides assurance that we maintain, on a continuing basis, the highest professional standards to which we are committed. Our most recent external quality control review, which was completed in November 2006, was performed by Rea & Associates, Inc., and is included as Appendix C. This quality control review included governmental audit engagements.

There have been no field reviews of any Gibbons and Kawash audits by federal or state agencies during the past three years. All audits for which desk reviews have been completed have been accepted.

### *Continuing Professional Education*

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Gibbons & Kawash provides internal and external training on governmental accounting, auditing, reporting and operations in excess of the GAO requirements. Professionals at the in-charge level and above receive specialized training in seminars and courses presented by nationally recognized experts in governmental and nonprofit accounting, auditing and financial reporting. The firm's professional staff have met all continuing professional education requirements within the preceding three years.

## EXPERTISE IN COMPUTERIZED SYSTEMS

### *Computerizing the Audit*

Gibbons & Kawash is committed to providing our auditors access to the latest technology in order to ensure optimum levels of efficiency in our engagements. Notebook computers are issued to all staff members, and are used in completing virtually every aspect of an audit engagement. Computerizing the audit process enables our auditors to spend more time on judgment matters and in-depth analysis, rather than on "number crunching" and other mechanical aspects of auditing, and enhances efficiency by allowing for quick updating of audit applications from year to year. Our vast array of software and on-line resources includes:

**Prosystem fx Engagement** – Electronic Audit Documentation software utilized to prepare, review, store, and maintain the resulting audit documentation. The use of this audit process allows the audit team to concentrate on evaluating audit evidence opposed to the traditional clerical tasks that are inherent in a paper-based documentation environment.

**CCH Accounting Research Manager** – Our subscription to this online service provides our professionals the most current accounting and auditing literature, including instant access to *Government Auditing Standards*, federal regulations, and all accounting pronouncements issued by the Government Accounting Standards Board.

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## 1. PROFILE OF GIBBONS & KAWASH

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**Single Audit Compliance Program Creator** – Our auditors can generate a customized single audit compliance program for any client in a matter of seconds using this valuable on-line resource.

**Audit Sampling** – Software used to implement a statistical sampling method which is highly efficient and relatively easy to apply.

**CCH Internet Tax Research Network** – Our subscription to this on-line service allows instant access to federal and state tax codes, regulations, publications, and court cases.

### *Statistical Auditing Techniques*

Gibbons & Kawash utilizes an easy-to-use approach to statistical sampling in auditing that has been thoroughly field-tested and adapted for use on all audits. We will use statistically valid sampling techniques whenever it is considered to be cost-effective.

### **The CPAmerica ADVANTAGE**

Gibbons and Kawash has been elected to membership in CPAmerica International, an exclusive, worldwide association of independent, leading accounting firms founded to pursue and ensure excellence and quality in accounting, financial, and business consulting services. Membership requirements dictate that a firm must meet association standards of excellence in service, management competence, and all other aspects of practice. Members must commit to significant continuing investment on behalf of clients to provide the highest quality professional service.

This membership affords us access to outstanding audit, tax, and consulting professionals and their specialty niche expertise in over 50 major U.S. cities. CPAmerica International's international alliance partner is HORWARTH International with over 90 firm members and 300 international affiliate offices located in countries around the world. CPAmerica member firms currently serve more than 800 governmental organizations.

Our CPAmerica affiliation enables us to offer you the resources of a national firm, yet we remain autonomous so you are assured of a local presense of highly trained and knowledgeable experts with your needs in the forefront (See Appendix G).

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## 2. GIBBONS & KAWASH QUALIFICATIONS AND EXPERIENCE

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### ENGAGEMENT TEAM

The ultimate success and quality of our professional services to the Authority depends on our ability to provide an experienced and capable client service team. We have selected a group of individuals experienced in serving the Authority and other governmental and nonprofit entities.

Your client service team will include:

**Engagement Partner** – John D. Galloway, CPA, a partner with Gibbons & Kawash who has extensive experience in serving governmental clients, including the Authority, will serve as the engagement partner responsible for the audit. In this role, Mr. Galloway will assume primary responsibility for the successful completion of the audit and will maintain contact with senior management of the Authority throughout the engagement to ensure that services and resources are provided to the Authority in a timely professional manner. Mr. Galloway will also provide technical expertise to the audit team on accounting, auditing, and financial reporting matters and perform on-site review and supervision procedures. John also has substantial experience with the GFOA's Certificate of Achievement for Excellence in Financial Reporting program.

**Independent Review Partner** – Mr. Robert R. Denyer, CPA, a partner with Gibbons and Kawash who has extensive governmental experience, will serve as independent review partner for the engagement. The role of the independent review partner is an essential element of Gibbons & Kawash's quality control program over the delivery of audit services. Mr. Denyer will be available to consult with the audit team on accounting, auditing, and reporting matters and provide technical expertise. Bob will be charged with the final review of the financial statements to evaluate the following criteria: clarity of presentation, adequacy of disclosures required by generally accepted accounting principles, and appropriateness of the auditors' report.

**Audit Manager** - Mr. Robert E. Adams, CPA, is an audit manager in Gibbons & Kawash's governmental services practice, with ten years of specialized audit experience with governmental entities, including the Authority.

**Audit Senior** – Ms. Shannon Catron is an audit senior with three years of experience performing audits of State of West Virginia component units. She has been involved in eight audits of State of West Virginia entities.

**Staff Auditor** – Mr. Paul Barnette is a staff auditor in our governmental services practice with nine years of audit experience relating to state government agencies.

We do not anticipate any changes in the audit service team during the term of the agreement. However, if circumstances necessitate the change in team members assigned to the engagement, we will replace individual team members with other members of our staff with comparable experience and training. We will notify the Authority regarding any changes in staffing, provide management with the resume of any staff members added to the audit team and obtain their approval for the change.

The above individuals will be assigned to this engagement as set forth in the work plan which is detailed in Section 3.

See Appendix B for resumes of your client service team.

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## 2. GIBBONS & KAWASH QUALIFICATIONS AND EXPERIENCE

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### GIBBONS & KAWASH'S GOVERNMENTAL SERVICES PRACTICE

This practice includes four partners and three managers/supervisors who have extensive experience serving government clients, including twelve years of experience auditing the Authority. The core engagement team for the Authority has been selected from this pool of highly qualified professionals. The team's public sector experience includes cities, authorities, and State of West Virginia agencies, and component units. The team has assisted clients in earning and maintaining GFOA certificates in addition to conducting audits of financial statements, including audits conducted under the Single Audit Act of 1984, as amended in 1996, and OMB Circular A-133.

Gibbons & Kawash has a long tradition of providing the highest quality professional services to government clients. Our governmental clients include:

#### State of West Virginia Agencies

- **West Virginia Regional Jail and Correctional Facility Authority**
- West Virginia Department of Transportation
  - Division of Highways
  - Division of Motor Vehicles
  - Division of Public Transit
  - Public Port Authority
  - Aeronautics Commission
- West Virginia Housing Development Fund
- West Virginia Consolidated Public Retirement Board
- West Virginia Board of Treasury Investments
- West Virginia State Rail Authority
- West Virginia Lottery
- West Virginia Economic Development Authority
- West Virginia Parkways, Economic Development and Tourism Authority
- West Virginia Water Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Racing Commission
- West Virginia Jobs Investment Trust
- School Building Authority of West Virginia
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Solid Waste Management Board

#### Other Governmental Entities

- Central West Virginia Regional Airport Authority
- City of Charleston
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission

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## 2. GIBBONS & KAWASH QUALIFICATIONS AND EXPERIENCE

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- Kanawha Valley Regional Transportation Authority
- Marion County, West Virginia
- The Mid-Ohio Valley Regional Planning and Development Council
- Region I Planning and Development Council
- Region VI Planning and Development Council

Gibbons & Kawash has extensive experience preparing financial statements for governmental entities in accordance with generally accepted accounting principles (GAAP), having performed this service for all of the entities listed above. As evidence of our expertise in this area, the Division of Highways has received the coveted Certificate of Achievement for Excellence in Financial Reporting. Recipients of this award have demonstrated compliance with the highest standards of financial reporting and application of generally accepted accounting principles. We believe that this accomplishment defines the quality of service provided by our firm, which we have demonstrated during the past three audits of the Authority, and the preparation of its financial statements. See Appendix E for more detailed listing of our experience.

Many of the above entities, including the Division of Highways, School Building Authority, Division of Motor Vehicles, Division of Public Transit, and the City of Charleston, use governmental funds and governmental activities for financial reporting purposes that are the same as the Authority will use in its financial statements. **We also provided technical guidance in the preparation of the first GAAP-based financial statements for the Department of Transportation, which were the first department-wide financial statements prepared in State government.** We believe that this experience relating to an entity with over \$800 million in total revenue, \$1,500 million in assets, and over \$200 million in long-term debt will be invaluable in assisting in the preparation of the financial statements of the Authority.

Gibbons & Kawash also has extensive experience preparing the schedules and information required by FARS for 14 of the above entities, including the Authority. We have communicated and worked with FARS personnel to develop and resolve numerous financial reporting issues.

### **GFOA'S CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

Obtaining a Certificate of Achievement for Excellence in Financial Reporting from the Government Financial Officers Association (GFOA) is a goal for many governmental entities. Gibbons & Kawash is well qualified to assist governments in obtaining and maintaining these certificates. Gibbons & Kawash has provided technical assistance in obtaining the Certificate to the West Virginia Department of Transportation, Division of Highways for eight years, the West Virginia Lottery for seven years, West Virginia Parkways Economic Development and Tourism Authority for six years, and the West Virginia Housing Development Fund for three years.

Should the Authority pursue this award, we have proven experience in providing this technical assistance.

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### 3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING

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#### OUR UNDERSTANDING OF YOUR REQUIREMENTS

From our previous contact with Wyetta Fredericks, Danny Thompson, and Tony Davis, we have obtained an understanding of your expectations for the public accounting firm with whom you will work in the future. Key among these is that your accounting firm should:

- Present a diversity of audit experience which demonstrates that the firm can meet your service needs.
- Have an experienced team of professionals with a proven record of providing high quality audit services and who will work closely with management. We would expect this experienced team of professionals to be utilized on a consistent basis from year-to-year.
- Have an audit approach that addresses areas of highest risk, concentrates its efforts in areas of most concern, and results in a smooth and efficient audit.
- Provide a constructive look at your operations by producing reports on internal controls, if necessary, and timely management letters which make specific, creative and practical suggestions, not only to strengthen internal controls, but also to improve operating performance and effectiveness.
- Provide ongoing communications with management regarding any accounting or financial reporting developments which may effect the Authority.

#### SPECIFIC REQUIREMENTS OF THE ENGAGEMENT

##### *Scope of Work to be Performed*

We will express an opinion on the fair presentation of the Authority's financial statements as of and for the year ended June 30, 2007, in conformity with accounting principles generally accepted in the United States of America. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America prescribed by the American Institute of Certified Public Accountants and *Government Auditing Standards*

The Authority is responsible for the construction of regional jails and correctional facilities and the operation of the regional jails. The Authority's financial statements will include a special revenue fund, a capital projects fund, a debt service fund, a general fixed assets account group, and a general long-term debt account group. These financial statements will reflect activity in the following accounts:

- Regional Jail and Correctional Facility Development Fund
- Regional Jail Operational Accounts
- Appropriated General Revenue Capital Outlay Account
- Bond Revenue Accounts

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### 3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING

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- Debt Service Revenue Account
- All other accounts under the Authority's control

We will express an opinion on the fair presentation of the combining and individual financial statements and schedules of the above accounts in conformity with generally accepted accounting principles.

We will also provide support and technical assistance related to preparation of supplemental schedules and information required by FARS. We will perform audit procedures sufficient to enable us to express an "in relation to" opinion on these supplemental schedules.

We understand that we will be responsible for applying all procedures required by auditing standards generally accepted in the United States of America and *Government Auditing Standards* over the required supplementary information required by the Governmental Accounting Standards Board.

We will provide technical assistance to the Authority in determining presentation of the financial statements, including disclosures in the notes to the financial statements, and then prepare the financial statements, notes, and supplemental schedules

In addition to the financial statements, supplemental schedules and related opinions we will report on the following:

Irregularities, including Fraud, and Illegal Acts. We will make an immediate, written report to the Comptroller of the Financial Accounting and Reporting Section of the Department of Administration under the Authority of Section 5A-2-33 of the State Code, of all fraud and illegal acts of which we become aware

Reporting to Regional Jail and Correctional Facility Authority Board. We will inform the Authority of each of the following, as applicable:

1. The auditors' responsibility under generally accepted auditing standards,
2. Significant accounting policies,
3. Management judgments and accounting estimates,
4. Significant audit adjustments, and significant revisions of past and current estimates and projections,
5. Other information in documents containing audited financial statements,
6. Disagreements with management,
7. Management consultation with other accountants and actuaries,
8. Major issues discussed with management prior to retention,

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### 3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING

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9. Difficulties encountered in performing the audit, and
10. Significant abuse.

The Authority is a component unit of the State of West Virginia. It is anticipated that the financial statements will be included in the State's Comprehensive Annual Financial Report (CAFR).

Any issues that arise during the course of the audit that could cause delays in the issuance of the audit report or have an adverse impact on the audit opinion will be immediately reported to Mr. Tony Davis. We will provide a written summary of the issues within 24 hours.

The investments of the Bond Revenue Accounts are managed by the Trustee, WesBanco. The investments of the Development Fund and the Operational Accounts are managed and in the custody of the Board of Investment Management Board (the Board) of the State of West Virginia. The Board is audited annually by independent Certified Public Accountants. We will rely on this audit work to the fullest extent possible.

#### **Time Requirements**

Each of the following shall be completed no later than the dates indicated. A similar schedule will be developed for audits of future fiscal years if the Authority exercises its option for additional audits.

1. Interim work, detailed audit plan, and information needed from the Authority

We will complete all interim work and provide the Authority with a detailed audit plan and a list of all schedules to be prepared by the Authority by July 31, 2007.

2. Draft Reports

We will prepare drafts of the audit report and recommendations to management and have them available for review by the Executive Director no later than September 7, 2007. This will allow time for the Authority to review and comment on the financial statements prior to forwarding a draft to FARS by September 15, 2007. If FARS establishes a submission date prior to this date, we will plan our audit to meet this earlier date.

3. Entrance conferences, progress reporting, and exit conferences

The following conferences shall be held:

Entrance conference with Authority staff within two weeks of the award of the contract.

- The purpose of this meeting will be to discuss audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

Semi-monthly progress conference with auditor's supervisory staff

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### 3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING

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- The purpose of these meeting will be to summarize the results of the preliminary review and to identify the key internal controls or other matters to be tested.

Exit conference with managers

- The purpose of this meeting will be to summarize the results of the field work and to review significant findings.
4. The final report and ten (10) signed copies shall be delivered to the Executive Director and FARS by October 15, 2007.

#### ***Anticipated Potential Audit Problems***

Since the GAAP basis financial statements of the Authority will be prepared from cash basis statements of activity, certain potential issues and matters relating to financial reporting may develop and require resolution as follows:

- Determining completeness of GAAP basis revenues and expenses, accounts receivable, and accounts payable.
- Determining the adequacy of the allowance for doubtful accounts receivable.
- Elimination of the activity between the Authority's various cash basis account ledgers.

These potential matters will be fully considered during our interim procedures and planning process and appropriate procedures will be developed to resolve any such matters during the audit.

#### **Assistance to be Provided by the Authority**

We understand that the accounting staff, management personnel, and certain clerical support will be available to assist during the audit by providing information, documentation, and explanations.

#### **REQUIRED AFFIRMATIVE STATEMENTS**

##### **Independence**

Gibbons & Kawash is independent of the Authority and related systems, the State of West Virginia and all of its component units as defined by generally accepted auditing standards and *Government Auditing Standards*.

##### **Licensure**

Gibbons & Kawash and all key personnel to be assigned to the engagement are licensed to practice public accounting in the State of West Virginia by the West Virginia Board of Accountancy.

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### **3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING**

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#### **PHASES OF THE AUDIT**

As demonstrated in our previous audits, our firm understands that time and money are important concerns for our clients. Our audit approach takes these concerns seriously. Therefore, we organize the audit process to yield a rate of return that is reflected in timeliness, effectiveness and cost efficiency.

Based on our prior experience with the Authority, our audit approach for the Authority will consist of five phases:

- I. Comprehensive Planning Process
- II. System Evaluation
- III. Development of Audit Plan
- VI. Testing
- V. Reporting

We have separated the audit process into the above phases to emphasize certain significant aspects of each phase. However, the performance of phases I and II will occur concurrently due to the interrelationship of the various steps of these phases. Listed below is a brief description of all phases.

#### **Phase I: A Comprehensive Planning Process**

A comprehensive planning process is an important cornerstone in the process of adapting our audit approach to the special needs of the Authority. Effective and thorough planning allows for the early identification and resolution of audit issues, development of an agreed-upon audit timetable and required assistance from Authority personnel.

#### ***Gaining an Understanding of the Client's Business***

Prior to commencing work on detail audit procedures, we will update and re-evaluate our specific understanding of the Authority and the environments in which you operate. This will be completed through various techniques including interviews with employees, review and updating of system documentation and review of employee job descriptions.

#### ***Time Management System***

Beginning with the planning phase of each audit, each audit segment will be provided with a detailed time budget to perform the necessary audit tasks based on the audit planning memos and supporting audit programs. Under the direction of the manager, time incurred and progress made with respect to the audit will be accumulated daily and entered into the time management system. This information and related explanations of variances from budget will be forwarded to the engagement partner and manager for analysis. These estimates will be modified and resources redirected as necessary to ensure the successful completion of the engagement.

#### ***Planning Analysis***

An analytical review of the Authority's accounts will then be performed. We will identify accounts and information streams that are significant and which may require particular attention. In addition, we will

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### 3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING

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compare individual revenues and expenditures (by line item on WVFIMS) to prior year actual and current year budgeted amounts to identify areas of revenues or expenditures that reflect changes or variances indicating audit attention may be required.

#### ***Risk Assessment***

The critical first step toward ensuring that the audit approach is both innovative and prudent is determining risk assessment; that is the risk of material misstatement associated with a given objective, including the opinion on the financial statements of the Authority.

The ultimate risk of failure to identify a material error is the product of three risk components:

- a material error may occur;
- internal controls may fail to identify and correct that error; and
- the auditor's substantive procedures may fail to reveal the error.

Once risk has been assessed, the auditor then determines the quality and quantity of audit evidence required to limit that risk to an acceptable level

We plan to concentrate our audit effort on those areas where the dollar volume of transactions is significant and the risk of material misstatement is greatest. Our preliminary risk assessment is partially reflected in the relative audit effort depicted in the audit budget provided in Appendix A of this proposal.

To minimize the level of audit effort, particularly in low-risk areas, we will make extensive use of analytical and quantitative techniques to support the opinion on the financial statements of the Authority. We view analytical procedures such as economic and ratio analysis, and statistical sampling as a continuum of techniques to be matched against a continuum of audit risk, ranging from low to high. The audit tools used in each audit area will be matched against the specific audit risks of that area.

To accomplish this audit approach, specialists from Gibbons & Kawash will be used. The engagement team members will perform the risk assessment based on their extensive experience and guide all audit efforts into the most cost-effective areas.

#### ***Laws, regulations, contracts, and grants***

Identifying and ensuring that the Authority complies with laws and regulations is the responsibility of management. We will make appropriate inquiries of management of the Authority to identify laws and regulations in which noncompliance with could have a direct and material effect on the financial statements. We will also review relevant portions of the West Virginia Code, Code of State Rules, and relevant regulations, as well as significant grants and awards, including federal grants programs. We will test the provisions of those laws, regulations, grants and contracts for noncompliance which could have a direct and material effect on the financial statements. Our sample for this testing will be drawn from the complete population of all transactions that are governed by the provision that is being tested. We will use previously described statistical sampling models that will allow us to reach a conclusion regarding compliance with the tested provisions as a result of our tests

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### **3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING**

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#### ***Comprehensive Planning Memorandum***

We will then write a comprehensive planning memorandum which will summarize the information gained in the planning phase of the audit. This memo will also include a detailed audit approach for the rest of the audit. This memo along with the final audit approach will be discussed with key Authority personnel at the beginning of our fieldwork.

#### **Audit Approach Memo**

Prior to the execution of any significant audit effort, the audit team will prepare a written audit approach memo supplemented by written, detailed audit programs. This information will be scrutinized by the engagement partner and engagement manager to determine that the specific procedures developed are appropriate, efficient and reasonable in the circumstances. As a result, this process is a pre-audit quality control step which ensures that the audit team has a thorough understanding of the work allocated to them and that the efforts of all team members are coordinated and consistent.

The audit approach memos will be prepared in a consistent format and include a description of financial audit responsibilities (including footnote disclosures), the accounting systems underlying these amounts, the planned reliance on the internal control structure and the nature and scope of planned compliance and substantive procedures.

#### **Phase II: System Evaluation**

We will perform procedures to update and refine our understanding of the internal control of the Authority. Assessment of the control environment will give us a general indication of the extent of reliance on the Authority's internal controls that may be possible. This will be done in conjunction with updating our understanding of the business of the Authority.

If our initial assessment indicates a possibility of reliance on specific controls, a sample of specific items will be chosen for detail testing. This sample will be chosen through use of our computerized sampling techniques.

#### **Phase III: Development of Audit Plan**

The planning and system evaluation phases of the audit culminate in the development of a detailed audit approach and the general audit plan.

Based on the information developed during the planning phase and an understanding of the Authority's significant accounting and control systems, we will develop a detailed audit approach supported by tailored audit programs which will be used during the remainder of the audit.

Once prepared, the audit approaches are carefully reviewed to ensure that there is no duplication of efforts, that the approaches planned address all of our audit and client service objectives and are consistent and appropriate in the circumstances, and that the approaches are efficient and will be minimally disruptive to Authority personnel.

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### 3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING

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After the audit approaches have been finalized and approved by the senior members of the management team, the audit plan is developed. In addition to explaining the engagement objectives and provide a full audit perspective, the primary thrust of the audit plan is to provide:

- The composition of the client service team;
- An explanation of known legislative, economic, or other issues that may impact the audit process;
- A description of the audit procedures to be performed by each audit segment; and
- A final engagement procedures timetable.

Following is a presentation of the individual audit segments and a brief description of the proposed procedures for each segment:

- **Regional Jail and Correctional Facility Development Fund**  
Substantive tests will be performed of court fees revenue, primarily of an analytical nature, to determine that revenues are complete. Substantive tests will also be performed of transfers to and from other funds and the investment accounts at the Investment Management Board.
- **Regional Jail Operational Accounts**  
Based on our prior knowledge of the internal controls over these accounts, we expect to test controls through selection and testing of individual samples of payroll disbursements, nonpayroll expenditures, and revenues (charges to local governments for housing inmates). Our sample sizes will be statistically related to attributes tested and will range from 25 to 40 transactions per sample.
- **Appropriated General Revenue Capital Outlay Account**  
Tests of transactions will be performed as well as analytical procedures. Sample sizes will be based on materiality of the transaction to the account balance and the probability proportional to size sampling method.
- **Bond Revenue Accounts**  
These balances will generally be audited by substantive tests of the balances.
- **Debt Service Reserve and other trustee accounts used for proceeds of the Lease Revenue Bonds**  
These balances will generally be audited by substantive tests. Controls of the trustee are evaluated through review of separately issued SAS 70 reports on their operations.
- **Fixed Assets**  
These balances will be audited by substantive procedures in conjunction with our testing of the Appropriated General Revenue Capital Outlay Account.
- **Long-Term Debt**  
These balances will generally be audited by performance of substantive tests.

As required by *Government Auditing Standards*, we will determine laws and regulations noncompliance with which would result in a direct and material effect on the financial statements.

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### **3. GIBBONS & KAWASH AUDIT APPROACH AND TIMING**

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#### **Phase IV: Testing**

After preparing the tailored audit programs, we will conduct two types of tests in addition to the specific audit requirements discussed later in this section.

- **Test Internal Controls (Compliance Tests)**

We will test compliance with established control procedures designed to verify that the significant strengths within the system are functioning as described to us. Generally, we will select and review transactions in sufficient detail to permit us to formulate conclusions regarding compliance with control procedures.

- **Test Financial Data (Substantive Tests)**

These tests are designed to provide reasonable assurance as to the validity of the information provided by the accounting system; i e , the accuracy and completeness of all transactions and account balances.

Such tests will include confirmations, review of invoices supporting payments, review of individual contract documentation and approvals, etc. Additionally, where appropriate, we will utilize analytical procedures to identify areas of higher risk to concentrate substantive vouching of transactions. Analytical procedures will also be used to substantiate balances through vertical and horizontal analysis, and mathematical recalculations.

#### **Phase V: Reporting**

Upon completion of all compliance and substantive testing, the reporting phase begins. During this phase, all data necessary for completion of all reports will be collected. The reports will be completed in draft form and reviewed by the engagement supervisor and partner prior to submission to Authority officials for their review. After any questions or concerns of Authority officials have been answered, the final reports will be issued.

See Section 4 for a detailed description of the reports which will be issued.

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#### 4. SCOPE OF SERVICES

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Our services to the Authority will include:

- Audit of and report on the financial statements of the Authority as of and for the year ended June 30, 2007, with options to renew each of the two years ending June 30, 2008 and 2009. We will provide support and technical assistance to the Authority's accounting staff in the preparation of the financial statements, including the related disclosures in the notes to financial statements.
- Issuance of internal control and "management letter," as appropriate, containing recommendations for any improvements in the efficiency and effectiveness of internal accounting controls and operating procedures.
- Reporting on and technical assistance related to preparation of supplemental schedules and information required by FARS in addition to all required financial statements and footnote disclosures. As required by FARS, we will express an "in relation to" opinion on this information.

Our services to be provided are more fully described in the "Specific Requirements for the Engagement" in Section 3 of this proposal.

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## APPENDIX A

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### TIME ESTIMATES BY FUNCTION AND LEVEL

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## APPENDIX A

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Following are time estimates for the major sections of the work to be performed:

	<u>Hours</u>
Planning and evaluation of internal controls	<u>38</u>
Compliance testing	<u>48</u>
Year end fieldwork	<u>186</u>
Report preparation	<u>32</u>
Meetings and wrap-up	<u>8</u>
Total	<u><u>312</u></u>

The following are the hours by staff classification:

	<u>Hours</u>
Partner	<u>16</u>
Manager	<u>30</u>
Senior	<u>110</u>
Staff Auditor	<u>140</u>
Support	<u>16</u>
Total	<u><u>312</u></u>

The following are the hours by audit segment:

	<u>Hours</u>
Regional Jail and Correctional Facility	
Development Fund	<u>36</u>
Regional Jail Operational Accounts	<u>124</u>
Appropriated General Revenues and	
Capital Outlay Account	<u>26</u>
Bond Revenue Accounts	<u>14</u>
Debt Service Reserve and other trustee accounts	<u>32</u>
Fixed Assets	<u>28</u>
Long-term Debt	<u>12</u>
Reporting	<u>32</u>
Meetings and wrap up	<u>8</u>
Total	<u><u>312</u></u>

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## **APPENDIX B**

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### **PARTNER AND SUPERVISORY STAFF QUALIFICATIONS AND EXPERIENCE**

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## APPENDIX B

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### Engagement Partner

**John D. Galloway, CPA**

### *Engagement Responsibilities*

The engagement partner is the primary decision-maker with respect to a particular engagement. He has the ultimate responsibility for the planning, execution, and review of the audit engagement. Specifically, the engagement partner directs the examination and is concerned with specialists; staffing; client involvement; field review; report preparation; and letters to management on internal control. John will also be the primary technical source for and assist in preparation of the Comprehensive Annual Financial Report.

### *Experience*

Mr. Galloway has 13 years of professional experience. He has been responsible for review of accounting systems, review and evaluation of internal controls, and consulting with clients regarding management and systems problems. He has supervised and managed audits of many privately-owned commercial companies, as well as large governmental entities and nonprofit organizations. His governmental and nonprofit experience includes the following:

- Joint Committee on Government and Finance of the West Virginia Legislature in connection with the audit of the West Virginia Department of Transportation – Division of Highways
- West Virginia Department of Transportation
- West Virginia Parkways, Economic Development, and Tourism Authority
- West Virginia Housing Development Fund
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- West Virginia Racing Commission
- **West Virginia Regional Jail and Correctional Facility Authority**
- School Building Authority of West Virginia
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Educational Broadcasting Authority
- West Virginia Jobs Investment Trust
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission
- Polymer Alliance Zone, Inc.
- Public Service Commission of West Virginia
- West Virginia Advocates
- ARC of the Three Rivers
- YMCA of Kanawha Valley
- Central West Virginia Regional Airport Authority
- Mid-Ohio Valley Planning and Development Council
- Mid-Ohio Valley Area Development Council

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- Region I Planning and Development Council
- Region VI Planning and Development Council
- Center for Rural Health Development, Inc.
- Center for Neighborhood Enterprise

### *Professional Activities*

Mr. Galloway is a member of the American Institute of CPAs, the West Virginia Society of CPAs, and the Charleston Chapter of the West Virginia Society of CPAs.

### *Education*

John graduated from the University of Charleston with a bachelor of science degree in business administration.

### *Continuing Education*

John is in compliance with all applicable CPE requirements. (See Appendix H)

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## APPENDIX B

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### Independent Review Partner

**Robert R. Denyer, CPA**

#### *Engagement Responsibilities*

The role of the consulting partner is an essential element of Gibbons & Kawash's quality control program over the delivery of audit services. Bob will consult with the audit team on accounting, auditing, and reporting matters including planning and risk assessment. He will provide technical expertise to the engagement team throughout the audit. Bob will be charged with reviewing the Division's financial statements to evaluate the following criteria: clarity of presentation; adequacy of disclosures required by generally accepted accounting principles; and appropriateness of the auditors' report on the financial statements and on internal control over financial reporting and on compliance and other matters.

#### *Experience*

Mr. Denyer has 29 years of professional experience. He has been responsible for review of accounting systems, review and evaluation of internal controls, and consulting with clients regarding management and systems problems. He has supervised and managed audits of many public- and privately-owned commercial companies, as well as large governmental entities, colleges and universities, and other nonprofit organizations. His clients include the following:

- Joint Committee on Government and Finance of the West Virginia Legislature in connection with the audit of the West Virginia Department of Transportation – Division of Highways
- West Virginia Department of Transportation – Division of Motor Vehicles
- West Virginia Department of Transportation – Division of Public Transit
- West Virginia Parkways, Economic Development, and Tourism Authority
- West Virginia State Rail Authority
- West Virginia Housing Development Fund
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- West Virginia Economic Development Authority
- West Virginia Lottery
- **West Virginia Regional Jail and Correctional Facility Authority**
- School Building Authority of West Virginia
- West Virginia Water Development Authority
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Water Pollution Control Revolving Fund
- West Virginia Racing Commission
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Solid Waste Management Board
- West Virginia Bureau of Employment Programs
- West Virginia Educational Broadcasting Authority and affiliated organizations
- Concord College

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## **APPENDIX B**

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- Bluefield State College
- West Virginia Jobs Investment Trust
- City of Charleston, West Virginia
- Marion County, West Virginia
- Central West Virginia Regional Airport Authority
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission
- Private Industry Council of West Virginia, Inc.
- Mid-Ohio Valley Regional Planning and Development Council
- Mid-Ohio Valley Area Development Corporation
- Business and Industrial Development Corporation of Kanawha Valley (BIDCO)
- Region VI Planning Development Council
- Region I Planning and Development Council

### ***Professional Activities***

Bob is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants, the Charleston Chapter of the West Virginia Society of CPAs, and the Government Finance Officers Association.

He is a member and past President of the South Charleston Rotary.

### ***Education***

Bob graduated from West Virginia University with a bachelor of science degree in business.

### ***Continuing Professional Education***

Bob is in compliance with all applicable CPE requirements. (See Appendix H)

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## APPENDIX B

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### **Audit Manager**

**Robert E. Adams, CPA**

#### ***Engagement Responsibilities***

Rob will serve as audit manager responsible for, first and foremost, being present on-site throughout the course of the audit engagement, particularly in the audit planning process; ensuring that the day-to-day audit activities conform to our audit plan; coordinating and scheduling the activities of the audit team; and advising the engagement partner of the status of the engagement, including any accounting and auditing problems.

#### ***Experience***

Rob's professional experience during the past 10 years has included significant audit responsibilities on several large governmental and nonprofit organizations. His governmental and nonprofit clients include the following:

- Joint Committee on Government and Finance of the West Virginia Legislature in connection with the audit of the West Virginia Department of Transportation – Division of Highways
- West Virginia Department of Transportation
- West Virginia Board of Treasury Investments
- **West Virginia Regional Jail and Correctional Facility Authority**
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Educational Broadcasting Authority
- West Virginia Jobs Investment Trust
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund
- West Virginia Economic Development Authority
- West Virginia Solid Waste Management Board
- West Virginia Drinking Water Treatment Revolving Loan Fund
- Private Industry Council of West Virginia, Inc.
- West Virginia Certified Development Corporation
- West Virginia Independent Colleges and Universities
- Mid-Ohio Valley Planning and Development Council
- Mid-Ohio Valley Area Development Corporation
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission
- City of Charleston, West Virginia

#### ***Professional Activities***

Mr. Adams is a member of the American Institute of CPAs, the West Virginia Society of CPAs, and the Charleston Chapter of the West Virginia Society of CPAs

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## APPENDIX B

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### *Education*

Rob graduated from the West Virginia Wesleyan College with a bachelor of science degree in business administration.

### *Continuing Professional Education*

Rob is in compliance with all applicable CPE requirements. (See Appendix H)

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## **APPENDIX B**

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### **Senior Auditor**

#### **Shannon Catron**

##### ***Engagement Responsibilities***

The senior auditor is responsible for performing the audit procedures, directing the staff accountants, under the direction of the manager and engagement partner, the adequacy and appropriateness of the workpapers, and informing the manager and engagement partner about auditing or accounting problems encountered during the audit fieldwork.

##### ***Experience***

During the past two years, Ms Catron's experience has included serving numerous state government component units, nonprofit organizations, and local governmental agencies.

- West Virginia Lottery
- West Virginia Water Development Authority
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Drinking Water Treatment Revolving Fund
- Various nonprofit organization audits in accordance with OMB Circular A-133
- Kanawha Valley Regional Transportation Authority
- METRO 911 Emergency Operations Center

##### ***Education***

Shannon graduated from West Virginia State University with a bachelors of science degree in business administration.

##### ***Continuing Professional Education***

Shannon is in compliance with all applicable CPE requirements. (See Appendix H)

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## **APPENDIX B**

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### **Staff Auditor**

#### **Paul Barnette**

#### ***Engagement Responsibilities***

Mr. Barnette will serve as a staff auditor. Paul will be in the field every day and will be responsible for conducting the day-to-day audit procedures.

#### ***Experience***

His professional experience has included nine years of experience with the West Virginia Legislative Auditor's Office, Performance Evaluation and Research Division. Additionally, he has had significant audit responsibilities on several governmental and nonprofit entities performed in accordance with *Government Auditing Standards* and OMB Circular A-133.

- West Virginia Lottery
- West Virginia Board of Treasury Investments
- West Virginia Parkways Economic Development and Tourism Authority
- Kanawha County, West Virginia
- Central West Virginia Regional Airport Authority

#### ***Education***

Paul graduated from the West Virginia State College with a bachelor of science degree in economics and from Marshall University College of Graduate Studies with a masters degree in business administration.

#### ***Continuing Professional Education***

Paul is in compliance with all applicable CPE requirements. (See Appendix H)

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## APPENDIX C

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### EXTERNAL REVIEW

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

132 South Fourth Street  
Marietta, OH 45750-3208  
PH 740-373-7423  
FAX 740-373-7492  
www.reacpa.com

*We're Ready For Your Future*

November 30, 2006

To the Partners of  
Gibbons & Kawash  
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Gibbons & Kawash (the firm) applicable to non-SEC issuers in effect for the year ended February 28, 2006. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Gibbons & Kawash in effect for the year ended February 28, 2006, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

*Rea & Associates, Inc.*

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## APPENDIX D

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### REQUIRED VENDOR INFORMATION

# AFFIDAVIT

## West Virginia Code §5A-3-10a states:

No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate

### DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

### EXCEPTION:

The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

### LICENSING:

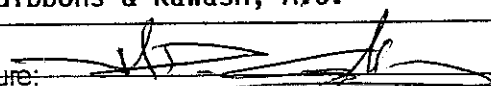
Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities

### CONFIDENTIALITY:

The vendor agrees that he or she 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. Vendors should visit [www.state.wv.us/admin/purchase/privacy](http://www.state.wv.us/admin/purchase/privacy) for the Notice of Agency Confidentiality Policies

Under penalty of law for false swearing (West Virginia Code, §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and are in compliance with the requirements as stated

Vendor's Name: Gibbons & Kawash, A.C.

Authorized Signature: 

Date: May 23, 2007

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**APPENDIX E**

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**GIBBONS & KAWASH EXPERIENCE WITH SIMILAR  
ENGAGEMENTS WITH GOVERNMENT ENTITIES**

**APPENDIX E**

**Gibbons & Kawash Experience with Similar Engagements with Government Entities**

Entity Name	Audit Type	Dates	Engagement Partner	Total Hours	Entity Contact	Phone Number
Kanawha County, West Virginia	A-133	2006, 2005, 2004, 2003, 2002	John Galloway	1,400	David Fontalbert	304-357-0179
West Virginia Regional Jail and Correctional Facility Authority	GAGAS	2006, 2005, 2004, 2003, 2002	John Galloway	278	Wyetta Fredericks	304-558-2110
West Virginia Infrastructure and Jobs Development Council	GAGAS	2006, 2005, 2004, 2003	Robert Denyer	250	Barbara Meadows	304-558-3612
West Virginia Racing Commission	GAGAS	2006, 2005, 2004, 2003, 2002	John Galloway	250	Linda Lacy	304-558-2150
School Building Authority of West Virginia	GAGAS	2006, 2005, 2004, 2003, 2002	John Galloway	50	Garry Stewart	304-558-2541

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**APPENDIX F**

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**AUDIT COSTS**

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**APPENDIX F**

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The following are the hours by staff classification for the 2007 audit:

	<u>Total</u>	<u>Rate</u>	<u>Fee</u>
Partner	16	\$ 125	\$ 2,000
Manager	30	\$ 100	3,000
Supervising staff	110	\$ 85	9,350
Staff	140	\$ 75	10,500
Staff	<u>16</u>	\$ 45	<u>720</u>
	<u>312</u>		25,570
	Less: discount		<u>9,690</u>
	Total, all inclusive price for 2007		<u>\$ 15,880</u>

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the above fee. We expect to invoice the Authority on a monthly basis.

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**APPENDIX G**

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**THE CPAMERICA ADVANTAGE**

# The CPAMERICA INTERNATIONAL *Advantage*

## The best of both worlds



- ❖ Personalized service of a local firm
- ❖ Knowledge and resources of a global network

The power and resources of a strong national network are not just the domain of multinational corporations.

There is another choice . . . a very attractive choice.

CPAmerica International is one of the world's largest networks of independent CPA firms. It might surprise you to know that through our firm's affiliation with CPAmerica, we are able to offer you comparable services to anything a national firm can offer . . . and often more.

The firms of CPAmerica are ethics-driven, local firms that have significant presence in their communities. They're on a first-name basis with their clients. They pride themselves on providing honesty, hard work and solutions that make sense.

The clients of CPAmerica firms receive the best of both worlds – the regional knowledge and sincere concern of a local firm coupled with the vast resources and experience of a progressive worldwide network. For you, this means we will meet all of your unique financial management challenges – no matter how large or small.

As a member of one of the largest networks of CPA firms in the world, our firm has instant online access to the expertise and resources of nearly 2,000 CPAs at more than 70 large, independent firms across America.

In addition, we have the ability to network with more than 15,000 CPAs and consultants around the world through CPAmerica's strategic alliance with the Horwath International network.

These affiliations enable us to bring powerful solutions to meet all of your needs, without costly overhead and bureaucracy. We pass that savings on to you.

## Our firm and CPAmerica ... working together for you



Whether you're looking for business and financial advice, estate planning, management consulting or a host of other accounting and financial services, the strength of the CPAmerica network is working for you. Many CPAmerica advisers are among the top in their fields in the nation.

- ▲ Tax consultation on state, national and international issues
- ▲ Access to business and management consultation on a worldwide scale
- ▲ Knowledge of the unique requirements of tax-exempt organizations
- ▲ Advice on new and pending tax legislation
- ▲ Availability of business valuation experts with knowledge of your industry
- ▲ Access to professionals with solid expertise in mergers and acquisitions
- ▲ Advice from professionals with industry-specific knowledge in a broad range of fields
- ▲ Consultation on strategic planning for your business
- ▲ Assistance with establishing internal controls for your company
- ▲ Assurance and accounting services
- ▲ Individual services

# We have all you really want from your CPA firm



When it comes right down to it, what do you really want from your accounting firm?  
If you're like most businesses, there are four essential elements:

- ❖ A high level of personal attention
- ❖ Professional knowledge pertinent to your business
- ❖ Solutions that work and meet your needs
- ❖ Reasonable fees

A local firm – one with strong ties in your community – that also has national and international connections is by far the most capable of delivering those four necessities.

Our local firm is in the position to provide you with everything you really want from your CPA:

- ▲ We listen to you.
- ▲ We get to know you and your organization.
- ▲ We offer you insights and creative recommendations.
- ▲ We take immediate action to meet your needs.
- ▲ We make the extra effort for you.
- ▲ We understand your industry.
- ▲ We connect you with national and international expertise from our network.
- ▲ We always follow through for you.
- ▲ We have experienced professionals who will be there for you over the long term.
- ▲ We work as a team for you.
- ▲ We have reasonable fees – we give you excellent value.

# Put the talents of thousands to work for you



The client base of CPAmerica firms is diverse. Network members across the country have a proven track record in assisting thousands of clients to solve their most complex financial management issues.

CPAmerica firms are poised to respond to the rapid changes in your competitive marketplace. CPAmerica members nationwide work as a team to ensure you receive the very best of our network's resources and expertise.

▲ Real estate	8,100 clients	▲ Wholesale distributors	1,500 clients
▲ Nonprofit organizations	5,400 clients	▲ Government agencies	800 clients
▲ Healthcare	5,200 clients	▲ Securities dealers/investment companies	550 clients
▲ Professionals (attorneys, engineers, architects, etc )	5,100 clients	▲ Automobile dealerships	400 clients
▲ Construction contractors	4,300 clients	▲ Utilities (including telephone companies)	350 clients
▲ Retail trades	4,000 clients	▲ Franchisers	200 clients
▲ Agriculture, livestock, forestry	2,900 clients	▲ Lending institutions	100 clients
▲ Manufacturers	2,400 clients		

Wouldn't you like to have these resources and this specialized knowledge working for you?

**Exceeding client expectations ... locally, nationally, internationally**

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Fax: (386) 418-4002 • E-mail: [cpamerica@cpamerica.org](mailto:cpamerica@cpamerica.org) • [www.cpamerica.org](http://www.cpamerica.org)

Full disclosure statement: CPAmerica International is an international network of independent CPA firms. It is not a licensed CPA firm. The capabilities set forth in this brochure may be provided only by the affiliated CPA firms of the CPAmerica International network.

**CPA**AMERICA  
INTERNATIONAL

# CPAmerica International/ Horwath Alliance

## Accounting Associations – Worldwide

RANK	ASSOCIATION	WORLDWIDE REVENUE
1	RSM International	\$2.5 billion
<b>2</b>	<b>CPAmerica Int'l/Horwath</b>	<b>\$2.1 billion</b>
2	Baker Tilly International	\$2.1 billion
3	Moore's Rowland International	\$1.9 billion
4	Nexia International	\$1.6 billion

## Accounting Firms/Associations – United States

RANK	FIRM	REVENUE	PARTNERS	PROFESSIONALS	EMPLOYEES	OFFICES
1	Deloitte & Touche	\$7.81 billion	2,560	23,841	33,000	103
2	Ernst & Young	\$6.33 billion	2,130	15,900	24,830	97
3	PricewaterhouseCoopers	\$6.17 billion	2,019	20,056	27,979	91
4	KPMG	\$4.72 billion	1,607	13,184	19,636	93
5	H&R Block	\$4.31 billion	NA	NA	13,400	11,600
<b>6</b>	<b>CPAmerica Int'l/Horwath</b>	<b>\$1.23 billion</b>	<b>1,403</b>	<b>5,304</b>	<b>8,577</b>	<b>346</b>
7	RSM/McGladrey & Pullen	\$1.21 billion	756	5,117	7,404	153
8	Grant Thornton	\$795 million	425	3,324	4,781	50
9	Jackson Hewitt Tax, Inc.	\$520 million	NA	335	370	5,484
10	BDO Seidman	\$440 million	238	1,495	2,216	35

## Accounting Firms/Associations – Worldwide

RANK	FIRM	REVENUE	PARTNERS	PROFESSIONALS	EMPLOYEES	OFFICES
1	PricewaterhouseCoopers	\$20.3 billion	8,019	94,877	130,203	771
2	Deloitte Touche Tohmatsu	\$18.2 billion	7,744	90,833	121,283	668
3	Ernst & Young	\$16.9 billion	7,000	75,700	106,650	700
4	KPMG International	\$15.7 billion	6,600	76,000	103,600	650
5	BDO International	\$3.3 billion	2,220	20,383	27,828	601
6	RSM International	\$2.5 billion	2,320	15,643	23,000	621
6	Grant Thornton	\$2.5 billion	2,090	15,707	22,066	484
<b>7</b>	<b>CPAmerica Int'l/Horwath</b>	<b>\$2.1 billion</b>	<b>2,616</b>	<b>14,719</b>	<b>21,098</b>	<b>602</b>
7	Baker Tilly International	\$2.1 billion	2,219	13,852	20,091	552
8	Moore's Rowland International	\$1.9 billion	2,146	12,624	19,529	605

Based on 2005 figures from *Accounting Today* and the *International Accounting Bulletin*. The CPAmerica International/Horwath totals include the figures from CPAmerica's subsidiary network CPAConnect.

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## APPENDIX H

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### ENGAGEMENT TEAM CPE

GIBBONS KAWASH  
CPE INFORMATION  
2006

Galloway, John		SS# 288-84-9601		WV Board #3721		WVSCPA#2886			
FIELD	HOURS	CATEGORY	SOURCE	COURSE SPONSOR	LOCATION	A&A		PROGRAM PUBLICATION	DATE
						(GOV)	OTHER		
3	5.5	1	3	WVSCPA State of WV Dept. of Administration Financial Accounting and Reporting Section	Charleston, WV		5.5	WVSCPA Cabinet Meeting	1/6/2006
7	1.5	1	10		Charleston, WV	1.5		GAAP Closing Process Training	6/16/2006
5	2	1	3	WVSCPA	Charleston, WV		2	Economic Development Update	8/24/2006
1	8	1	9	NASBA approved	Charleston, WV		8	Core A & A	11/13/2006
1	12	7	8	Gibbons & Kawash	Charleston, WV	12		Audit Workpapers, Forms and Checklists: Avoid the Documentation Trap	12/1/2006
7	8	1	8	Gibbons & Kawash	Charleston, WV	8		Governmental and Nonprofit Annual Update	12/14/2006
1	8	1	8	Gibbons & Kawash	Charleston, WV	8		Single Audit Annual Update	12/15/2006
<b>TOTAL</b>						<b>45</b>	<b>29.5</b>	<b>8</b>	<b>7.5</b>

FIELD OF STUDY	CATEGORY	SOURCE
1) Accounting and Auditing	1) Live Presentation	1) WV Public Accountants Assoc.
2) Advisory Services	2) College Credit Course	2) Local Chapter of CPAs
3) Management	3) Self Study	3) WV Society of CPAs
4) Personal Development	4) Video	4) Other State CPA Society
5) Specialized Knowledge	5) Interactive Self-Study	5) Firm/Other Association
6) Taxation	6) I was the Discussion Leader	6) Firm Provided In-House
7) Governmental	7) I Taught this Course	7) College of University
	8) I Authorize this Published Article or Book	8) AICPA
		9) NASBA Approved Sponsor
		10) WV Governmental Agency
		11) IRS or other Federal Agency

GIBBONS KAWASH  
CPE INFORMATION  
2005

Galloway, John		288-84-9601		WV Board #3721		WVSCPA#2886			
FIELD	HOURS	CATEGORY	SOURCE	COURSE SPONSOR	LOCATION	A&A		PROGRAM PUBLICATION	DATE
						(GOV)	OTHER		
7	2	1	9	NASACT #103209	Chas. WV		2	GASB Statement No. 40: Disclosing Investment Risk in the 21st Century	1/12/2005
7	8	1	10	WV State Auditor's Office	Chas. WV		8	Update on GASB Yellow Book and Single Audit	5/4/2005
4	3	1	8&3	AICPA/WVSCPA	Chas. WV		3	Project Group Day	5/6/2005
7	2	1	8	AICPA	Chas. WV		2	AICPA - Government Audit Quality Center - Annual Update Webcast	5/19/2005
7	3	1	10	State of WV	Chas. WV		3	GAAP Closing Process Training	6/7/2005
4	8	1	5	ExecuTrain	Chas. WV		8	MS Excel 2003 Intermediate	6/28/2005
4	16	1	5	ExecuTrain	Chas. WV		16	MS Excel 2003 Advanced/Power User	6/29-30/05
3	4	1	9	NASBA	Chas. WV		4	Back to Basics: Strategies for Today's Liability Challenges	7/23/2005
1	2.5	1	3	WVSCPA	Chas. WV		2.5	Current Topics Update	9/29/2005
5	7	1	5	Creative Solutions	Chas. WV		7	Engagement CS Essentials	11/17/2005
1	12	6	6	Gibbons & Kawash	Chas. WV		12	Using Advanced Excel Techniques to Improve Audit & Accounting Efficiency	11/28/2005
7	8	4 & 1	8	Gibbons & Kawash	Chas. WV		8	Fraud In Governments & Non Profits	11/29/2005
1	12	7	6	Gibbons & Kawash	Chas. WV		12	Engagement CS Training	11/30/2005
1	12	7	6	Gibbons & Kawash	Chas. WV		12	Engagement CS Training	12/1/2005
<b>TOTAL</b>	<b>99.5</b>				<b>TOTALS</b>		<b>23</b>	<b>52.5</b>	<b>24</b>

FIELD OF STUDY	CATEGORY	SOURCE
1) Accounting and Auditing	1) Live Presentation	1) WV Public Accountants Assoc.
2) Advisory Services	2) College Credit Course	2) Local Chapter of CPAs
3) Management	3) Self Study	3) WV Society of CPAs
4) Personal Development	4) Video	4) Other State CPA Society
5) Specialized Knowledge	5) Interactive Self-Study	5) Firm/Other Association
6) Taxation	6) I was the Discussion Leader	6) Firm Provided In-House
7) Governmental	7) I Taught this Course	7) College of University
	8) I Authorize this Published Article or Bc 8) AICPA	8) I Authorize this Published Article or Bc 8) AICPA
	9) NASBA Approved Sponsor	9) NASBA Approved Sponsor
	10) WV Governmental Agency	10) WV Governmental Agency
	11) IRS or other Federal Agen	11) IRS or other Federal Agen



GIBBONS KAWASH  
CPE INFORMATION  
2005

Denyer, Robert R.		SS#264-92-5491		WV Board #1290		WVSCPA#1115			
FIELD	HOURS	CATEGORY	SOURCE	COURSE SPONSOR	LOCATION	A&A		PROGRAM PUBLICATION	DATE
						(GOV)	OTHER		
7	2	1	9	NASACT #103209	Chas. WV		2	GASB Statement No. 40: Disclosing Investment Risk in the 21st Century	1/12/2005
7	8	1	10	WV State Auditor's Office	Chas. WV		8	Update on GASB Yellow Book and Single Audit Project Group Day	5/4/2005
4	3	1	8&3	AICPA/WVSCPA	Chas. WV		3	AICPA - Government Audit Center - Annual Update Webcast	5/6/2005
7	2	1	8	AICPA	Chas. WV		2	APIP One Year Follow-Up	5/19/2005
1	8	1	9	NASBA	Chas. WV		8	GGAP Closing Process Training	5/11/2005
7	3	1	10	State of WV	Chas. WV		3	Back to Basics: Strategies for Today's Liability Challenges	6/19/2005
3	4	1	9	NASBA	Chas. WV		4	Engagement CS Essentials	7/22/2005
5	7	1	5	Creative Essentials	Chas. WV		7	Using Advanced Excel Techniques to Improve Audit & Accounting Efficiency	11/17/2005
1	8	1	6	Gibbons & Kawash	Chas. WV		8	Fraud in Governments & Non Profits	11/28/2005
7	8	4 & 1	8	Gibbons & Kawash	Chas. WV		8	Engagement CS Training	11/29/2005
1	8	1	6	Gibbons & Kawash	Chas. WV		8	Engagement CS Training	11/30/2005
1	8	1	6	Gibbons & Kawash	Chas. WV		8	Engagement CS Training	12/1/2005
<b>TOTAL</b>	<b>69</b>						<b>23</b>	<b>39</b>	<b>7</b>

FIELD OF STUDY	CATEGORY	SOURCE
1) Accounting and Auditing	1) Live Presentation	1) WV Public Accountants Assoc.
2) Advisory Services	2) College Credit Course	2) Local Chapter of CPAs
3) Management	3) Self Study	3) WV Society of CPAs
4) Personal Development	4) Video	4) Other State CPA Society
5) Specialized Knowledge	5) Interactive Self-Study	5) Firm/Other Association
6) Taxation	6) I was the Discussion Leader	6) Firm Provided In-House
7) Governmental	7) I Taught this Course	7) College of University
	8) I Authorize this Published Article or Book	8) AICPA
		9) NASBA Approved Sponsor
		10) WV Governmental Agency
		11) IRS or other Federal Agency

GIBBONS KAWASH  
CPE INFORMATION  
2006

Adams, Robert		SS#232-06-0188		WV Board #4405		WVSCPA#72333			
FIELD	HOURS	CATEGORY	SOURCE	SPONSOR	LOCATION	A&A		PROGRAM	DATE
						(GOV)	OTHER		
7	1.5	1	10	State of WV Dept. of Adm. Financial Accounting & Reporting Section	Charleston, WV	1.5		GAAP Closing Process Training	6/16/2006
3	4	1	9	CPA American International	Charleston, WV		4	New Member Firm Orientation	10/30/2006
1	8	1	9	NASBA approved	Charleston, WV		8	Core - A & A Audit Workpapers, Forms and Checklists: Avoid the Documentation Trap	11/13/2006
1	8	1	8	Gibbons & Kawash	Charleston, WV	8		Audits of 401(k) Plans	12/1/2006
1	8	1	8	Gibbons & Kawash	Charleston, WV		8	Governmental and Nonprofit Annual Update	12/8/2006
7	12	7	8	Gibbons & Kawash	Charleston, WV	12		Applying A-133 to Nonprofit & Governmental Organizations	12/14/2006
7	12	7	8	Gibbons & Kawash	Charleston, WV	12			12/15/2006
<b>TOTAL</b>						<b>53.5</b>	<b>33.5</b>	<b>20</b>	<b>0</b>

FIELD OF STUDY	CATEGORY	SOURCE
1) Accounting and Auditing	1) Live Presentation	1) WV Public Accountants Assoc.
2) Advisory Services	2) College Credit Course	2) Local Chapter of CPAs
3) Management	3) Self Study	3) WV Society of CPAs
4) Personal Development	4) Video	4) Other State CPA Society
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7) Governmental	7) I Taught this Course	7) College of University
	8) I Authorize this Published Article or Book	8) AICPA
		9) NASBA Approved Sponsor
		10) WV Governmental Agency
		11) IRS or other Federal Agency

GIBBONS KAWASH  
CPE INFORMATION  
2005

Adams, Robert		SS#232-06-0188		WV Board #4405		WVSCPA#72333			
FIELD	HOURS	CATEGORY	SOURCE	COURSE SPONSOR	LOCATION	A&A		PROGRAM PUBLICATION	DATE
						(GOV)	OTHER		
7	2	1	9	NASACT #103209	Chas. WV	2		GASB Statement No. 40: Disclosing Investment Risk in the 21st Century	1/12/2005
7	8	1	10	WV State Auditor's Office	Chas. WV	8		Update on GASB Yellow Book and Single Audit	5/4/2005
7	2	1	8	AICPA	Chas. WV	2		AICPA - Government Audit Quality Center - Annual Update Webcast	5/19/2005
1	8	1	9	NASBA	Chas. WV		8	APIP One Year Follow-Up	5/11/2005
7	3	1	10	State of WV	Chas. WV	3		GAAP Closing Process Training	6/7/2005
5	7	1	5	Creastive Solutions	Chas. WV		7	Engagement CS Essentials	11/17/2005
1	8	1	6	Gibbons & Kawash	Chas. WV		8	Using Advanced Excel Techniques to Improve Audit & Accounting Efficiency	11/28/2005
7	12	7	8	Gibbons & Kawash	Chas. WV	12		Fraud in Government & Non Profits	11/29/2005
4	8	1	6	Gibbons & Kawash	Chas. WV		8	Engagement CS Training	11/30/2005
4	8	1	6	Gibbons & Kawash	Chas. WV		8	Engagement CS Training	12/1/2005
<b>TOTAL</b>	<b>66</b>				<b>TOTALS</b>	<b>27</b>	<b>32</b>		<b>7</b>

- | FIELD OF STUDY             | CATEGORY                                      | SOURCE                          |
|----------------------------|---|---------------------------------|
| 1) Accounting and Auditing | 1) Live Presentation                          | 1) WV Public Accountants Assoc. |
| 2) Advisory Services       | 2) College Credit Course                      | 2) Local Chapter of CPAs        |
| 3) Management              | 3) Self Study                                 | 3) WV Society of CPAs           |
| 4) Personal Development    | 4) Video                                      | 4) Other State CPA Society      |
| 5) Specialized Knowledge   | 5) Interactive Self-Study                     | 5) Firm/Other Association       |
| 6) Taxation                | 6) I was the Discussion Leader                | 6) Firm Provided In-House       |
| 7) Governmental            | 7) I Taught this Course                       | 7) College of University        |
|                            | 8) I Authorize this Published Article or Book | 8) AICPA                        |
|                            |   | 9) NASBA Approved Sponsor       |
|                            |   | 10) WV Governmental Agency      |
|                            |   | 11) IRS or other Federal Agency |





GIBBONS KAWASH  
CPE INFORMATION  
2006

Barnette, Paul		SS#235-29-1495			WV Board #			WVSCPA#		
FIELD	HOURS	CATEGORY	SOURCE	COURSE SPONSOR	LOCATION	A&A		OTHER	PROGRAM PUBLICATION	DATE
						(GOV)	OTHER			
3	4	1	9	CPAmerican International	Charleston, WV		4		CPAmerica Internation New Member Firm Orientation	10/30/2006
1	8	1	9	NASBA approved	Charleston, WV		8		Core - A & A	11/16/2006
1	8	1	9	NASBA approved	Charleston, WV		8		Workshop	11/17/2006
1	8	1	8	Gibbons & Kawash	Charleston, WV	8			Audit Workpapers, Forms and Checklists: Avoid the Documentation Trap	12/1/2006
1	8	1	8	Gibbons & Kawash	Charleston, WV		8		Audits of 401(k) Plans	12/8/2006
7	8	1	8	Gibbons & Kawash	Charleston, WV	8			Governmental & Non-profit Annual Update	12/14/2006
1	8	1	8	Gibbons & Kawash	Charleston, WV		8		Single Audit Annual Update	12/15/2006
<b>TOTAL</b>						<b>52</b>		<b>TOTALS</b>		
						24	28	0		

FIELD OF STUDY	CATEGORY	SOURCE
1) Accounting and Auditing	1) Live Presentation	1) WV Public Accountants Assoc.
2) Advisory Services	2) College Credit Course	2) Local Chapter of CPAs
3) Management	3) Self Study	3) WV Society of CPAs
4) Personal Development	4) Video	4) Other State CPA Society
5) Specialized Knowledge	5) Interactive Self-Study	5) Firm/Other Association
6) Taxation	6) I was the Discussion Leader	6) Firm Provided In-House
7) Governmental	7) I Taught this Course	7) College of University
	8) I Authorize this Published Article or Book	8) AICPA
		9) NASBA Approved Sponsor
		10) WV Governmental Agency
		11) IRS or other Federal Agency