

55⁺ Years
of Excellence

HAYFLICH & STEINBERG

— Certified Public Accountants —

An Independent Member of BDO Seidman Alliance

#8 Stonecrest Drive
Huntington, WV 25701
Tel (304) 697-5700
Fax (304) 697-5704
www.Hayflich.net

July 20, 2010

Shelly Murray
Department of Administration
Purchasing Division
2019 Washington Street, East
Charleston, WV 25311

Re: Request for Quotation No. EBA 264

Dear Ms. Murray:

Please accept this quotation in connection with the referenced Request for Quotation.

Should you have any questions regarding our proposal, please contact me at (304) 697-5700.

Sincerely yours,

HAYFLICH & STEINBERG, CPA's, PLLC



Robert C. (Rob) Fuller, CPA

Enclosures

HAYFLICH

TO EXCEL IN HELPING YOU ACHIEVE SUCCESS

A QUOTATION TO SERVE

West Virginia Educational Broadcasting Authority

West Virginia Educational Broadcasting Authority
124 Industrial Park Drive
Beaver, WV 25813

by

HAYFLICH HAYFLICH.NET

HAYFLICH & STEINBERG, CPA's, PLLC
#8 STONECREST DRIVE • HUNTINGTON, WV 25701
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OUR QUOTATION TO PROVIDE AUDIT AND OTHER SERVICES

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OUR PRELIMINARY UNDERSTANDING OF YOUR NEEDS:

While the West Virginia Educational Broadcasting Authority and Affiliates, the West Virginia Public Broadcasting Foundation, Inc., and the Friends of West Virginia Public Broadcasting, Inc., (collectively, WVEBA) immediate goals are to comply with their attestation requirements and the filing of their 990 informational returns. With your approval, our immediate focus will be on the following:

Services Requested

1. Professional services for the fiscal year ended June 30, 2010:
 - Audit services for West Virginia Educational Broadcasting Authority and Affiliates, the West Virginia Public Broadcasting Foundation, Inc., and the Friends of West Virginia Public Broadcasting, Inc., (collectively, WVEBA). Additionally, the audits are to be performed in accordance with the requirements of the Public Telecommunications Audit Guide and Requirements, Corporation for Public Broadcasting as well as Principles of Accounting and Financial Reporting for Public Telecommunications Entities, Corporations for Public Broadcasting and Generally Accepted Auditing Standards as established by the American Institute of Certified Public Accountants and other applicable laws and regulations.
2. Tax and Other Non-Attest Services for:
 - Preparation of IRS Form 990 and 990-T (if required) for the Friends of West Virginia Public Broadcasting, Inc. and the West Virginia Public Broadcasting Foundations, Inc.
 - Preparation of certain supplementary information.

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OUR EXPERIENCE SERVING THE GOVERNMENTAL & NOT-FOR-PROFIT SECTOR:

Hayflich & Steinberg, CPA's, PLLC is a full-service regional accounting firm with offices located in Huntington, West Virginia. Our clients conduct business nationwide and internationally. They range in size from small business to multi-billion dollar enterprises and are located in West Virginia, Ohio, Kentucky, Maryland, Virginia, North Carolina, Tennessee, Pennsylvania, Indiana, Arizona, Texas, Florida and Washington D.C.

The firm is organized departmentally, in a manner conducive to making the highly specialized abilities of the firm's members available to all clientele. Considering the complexity of business today, a blend of several specialists is often required to handle an engagement properly. The professionals we commit to an engagement not only have the necessary training and experience, but also a results-oriented attitude.

The following Clients range from small to large governmental/not-for profit entities with assets in excess of \$7 billion.

Our Governmental & Nonprofit Clients Include:

- American Foundation for the Blind
- Cabell Huntington Hospital
- Cabell Huntington Hospital Foundation
- Cabell Lincoln Workcamp, Inc.
- Covenant School Foundation, Inc.
- Fort Gay Primary Health Care, Inc.
- Glenville State College
- Grant Medical Center, Inc.
- Harts Health Clinic, Inc.
- Harts Health Clinic, Inc.
- Holzer Clinic Foundation
- Huntington Pediatric Clinic Foundation, Inc.
- Ironton City Schools Foundation, Inc.
- Marshall University (under contract to Deloitte & Touche)
- Marshall University Research Corporation (under contract to Deloitte & Touche)
- Monroe County Health Center
- Mountaineer Regional Resources, Inc.
- Ouch, Inc.

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- Pallottine Missionary Sisters– Queen of Apostles Province, Huntington Division
- Parkersburg Housing Authority
- Point Pleasant Housing Authority
- Prestera Center for Mental Health Service, Inc.
- Prestera Center for Mental Health Service, Inc. Foundation
- Princeton Community Hospital
- Rainelle Medical Center
- Rotary Club of Huntington
- Sistersville General Hospital
- Sistersville General Hospital Foundation
- St. Mary's Hospital
- The Glockner Family Foundation
- Upper Kanawha Health Association, Inc.
- Valley Health Systems, Inc.
- Wayne Health Services, Inc.
- West Virginia Division of Highways
- West Virginia Aeronautics Division
- West Virginia Department of Education
- West Virginia Department of Transportation
- West Virginia Development Office
- West Virginia Division of Emergency Management
- West Virginia Division of Motor Vehicles
- West Virginia Division of Public Transit
- West Virginia Division of Rehabilitation Services
- West Virginia Public Port Authority
- West Virginia State Rail Authority
- West Virginia State University (under contract to Deloitte & Touche)
- West Virginia State University Research & Development

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Our Governmental Contacts

Mr. Danny Ellis, Business Manager
West Virginia Department of Transportation / Division of Highways
1900 Kanawha Blvd East
Building Five, Room 110
Charleston, WV 25305
(304) 558-3505

Mr. Richard G. Weinberger, CPA, Chief Financial Officer
Valley Health Systems, Inc.
2585 Third Avenue
Huntington, WV 25703
(304) 525-3334

Mr. Rick Bozeman
American Foundation for the Blind
1000 5th Avenue
Suite 275
Huntington, WV 25701
(304)710-3026

Mr. Robert Hardman, Vice President for Business & Finance
Glennville State College
200 High Street
Glennville, WV 26351
(304) 462-4107 ext. 7501

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Additional Resources:



HAYFLICH & STEINBERG, CPA's, PLLC is an independent member of the BDO Seidman Alliance of Accounting Firms. The BDO Seidman Alliance is a nationwide association of independently owned local and regional accounting, consulting, and service firms with similar service goals. The Alliance presents an opportunity for member firms, by accessing the resources of BDO Seidman, LLP and other Alliance members, to expand services to their clients without jeopardizing their existing relationship or autonomy.

Our team of professionals offers the hands-on experience and technical skill you can rely upon to serve the distinctive needs of your entity. Supplementing our talented staff with talent from BDO Seidman, LLP and/or the 300+ other independent CPA firm Alliance members, we have capabilities equal to any CPA firm in the tri-state region.

With more than 2,000 clients in the not-for-profit sector, this team of professionals offers the hands-on experience and technical skill to serve the distinctive needs of our not-for-profit clients—and help them fulfill their missions. We supplement our technical approach by analyzing and advising our clients on the many elements of running a successful not-for-profit organization.

We also regularly provide our clients with specific memoranda and other data to help inform clients of noteworthy issues. At our website, www.hayflich.net, there are many financial tools, as well as tax and audit information.

Our alliance with BDO Seidman also affords us and our clients access to BDO Seidman's Institute for Nonprofit Excellence ("The Institute") has the skills and knowledge to provide high-quality services and meet the needs of the nation's not-for-profit sector. Based in the Greater Washington, D.C. Metro office, The Institute supports and collaborates with BDO Seidman and alliance offices around the country to develop innovative and practical accounting and operational strategies for the tax-exempt organizations they serve. The Institute also serves as a resource, studying and disseminating information pertaining to not-for-profit accounting and business management.

In the last three months, Hayflich and Steinberg has called upon the Institute to provide us with presentation materials to educate our nonprofit clients' board members on the many changes contained in the new form 990.

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Notable BDO & BDO Alliance Clients:

4H Council

Advocat Inc.

American Health Centers Inc.

American Hospital Association

Amnesty International

Baptist Health Services

Big Ten Conference

District of Columbia Government

District of Columbia Public Schools

Gerald Ford Foundation

Gifts in Kind International

Girl Scout Council of the National Capital Area

Greater Washington Educational Telecommunications Association (WETA)

Helen Keller National Center

High Point University

Institute of Management Accountants (IMA)

Michigan Farm Bureau

National Association of Realtors

National Council of Teachers of Mathematics

National Healthcare Corporation

National Hemophilia Foundation

National Wildlife Federation

Neighborhood Reinvestment Corp.

Prince George's County Public Schools

Public Broadcasting Service (PBS)

Recording Industry Association of America

Texas Wesleyan University

United States Golf Association (USGA)

United States Naval Institute

University of the District of Columbia

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WHY WVEBA SHOULD CHOOSE HAYFLICH & STEINBERG, CPA's, PLLC:

HAYFLICH & STEINBERG, CPA's, PLLC has been in business for 55+ years providing quality services to entities located primarily in the tri-state area of West Virginia, Kentucky, and Ohio. With offices conveniently located in Huntington, West Virginia, HAYFLICH & STEINBERG is prepared to deliver professional services to both new and long time clients across the region.

The size of HAYFLICH & STEINBERG is important to our clients for two reasons, the firm is small enough so that our partners can maintain an intimate knowledge of our clients' businesses and needs; second the firm is large enough to have specialists available in the various disciplines of the profession; accounting, auditing, income tax, management consulting, retirement planning and administration, business valuation, and estate planning services.

As the needs arise, we can draw on the expertise available from BDO Seidman LLP and our Alliance members to assist with new or unusual issues. This strategic alliance increases the depth and breadth of services and expertise HAYFLICH & STEINBERG is able to offer our clients.

Our alliance with BDO is one of the major differentiators of our firm as it allows us to focus on our clients as a mid-sized regional firm, but at the same time have the ability to function as a one of the largest accounting firms in the world.

At the present time, HAYFLICH & STEINBERG is staffed as follows:

Partners	5
Managers	7
Professional staff	13
Para-professional	2
Office support	<u>3</u>
<u>Total</u>	<u>30</u>

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Quality Control:

Our firm is a member of the Private Companies Practice Section of the Division of CPA firms. We are proud of the membership requirements, including the review requirement. Each three years we undergo a peer review under guidelines issued by the American Institute of Certified Public Accountants Review Team, which studies and evaluates our firm's policies and procedures for maintaining quality in accounting and auditing work. We are proud to be one of the firms in this area to have undergone this review for several years and to have received an unqualified opinion for each review.

Maintaining Our Expertise:

All professional personnel are periodically evaluated for technical competence and are tested as to their potential leadership qualities and aptitude. Training is accomplished through outside professional development programs and internal training programs. On the job training is enhanced by the active participation of our partners in the planning, review and problem solving phases of our work. Recruiting and retention of topflight staff personnel is made easy by knowledge that our staff will be working on a direct inter-relationship basis with our partners.

Client Retention:

We have not lost any significant clients in the past three years.

Staff Retention:

Hayflich is committed to providing an environment that offers its employees access to tremendous growth opportunities and is keenly aware of work life balance issues. Our philosophy to provide a comfortable, but challenging working environment has been extremely successful. This is evidenced by the fact that we have experienced extremely low staff turnover during a period in our industry that has experienced remarkable staff attrition. During the past three years we have experienced one professional staff resignation.

We attribute a great deal of our success on our engagements to staff retention. We are committed to staffing jobs with the same staff each year to gain efficiencies on our audits and also mitigate the disturbance an audit places on the daily operations of our clients.

The individuals highlighted in the proposal are the individuals that you should expect to maintain your account. We will advise you immediately of any key staff changes.

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YOUR CLIENT SERVICE TEAM & OUR COMMITMENT TO STAFF CONTINUITY:

Choosing the right professionals to serve you is a critical element of success. In selecting your service team, we reviewed carefully our understanding of your needs, as well as your plans, and identified the people whose credentials are ideal for you.

We strive to maintain continuity on all engagements so that we maximize our experience with the WVEBA. Our goal is to dedicate the same partners and engagement team to serve you each year. The individuals we selected have a demonstrated track record with closely held clients, strong technical backgrounds and outstanding leadership and communication skills.

Significant Partner and Manager Involvement:

Our partners want to be a responsive sounding board to the WVEBA. These professionals will consider themselves as advisors to your management team and a considerable amount of effort will be performed by them to know the Companies and their businesses.

Your Service Leadership Team Will Include:

- Robert C. (Rob) Fuller, CPA, Partner
- Dennis F. Ashworth, Jr., CPA, Partner
- Rick A. Galloway, CPA, CIA
- Clinton Z. (Zack) Meyers
- James C. (Chris) Tilsley, CPA
- Ralph J. Wilson, CPA, Partner

No members of the engagement team have any pending or past complaints against them leveled by the State Board of Accountancy or any other regulatory agency.

The following resumes introduce your service team. Visit our web site at www.hayflich.net for an expanded introduction to the capabilities of the other professionals at Hayflich & Steinberg.

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Robert C. (Rob) Fuller, CPA

Partner - Assurance, Accounting, and Business Taxation

Mr. Fuller has been associated with HAYFLICH & STEINBERG, CPA's since 1996. A 1990 graduate of Marshall University, he has been engaged in public accounting since 1996. He also performed postgraduate accounting work at the University of Kentucky and is licensed to practice accounting in West Virginia. Rob has extensive experience in the performance, management, and review of audited financial statements for wholesale, manufacturing, retail, governmental, not-for-profit, private foundations and college and university clients. He also has experience in audits of employee benefit plans and audits requiring compliance with OMB Circular No. A-133. Rob's experience also includes the performance of traditional accounting engagements, such as reviews and compilations, as well as the preparation and review of federal, state, and local income tax returns for business entities and individuals.

Rob will function as the engagement partner for the WVEBA audit and tax services.

Dennis F. Ashworth, Jr., CPA

Partner - Assurance, Accounting, and Business Taxation

Mr. Ashworth joined Hayfllich & Steinberg in 1977 upon his graduation from Marshall University. His public accounting experience covers all facets of auditing, accounting, business consulting, business taxation, and information technology consulting. He has licenses to practice in West Virginia and Virginia. Dennis has extensive experience in the performance, management, and review of audit, review, and compiled financial statements. He has prepared, supervised or reviewed federal, state, and local corporate, partnership, pension and other income tax, property tax, and information returns. Dennis serves clients in wholesale, manufacturing, retail, healthcare, governmental, and other business organizations. He has a wide range of experience in the selection and installation of computer systems and has developed software for a variety of business and healthcare applications. As a member of the AICPA Information Technology Section, he has a keen awareness of advances in information technology and the impact information technology has on the business environment of firm clients.

Dennis will serve as the independent review partner for the engagement and provide technical advice on audit and accounting issues.

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Rick A. Galloway, CPA, CIA **Manager – Assurance**

Mr. Galloway has been associated with Hayflich & Steinberg since June, 2007. He is a 1985 graduate of Ohio University and is licensed to practice in West Virginia. He has over 25 years experience in public accounting and the banking/financial services and coal industries. Rick's experience includes the performance of traditional accounting and auditing engagements for governmental and nonprofit organizations and audits requiring compliance with OMB Circular No. A-133. His experience in the financial services industry included internal audit, regulatory reporting and close interaction with the board of directors, senior management and regulatory bodies. By working in the private sector, this experience and knowledge complements and enhances the requirements of the public accounting sector. As an active member of various professional organizations, Rick complies with the continuing professional education requirements of the AICPA, the West Virginia Board of Accountancy and The Institute of Internal Auditors.

Rick will function as the engagement manager for the WVEBA audit and tax services.

Clinton Z. (Zack) Meyers **Associate – Assurance and Accounting**

Mr. Meyers graduated from Marshall University with a Bachelor's of Business Administration majoring in Accounting with a minor in both Management and Economics. He started his full-time employment with Hayflich & Steinberg in 2007. Zack is working with the Firm's Assurance and Accounting Division and is currently studying for the CPA Exam. Prior to his employment with the firm, Zack performed bookkeeping services for a number of small businesses within the Tri-State area.

James C. (Chris) Tilsley, CPA **Manager - Business Taxation**

Mr. Tilsley graduated from Campbellsville University in 1999 with a Bachelor of Science in Business Administration with Accounting Emphasis and passed the CPA examination in May 2000. Chris joined the firm in 1999, and his public accounting experience covers all facets of auditing, accounting, business consulting, and business taxation. Chris serves clients in wholesale, manufacturing, retail, healthcare, governmental, and other nonprofit organizations.

Chris will function as the in-charge accountant for the WVEBA tax services.

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Ralph J. Wilson, CPA Partner - Taxation

Mr. Wilson received his MBA from West Virginia University in 1974, and joined Hayflich & Steinberg immediately thereafter. He has devoted his entire career to the area of taxation, especially as it relates to small and mid-sized businesses, and their high net-worth owners. Having served in a variety of capacities early on, Ralph is well-grounded in all phases of public accounting. Today he supervises a varied tax practice, but devotes most of his personal attention to particularly complex or controversial assignments. His broad base of experience includes every type of entity; individuals, corporations of all varieties (regular C , subchapter S, public, private, for-profit, nonprofit, single-state, multi-state, domestic, international, operating, holding, etc.), partnerships, trusts, associations, employee benefit plans, and governmental agencies.

Ralph will be available for tax consulting issues.

We anticipate that the above-listed engagement team members will serve on a full-time basis. Other staff members will serve as needed and potentially on a part-time basis.

CONTINUING PROFESSIONAL EDUCATION

Following is a summary of 2009 CPE hours by key staff:

	Total CPE Hours	GAS Hours
Robert C. Fuller	42.0	30.0
Dennis F. Ashworth, Jr.	44.0	19.0
Rick A. Galloway	55.0	43.0
Clinton Z. Meyers	63.0	26.0

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INDEPENDENCE:

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the WVEBA in the performance of our services.

In order for us to remain independent, professional standards require us to maintain certain respective roles and relationships with you with respect to the aforementioned non-attest services. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

We will not perform management functions or make management decisions on behalf of the WVEBA. However, we will provide advice and recommendations to assist management of the WVEBA in performing its functions and fulfilling its responsibilities.

WVEBA would agree to perform the following functions in connection with our performance of the aforementioned non-attest services:

- a. Make all management decisions and perform all management functions with respect to the aforementioned non-attest services provided by us.
- b. Design an individual with suitable skill, knowledge, or experience to oversee the aforementioned non-attest services and evaluate the adequacy and results of the services.
- c. Accept responsibility for the results of the aforementioned non-attest services.
- d. Establish and maintain internal controls over the aforementioned non-attest services.

OUR AUDIT APPROACH

Shortly after notification of award of the engagement, we will contact WVEBA management to start the planning phase of the audit. Initially, we will concentrate on obtaining an understanding of the organization to develop our audit approach. We will make use of various internal documents such as organizational charts, manuals, programs, and budgetary performance data to aid us in our understanding of the organization's control environment and accounting systems. We expect the audit methodology to be followed will be a combination of systems reliance and a substantive audit approach.

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All work will be performed by the engagement staff identified in this proposal and when needed, additional resources from our Huntington, WV office.

We will utilize our Governmental and Not for Profit Audit Manuals, Audit Programs, and checklists tailored to the WVEBA, to determine the nature, timing and extent of tests of controls, and substantive tests to be performed. We use audit guides and programs published by Practitioners Publishing Company (PPC). In this instance, we will be using *PPC's Audits of Nonprofit Organizations*, augmented by other programs developed specifically for governmental entities. This approach will concentrate our audit effort on the areas with the highest risk of potential material misstatement in the financial statements, and will ensure the most efficient and effective audit.

While we will be using a risk-based audit approach, HAYFLICH & STEINBERG's audit philosophy emphasizes a positive, value-added approach to the audit process which not only provides the required audit assurances but serves the client in other ways. Findings and recommendations noted during an audit are communicated to management, audit committees and others with oversight as appropriate.

The proposed segmentation of the audit engagement includes planning, testing, and concluding. The level of staff and number of hours to be assigned to each proposed segment of the audit engagement is detailed below.

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Our audit approach consists of the following segments:

- General procedures and documentation
- Planning and risk assessment
- Test and evaluate controls
- Account balance testing
- Concluding and reporting

The following is a summary of estimated hours by segment. This summary demonstrates our commitment to quality through high commitments of member and manager time to the engagement.

	Senior Staff and			
	Staff	Managers	Partners	Total
Planning & Documentation	10	20	8	38
Financial Analysis	58	20	0	78
Internal Control Testing	38	14	0	52
Compliance Testing	46	16	0	62
Overall engagement review	0	10	24	34
FS Preparation	16	10	4	30
990	30	12	4	46
Total	198	102	40	340

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General Procedures and Documentation and Planning and Risk Assessment

During this phase of the engagement, we will perform the following activities:

Document our understanding of the WVEBA's operating environment - This understanding will address both internal and external factors which significantly affect the WVEBA, and will include a review of such things as:

- Applicable laws, rules and regulations, and donor restrictions
- Organizational structure of the WVEBA
- Long range plans of the WVEBA
- WVEBA internal operational and financial reports
- Key operating statistics
- Consideration of the WVEBA's investment policy

Implementation of new accounting and auditing standards - There are several new accounting standards issued by the FASB and new auditing standards issued by the AICPA. We will work with the WVEBA management and the engagement team to ensure a common understanding of the new requirements and effective implementation of the standards.

Consideration of Fraud - SAS 99 - In accordance with SAS 99, Consideration of Fraud in a Financial Statement Audit, we will meet with WVEBA management to gain an awareness of fraud. We will hold a brainstorming session with all team members, and will assess fraud risk in accordance with the SAS 99. This assessment will help with the development of our tests, including identification of those employees to be interviewed and any special tests to be performed.

Preliminary Analytical Review - Preliminary analytical review is utilized to increase our understanding of the WVEBA's operations and to help focus the audit effort on those areas which are most significant or critical to the fair presentation of the financial statements. Specific analytical procedures will include year to year comparisons, ratio analysis and trend analysis.

Approach to laws, regulations, contracts, grants, and donor restrictions - Identifying and ensuring that the WVEBA complies with laws, regulations and donor restrictions is the responsibility of management. Our procedures will include appropriate inquiries of management of the WVEBA to identify noncompliance which could have a direct and material effect on financial statement amounts.

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Continuous Planning - We believe that planning is an ongoing process throughout the course of the audit. As the audit progresses, time estimates and decisions regarding critical areas and audit emphasis will be adjusted based on the results of procedures as they are performed. This process generally entails frequent communication among the staff, in-charge, manager, and partner as the engagement progresses, thus assuring an effectively managed engagement.

Test and Evaluate Controls

The consideration of the internal control structure will consist of gaining an understanding of the control environment, evaluating the risk assessments made by management, understanding the information and communication systems (including the financial reporting systems), monitoring activities performed, and control activities, including internal controls over computer processing.

We will perform the following:

- Perform procedures to obtain an understanding of internal control sufficient to plan the audit to support a low assessed level of control risk
- Plan tests of internal control to support a low assessed level of control risk for the assertions relevant to the financial statement assertions.
- Perform tests of internal control as planned.
- Report on internal control, describing the scope of the testing of internal control and the results of the tests and, where applicable, referring to the separate schedule of findings.

Account Balance Testing

Preparation of the Audit Program

Based on the information gathered in the planning and internal control structure consideration stages, we will prepare an audit program taking into consideration the audit risk assessments developed for various transaction classes and accounts. The program will be tailored to focus on testing of the specific key points in processing and/or controlling financial information. Each audit program step will be designed to specifically achieve certain audit objectives. After completion of the audit program, we will meet with WVEBA personnel to discuss the specific timing of the procedures.

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Testing

Sample sizes will be determined based on sound sampling plans. Statistical sampling is used when it is determined to be cost effective. Sampling will include both substantive tests and tests of compliance. Samples for tests of compliance, including compliance with certain donor restrictions are based on attribute principles. Substantive sampling procedures would normally be weighted toward higher dollar items. When statistical sampling is considered to be cost effective, we will use a computer program to determine the samples based on the assessments of inherent/control risk and the evidence provided by other audit procedures.

Extent of use of Electronic Audit Software

All of our staff is equipped with laptop computers. We use a “paperless” audit system and thus wherever possible we ask that documents be submitted to us electronically. We also request that our auditors have access to the Internet while in your office. Internet connection allows our field team to connect to our office via a secure Virtual Private Network. This allows our field team to have electronic access to our research library as well as allows our partners and managers to monitor and review the field team’s work in real-time. Other use of software will be determined based on the results of the system reviews.

Data Analysis Software

We actively perform computer assisted audit techniques utilizing IDEA data analysis software. Audit efficiency and effectiveness are often enhanced by computer assisted audit techniques. Key members of the Foundation’s engagement team have basic and advanced training in computer assisted audit techniques and their laptop computers will be equipped with IDEA. Examples of electronic audit applications include:

- Analytical review
- Year to year and trend analyses
- Importing general ledger
- Sampling
- Data analysis, extraction, and manipulation
- Edits and computations

We may also use email to communicate with WVEBA personnel and other professionals assigned to the engagement; spreadsheet software and word processing software to perform analyses and document work on the engagement; and Tvalue to perform interest calculations and amortizations.

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Analytical Procedures

Due to the nature of the WVEBA's operations, analytical procedures can be powerful tools to anticipate and predict results. Our data extraction software IDEA allows us to perform some of the following examples of analyses:

- Assists in auditing expenses by identifying duplicate payments and payments without proper authorization.
- Comparison of current account balances to prior year balances.
- Comparison of current account balances or categories to budget.
- Key ratio analysis.

Concluding and Reporting

The reporting phase is divided into two distinct phases. The first phase encompasses a review of the financial statement format and presentation, and a review of the significant accounting policies utilized by the WVEBA. This phase is accomplished early in the engagement, so that significant reporting issues can be addressed timely and effectively.

The second phase occurs at the end of the testing, when all information is accumulated and evaluated. Any proposed adjustments are agreed upon and financial statements finalized. At this point we will be in position to prepare our report on the financial statements. If a report other than an unqualified report would be necessary, we would fully discuss the reasons with you prior to issuance of the report.

Beyond the traditional reporting process, we consider the development of a comprehensive practical management letter to be a major by-product of the audit process. Recommendations in the letter may address improvements in reconciliation processes, donor related concerns, adherence to investment policies, inventory controls, security matters, payroll records, fixed asset records, purchasing procedures, and related subjects designed to assist the WVEBA in improving controls, improving operations and reducing costs. Our comments and recommendations will be issued in a separate letter.

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Reports to be issued consist of a report on the fair presentation of the financial statements, a management letter, and a Statement on Auditing Standards 112 and 114 letters.

We are available to meet with the WVEBA's board of directors as needed to present the results of our audit.

Identification of Anticipated Potential Audit Problems

While we do not anticipate any audit problems at this time, generally, we have found that most audit problems arise from time constraints on client personnel that hinder their responding to auditor's data requests in a timely manner. We plan to work closely with management and the accounting staff to ensure that our data requests are specific and allow sufficient time for the client to respond.

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OUR FEE QUOTE:

We understand the nature of the WVEBA and the importance of trying to control costs. This would include minimizing the fees paid to outside professionals.

Our fee proposal for the audit and tax preparation services for the year ended June 30, 2010 is \$39,000 segregated as follows:

While the fixed price provides you access and consultations with our professionals, if your question or issue requires additional research and analysis beyond routine consultation, that work will be subject to an additional fee quote before the work is performed. Our charges for other agreed upon services will be agreed to by you in writing before we incur charges and will be billed to you separately.

Attestation Services

2010

Audit of Fiscal Year Ended June 30 Financial Statements
including preparation of supporting schedules

\$ 33,000

Non-Attestation Services

Preparation of consolidated annual Form 990 & 990T

6,000

Total

\$ 39,000

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Fee Inclusions and Assumptions:

The total cost of your engagement is subject to the timely and accurate completion of the information we request be prepared by your personnel. If the information is not presented timely or accurately, we will advise you and not proceed on your engagement until the information has been submitted or corrected. If you decide that you wish us to assemble the requested information for you, the extra charges will be based on our hourly rates for these types of services. Untimely submitted or inaccurate information could delay the completion of your engagement.

Thank you for the opportunity to submit this quotation. Upon appointment as your auditors, we will provide you with an engagement letter for each of the services you desire. We look forward to providing the high quality services you expect from your professional service providers. If you have questions or wish to discuss this proposal further, please contact Robert C. (Rob) Fuller, CPA at 304-697-5700.

Very truly yours,

July 20, 2010

 **OLSEN THIELEN & CO., LTD.**
Certified Public Accountants & Consultants

To the Members
Hayflich & Steinberg, CPA's, PLLC

We have reviewed the system of quality control for the accounting and auditing practice of Hayflich & Steinberg, CPA's, PLLC (the firm) in effect for the year ended June 30, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. (The engagements selected included among others, audits of Employee Benefit Plans, and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

223 Little Canada Road, St. Paul, Minnesota 55117 651 483 4521 FAX 651 483 2467
Flagship Corporate Center, 775 Prairie Center Drive, Ste. 480, Minneapolis, Minnesota 55344 952 941 9242

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. 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 because 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 of Hayflich & Steinberg, CPA's, PLLC in effect for the year ended June 30, 2007 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 conforming with professional standards.

Olsen Thielke & Co., Ltd.

St. Paul, Minnesota
October 24, 2007



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

Request for Quotation

BFO NUMBER
EBA264

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
SHELLY MURRAY
304-558-8801

RFQ COPY
TYPE NAME/ADDRESS HERE
 Hayflich & Steinberg, CPA's, PLLC
 8 Stonecrest Drive
 Huntington, WV 25701

SHIPP TO
 WSWP-TV
 AIRPORT ROAD
 BECKLEY, WV
 25801
 255-1501

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
06/02/2010				

BID OPENING DATE: **06/17/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		946-20		
<p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA EDUCATIONAL BROADCASTING AUTHORITY, IS SOLICITING BIDS FOR AUDITING SERVICES PER THE ATTACHED SPECIFICATIONS.</p> <p>AUDITING SERVICES</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE 07/01/2010 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 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</p>						

RECEIVED
 2010 JUL 20 PM 1:16
 WV PURCHASING DIVISION

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 304-697-5700	DATE 7/20/2010
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **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. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **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, and the West Virginia Insurance Commission. 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.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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
EBA264

PAGE
2

ADDRESS CORRESPONDENCE TO ATTENTION OF
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 304-558-8801**

RFQ COPY

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 8 Stonecrest Drive
 Huntington, WV 25701**

**WSWP-TV
 AIRPORT ROAD**

**BECKLEY, WV
 25801**

255-1501

DATE PRINTED 06/02/2010	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **06/17/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>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>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT 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;">NOTICE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 304.697-5700	DATE 7/20/2010
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**WV EDUCATIONAL BROADCASTING AUTHORITY
REQUEST FOR QUOTE
EBA264**

PART I

PURPOSE:

- 1.1 The Acquisition and Contract Administration Section of the Purchasing Division, "State", on behalf of the Department of Education and the Arts, Educational Broadcasting Division, "Agency", is soliciting quotes to provide Audit Services for the year ended June 30, 2010.

PROJECT:

- 1.2 The purpose of this project is to perform the audits of the West Virginia Educational Broadcasting Authority and Affiliates, the West Virginia Public Broadcasting Foundation, Inc. and the Friends of West Virginia Public Broadcasting, Inc. in accordance with generally accepted auditing standards and other applicable laws and regulations including OMB Circular A-133, GASB 34, and SAS 99. Additionally, the audits are to be performed by a firm of certified public accountants in accordance with the requirements of the Public Telecommunications Audit Guide and Requirements, Corporation for Public Broadcasting as well as Principles of Accounting and Financial Reporting for Public Telecommunications Entities, Corporations for Public Broadcasting and Generally Accepted Auditing Standards as established by the American Institute of Certified Public Accountants and other applicable laws and regulations.

Tax services will also be required for the completion of this project. Preparation of Federal Forms 990 and 990-T (if required) for the Friends of WV Public Broadcasting, Inc. and the West Virginia Public Broadcasting Foundation, Inc. for the year ended June 30, 2010.

The auditing firm will be required to express an opinion on the fair presentation of financial statements in conformity with generally accepted accounting principles. Additionally, the auditor will be required to prepare all supporting schedules required by the Department of Administration (FARS) for the preparation of the state's Comprehensive Annual Financial Report (CAFR). The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. The firm will be required to assist in the preparation of the CPB AFR, to review and attest to the information on the CPB AFR, and to provide the Independent Accountant's Report and the Audited Financial Statements to CPB in the required format. The firm would also be available to provide advice on accounting issues to management.

INFORMATIONAL

- 1.3 **Nature of organization and principles of combination:** The West Virginia Educational Broadcasting Authority (EBA), a component unit of the State of West Virginia, is a public corporation which was created by the State of West Virginia and is responsible for extending educational, cultural and informational experiences to all citizens of West Virginia through the construction and operation of noncommercial, educational TV and radio stations and related facilities statewide. EBA supervises and operates three public TV stations and nine public radio stations plus a statewide two-way microwave network that links the stations and provides special telecommunication services for other state and public service agencies for non-broadcasted activities such as teleconferencing, in-service training, and data delivery.

The following radio and television stations are operated by the EBA:

WVPN (FM) Charleston	WVPG (FM) Parkersburg
WVWV (FM) Huntington	WVEP (FM) Martinsburg
WVPB (FM) Beckley	WAUA (FM) Petersburg
WVPW (FM) Buckhannon	WNPB (TV) Morgantown
WVNP (FM) Wheeling	WPBY (TV) Huntington
WVPM (FM) Morgantown	WSWP (TV) Beckley

The combined financial statements include the assets, liabilities, financial activities, and cash flows of the West Virginia Educational Broadcasting Authority, each of the above stations and their interrelated affiliated organizations as follows:

West Virginia Public Broadcasting Foundation, Inc. and the Friends of West Virginia Public Broadcasting, Inc.

The West Virginia Public Broadcasting Foundation, Inc. (the Foundation) was formed in 1992 as a non-profit corporation. The Foundation was organized exclusively for charitable and educational purposes to receive, hold, disperse, and invest monies or property given or donated to EBA for educational and eleemosynary purposes related to the preservation, maintenance, promotion, development and growth of educational and public broadcasting in the State of West Virginia. EBA has sole discretion as to the use of the money and property.

The affiliated Friends organization solicit funds for the benefit of the television and radio stations and public broadcasting. Funds are expended by the friends for the benefit of the stations in amounts determined by their Board of Directors.

The EBA and Affiliates recognized \$11.5 million in revenue in 2009. The revenue sources were 54% state, 12% Corporation for Public Broadcasting, and the remaining 34% from federal and community support.

PART II

OPERATING ENVIRONMENT

- 2.1 WVEBA administration consists of: Executive Director – Dennis Adkins, 600 Capitol Street, Charleston, WV 25301; WV Public Television Director of Broadcast Technology -- Bill Acker, 600 Capitol Street, Charleston WV 25301; CFO -- Mike Meador, 124 Industrial Park Drive, Beaver, WV 25813; WV Public Radio General Manager – Dennis Adkins, 600 Capitol Street, Charleston, WV 25301.

The business office for the West Virginia Educational Broadcasting Authority, the WV Public Broadcasting Foundation, Inc. and the Friends of WV Public Broadcasting, Inc. is located at 124 Industrial Park Drive, Beaver, WV 25813. Director of Finance for all television and radio divisions is Tammy Treadway, P.O. Box 9004, Beckley, WV 25802- 9004. CFO for WVEBA is Michael Meador, P.O. Box 9004, Beckley, WV 25802-9004.

SPECIFICATIONS

- 2.2 The WVEBA is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2010. These audits are to be performed in accordance with generally accepted auditing standards as well as all requirements of the Public Telecommunications Audit Guide and Requirements, Corporation For Public Broadcasting as well as Principles of Accounting and Financial Reporting for Public Telecommunications Entities, Corporation for Public Broadcasting and Generally Accepted Auditing Standards as Established by the American Institute of Certified Public Accountants and other applicable laws and regulations.

2.2.1

Type of audit required: Audit of the WVEBA and affiliates in accordance with generally accepted auditing standards and other applicable laws and regulations including OMB Circular A-133, GASB 34, and SAS 99 and financial audits of the WV Public Broadcasting Foundation, Inc. and the Friends of WV Public Broadcasting, Inc.

2.2.2

Nature of Tax Services Required: Preparation of Federal Forms 990 and 990-T (if required) for 1- Friends of WV Public Broadcasting Inc. and 2- WV Public Broadcasting Foundation, Inc.

Period to be audited: July 1, 2009 to June 30, 2010.

The WV Educational Broadcasting Authority will require the auditor to express an opinion on the fair representation of financial statements in conformity with generally accepted accounting principles. Additionally, the auditor will be required to prepare all supporting schedules required by the WV Department of Administration (FARS).

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. The firm will be required to assist in the preparation of the CPB AFR, review and attest to the information on the CPB AFR, and to provide the Independent Accountant's Report and the Audited Financial Statements in the required format. The firm would also be available to provide advice on accounting issues to management.

2.2.3

Auditing Standards to be followed:

The audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.

This audit is to be performed in accordance with generally accepted auditing standards as well as the requirements of the Public Telecommunications Audit Guide and Requirements, Corporation For Public Broadcasting as well as Principles of Accounting and Financial Reporting for Public Telecommunications Entities, Corporations for Public Broadcasting and Generally Accepted Auditing Standards as Established by the American Institute of Certified Public Accountants and other applicable laws and regulations.

2.2.4

Reports to be issued:

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. A separate report shall be issued for the EBA and Affiliates, the WV Public Broadcasting Foundation, Inc. and the Friends of WV Public Broadcasting, Inc.

2.2.5

Irregularities and illegal acts:

Auditors shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware to the WVEBA CFO at P.O. Box 9004, Beckley, WV 25802-9004.

2.2.6

Assurances:

Auditors shall assure themselves that the WV Educational Broadcasting Authority's Chief Financial Officer is informed of each of the following:

1. The Auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgements and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Difficulties encountered in performing the audit

WORKING PAPER RETENTION AND ACCESS:

2.3 All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the

Educational Broadcasting Director of Finance of the need to expand the retention period. The auditor will be required to make working papers available, upon request, to the WV Educational Broadcasting Authority.

TIME CONSIDERATIONS AND REQUIREMENTS:

2.4 General Requirements;

1. Completed Federal forms 990, 990T and all subsidiary schedules common to Not-for-profit and exempt organizations **MUST** be filed no later than November 15, 2010, or earlier if deadline is revised by Internal Revenue Service.
2. Corporation for Public Broadcasting Annual Financial Reports and Audited Financial Statements **MUST** be completed no later than November 30, 2010 for review by the agency and **MUST** be submitted by the auditor to CPB no later than November 30, 2010, or earlier if deadline is revised by CPB.
3. Tentative draft of consolidated financial statements of WVEBA and affiliates to comply with FARS (Financial and Reporting Section) reporting requirements **MUST** be completed by September 15, 2010. A final draft **MUST** be submitted to FARS by October 15, 2010, or earlier if deadline is changed by FARS.
4. Financial records for all divisions will be available on July 31, 2010.

Part III

3.1 Exhibits

3.1.1 WV Educational Broadcasting Authority and Affiliates: FY 2009 Regular Audit

3.1.2 WV Educational Broadcasting Authority and Affiliates: FY 2009 Single Audit

3.1.3 Friends of WV Public Broadcasting, Inc.: FY 2008 Regular Audit

3.1.4 WV Public Broadcasting Foundation, Inc.: FY 2009 Regular Audit



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
EBA264

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
SHELLY MURRAY
304-558-8801

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE
 Hayflich & Steinberg, CPA's, PLLC
 8 Stonecrest Drive
 Huntington, WV 25701

SHIP TO

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 BECKLEY, WV
 25801 255-1501

DATE PRINTED 06/08/2010	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **07/20/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO.1 -----						
THIS ADDENDUM IS ISSUED TO ALLOW FOR QUESTION SUBMISSION.						
TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WEST VIRGINIA PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN AT THE TOP OF THIS RFQ, VIA FAX AT 304-558-4115, OR VIA E-MAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 06/28/2010 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.						
THE EFFECTIVE DATE OF CONTRACT IS CHANGED TO 08/01/201						
THE BID OPENING DATE IS EXTENDED:						
FROM: 06/17/2010						
TO : 07/20/2010						
0001	1	LS		946-20		
AUDITING SERVICES						
EXHIBIT 10						
REQUISITION NO.: EBA264						
ADDENDUM ACKNOWLEDGEMENT						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 304-697-5700	DATE 7/20/2010
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
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BID OPENING DATE: **07/20/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p> <p>ADDENDUM NO.'S:</p> <p>NO. 1 ✓</p> <p>NO. 2</p> <p>NO. 3</p> <p>NO. 4</p> <p>NO. 5</p> <p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p> <p>..... SIGNATURE <i>Hayflich & Steinberg, CPA's, PLLC</i> COMPANY 7/20/2010 DATE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 304-697-5700	DATE 7/20/2010
TITLE PARTNER	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

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LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.						
----- END OF ADDENDUM NO. 1 -----						
***** THIS IS THE END OF RFQ EBA264 ***** TOTAL:						<u>\$39,000</u>

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 304-697-5700	DATE 7/20/2010
TITLE PARWAR	FEIN 37-1496963	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING 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 owed 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.

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

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: Haylich & Steinberg, CPA's, PLLC

Authorized Signature: *[Signature]* Date: 7/20/2010

State of West Virginia

County of Cabell, to-wit:

Taken, subscribed, and sworn to before me this 20th day of July, 2010.

My Commission expires September 27, 2014.

AFFIX SEAL HERE

NOTARY PUBLIC *Stephanie R. Riddle*

