

WEST VIRGINIA BROADCASTING AUTHORITY

Proposal to Serve as
Independent Auditors

SUBMITTED JULY 16, 2010 BY
BALESTRA, HARR & SCHERER, CPAs, INC.
MICHAEL A. BALESTRA, SHAREHOLDER/DIRECTOR
balestra@bhscpas.com

PO BOX 687
528 SOUTH WEST STREET
PIKETON, OHIO 45661
740-289-4131

PO BOX 837
129 PICKNEY STREET
CIRCLEVILLE, OHIO 45661
740-474-5210

Balestra, Harr & Scherer, CPAs, Inc.

www.bhscpas.com

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July 16, 2010

West Virginia Broadcasting Authority
600 Capitol Street
Charleston, WV 25301-1223

We appreciate the opportunity to submit this proposal for consideration to conduct the West Virginia Broadcasting Authority audit for the year ending June 30, 2010. The information you provided was very helpful in determining the scope of the engagement and our estimated fees. We are familiar with organizations similar to yours, and have worked with many governmental entities and nonprofit organizations, for a number of years. As a result, we believe these engagements would fit well with our firm's niche and client base.

In the remainder of this proposal we will attempt to describe our understanding of the scope of the engagement, highlight our firm's general attributes, as well as specific qualifications, estimate our professional fees and provide you with information on some of our clients and professional staff.

Scope of Work

We understand that the work to be performed includes the annual audit for the year ending June 30, 2010 for the West Virginia Educational Broadcasting Authority and Affiliates, the West Virginia Public Broadcasting, Inc. and the West Virginia Public Broadcasting Foundation, Inc. in accordance with generally accepted auditing standards and other applicable laws and regulations. Also, the audits will 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, Corporation for Public Broadcasting and Generally Accepted Auditing Standards as established by the AICPA and other applicable laws and regulations.

The work will also include the preparation of the Federal Forms 990 and 990T (if required) for the West Virginia Broadcasting, Inc. and the West Virginia Public Broadcasting Foundation, Inc. for the year ended June 30, 2010.

We will express an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles of the United States of America. Also, we will prepare all supporting schedules required by the Department of Administration (FARS) for the preparation of the state's Comprehensive Annual Financial Report (CAFR). We will perform certain limited procedures on the supplementary information as required by Governmental Accounting Standards Board as mandated by generally accepted auditing standards. We will assist with the preparation on the Corporation for Public Broadcasting Annual Financial Report, to review and attest to the information on the Corporation for Public Broadcasting Annual Financial Report, and to provide the Independent Accountant's Report and the Audited Financial Statements to the Corporation for Public Broadcasting in the required format. We will be available to provide advice on accounting issues to management.

Our approach to the audit will be a risk-based approach. That is, we allocate more of our time to those areas that we perceive to have the most potential for possible misstatement. We start by carefully planning the engagement. During this process we obtain information concerning the organizational structure, document an understanding of the significant transaction processing systems and establish the scope of our testing. We believe this is the most important step in the audit process and have found that this "up-front" investment of time allows us to direct our resources more efficiently.

We will document and testing internal control systems, performing confirmation work, etc. We perform substantive tests to verify the final balances. Some of these procedures include verification of year end balances through third parties, analytical procedures and review of supporting documentation. At the conclusion of the audit, we will prepare all of the required reports in draft form, which will be reviewed with management prior to their issuance.

Reports to be Issued

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

Irregularities and Illegal Acts

We will make an immediate written report of all irregularities and illegal acts of which we become aware to the WVEBA Director of Finance at PO Box 9004, Beckley, WV 25802-9004.

Assurances

We will assure that the WVEBA Chief Financial Officer is informed 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 issues
5. Other information in documents containing audited financial statements
6. Difficulties encountered in performing the audit

Working Paper Retention and Access

All working papers and report will be retained for a minimum of three (3) years, unless the firm is notified in writing by the WVEBA Director of Finance of the need to expand the retention period. We will make the working papers available upon request of the WVEBA.

Time Considerations and Requirements

1. Completed Federal Forms 990, 990T and all subsidiary schedules common to NFP and exempt organizations no later than November 30, 2010, or earlier if deadline is revised by the IRS.
2. CPB AFR and audited financial statements no later than November 8, 2007 for review by the agency and must be submitted by the auditor to CPB no later than November 30, 2010, or earlier if the deadline is revised by CPB.
3. Tentative draft of consolidated financial statements of WVEBA and affiliates to comply with FARS reporting requirements by September 15, 2010. The 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, 2020.

Firm Profile

Balestra, Harr & Scherer, CPAs, Inc. is a CPA firm licensed in the states of Ohio, Indiana, Kentucky, Michigan and West Virginia. We employ approximately 70 people of which 56 are professional staff, including 20 CPAs. Our client base includes entities in Ohio, Michigan, Indiana, Kentucky and West Virginia.

Our firm is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants and Independent Accountants International. We also have several professional staff that are members of and active in the National Society of Accountants for Cooperatives, which provides us with industry specific training and resources. As members of these organizations, we subject ourselves to a triennial peer review in an effort to ensure that the quality of our work and our staff's education is maintained at the highest levels of our profession. Independent Accountants International provides us with a national and international network of carefully screened CPAs that enables us to perform work in virtually all parts of the world. It also provides a resource to assist in resolving unique tax and accounting problems.

A peer review consists of a review of our quality control system conducted by specially trained CPAs from other firms. Our most recent peer review was performed in January 2009. We received an unqualified report with no letter of comment or recommendations for improvement. A copy of the report has been enclosed.

Balestra, Harr & Scherer, CPAs, Inc. offers a full range of services, including, but not limited to, audits, reviews, compilations, tax planning and return preparation, payroll preparation, employee benefit plans and computer consulting. We audit numerous cooperative, governmental and nonprofit entities in the five-state area annually. Our audit staff members are located throughout the state of Ohio (including some in your area) to better serve clients in those areas. Audit, tax and consulting services to the above entities represent approximately 80% of our practice. Our goal is to develop and maintain client relationships for the long-term and make the relationship mutually beneficial.

Professional Fees

Our philosophy is to provide the highest quality professional services at a reasonable, competitive fee. Our clients are entitled to and expect us to perform our work in an efficient and effective manner. We provide all of our audit staff with proper training and equipment, including laptop computers and the necessary software to promote efficiency. Our fees are based upon hourly rates, which vary according to each individual's qualifications and experience. We strive to maintain our costs through low overhead so that we can continue our history of infrequent rate increases.

There are certain nonrecurring costs associated with the start-up of a new engagement. These start-up costs include, but are not limited to, obtaining and documenting policies, procedures and operations, developing tailored audit programs and accumulating the necessary historical information. As an expression of our desire to obtain these engagements, we will absorb these costs.

It is very difficult to estimate hours and fees for engagements with which we are not intimately familiar. However, we have had a great deal of experience with organizations such as yours. As a result, we feel comfortable providing the following estimates of maximum fees for the respective audits:

Based upon our preliminary estimates, our fees should approximate \$18,000.00.

As noted earlier, our estimated fees are based on our limited knowledge of West Virginia Broadcasting Authority. We are willing to commit to you that our fees will not exceed the amounts noted.

We encourage our clients to call us any time throughout the year with questions, projects or to just talk about current problems or conditions. We like to pride ourselves on our accessibility and staff continuity and believe that we can both benefit from our relationship.

In closing, I would like to express our appreciation for being considered for meeting your auditing requirements. I hope this letter expresses our sincere interest in working with you. If you need any additional information, please call. We would also welcome the opportunity to meet with anyone else you believe appropriate. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, reading "Michael A. Balestra". The signature is written in a cursive style with a large, prominent loop at the end of the last name.

Michael A. Balestra, CPA, CFE, CGFM, CISM
Balestra, Harr & Scherer, CPAs, Inc

Girardot, Strauch & Co.
A PROFESSIONAL CORPORATION
Certified Public Accountants

Stanley C. Girardot, CPA
Michael A. Strauch, CPA, CFE, CVA
William L. Lapcheska, CPA
Dennis G. Mellon, CPA
Richard L. Bartholomew, CPA, JD
Lorita K. Bill, CPA
Michelle M. Withers, CPA
Melissa R. Christleb, CPA
Sarah A. Marínez, CPA

January 11, 2010

To the Owners
Balestra, Harr & Scherer CPA's Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Balestra, Harr & Scherer CPA's Inc. (the firm) in effect for the year ended May 31, 2008. 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 conforming to 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 (AICPA). The design system and compliance with it are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with the system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. 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. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

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 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 Balestra, Harr & Scherer CPA's Inc. in effect for the year ended May 31, 2008, 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.

Girardot, Strauch & Co.

Girardot, Strauch, & Co.

Balestra, Harr & Scherer, CPAs, Inc.

PROFESSIONAL STAFF

Michael A. Balestra, CPA, CFE, CGFM, CISM, graduated from The Ohio University in 1981 with a BBA and a major in accounting. Mike is a partner and the firm's Director of Government Auditing and was employed for fifteen years in the audit department with the Auditor of State of Ohio and for the past ten years is a partner of Balestra, Harr & Scherer, CPAs, Inc. an accounting firm with special expertise in auditing. He has taught numerous auditing courses for the accounting firm. He has been responsible for directing all phases of client services for many organizations, including financial and compliance audits, agreed-upon procedures and consulting for not-for-profit and government entities. Mike is a member of the American Institute of Certified Public Accountants, The Ohio Society of Certified Public Accountants, Government Finance Officer Association, the Association of Government Accountants, and the Information System Audit and Control Association.

Paul Rennick, CPA, graduated from The Wilmington University (BSBA, 1979) with a major in accounting and finance and has been employed with the firm for fifteen years. Paul also worked for E&Y for several years. He is a manager specializing in auditing government and nonprofit clients. He is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants and the Association of Government Accountants.

Susan Tackett, CPA, graduated from Shawnee State University (BSBA, 2000) with a major in accounting and has been employed with the firm for eight years. She has performed audits of all types of businesses, including rural electric cooperatives, agricultural cooperatives, construction and nonprofit organizations. She also is involved in government audits. Susan is a member of the American Institute of Certified Public Accountants, The Ohio Society of Certified Public Accountants, and the Association of Government Accountants.

Kathy J. Lambert, CPA, graduated from Rio Grande University in (BSBA, 1997) with a major in accounting and has been employed with the firm for seven years. She has been involved almost exclusively in nonprofit and governmental audit, agreed-upon procedures and consulting engagements. Kathy is a member of the American Institute of Certified Public Accountants, The Ohio Society of Certified Public Accountants, and the Association of Government Accountants.

Brenden D. Balestra, CPA, CISA, CGAP, CGEIT, graduated from Liberty University in (BSBA, 1997) with a major in accounting and has been employed with the firm for twelve years. He has been involved almost exclusively in nonprofit and governmental audit, agreed-upon procedures and consulting engagements. Brenden is a member of the Institute of Internal Auditors and the Association of Government Accountants.

Amanda Pridemore, CPA, graduated from Wittenburg University in (BSBA, 2000) with a major in accounting and has been employed with the firm for ten years. She has been involved almost exclusively in nonprofit and governmental audit, agreed-upon procedures and consulting engagements. Robyn is a member the Association of Government Accountants.

Note: All the staff noted above met the yellow book requirements for continuing professional education in the past three years. All staff members are independent of the West Virginia Broadcasting Authority

Balestra, Harr & Scherer, CPAs, Inc.
Similar Clients

<u>NAME OF CLIENT</u>	<u>TYPE OF SERVICE</u>	<u>HOURS</u>	<u>CONTACT</u>	<u>PHONE</u>
WV ABCC	Audit	160	Tom Mullins	304-558-2487
WV DOE	Audit	200	Sally Bearl	304-558-7881
Ohio DOT	Audit	200	Jim Brushhart	740-772-1243
OHSAA	Audit/Tax	400	Jeff Jordan	614-466-7571
OHSAA Foundation, Inc.	Audit/Tax	100	Jeff Jordan	614-466-7571
Ohio DOE	Audit	160	Jeff Jordan	614-466-7571
Ohio School to Work	Audit	600	Jeff Jordan	614-466-7571
WVEBA	Single Audit	400	Mike Meador	304-558-8801

Please note we perform numerous audits and tax services for other NFP Organizations. These references will be made available upon request.



**State of West Virginia
Department of Administration
Purchasing Division**

NOTICE

Due to the size of this bid, it was impractical to scan every page for online viewing. We have made an attempt to scan and publish all pertinent bid information. However, it is important to note that some pages were necessarily omitted.

If you would like to review the bid in its entirety, please contact the buyer. Thank you.



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

*A21093049 740-289-4131
BALESTRA HARR & SCHERER CPAS
PO BOX 687
528 SOUTH WEST ST
PIKETON OH 45661

SHIP TO

WSWP-TV
AIRPORT ROAD

BECKLEY, WV
25801 255-1501

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
07/07/2010				

BID OPENING DATE: **07/20/2010** BID OPENING TIME: **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
ADDENDUM NO. 2						
THIS ADDENDUM IS ISSUED TO ADDRESS THE QUESTIONS SUBMITTED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 06/28/2010 AS ESTABLISHED IN ADDENDUM NO. 1.						
ATTACHMENTS: QUESTIONS AND RESPONSES						
0001	1	LS		946-20		\$18,000.00
AUDITING SERVICES						
EXHIBIT 10						
REQUISITION NO.: EBA264						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						
NO. 1 <i>MMS</i>						
NO. 2 <i>MMS</i>						
NO. 3						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Walter H. Blodgett</i>	TELEPHONE <i>740-289-4131</i>	DATE <i>7-16-10</i>
TITLE <i>VP</i>	FEIN <i>31-1413363</i>	ADDRESS CHANGES TO BE NOTED ABOVE

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