

COMMITMENT TO SERVE

WORKFORCE
West Virginia

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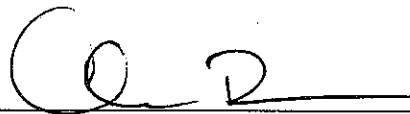
Workforce West Virginia

Auditing Services

Response to Request for Quotation
RFQ Number WWV11869

Suttle & Stalnaker, PLLC
The Virginia Center, Suite 100
1411 Virginia Street East
Charleston, West Virginia 25301
(304) 343-4126
(800) 788-3844

Contact Person:



Chris Deweese, CPA, Member

October 14, 2010

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TRANSMITTAL LETTER



CERTIFIED PUBLIC ACCOUNTANTS

October 14, 2010

Workforce West Virginia
3701 MacCorkle Avenue SE
Charleston, West Virginia 25304

We are pleased to submit our proposal to serve as independent Certified Public Accountants to perform the annual audit of the financial statements of Workforce West Virginia for the year ending June 30, 2011. Suttle & Stalnaker, PLLC welcomes this opportunity to serve you. We are particularly well suited to serve you since our experience is especially strong in working with West Virginia State government and governmentally funded organizations.

The team which we have assembled to serve Workforce West Virginia has a long-standing relationship with various State and local government organizations which means that we know and understand the difficult issues and how to address them. Our primary team members have extensive technical knowledge of and experience with Federal and State grants and will be available at your request. Your engagement member will be Chris Deweese. He has been engagement member for audits of Workforce West Virginia, West Virginia Department of Transportation, and numerous other governmental organizations.

We will serve Workforce West Virginia in a dedicated manner and you will be a top priority client of our office. We would appreciate the opportunity to meet personally to further discuss this written proposal. We possess all of the technical and professional qualifications to serve Workforce West Virginia in the most effective manner. Please feel free to contact Horace Emery or Chris Deweese in respect to any questions you may have concerning this proposal. This proposal is a firm and irrevocable offer for ninety (90) days.

Very truly yours,

A handwritten signature in cursive script that reads 'Suttle & Stalnaker, PLLC'.

Suttle & Stalnaker, PLLC

MANDATORY REQUIREMENTS

MANDATORY REQUIREMENTS

Independence:

Governmental auditing standards required by the governmental accounting office define independence in the second general standard for governmental auditing as follows: "In all matters related to the audit work, the audit organization and the individual auditors, whether government or public, should be free from personal and external impairments to independence, should be organizationally independent, and should maintain an independent attitude and appearance."

The firm must meet standard accounting requirements as promulgated by United States General Accounting Offices and must also provide an affirmative statement that it is independent of the State of West Virginia and any other component units of that entity as defined by those same standards.

In addition, the firm shall give Workforce West Virginia written notice of any professional relationships entered into during the period of the agreement with any major contractors as defined in WV §29.22.23. The firm will also notify Workforce West Virginia in writing if any other matters come to its attention during this engagement, which may impair its independence.

Suttle & Stalnaker, PLLC is independent of the Workforce West Virginia, and related systems, the State of West Virginia, and any other component units of the State of West Virginia as defined by auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, United States General Accounting Office.

Suttle & Stalnaker, PLLC has no relationship with any known major vendors or contractors to Workforce West Virginia and related systems. In addition, Suttle & Stalnaker, PLLC agrees to give Workforce West Virginia written notice of any professional relationships entered into during the period of this agreement with any major contractors as defined in West Virginia code §29-22-23.

We affirm to the best of our knowledge and belief that neither the firm, nor any of its members, employees, or subcontractors presently have any interest and shall not acquire any interest, direct or indirect which would conflict or compromise in any manner or degree with the performance of its services hereunder. We further covenant that during the period of the contract, we shall periodically inquire of our members, employees and any subcontractors, concerning such interests. Any such interests discovered shall be promptly presented in detail to Workforce West Virginia.

Required Software for Financial Statement Preparation:

The CPA Firm who is awarded this contract must use CorpSystem WorkPaper Manager software by CCH for Financial Statement Preparation.

Suttle & Stalnaker, PLLC utilizes this software.

License To Practice In West Virginia:

The firm and all assigned key professional personnel and all associated and subcontracted firms must be licenses to practice in West Virginia. In addition, the firm and all associated and subcontracted firms are in good standing with the Unemployment Compensation Division of the State of West Virginia.

Suttle & Stalnaker, PLLC and all assigned key professional staff are properly licensed by the West Virginia Board of Accountancy to practice in West Virginia. We are in good standing with both the Workers' Compensation Division and the Unemployment Compensation Division as required by law. Please see the No Debt Affidavit at the last page of the Request for Quotation included as part of this proposal.

In addition, all assigned personnel have received adequate continuing professional education within the preceding two years to comply with AICPA and *Government Auditing Standards* (GAS). Suttle & Stalnaker, PLLC is a member in good standing with the American Institute of Certified Public Accountants (AICPA), the AICPA's Private Companies Practice Section, and the West Virginia Society of Certified Public Accountants (CPAs). All members proposed to serve on this engagement are members of the AICPA.

Suttle & Stalnaker, PLLC meets all requirements imposed by the State of West Virginia and other local laws, rules and regulations, and are registered resident vendors authorized to transact business with the State of West Virginia.

Quality Control:

The fourth general standard as set forth in governmental auditing standards is promulgated by the United States Governmental Accounting Offices states that "each audit organization conducting audits in accordance with these standards have an appropriate internal control system in place and undergo an external quality control review."

The firm and all associated and sub-contracted firms have in place an internal quality control system to provide reasonable assurance that an adequate quality standard will be maintained during the engagement. In addition, copies of the firm or firms internal control document should be attached to the RFQ as well as a copy of the most recent external quality control review or made available within 48 hours upon request of the agency. Should the written report of the most recent external quality review disclose significant matters that would leave doubts as to the ability of the firm to maintain quality control, a written explanation should be attached to say what steps have been taken by the firm to improve their quality control procedures. The quality control review should have included a review of specific governmental engagements.

The firm should provide with the bid or make available within 48 hours request from the agency information on the results of any federal or state desk reviews or field reviews of its audits during the past three years.

Suttle & Stalnaker, PLLC is a member in good standing of PKF International and of the PCPS: The AICPA Alliance for CPA Firms, and as such is required to provide a minimum average of 40 hours per year of continuing professional education for each professional on staff, have a complete quality control system in place which encompasses all of the quality control elements established by the AICPA, and have a peer review at least every three years.

In addition we are members of the Government Audit Quality Center and the Employee Benefit Plan Audit Quality Center of the American Institute of Certified Public Accountants. CPA firms that join the Center demonstrate their commitment to audit quality by agreeing to, and meeting, specific Center membership requirements. They also show their dedication to sharing best practices, learning about emerging issues, and demonstrating their commitment to enhancing quality in their practices.

The following is a brief summary of our policies as they relate to each quality control element.

Leadership Responsibilities For Quality

It is the firm's policy to promote a culture of quality that is pervasive throughout the firm's operations through the development of its system of quality control. Firm management, principally the Director of Audit, assumes responsibility for the firm's system of quality control and designs the system (a) to emphasize the importance of performing work that complies with professional standards and regulatory and legal requirements and (b) to issue reports that are appropriate in the circumstances. In maintaining a culture of quality, the firm emphasizes the importance of ethics and integrity in every decision that personnel make, particularly at the engagement level.

Relevant Ethical Requirements

It is the firm's policy that all professional personnel be familiar with and adhere to the relevant ethical requirements of the AICPA, the State of West Virginia Board of Accountancy, the West Virginia Society of CPAs, and State of West Virginia statutes. Furthermore, it is the firm's policy that, for engagements subject to *Government Auditing Standards* and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards and that personnel will always act in the public interest. In this regard, any transaction, event, circumstance or action that would impair independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review or compilation engagement, or other service subject to the applicable standards is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats but such situations are not specifically addressed by the independence rules of the AICPA *Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for AICPA Independence Standards* and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will decline to accept or withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach or potential breach.

Acceptance and Continuance of Clients and Engagements

It is the firm's policy that for all compilation, review, audit, and attestation engagements, the acceptability of the client and the engagement be evaluated before the firm agrees to provide professional services and that the firm will accept only engagements that it believes can be completed with professional competence after considering the risk associated with providing professional services in the particular circumstances.

Human Resources

The success of the firm is dependent upon its professional staff. It is the firm's intent to succeed in the marketplace by having members and staff that possess the capabilities, competence, and commitment to ethical principles to assure that engagements performed by the firm are in accordance with professional standards and regulatory and legal requirements and that appropriate reports are issued. Having effective quality control policies and procedures over the human resources element of quality control will help ensure the proficiency of firm personnel. Accordingly, policies and procedures have been established to provide the firm with reasonable assurance that-

- Those hired possess the appropriate characteristics to enable them to perform competently. Professional staff must normally have an accounting degree and a grade point average of at least 3.0 on a 4.0 scale.
- Work is assigned to personnel having the degree of technical training and proficiency required in the circumstances.

- Personnel participate in general and industry-specific continuing professional education and other professional development activities that enable them to fulfill responsibilities assigned. All professional personnel must comply with the continuing professional education requirements of the AICPA, the West Virginia State Board of Accountancy, and the U.S. General Accounting Office. Specifically, all professionals must obtain a minimum of 40 hours of continuing professional education per year. For persons involved in governmental auditing, at least 24 hours in any two-year period must be directly related to governmental accounting and auditing. All professional staff must maintain an adequate awareness and understanding of current developments in technical literature, and all professional staff must assist in the training and development of staff members under their supervision.
- Personnel selected for advancement must have the qualifications necessary for fulfillment of the responsibilities they will be called on to assume. These determinations are made based on periodic, objective evaluations of individual performances.

Engagement Performance

Engagement performance encompasses many aspects of performing an engagement, from the initial planning stages to the issuance of the report and assembly of the work papers. Additionally, it is not uncommon for the firm's engagement teams to occasionally encounter complex or contentious issues that result in the need for consultation or that create differences of opinion. The firm believes in a strong quality control system and supports frequent engagement quality control review.

Specific detailed procedures have been developed in regards to the following three components of Engagement Performance.

- Engagement performance and documentation. - Specific policies and procedures include guidance on the use of various practice aids to help ensure that all engagements are properly planned, performed, supervised, reviewed, documented and reported in accordance with professional standards.
- Engagement quality control review. - It is the firm's policy (a) to evaluate all engagements against criteria established by the firm to determine whether an engagement quality control review should be performed, and (b) to perform an engagement quality control review for all engagements that meet these criteria. Engagement quality control reviews are completed before the report is released.

- Consultation and differences of opinion. - It is the firm's policy that personnel refer to authoritative literature or other sources when appropriate. The firm also recognizes the need for a constant exchange of ideas and opinions about technical issues on all professional engagements, and it is the firm's policy that all professional personnel seek consultation, on a timely basis, within or outside the firm whenever differences of opinion occur or uncertainty exists about the answer to a technical question; the application of a professional procedure or standard; the application of a rule, regulation, or procedure of a tax or other regulatory agency; or the application of a firm policy.

Monitoring

It is the firm's policy that the quality control system be monitored on an ongoing basis to provide the firm with reasonable assurance that the policies and procedures established by the firm for each of the elements of quality control are relevant, adequate, operating effectively, and being effectively applied. Monitoring activities may include engagement quality control reviews, inspection, and post-issuance review.

The specific procedures utilized to ensure compliance with the above policies are enumerated in our formal Quality Control Document which is available for inspection upon your request.

PEER REVIEW

A review of the Firm's system of quality control was performed in 2008, in accordance with the AICPA's peer review program. This review included a review of selected governmental engagements. **An unqualified opinion with no letter of comments was received as a result of this review.** A copy of that report is included as an appendix to this proposal.

The Firm also has periodically had its workpapers and/or reports reviewed by federal and state agencies. The desk and/or field audits have uncovered no significant issues, and we have often been complemented by the reviewer on the quality of our work.

OTHER CERTIFICATIONS AND WARRANTIES

Conflicts of Interest

As a consequence of Suttle & Stalnaker, PLLC's strict policies regarding independence, it has no engagements that can or will in any way cause a conflict of interest, as set forth in West Virginia Code §29-22-23, with our proposed engagement for Workforce West Virginia.

Prohibition Against Gratuities

Suttle & Stalnaker, PLLC has employed no company or person to assist with our services to Workforce West Virginia other than bona fide employees. Further, we have not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract with Workforce West Virginia.

Certifications Related to Lobbying

No federal appropriated funds have been paid or will be paid, by or on behalf of Suttle & Stalnaker, PLLC or their employees, to any person for purposes of influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement.

Vendor Relationship

The relationship of Suttle & Stalnaker, PLLC to the State will be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. Suttle & Stalnaker, PLLC as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Suttle & Stalnaker, PLLC is responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this RFQ and resulting contract. Neither Suttle & Stalnaker, PLLC nor any employees or contractors of Suttle & Stalnaker, PLLC shall be deemed to be employees of the State for any purposes whatsoever.

Suttle & Stalnaker, PLLC is exclusively responsible for the payment to his/her employees and contractors of all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, including but not limited to Workers' Compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Suttle & Stalnaker, PLLC will hold harmless the State, and will provide the State and Workforce West Virginia with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

Suttle & Stalnaker, PLLC will not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of Workforce West Virginia.

Indemnification

Suttle & Stalnaker, PLLC agrees to indemnify, defend and hold harmless the State of West Virginia, Workforce West Virginia, its officers, and employees from and against:

- (A) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract.
- (B) Any claims or losses resulting to any person or entity injured or damaged by Suttle & Stalnaker, PLLC, their officers or employees by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by federal or state statutes or regulations;
- (C) Any failure of Suttle & Stalnaker, PLLC, their officers or employees to observe state and federal laws, including but not limited to labor and minimum wage laws.

Contract Provisions

After the successful Vendor is selected, a formal contract document will be executed between the State and the Vendor. In addition, the RFQ and the Vendor's response will be included as part of the contract by reference. The order of precedence is the contract, the RFQ, and the Vendor's Quote in response to the RFQ.

Compliance with Governing Laws and Regulations

Suttle & Stalnaker, PLLC abide with all laws, regulations, and ordinances of the United States. Suttle & Stalnaker, PLLC is licensed to do business in this state. It also complies with the Civil Rights Act of 1964 and all other applicable federal, state and local government regulations.

Various General Terms and Conditions

Suttle & Stalnaker, PLLC will abide by and comply with all items as presented in the RFQ.

Desk and Field Reviews

Engagements performed by Suttle & Stalnaker, PLLC have been subjected to several federal desk and field reviews over the past three years. No significant issues were raised as a result of any of these reviews.

Proposer's Warranty and Guarantee

Suttle & Stalnaker, PLLC warrants that it will not delegate or subcontract its responsibilities under this agreement without the express prior written permission of Workforce West Virginia.

Suttle & Stalnaker, PLLC further warrants that all information provided by it, in connection with this proposal, is true and accurate.

Suttle & Stalnaker, PLLC certifies it can and will provide and make available, at a minimum, all services set forth herein.

**SECTION I:
FIRM QUALIFICATIONS AND EXPERIENCE**

SECTION I: FIRM QUALIFICATIONS AND EXPERIENCE

Suttle & Stalnaker, PLLC, Certified Public Accountants, has offices located at 1411 Virginia Street East, The Virginia Center, Suite 100, Charleston, West Virginia 25301 and at Towne Square, PO Box 149, Parkersburg, West Virginia 26102. The Firm which was incorporated in 1973 currently consists of the following personnel, 30 of which are certified public accountants: members/partners - 12, managers, seniors and staff accountants - 36, support staff - 10. Currently there are approximately 14 individuals in our governmental audit staff. The work performed will be coordinated by our Charleston office. Various members and employees of the Firm are members of the American Institute of Certified Public Accountants, the West Virginia Society of Certified Public Accountants, Government Finance Officers' Association, and other professional organizations.

We are experienced in and perform a full range of activities. Our professionals are organized according to their functional discipline: accounting and auditing, tax and tax consulting, and management consulting. We consider ourselves business advisors who not only solve problems but also prevent them.

STATE OF WEST VIRGINIA AND WORKFORCE WEST VIRGINIA PROGRAMS

Suttle & Stalnaker, PLLC has audited Workforce West Virginia's financial statements for the last nine years. In addition, Suttle & Stalnaker, PLLC has a long history of serving the State of West Virginia and Workforce West Virginia, having served virtually every major division and department in some capacity, including participating as a joint venturer/subcontractor in every Single Audit of the State of West Virginia. As part of the Single Audit, Suttle & Stalnaker, PLLC personnel have audited the major programs of Workforce West Virginia, including Unemployment Insurance, WIA Cluster, and Employment Services Cluster.

Other engagements with the State of West Virginia have included auditing component units, divisions or programs to be incorporated into the State of West Virginia's Comprehensive Annual Financial Reports. These engagements include the West Virginia Department of Transportation, West Virginia Division of Highways, West Virginia Public Employees Insurance Agency, West Virginia Lottery, West Virginia Public Defender Corporations, Bluefield State College, Concord University, Southern West Virginia Community and Technical College, West Virginia Osteopathic School of Medicine, and New River Community and Technical College. These engagements demonstrate our ability to meet the time parameters required by the Department of Administration's Financial and Reporting Section, as well as our ability to effectively and efficiently complete audits in the complex State environment.

GFOA CERTIFICATE OF EXCELLENCE EXPERIENCE

Only a few entities in West Virginia have applied for and obtained a GFOA Certificate of Excellence in Financial Reporting. Our current clients, the West Virginia Division of Highways and the West Virginia Public Employee's Insurance Agency and our former client, Workforce West Virginia obtained the GFOA Certificate of Excellence. In addition, the State of West Virginia, our client through joint ventures with Ernst & Young, LLP and Deloitte & Touche, LLP, obtained the GFOA Certificate of Excellence. As stated in the Suttle & Stalnaker, PLLC mission statement, we are continually striving to "provide world class professional services to quality clients by utilizing a team of dynamic individuals and advanced technology to achieve success for our clients and ourselves." If Workforce West Virginia wishes to pursue a GFOA Certificate of Excellence in Financial Reporting, we will be pleased to assist.

PKF NORTH AMERICA

Suttle & Stalnaker, PLLC is a member of PKF North America. PKF North America is a national and international association of independent certified public accounting firms, provides its members with continuing professional education, quality control, technical support, and marketing services.

Location. National and international.

Statistics. PKF North America includes over 200 member firms throughout the United States, Canada, Mexico, Europe and the Far East. PKF North America offers a network of experience and expertise covering a wide range of industries and client services on a regional, national and international basis. Admission is by invitation only.

PKF North America strengthens the practices of its member firms in a variety of ways:

- increased representation throughout the world
- access to specialized knowledge and expertise throughout the PKF North America association of firms
- superior professional education
- marketing and practice development support
- a library of best practices materials
- a network of international public accounting firms, through affiliation with PKF International, to meet their international needs

PKF North America and PKF International As of December 8, 2009

	<u>PKF North America</u>	<u>PKF International</u>
Number of member Firms	87	146
Combined Net Fees of member Firms (in millions, U.S.)	\$855	\$1,320
Total Partners-Member Firms	932	2,073
Total Staff-Member Firms	6,717	9,801
Countries in which member Firms reside	3	116

PKF North America Membership as of December 8, 2009

Number of Firms with One Office:	49
Number of Firms with Multiple Offices:	38
Largest Firm Revenue:	\$130,000,000
Smallest Firm Revenue:	\$737,900
Average Firm Revenue:	\$9,831,500
Locations:	196
Number of States:	38
Number of Canadian Provinces:	6
Number of Mexican Provinces:	22

OUR GOVERNMENT PRACTICE

Suttle & Stalnaker, PLLC has a long history of serving the State of West Virginia and governmental entity, having served virtually every major division and department in some capacity. Suttle & Stalnaker, PLLC has specialized in governmental and nonprofit agency auditing and accounting for over 36 years. This segment currently makes up the largest industry concentration of our audit practice, with our professional staff spending well over 12,000 hours per year on audits of governmental and nonprofit entities and programs. Every member of our audit staff has both training and experience in governmental and nonprofit accounting and auditing.

The State of West Virginia and its departments, divisions, and component units are the cornerstone of our government practice. Through a joint venture, we participate in the audit of the State of West Virginia's financial statements, and perform extensive work related to the requirements of the Single Audit Act and Office of Management and Budget's Circular A-133. In addition to the State Government Entities listed earlier our Firm has served numerous other governmentally and nonprofit funded clients and similar entities requiring audits in accordance with *Government Auditing Standards*, developing a strong reputation for providing quality services in the West Virginia market.

EXTERNAL REVIEWS OF FIRM WORK

Our Firm's most recent peer review of our system of quality control performed by an independent CPA Firm in accordance with standards established by the American Institute of Certified Public Accountants was completed in 2008, and **we received an unqualified opinion with no letter of comments**. In accordance with peer review standards, the peer review included a review of selected specific governmental engagements. A copy of that report is included as an appendix to this proposal.

LITIGATION

The Firm has never had any litigation against it, and there is no pending litigation involving the Firm with any state regulatory bodies or professional organizations.

ACCOUNTING AND AUDITING

We have a strong reputation as auditors and business consultants to small and middle market companies, assisting in the analysis of business opportunities and threats, operations improvement, profit management, and design and installation of computer accounting and statistical systems. We are especially well known and respected for our experience and expertise in governmental and nonprofit entities, programs and activities, including Federal financial assistance programs, and cost allocation plans.

Our professionals are skilled in the unique financial reporting, accounting and auditing, and tax concerns of our clients as well as assisting them in such specialized projects as business financing, and operational analysis and improvement.

SPECIFIC CLIENTS SERVED

The following list illustrates Suttle & Stalnaker, PLLC's experience and diversity in serving governmental clients and similar entities:

- West Virginia Bureau of Employment Programs
- West Virginia Workers' Compensation Division
- Single Audit of State of West Virginia, including the following:
 - Bureau of Employment Programs
 - Unemployment Insurance Programs
 - Employment Services
 - WIA Programs
 - West Virginia Development Office
 - Community Development Block Grant Program
 - Department of Health and Human Resources
 - Temporary Assistance for Needy Families
 - Social Services Block Grant
 - Low Income Housing and Emergency Assistance
 - Women's, Infant's and Children's
 - Foster Care - Title IV
 - Child Care Development Fund
 - Substance Abuse
 - Child Support Enforcement
 - Medicaid
 - Food Stamp Cluster
 - Department of Education
 - Child Nutrition Cluster
 - Office of Special Education
 - Vocational Education
 - Title I - Grants to Local Education Agencies
 - Division of Environmental Protection
 - Office of Abandoned Mine Lands
 - Office of Surface Mining
 - Capitalization Grants for State Revolving Loan Funds
- West Virginia Department of Transportation
- West Virginia Division of Highways
- West Virginia Public Defender Corporation - 17 Judicial Circuits
- Bluefield State College
- Concord University
- West Virginia School of Osteopathic Medicine
- New River Community & Technical College
- Southern West Virginia Community & Technical College
- Twelve County Boards of Education - Single Audit

PRIOR ENGAGEMENTS WITH THE STATE OF WEST VIRGINIA

Engagement	Scope of Work	Date	Engagement Member	Avg. Annual Hours	Client Contact	Telephone Number
Single Audit of the State of WV Building 1, Room E-119 1900 Kanawha Blvd., E. Charleston, WV 25305-0120	Participation in financial and compliance auditing for several departments, including numerous federal award programs	1986 thru present	Chris Deweese / Horace Emery	4,500	Ross Taylor/ Chris Sforza	558-1321
WV Department of Transportation Building 5, Room A-109 1900 Kanawha Blvd., E. Charleston, WV 25305-0440	Annual Financial Statement Audit including assistance with CAFR and FARS forms, including numerous federal award programs	2001 thru 2007	Horace Emery / Chris Deweese	3,000	Fred Thomas	558-2841
WV Division of Highways Building 5, Room 109 1900 Kanawha Blvd., E. Charleston, WV 25305-0403	Annual Financial Statement Audit including assistance with CAFR and FARS forms, including numerous federal award programs	2001 thru 2007	Horace Emery / Chris Deweese	800	Aaron Allred Legislative Post Audit Division Building 1, Room E-132 1900 Kanawha Blvd., E. Charleston, WV 25305-0160	347-4800
Workforce West Virginia Building 4, Room 610 112 California Avenue Charleston, WV 25305-0112	Annual Financial Statement Audit	2000 thru present	Chris Deweese / Horace Emery	505	Caren Jenkins	558-2633
WV Offices of the Insurance Commissioner 1124 Smith Street Charleston, WV 25305	Annual Financial Statement Audit	2000 thru present	Horace Emery	1,250	Melinda Ashworth Kiss	926-5047

SECTION II:
PERSONNEL QUALIFICATIONS AND EXPERIENCE

Section II - PERSONNEL QUALIFICATIONS AND EXPERIENCE

We firmly believe that the true quality of service can be linked directly to competent people dedicated to excellence. The professionals selected to serve Workforce West Virginia all have extensive governmental experience and prior Bureau experience. We will provide for an organizational structure that ensures ongoing and knowledgeable supervision by management already familiar with Workforce West Virginia to ensure maximum efficiency.

The following individuals will have responsibility to ensure that our services meet your requirements. Resumes and continuing professional education records are included on the following pages.

Horace Emery, CPA

Horace Emery, Member, brings extensive governmental experience to this engagement with over 31 years of service to the government and governmentally funded entities. We are certain that this experience will be of great benefit to Workforce West Virginia in achieving the goals and benefits of this engagement. Horace will ensure that the services and deliverables to Workforce West Virginia meet the Firms high standards. Following is the specific information requested:

Name:	Horace Emery, CPA
Address:	Suttle & Stalnaker, PLLC The Virginia Center, Suite 100 1411 Virginia Street East Charleston, West Virginia 25301
Direct Telephone:	(304) 720-3103
Fax:	(304) 343-8008
email:	hemery@suttlecpas.com

Chris Deweese, CPA

Chris Deweese will continue to serve as Engagement Member. He will be responsible for the direct supervision of the engagement, including ensuring that all professional standards are met. He will act as a direct liaison between Suttle & Stalnaker, PLLC and your personnel during the engagement and throughout the year. He has served as Suttle & Stalnaker, PLLC member responsible for ensuring the execution of the financial audit of Workforce West Virginia and of Suttle & Stalnaker's portions of the State of West Virginia's Single Audit, including West Virginia Bureau of Employment Programs, participating in planning, entrance and exit conferences, addressing issues, and review of workpapers and findings. He has also served as engagement member for the audit of the West Virginia Department of Transportation. He has over 14 years experience in governmental entities and programs. Chris served on the State of West Virginia GASB 34 implementation task force in both the fund financial statement committee and the infrastructure committee.

Jason McCale, CPA

Jason McCale, Audit Manager, will be on site during the course of the audit of Workforce West Virginia, executing the audit plan. He has also had experience with auditing the major federal awards programs for Workforce West Virginia and has worked on the financial audit of Workforce West Virginia for the past year.

Sam Pauley, CPA

Sam Pauley, Senior Accountant, will be on site during the course of the audit of Workforce West Virginia. He has also had experience with auditing the major federal awards programs for Workforce West Virginia and has worked on the financial audit of Workforce West Virginia over the last two years.

Bryan Bowman

Bryan Bowman, Staff Account, will be on site during the course of the audit of Workforce West Virginia. Bryan has worked on the federal programs of Workforce West Virginia for the past two years and the financial audit for the past year.

Don Mellert

Don Mellert, Computer Specialist, has over 25 years experience in computer consulting, including assisting with various EDP related procedures. He will be available to assist in the EDP internal control review or to assist with computer assisted audit procedures. Don has performed the internal control review for Workforce West Virginia for the past two years.

ADDITIONAL STAFF

Additional staff will be assigned as necessary. Any professional staff will have at least a college degree from an accredited four-year college and be a true employee with at least one year's auditing experience. Suttle & Stalnaker, PLLC continually strives to hire the best personnel available to serve our clients. As outlined in the Quality Control Section of this proposal, we are committed to this effort in order to provide our clients with the high quality service they deserve.

ABILITY TO MAINTAIN QUALITY OF STAFF

In preparing and planning for the future success of Suttle & Stalnaker, PLLC and in an effort to provide our clients with the highest quality professional services, Suttle & Stalnaker, PLLC has implemented the EXCEL® program. The EXCEL® program allows each individual the flexibility to establish personal work commitments, continuing education goals, and career goals while ensuring that our commitments to our clients are met. This flexibility in today's work environment has been an instant success in helping to attract dynamic career oriented personnel dedicated to achieving success for our clients. The direct results of this program for Suttle & Stalnaker, PLLC have been a significantly lower turnover than other firms in public accounting. This results in an increased ability to assign a core group of the same individuals to recurring engagements, thus improving client service, and audit effectiveness. However, over the course of the engagement, there may well be a need to change staff assigned to the engagement. We believe our hiring, promotion, and personnel assignment policies and practices will ensure the quality of staff assigned to the engagement. If any supervisory staff or specialists need to be changed during the engagement, we will provide the Deputy Commissioner of Administration for Workforce West Virginia a resume similar to the ones included in this proposal, to ensure that Workforce West Virginia agrees that the new person is suitable for the engagement based on their qualifications, experience and performance.

RESUMES

HORACE W. EMERY, CPA

Audit Member

Firm Responsibilities

Horace Emery is an audit partner whose responsibilities include providing technical assistance on all accounting and audit engagements, and managing the Firm's continuing professional education program.

Experience

He has had over 31 years of diversified experience in public accounting with the firms of Suttle & Stalnaker, PLLC and Peat, Marwick, Main & Co. His extensive experience includes audits of nonprofit, governmental and healthcare entities as well as audits of retail wholesale, and manufacturing companies; reviews of accounting systems; and reviews of internal controls.

He has served as the engagement partner or independent partner during the past several years for numerous clients, including the following:

- West Virginia Offices of the Insurance Commissioner
- West Virginia Workers' Compensation Division
- Workforce West Virginia
- West Virginia Division of Highways
- West Virginia Department of Transportation
- West Virginia Lottery
- West Virginia PEIA - Financial and Compliance Audit
- West Virginia PEIA - Plan Document Compliance Review
- Minnesota Lottery
- State of West Virginia - Single Audit
- Appalachian Community Health Center, Inc.
- West Virginia Department of Education - Agreed-upon Procedures
- State of West Virginia - Internal control project for the State Treasurer's Office
- Boone County Board of Education - Single Audit
- Kanawha County Board of Education - Single Audit
- Pendleton County Board of Education - Single Audit
- Tyler County Board of Education - Single Audit
- Gilmer County Board of Education - Single Audit
- Doddridge County Board of Education - Single Audit
- Roane County Board of Education - Single Audit
- State of West Virginia School Building Authority
- BCKP Regional Intergovernmental Council

HORACE W. EMERY (Continued)

Education

Horace graduated from West Virginia University with a master's of business administration degree with an emphasis in accounting, and from Oberlin College with a Bachelor of Arts degree. He is a certified public accountant having received certificate number 1144 from the State of West Virginia.

Professional Activities

He is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants, and the Government Finance Officers Association. He currently serves President of the Board of Directors, the Peer Review Committee and the Accounting and Auditing Committee of the West Virginia Society of Certified Public Accountants, and is a past Chair of the West Virginia Society of Certified Public Accountants Peer Review Committee and the Committee on Cooperation with State and Local Governments. He also was a past president of the Charleston, West Virginia Chapter of the EDP Auditors Association. He has planned local office professional development training programs for several years and has instructed several technical seminars. Horace also served on the State of West Virginia GASB 34 implementation task force on both the entity wide financial statement committee and the oversight committee.

CHRIS DEWEESE, CPA**Member**

Firm Responsibilities

Chris is a member, and is responsible for helping develop and carryout the engagement plans for specific clients. These responsibilities include, but are not limited to, the development of the audit plan and audit program, communication with client during the course of the fieldwork, direct supervision of the audit staff and completion of the final audit report.

Experience

Chris has over 14 years of experience in public accounting during which time he has specialized in serving governmental entities. He has served as an auditor for the following clients:

- Workforce West Virginia
- Bluefield State College
- Concord University
- Southern West Virginia Community & Technical College
- West Virginia School of Osteopathic Medicine
- New River Community & Technical College
- West Virginia Department of Transportation
- West Virginia Division of Highways
- Seventeen West Virginia Public Defender Corporations
- State of West Virginia, Single Audit, including the following:
 - Workforce West Virginia
 - West Virginia Department of Education
 - West Virginia Department of Environmental Protection
 - West Virginia Department of Health and Human Resources
 - West Virginia Development Office
 - West Virginia Division of Rehabilitative Services
 - West Virginia University
 - Marshall University
- Thirteen County Boards of Education - Single Audits

Education

Chris graduated with a Bachelor's degree with a major in accounting from the University of Charleston. He is a certified public accountant having received certificate number 3961 from the State of West Virginia.

CHRIS DEWEESE, (Continued)

Professional Activities

Chris is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants, the Government Finance Officers Association, the Association of School Business Officials, and the Charleston Chapter of the West Virginia Society of Certified Public Accountants. He currently serves on the Government Interest Committee of the West Virginia Society of Certified Public Accountants and is the President of the Board of Directors of the Charleston Chapter of the West Virginia Society of Certified Public Accountants. In addition, he currently serves on the Accounting Procedures Committee of the Association of School Business Officials, the Special Review Committee of the Government Finance Officers Association for the GFOA Certificate of Excellence in Financial Reporting and is an associate member of the Association of Certified Fraud Examiners. Chris was the 2004 recipient of the Young CPA of the Year Award from the West Virginia Society of Certified Public Accountants.

JASON McCALE, CPA
Audit Manager

Firm Responsibilities

Jason McCale is an audit manager, who works primarily in the audit and accounting areas of Suttle & Stalnaker, PLLC. His responsibilities include, but are not limited to, carrying out audit plans, communication with clients during the course of the fieldwork, completion of final audit reports.

Experience

Jason has approximately twelve years of experience during which time he has specialized in audits of state and local governments. In addition, Jason has extensive experience with the Office and Management Budget Circular A-133 and related federal program awards. Some clients include:

- Fayette County Board of Education
- Workforce West Virginia
- State of West Virginia Single Audit
- Boone County Board of Education

Education

Jason graduated summa cum laude from West Virginia University with a Bachelor of Science in Business Administration degree with a major in accounting and a Masters of Professional Accountancy. He is a Certified Public Accountant having received certificate number 4089 from the State of West Virginia.

Professional Activities

Jason is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants and the Charleston Chapter of the West Virginia Society of Certified Public Accountants.

SAM PAULEY, CPA

Audit Senior

Firm Responsibilities

Sam Pauley is an audit senior, who works primarily in the audit and accounting areas of Suttle & Stalnaker, PLLC. His responsibilities include, but are not limited to, carrying out audit plans, communication with clients during the course of the fieldwork, completion of final audit reports.

Experience

Sam has over five years of experience during which time he has worked on several audit engagements that are similar to the client being proposed on:

- Workforce West Virginia
- Southern West Virginia Community & Technical College
- State of West Virginia Single Audit
- Various Boards of Education

Education

Sam graduated from West Virginia University with a bachelor of science degree in accounting and a master of professional accountancy. He is a certified public accountant having received certificate number 4677 from the State of West Virginia.

Professional Activities

Sam is a member of the AICPA, West Virginia Society of Certified Public Accountants and the Charleston Chapter of the West Virginia Society of Certified Public Accountants.

BRYAN BOWMAN

Audit Staff

Firm Responsibilities

Bryan Bowman is a staff accountant, who works primarily in the audit and accounting areas of Suttle & Stalnaker, PLLC. His responsibilities include, but are not limited to, carrying out audit plans during the course of the fieldwork.

Experience

Bryan has approximately two years of experience during which time he has worked on several audit engagements that are similar to the client being proposed on:

- Workforce West Virginia
- State of West Virginia Single Audit
- Fayette County Board of Education
- Boone County Board of Education
- Doddridge County Board of Education
- Tyler County Board of Education
- Roane County Board of Education

Education

Bryan graduated from West Virginia University with a bachelor of science degree in accounting and a master of professional accountancy. He is eligible to sit for the certified public accountants exam.

Professional Activities

Bryan is a member of the West Virginia Society of Certified Public Accountants and the Charleston Chapter of the West Virginia Society of Certified Public Accountants.

DON MELLERT

IT Specialist

Firm Responsibilities

Don is an IT Specialist, who works for Suttle & Stalnaker, PLLC. Don assists in audit engagements relating to computer system assessments and internal control evaluations. Don has performed this service for numerous governmental entities and on numerous information systems.

Experience

Don has approximately 25 years of experience in the computer industry. Since joining Suttle & Stalnaker, PLLC, he has worked on several audit engagements that are similar to the client being proposed on:

- Workforce West Virginia
- Concord University
- New River Community & Technical College
- Southern West Virginia Community & Technical College
- Fayette County Board of Education
- Doddridge County Board of Education
- Boone County Board of Education
- Tyler County Board of Education
- Roane County Board of Education

Education

Don attended West Virginia State University and has received certification as a Cisco Certified Network Associate.

SPECIFIC WORKPLAN

SERVICES TO BE PROVIDED

We understand that Workforce West Virginia requires an audit of its financial statements including supplemental schedules required by the West Virginia Department of Administration, Financial and Reporting Section (FARS) and the Government Accounting Standards Board (GASB).

We believe that planning is the single most important ingredient in the conduct of a quality audit. Suttle & Stalnaker, PLLC will be prepared to begin the planning of the engagement within two weeks after receiving the signed contract and accordingly, we will schedule the work at a mutually agreeable time. Following is an outline of our audit plan for Workforce West Virginia as a guideline for your understanding our process. This plan is flexible innovative and at the leading edge of technology and will be altered as necessary, ensuring that your needs are met.

- Planning and terms of engagement
- Knowledge of entity and risk assessment
- Identification of transaction types, sources of audit evidence and potential errors
- Systems descriptions and documentation
- Evaluation of internal controls
- Development of overall audit plan
- Coordination of client assistance
- Design internal control, compliance, and substantive procedures
- Perform testing of accounting and administrative internal controls
- Perform tests of transactions
- Design substantive procedures for year-end balances
- Perform substantive testing of year-end balances
- Trial balance and adjustments
- Report preparation
- Meetings with management to review results of audit

We understand that Workforce West Virginia requires an audit for the fiscal year ended June 30, 2011, of its financial statements prepared on the *accrual basis of accounting*. We will audit the balance sheet of Workforce West Virginia as of June 30, 2011 and the related statements of revenues, expenses, and changes in fund net assets, and cash flows for the year then ended.

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error, fraudulent financial reporting, or misappropriation of assets. Accordingly, a material misstatement, whether caused by error, fraudulent financial reporting, or misappropriation of assets, may remain undetected. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. As a result, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit will provide a reasonable basis for our report.

Workforce West Virginia's financial report will include the following:

Government-wide Financial Statements

Statement of Net Assets (Deficit)

Statement of Activities

Fund Financial Statements

Balance Sheet- Governmental Funds (Includes Reconciliation to the Statement of Net Assets (Deficiency))

Statement of Revenues, Expenditures and Changes in Fund Balance (Deficiency) - Governmental Funds (Includes Reconciliation to the Statement of Activities)

Balance Sheet - Proprietary Funds

Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds

Statement of Cash Flows - Proprietary Funds

Notes to the Financial Statements

In addition to our report on Workforce West Virginia's financial statements, we will also issue the following reports or types of reports:

Report on internal control related to the financial statements. This report will describe the scope of testing of internal control and the result of our tests of internal control.

Report on compliance with laws, regulations, and the provision of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements.

Our report on internal control will include any reportable conditions and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards identified above. Our report on compliance will address material errors, fraud; violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed by contracts; and any state or federal grant, entitlement of loan program questioned costs of which we become aware, consistent with requirements of the standards identified above.

If circumstances arise relating to the conditions of your records, the availability of sufficient, competent evidential matter, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, misappropriation of assets, or noncompliance which in our professional judgment prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawal from the engagement.

As you know, management is responsible for 1) the preparation of Workforce West Virginia's financial statements, 2) establishing and maintaining effective internal control over financial reporting and safeguarding assets, and for informing us of all significant deficiencies in the design or operation of such controls of which it has knowledge, 3) properly recording transactions in the records, 4) identifying and ensuring that Authority complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations, 5) the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control and others where the fraud could have a material effect on the financial statements, 6) informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, regulators, or others, 7) making all financial records and related information available to us, 8) for adjusting the financial statements to correct material misstatements, and 9) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan. At the conclusion of our audit, we will request certain written representations from management about the financial statements and matters related thereto. We will also require that you affirm to us that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Workforce West Virginia is responsible for informing us of its views about the risks of fraud within the entity, and its knowledge of any fraud or suspected fraud affecting the entity. We will also determine that certain matters related to the conduct of the audit are communicated to Workforce West Virginia including 1) fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, 2) illegal acts that come to our attention (unless they are clearly inconsequential), 3) disagreements with management and other serious difficulties encountered in performing the audit, and 4) various matters related to the entity's accounting policies and financial statements.

The working papers for this engagement are the property of Suttle & Stalnaker, PLLC. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit working papers upon their request; and that we shall maintain the working papers for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested workpapers will be provided under the supervision of Suttle & Stalnaker, PLLC audit personnel and at a location designated by our Firm.

The two overarching principles of the independence standards of the *Government Auditing Standards* issued by the Comptroller General of the United States provide that management is responsible for the substantive outcomes of the works, and therefore, has a responsibility and is able to make any informed judgment on the results of the services described above. Accordingly, Authority agrees to the following:

Workforce West Virginia will be accountable and responsible for overseeing the financial statement preparation and will approve all proposed adjustments.

Workforce West Virginia will establish and monitor the performance of the preparation of financial statements and approval of the adjustments to ensure that they meet management's objectives.

Workforce West Virginia will make any decisions that involve management functions related to the preparation of the financial statements and approval of the adjustments and accepts full responsibility for such decisions.

Workforce West Virginia will evaluate the adequacy of services performed and any findings that result.

During the course of our engagement, we may accumulate records containing data which should be reflected in your books and records. You will determine that all such data, if necessary, will be so reflected. Accordingly, you will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by organization personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with management. Specific information related to timelines, adjusting journal entries, draft financial statements and the timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Professional standards and our Firm policies require that we perform certain additional procedures whenever our reports are included, or we are named as accountants, auditors, or "experts" in a document used in a public offering of debt securities. Our report on the financial statements is not to be included in an official statement or other document involved with the sale of debt instruments without our prior consent. Additionally, if you intend to publish or otherwise reproduce the financial statements and/or make reference to us or our audit, you agree to provide us with printer's proofs or master for our review and consent before reproduction and/or release occurs. You also agree to provide us with a copy of the final reproduced material for our consent before it is distributed or released. Our fees for any additional services that may be required under our quality assurance system as a result of the above will be established with you at the time such services are determined to be necessary.

Our acceptance of this engagement is subject to our satisfactorily completing communication with and review of the working papers of your previous auditors (accountants). We will notify you promptly if we become aware of anything during that communication or review which results in our not being able to continue this engagement.

This proposal constitutes the complete and exclusive statement of agreement between Suttle & Stalnaker, PLLC and Workforce West Virginia, superseding all proposals oral or written and all other communication, with respect to the terms of the engagement between the parties.

In addition, we will respond to reasonable inquiries by Workforce West Virginia or its successor auditors and allow its successor auditors to review working papers relating to the matters of continuing account significance.

Reporting

Following the completion of the audit of the fiscal year's financial statements, we will issue our report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. In addition, we will provide an "in-relation-to" report on the supplemental schedules to be submitted to the West Virginia Department of Administration, Financial and Reporting Section based on the auditing procedures applied during the audit of the general purpose financial statements.

We will also communicate in a letter to management any reportable conditions found during the audit. Reportable conditions involve matters coming to our attention that involve significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

We will also report at a minimum, to Workforce West Virginia Finance/Audit Committee the following:

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

We will be available to meet in person with Workforce West Virginia Finance/Audit Committee to present and discuss the results of our audit.

Other Considerations

We understand that Workforce West Virginia will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. We will provide necessary assistance to Workforce West Virginia to meet the requirements of that program.

We understand that the financial statements of Workforce West Virginia are to be included as a component unit of the financial statements of the State of West Virginia. We will also help prepare the reconciliation forms required by the West Virginia Department of Administration, Financial and Reporting Section.

Audit Workpapers

The workpapers for this engagement are the property of Suttle & Stalnaker, PLLC and constitute confidential information. However, we may be requested to make certain workpapers available to other agencies pursuant to authority given to them by law or regulation. If requested, access to such workpapers will be provided under the supervision of Suttle & Stalnaker, PLLC personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to such agencies, which may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

All working papers and reports will be retained, for a minimum of five (5) years, unless the firm is notified in writing by Workforce West Virginia or the Division of the need to extend the retention period. We will make working papers available, upon reasonable request, under the supervision of Suttle & Stalnaker, PLLC personnel to the following parties or their designees:

Deputy Executive Director of Administration
Workforce West Virginia

Assistant Director of FAM Accounting Services
Workforce West Virginia

Director
Financial Accounting and Reporting Section
Department of Administration
State of West Virginia

WORKPLAN

The dates in the following schedule are required delivery deadlines:

Deliverables/Event	Time Period
Entrance Conference (Planning Event)	Before June 24, 2011
Detailed audit plan	July 18, 2011
Field work to begin	On or soon after July 18, 2011
Draft of Workforce West Virginia reports and financial statements for review	September 2, 2011
Revised draft with all requested changes and modifications of Workforce West Virginia reports and financial statements for review	September 9, 2011
Draft submitted to the Financial Accounting and Reporting Section (FARS) of the Department of Administration with copies to the Deputy Commissioner of Administration of Workforce West Virginia	September 15, 2011
Unsigned final draft with all modifications to Workforce West Virginia management for final review	October 11, 2011
Final signed report for Workforce West Virginia submitted to Workforce West Virginia and to the Financial Accounting and Reporting Section of the Department of Administration	October 17, 2011

COST



CERTIFIED PUBLIC ACCOUNTANTS

COST QUOTE FOR AUDIT SERVICES

October 14, 2010

Workforce West Virginia
3701 MacCorkle Avenue SE
Charleston, West Virginia 25304

Req#: WWV11869
Opening Date: 10/14/2010
Opening Time: 1:30 p.m.

Name of Firm - Suttle & Stalnaker, PLLC

I, Chris Deweese, certify that I am entitled to represent Suttle & Stalnaker, PLLC, empowered to submit this bid and authorized to sign a contract with Workforce West Virginia.

A handwritten signature in black ink, appearing to read 'C. Deweese', written over a horizontal line.

Chris Deweese, CPA, Member

10/14/10

Date

COST QUOTE FOR AUDIT SERVICES

<u>Classification</u>	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total Cost</u>
Partners/Members	65	\$265	\$ 17,225
Managers	40	185	7,400
Supervisors	90	130	11,700
Seniors	140	115	16,100
Staff	140	100	14,000
EDP Specialist	15	200	3,000
Other Support/Clerical	15	80	<u>1,200</u>
			70,625
Discount			<u>(13,525)</u>
Total			<u>\$ 57,100</u>

COST QUOTE FOR ADDITIONAL ACCOUNTING AND AUDITING CONSULTING SERVICES

<u>Classification</u>	<u>Hourly Rate</u>
Partner/Member	\$265
Manager	185
Supervisor	130
Senior	115
Staff	100
Other Support/Clerical	80
Other - EDP	200

All hourly rates include all travel and out-of-pocket expenses.

These fees do not include services that fall outside the scope of the audit. For example, accounting assistance from us in resolving unreconciled differences in accounting records or supporting account balances would fall outside the scope of our audit, as would implementation of significant new technical standards.

Additionally, our fees are based on the current state of operation. Should significant changes occur (i.e., significant expansion in existing operations), we will need to reevaluate our scope and audit approach. In the event these types of situations arise, it is our practice to discuss these types of issues with management before we would proceed so as to obtain management's authorization and to develop the best approach to solve the problem.

We understand that no changes in scope to the project will be implemented by us until such time as an approved change order is received. Formal contract amendments and change orders will be negotiated with Workforce West Virginia, whenever necessary, to address changes to the terms and conditions, cost of, or scope of work included under the contract. An approved contract amendment means one approved by Workforce West Virginia, the Department of Administration, and all other applicable State agencies prior to the effective date of such amendment. An approved contract amendment is required whenever the change affects the payment provision and the scope of the work. Such changes may be necessitated by new and amended federal and state regulations and requirements. No changes in scope are to be conducted except at the approval of Workforce West Virginia.

We will submit invoices to Workforce West Virginia for all services provided pursuant to the terms of the contract. Progress payments will be made on a monthly basis based upon the percentage of work completed. We will work with Workforce West Virginia management to develop a mutually agreeable proposed billing work plan.

REQUEST FOR QUOTATION



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
WV11869

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
**FRANK WHITTAKER
 304-558-2316**

AUDIT

*709043333 304-343-4126
**SUTTLE & STALNAKER PLLC
 THE VIRGINIA CENTER SUITE 100
 1411 VIRGINIA STREET EAST
 CHARLESTON WV 25301**

SHIP TO

**WV BUREAU OF EMPLOYMENT PROGRA
 3701 MAC CORKLE AVENUE SE
 CHARLESTON, WV
 25304 348-2634**

DATE PRINTED 09/09/2010	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **10/06/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		946-20		
<p>AUDITING SERVICES</p> <p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, WORKFORCE WEST VIRGINIA, IS SOLICITING BIDS FROM CERTIFIED PUBLIC ACCOUNTANTS TO PERFORM AN ANNUAL REVIEW OF THE AGENCY'S FINANCIAL STATEMENTS PER THE ATTACHED SPECIFICATIONS.</p> <p>ALL TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO FRANK WHITTAKER IN THE WV PURCHASING DIVISION VIA EMAIL AT FRANK.M.WHITTAKER@WV.GOV OR VIA FAX AT 304-558-4115. DEADLINE FOR TECHNICAL QUESTIONS: 09/20/10 AT 4:00 PM. ALL TECHNICAL QUESTIONS WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.</p> <p>EXHIBIT 3</p> <p>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 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>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE 304.343.4126	DATE 10/14/2010
TITLE Member	FEIN 55-0538163	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

RFO NUMBER
WWV11869

PAGE
2

ADDRESS CORRESPONDENCE TO ATTENTION OF
**FRANK WHITTAKER
 304-558-2316**

VENDOR

*709043333 304-343-4126
**SUTTLE & STALNAKER PLLC
 THE VIRGINIA CENTER SUITE 100
 1411 VIRGINIA STREET EAST
 CHARLESTON WV 25301**

SHIP TO

**WV BUREAU OF EMPLOYMENT PROGRA
 3701 MAC CORKLE AVENUE SE
 CHARLESTON, WV
 25304 348-2634**

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
09/09/2010				

BID OPENING DATE: **10/06/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<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 SERVICE SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</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 style="text-align: center;">NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p style="padding-left: 40px;">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>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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



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
WWV11869

PAGE
3

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 CHARLESTON, WV
 25304 348-2634

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
09/09/2010				

BID OPENING DATE: **10/06/2010** BID OPENING TIME: **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
SEALED BID						
BUYER: 44						
RFQ. NO.: WWV11869						
BID OPENING DATE: 10/06/10						
BID OPENING TIME: 1:30 PM						
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: <div style="text-align: center;">304-343-8008</div>						
CONTACT PERSON (PLEASE PRINT CLEARLY): <div style="text-align: center;">Chris Deweese</div>						
***** THIS IS THE END OF RFQ WWV11869 ***** TOTAL: _____						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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



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
 WWV11869

PAGE
 1

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 25304 348-2634

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
09/30/2010				

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	BID OPENING TIME	UNIT PRICE	AMOUNT
10/14/2010 BID OPENING TIME 01:30PM ID OPENING DATE: 09/30/2010							
***** *** ADDENDUM NO. 1 ***** THIS ADDENDUM IS ISSUED TO: 1) EXTEND THE BID OPENING DATE AND TIME TO: 10/14/2010 AT 1:30 PM 2) REPLACE THE ENTIRE SPECIFICATIONS WITH THE ATTACHED REVISED SPECIFICATIONS. 3) PROVIDE THE ATTACHED TECHNICAL QUESTIONS & ANSWERS. 4) PROVIDE THE ATTACHED 2009 WORKFORCE WEST VIRGINIA 2009 FINANCIAL STATEMENT. ***** END ADDENDUM NO. 1 *****							
0001	1	LS		946-20			
AUDITING SERVICES							

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
FILE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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

TECHNICAL QUESTIONS AND ANSWERS FOR WWV 11-869

1. Page 4, General Requirements refers to audit services for the fiscal year ending June 30, 2010. The delivery schedule on Page 7 refers to dates in 2011. Is the RFQ for audit services to audit the financial statements for the year ended June 30, 2010 or June 30, 2011?

A1 The auditing services to be provided under this RFQ are for the year ending June 30, 2011.

2. If the services are for the year ended June 30, 2010, what caused the RFQ to be issued so late? It appears that the previous contract was available for renewal for the year ended June 30, 2010. Why was the contract not renewed?

A2 The auditing services requested are for the year ending June 30, 2011.

3. Please provide the auditor's reports, financial statements, schedule of findings and responses (if findings), and management letter (if issued) for the year ended June 30, 2009 (or for June 30, 2010, if this RFQ is for audit services for the year ended June 30, 2011).

A3 Please see Attachment I

4. Please provide the current status of any prior year findings or management letter comments.

A4 There are no current unresolved findings.

5. Page 6 states that final report preparation, editing, and printing shall be the responsibility of the auditing firm. Will Workforce West Virginia prepare the content of the financial statements and notes for the audit firm to type? If not, what is the source of information and the process for accumulating and summarizing financial statement content, format, and information in the notes to financial statements?

A5 WorkForce West Virginia will use the prior year financial statements and update for the current year. Once complete, these financial statements will be emailed to the CPA firm who has been awarded the contract

6. We observed that the RFQ requires as part of the deliverables a PDF copy of the audit report for posting on the WORKFORCE West Virginia web site. We have searched for a copy of the latest audited financial statements for WORKFORCE West Virginia on the internet, however, we have been unable to locate a copy. Could the latest copy of the audited financial statements of WORKFORCE West Virginia be provided to us?

A6 Please see Attachment I

7. We observed that proposing firms “must provide an affirmative statement that it is independent of WORKFORCE West Virginia and related systems as defined by general accepted auditing standards” and the GAO audit standards, and that the firm must also “provide an affirmative statement that it is independent of the State of West Virginia and any other component units of that entity as defined by those same standards”. Though auditing standards generally accepted in the United States of America and GAO standards require that the proposing firms must be independent of WORKFORCE West Virginia, those same standards do not require that the proposing firms be independent of the State of West Virginia and any other component units of the State of West Virginia (Ethics Interpretations 101-10). Consequently, the requirements of the RFQ appear to exceed the requirements of professional standards. Is it the intent of WORKFORCE West Virginia that, even though it is not required by professional standards, that the firms submitting proposals comply with this additional requirement?

A7 The successful vendor does not need to be independent of the State of West Virginia but will need to meet standard requirements. See revised specifications.

8. The regional offices of WORKFORCE West Virginia appear to be separate legal independent not-for-profit organizations. Are the financial statements of these regional entities combined/consolidated into the financial statements of WORKFORCE West Virginia?

A8 No

9. Though the RFQ states that no internal audit support will be available in the conduct of the audit, will it be possible to review the results of their work, reports, procedures, etc. so that we may determine if we can rely on such work?

A9 No audit staff exists within WorkForce West Virginia.

10. Is it possible for you to provide to the interested firms the estimated number of audit staff that worked onsite at WORKFORCE West Virginia during the most recent audit as well as the number of weeks the team was onsite?

A10 WorkForce West Virginia does not track that specific information.

11. Could you please provide a schedule of expenditures of Federal awards anticipated for the year to be audited?

A11 No

12. Could you please provide the amount of fees paid for non-audit accounting and advisory services paid to the prior auditors as a result of their provision of audit services?

A12 The only fees paid are those paid for the review of the audit.

STATE OF WEST VIRGINIA
WorkForce West Virginia
REQUISITION For QUOTATION WWV11-869

PROCUREMENT SPECIFICATIONS

General Requirements:

The qualified firm of certified public accountants will audit the financial statements for WorkForce West Virginia for the fiscal year ending June 30, 2011, with the option to audit the financial statements for each of the two (2) subsequent fiscal years. The audit for fiscal year 2010 and forward must also be audited in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

Scope of Work:

Scope: The auditing firm shall issue an opinion on the fair presentation, in conformity with Generally Accepted Accounting Principles, of its general purpose financial statements that will include all WorkForce West Virginia Programs (the audit for fiscal year 2011 and forward must be audited in accordance with Government Auditing Standards, issued by the Comptroller General of the United States). This work is to include providing technical assistance to WorkForce West Virginia's financial personnel for the continuation of GASB 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and the continuation of SAS 99 which revises guidance on the consideration of fraud in financial statement audits.

WorkForce West Virginia desires the auditing firm to express an opinion on the fair presentation of its financial statements and schedules in conformity with Generally Accepted Accounting Principles.

The auditing firm is required to audit the additional financial information schedules required by the Financial Accounting and Reporting Section (FARS) of the West Virginia Department of Administration.

The auditing firm shall also be responsible for performing certain limited procedures involving required supplementary information required by Governmental Accounting Standards Board as mandated by Generally Accepted Auditing Standards.

All work under the proposed contract will be under the direction of the Executive Director of WorkForce West Virginia or his designee. Written reports must be submitted initially in draft form in order that any necessary changes may be discussed and agreed upon before final acceptance. Any public statements, which may be required, must be discussed with the Executive Director or designee prior to the statements being made or released.

Standards: To meet the requirements of this request, the audits shall be performed in accordance with Generally Accepted Auditing Standards. The audit for fiscal year 2011 and forward must also be audited in accordance with the Government Auditing Standards, issued by the Comptroller General of the United States.

Required Reports: Following the completion of each audit of the fiscal year's financial statements, the auditing firm shall issue reports on the fair presentation of the financial statements in conformity with Generally Accepted Accounting Principles and in accordance with Government Auditing Standards. The firm shall be required to give to the Director of the Financial Accounting and Reporting Section (FARS) of the Department of Administration, 2101 Washington Street East, Building 17, 3rd floor, Charleston, WV 25305, under the authority of Section 5A-2-23 of the State Code, an immediate, written report of all irregularities and illegal acts of which the firm becomes aware. Additionally, a copy of all such reports will be give to the Executive Director of WorkForce West Virginia and the Director of FAM in writing of each of the following:

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

Any issues that arise during the course of the audit that could cause delays in the issuance of the report or have an adverse impact on the audit opinion must be immediately communicated to the Executive Director of WorkForce West Virginia and the Director of FAM. A written summary of the issue must also be provided within 24 hours.

Management Communication: WorkForce West Virginia's financial statements are to be included in the financial statements of the State of West Virginia. The auditing firm may be required to provide special assistance to WorkForce West Virginia's auditors, the State's auditors, and the Financial Accounting and Reporting Section of the West Virginia Department of Administration.

Working Paper Retention and Access: All working papers and reports must be retained, at the auditing firm's expense, for a minimum of five (5) years, unless the firm is notified by WorkForce West Virginia of the need to extend the retention period. The firm will be required to make working papers available, upon request, to the Executive Director of WorkForce West Virginia and the Director of FAM and the Financial Accounting and Reporting Section of the West Virginia Department of Administration.

In addition, the firm must respond to the reasonable inquiries of federal grantors and successor auditors and allow them to review working papers relation to matters of continuing significance.

Assistance and Report Preparation: The accounting staff of WorkForce West Virginia, as well as management, will be available during the audit to assist the auditing firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor. In addition, an appropriate number of hours of clerical support will be made available to the auditing firm for preparation of routine conformation/informational letters and memoranda.

No internal audit support will be available.

WorkForce West Virginia will provide the auditing firm with reasonable workspace, desks, and chairs. The auditing firm will also be provided with access to telephone lines, internet access, photocopying facilities, and fax machines. The firm will provide WorkForce West Virginia with an estimate of the number of personnel to be assigned to the audit in the detailed audit plan.

Final report preparation, editing, and printing shall be the responsibility of the auditing firm.

The firm must deliver 15 copies of the bound final audit report to the Director of FAM in Room 618, 112 California Avenue, Charleston, WV 25305-0112 by October 16, 2011. Also, an electronic copy of the report must be provided in a PDF or similar format for public review on the agency's website.

The dates in the following schedule are required delivery deadlines:

Delivery Schedule	
Entrance Conference	Before June 24, 2011
Detailed audit plan	July 18, 2011
Field work to begin	On or after July 18, 2011
Draft of WorkForce West Virginia Reports and financial statements for review	September 2, 2011
Revised draft with all requests changed and modification of WorkForce West Virginia reports and financial statements for review	September 9, 2011
Draft submitted to the Financial Accounting and Reporting Section (FARS) of the WV Department of Administration with copies to Executive Director of WorkForce West Virginia and Director of FAM	September 15, 2011
Unsigned final draft with all modifications to WorkForce West Virginia management for final review	October 11, 2011
Final signed report submitted to WorkForce West Virginia and FARS	October 17, 2011

In accordance with West Virginia State Code 5A-3-4(8), failure to deliver the required reports by the dates specified above will result in liquidated damages at the rate of \$2,500.00 per day for reasons attributable to the firm. In the event of such failure by the firm, this contract may be terminated immediately at the discretion of WorkForce West Virginia. The firm will not be subject to liquidated damages if the reasons for the failure are attributable to WorkForce West Virginia.

WorkForce West Virginia requires that the accounting firm be available to assist with accounting issues and new reporting requirements as they arise on an as-needed basis. The bid must include a firm fixed fee for the services discussed above as well as an hourly rate scale for accounting and auditing consulting services. The total cost submitted for bid must include all travel and out-of-the-pocket expenses.

Mandatory Requirements:

Independence:

Governmental auditing standards required by the governmental accounting office define independence in the second general standard for governmental auditing as follows: "In all matters related to the audit work, the audit organization and the individual auditors, whether government or public, should be free from personal and external impairments to independence, should be organizationally independent, and should maintain an independent attitude and appearance."

The firm must meet standard accounting requirements as promulgated by United States General Accounting Offices and must also provide an affirmative statement that it is independent of the State of West Virginia and any other component units of that entity as defined by those same standards.

In addition, the firm will provide an affirmative statement that it will review the independent of all personnel within the firm assigned to this engagement to ensure that they are independent of WorkForce West Virginia and the State of West Virginia and its component entities.

In addition, the firm shall give WorkForce West Virginia written notice of any professional relationships entered into during the period of the agreement with any major contractors as defined in WV §29.22.23. The firm will also notify WorkForce West Virginia in writing if any other matters come to its attention during this engagement, which may impair its independence.

Required Software for Financial Statement Preparation:

The CPA Firm who is awarded this contract must use CorpSystem WorkPaper Manager software by CCH for Financial Statement Preparation.

License to Practice in West Virginia:

The firm and all assigned key professional personnel and all associated and subcontracted firms must be licensed to practice in West Virginia. In addition, the firm and all associated and subcontracted firms are in good standing with the Unemployment Compensation Division of the State of West Virginia.

Quality Control:

The fourth general standard as set forth in governmental auditing standards is promulgated by the United States Governmental Accounting Offices states that "each audit organization conducting audits in accordance with these standards should have an appropriate internal control system in place and undergo an external quality control review."

The firm and all associated and sub-contracted firms have in place an internal quality control system to provide reasonable assurance that an adequate quality standard will be maintained during the engagement. In addition, copies of the firm or firms internal control document should be attached to the RFQ as well as a copy of the most recent external quality control review or made available within 48 hours upon request of the agency. Should the written report of the most recent external quality review disclose significant matters that would leave doubts as to the ability of the firm to maintain quality control, a written explanation should be attached to say what steps have been taken by the firm to improve their quality control procedures. The quality control review should have included a review of specific governmental engagements.

The firm should provide with the bid or make available within 48 hours request from the agency information on the results of any federal or state desk reviews or field reviews of its audits during the past three years.

Section I: Firm Qualifications and Experience

Should the firm intend to include any subcontracted firms the firm must provide the information for each subcontracted firm as for the primary firm; however, the primary firm will still be responsible for the results and deliverables of the contract.

Section II: Personnel Qualifications and Experience

The firm must identify the managing partner of the office from which the engagement will be performed upon request within 48 hours. The contact information for the managing partner must include the name of the managing partner, his address, his direct dial telephone number, fax number, and email address. This information is intended for use in the unlikely event that WorkForce West Virginia is unable to obtain satisfactory responses from the audit team and need to have direct contact with management.

The firm must identify the principle supervisory and management personnel to be included in the engagement including the engagement partner, reviewing partners, managers, other supervisors and specialists. All personnel must hold a license to practice as a Certified Public Accountant in West Virginia.

The Vender must provide for each of the aforementioned personnel a resume outlining the qualifications and experience including years of experience in the auditing field and in the governmental sectors. Resumes should be attached to the bid response or made available within 48 hours upon request of the agency. At minimum, each resume must include the following:

- **Number of years of total experience**
- **Number of years of experience in specific specialties and a description of each specialty**
- **General certifications and qualifications obtained**
- **Listing of relevant continuing professional education courses within the last three years**
- **A list of those clients similar to WorkForce West Virginia for which the person has performed a significant amount of work within the last three years**

A chief concern of WorkForce West Virginia is the ability of the successful firm to maintain the quality of staff assigned to the engagement over the term of agreement. The firm must clearly state what steps will be taken in order to ensure the quality of staff over the term of agreement.

All personnel assigned to the engagement must have at least one year of auditing experience in public accounting or a similar environment.

Subcontracted firms can only be added, dropped, or changed with the expressed written permission of WorkForce West Virginia, which retained the right to approve and reject these changes. Personnel assigned to the engagement by subcontracted firms must go through the same approval process as the primary firm's personnel discussed above. Any changes regarding a subcontractor must be made via a contract change order and subject to approval of the State Purchasing Division.

**STATE OF WEST VIRGINIA
WORKFORCE WEST VIRGINIA
REQUISITION For QUOTATION WWV11-869
COST SHEET**

DELIVERABLES	
PHASE I Entrance Conference Detailed Audit Plan Draft of WORKFORCE West Virginia Reports and financial statements For review	PHASE I
PHASE II Revised draft with all requests changed and modification of WORKFORCE West Virginia reports and financial statements for review Draft submitted to the Financial Accounting and Reporting Section (FARS) of the WV Department of Administration with copies to Executive Director of WORKFORCE West Virginia and Director of FAM	PHASE II
PHASE III Unsigned final draft with all modifications to WORKFORCE West Virginia management for final review Final signed report submitted to WORKFORCE West Virginia and FARS	PHASE III
GRAND TOTAL	

Vendor may request payment pursuant to the following schedule:

First payment shall be 25% of the grand total and can be submitted upon completion of Phase I indentified in the above table.

Second payment shall be 25% of the grand total and can be submitted upon completion of Phase II indentified in the above table.

Third payment shall be 50% of the grand total and can be submitted upon completion of Phase III indentified in the above table.

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. **Application is made for 2.5% resident vendor preference for the reason checked:**
 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,**
 Bidder is a partnership, association or corporation resident vendor and 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** 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,**
 Bidder is a 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; **or,**
- 2. **Application is made for 2.5% resident vendor preference for the reason checked:**
 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; **or,**
- 3. **Application is made for 2.5% resident vendor preference for the reason checked:**
 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 Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or,**
- 4. **Application is made for 5% resident vendor preference for the reason checked:**
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or,**
- 5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or,**
- 6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of 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) reject the bid; 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.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of 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.

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.

Bidder: Suttle & Stalnaker, PLLC Signed: [Signature]

Date: 10/14/2010 Title: Member

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

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: Suttle & Stalnaker, PLLC

Authorized Signature: [Signature] Date: 10/14/2010

State of West Virginia

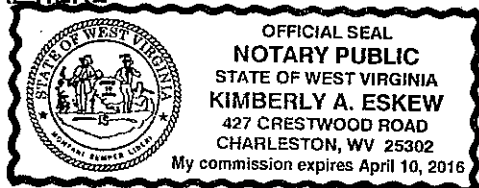
County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 14th day of October, 2010.

My Commission expires April 10, 2016.

AFFIX SEAL HERE

NOTARY PUBLIC Kimberly A. Eskew



PEER REVIEW



Kelley,
Galloway &
Company, PSC

CERTIFIED PUBLIC ACCOUNTANTS

▪ 1200 BATH AVENUE ▪ P. O. BOX 990 ▪ ASHLAND, KENTUCKY 41105-0990 ▪
▪ Phone (606) 329-1811 ▪ Fax (606) 329-8756 ▪ E-mail contact@kelleygalloway.com ▪ Web site www.kelleygalloway.com ▪

Member of the Center for Public Company Audit Firms, the Private Companies Practice Section of the American Institute of Certified Public Accountants and PKF North American Network

December 31, 2008

To the Members
Suttle & Stalnaker, PLLC

We have reviewed the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC (the firm) in effect for the year ended May 31, 2008. A system of quality control encompasses the firm's organizational structure, the policies adopted and the 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 with 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.

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 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 Suttle & Stalnaker, PLLC 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.

Kelley, Galloway & Company, PSC

Kelley, Galloway & Company, PSC
Ashland, Kentucky

CPE RECORDS

Continuing Professional Education Record

Chris Deweese, CPA

SPONSOR	DATE	DESCRIPTION	HOURS
2007			
Suttle & Stalnaker, PLLC	6/19/2007	3rd Annual Nonprofit Accounting & Auditing Seminar	7
WVSCPAs	6/20-23/2007	Annual Mtg., Professional Issues Update	1.5
WVSCPAs	6/20-23/2007	Annual Mtg, A&A Update	3
WV Association of School Business Officials	6/4/2007	GASB Conversion Process & Issues Workshop	16.5
Suttle & Stalnaker, PLLC	6/18/2007	4th Annual Governmental Accounting & Auditing	7
RSM McGladrey	7/12-13/07	M&P Audit Methodology Training	16
Suttle & Stalnaker, PLLC	7/27/2007	State of West Virginia Single Audit Training	4
Ernst & Young	8/8/2007	Performing an A-133 Audit 2007	8
WVSCPAs, Charleston Chapter	12/12/2007	Professional Update of the AICPA and WVSCPAs	1
Suttle & Stalnaker, PLLC	12/20-21/2007	Paperless Audit / Risk Assessment Update	26.5
			90.5
2008			
McGladrey & Pullen, LLP	1/21/2008	Audit Methodology Refresher	2
WV Department of Education	6/25/2008	Auditor's Workshop	5
Suttle & Stalnaker, PLLC	7/7-8/2008	Caseware - Risk Assessment	8
Suttle & Stalnaker, PLLC	11/3/2008	Sexual Harassment Training	2
Suttle & Stalnaker, PLLC	12/22/2008	Single Audit Approach & Update	8
			25
2009			
McGladrey & Pullen, LLP	01/7/2009	McGladrey Risk Assessment Process	4
Suttle & Stalnaker, PLLC	01/20/2009	SAS 115 Update	2
Suttle & Stalnaker, PLLC	05/19/2009	Understanding 157 & 141R, Business Combinations, M&A and Fair Value	2
Suttle & Stalnaker, PLLC	06/18/2009	Governmental A&A Update	8
WV Dept of Administration - FARS	06/5/2009	GAAP Closing Process Training	3
McGladrey & Pullen, LLP	06/22/2009	Student Financial Aid Standards	1
McGladrey & Pullen, LLP	06/30/2009	VIEs - An Overview of FIN 46R	3
McGladrey & Pullen, LLP	06/22/2009	Student Financial Aid Education Industry Update	2
PKF North American Network	07/13-15/2009	The Big Event 2009	3.5
PKF North American Network	07/13-15/2009	The Big Event 2009	16
PKF North American Network	07/13-15/2009	The Big Event 2009	1
Suttle & Stalnaker, PLLC	12/21/2009	2009 S&S Single Audit & Governmental Update	7
Charleston Chapter, WVSCPAs	12/9/2009	Professional Update of the AICPA and WVSCPAs	1
			53.5

Grand Total 169

Continuing Professional Education Record

Horace Emery, CPA

SPONSOR	DATE	DESCRIPTION	HOURS
2007			
Suttle & Stalnaker, PLLC	1/8/2007	Planning for 2007 EBP Audits	2.5
Suttle & Stalnaker, PLLC	1/30/2007	Planning for 2007 EBP Audits	2.5
Suttle & Stalnaker, PLLC	4/27/2007	Employee Benefit Plans: Audit & Accounting Essentials	3
WVSCPAs	6/20-23/2007	Annual Mtg. Professional Issues Update	1.5
Suttle & Stalnaker, PLLC	6/19/2007	3rd Annual Nonprofit Accounting & Auditing Seminar	7
WVSCPAs	6/20-23/2007	Annual Mtg, Federal Tax Update	3
Suttle & Stalnaker, PLLC	6/18/2007	4th Annual Governmental Accounting & Auditing	7
WVSCPAs	6/20-23/2007	Annual Mtg, A&A Update	4
Suttle & Stalnaker, PLLC	7/27/2007	State of West Virginia Single Audit Training	5.5
RSM McGladrey	7/12-13/07	M&P Audit Methodology Training	16
PKF North American Network	7/23-25/2007	The BIG Event, Int'l Acct Stds, CCH Engagement, Reporting, ASB Update, Fraud and the CPA	12.5
WVSCPAs, Charleston Chapter	12/12/2007	Professional Update of the AICPA and WVSCPAs	1
Suttle & Stalnaker, PLLC	12/20-21/2007	Paperless Audit / Risk Assessment Update	11.5
			77
2008			
WV Society of CPAs	1/28/2008	Legislative Seminar - An Update on Legal and Legislative Issues	4
WV Society of CPAs	1/3/2008	Cabinet Meeting Strategic Planning	5
WV Society of CPAs	5/9/2008	Project Day	3
WVSCPAs	6/18-21/2008	Professional Issues Update	1.8
State of WV - FARS	6/9/2008	GAAP Closing Process Training	3
WVSCPAs	6/18-21/2008	Accounting Update	3
WVSCPAs	6/18-21/2008	Governmental Accounting and Auditing Update	3.3
WVSCPAs	6/18-21/2008	2008 Federal Tax Update at Annual Meeting	3.3
Suttle & Stalnaker, PLLC	7/7-8/2008	Caseware - Risk Assessment	8
Suttle & Stalnaker, PLLC	11/3/2008	Sexual Harassment Training	2
Suttle & Stalnaker, PLLC	12/22/2008	Single Audit Approach & Update	8
WVSCPAs	12/9/2008	AICPA's Adv. Course: Overview of the AICPA Peer Review Program Standards	8
			52.4
2009			
WV Society of CPAs	01/16/2009	Cabinet Meeting	6
Suttle & Stalnaker, PLLC	01/20/2009	SAS 115 Update	2
Suttle & Stalnaker, PLLC	01/17/2009	McGladrey Risk Assessment Process	5
Suttle & Stalnaker, PLLC	01/22/2009	EBPAQC Live Forum: Managers & In-Charges Planning for 2009 EBP Audit Season	2.5
WV Society of CPAs	02/23/2009	Legislative Seminar - An Update on Legal and Legislative Issues	4
Suttle & Stalnaker, PLLC	04/20/2009	Audits of Employee Benefit Plans	8
AICPA	04/26-28/2009	2009 Spring Meeting of Council	0.5
AICPA	04/26-28/2009	2009 Spring Meeting of Council	7
Suttle & Stalnaker, PLLC	05/27/2009	What You Need To Know About Preparing New Form	1
Suttle & Stalnaker, PLLC	05/19/2009	Understanding 157 & 141R, Business Combinations, M&A and Fair Value	2
WV Society of CPAs	06/17-20/2009	2009 Annual Meeting - Update on the CPA Profession	2.4
WV Society of CPAs	06/17-20/2009	2009 Annual Meeting - Developing as a Leader/Manager	3.3
WV Society of CPAs	06/17-20/2009	2009 Annual Meeting - Federal Tax Update	2.7
WV Society of CPAs	06/17-20/2009	2009 Annual Meeting - Government/Nonprofit Update	3.3
PKF North American Network	07/13-15/2009	The Big Event 2009	14
PKF North American Network	07/13-15/2009	The Big Event 2009	4
PKF North American Network	07/13-15/2009	The Big Event 2009	1.5
WV Society of CPAs	09/2-4/2009	2009 Business Summit	2
AICPA	10/19-20/2009	Professional Issues and Washington Update	2.6
AICPA	10/19-20/2009	Sustainability	2
AICPA	10/17/2009	2009 AICPA/CPA-SEA Leadership Conference	6
AICPA	10/19-20/2009	Report from the Chair of Private Company Fin. Rpt. Com. & Roundtable Discussion Groups - PCFR	1.8
Suttle & Stalnaker, PLLC	12/14/2009	S&S Tax Update Day	3
Suttle & Stalnaker, PLLC	12/21/2009	2009 S&S Single Audit & Governmental Update	6
			92.6
			Grand Total 222

Continuing Professional Education Record

Jason McCale, CPA

SPONSOR	DATE	DESCRIPTION	HOURS
2008			
WV Dept. of Education	06/25/2008	School Board Auditor's Workshop	8
WVSCPAs	06/26/2008	Governmental A&A Update	8
WVSCPAs	06/27/2008	Applying A-133 to Nonprofit & Governmental Organizations	4
WV Dept. of Education	07/10/2008	Financial Statements Workshop	5
RSM McGladrey	07/11/2008	Design & Evaluation of Internal Control for Smaller Entities	2
RSM McGladrey	07/11/2008	Implementing the New Audit Methodology Best Practices	2
WVSCPAs	08/26/2008	Economic Development Update	2
RSM McGladrey	10/07/2008	MAPs Update: Introduction to Release 2.0	1
			32
2009			
AICPA	04/28/2009	Government audit quality update	2
CCH, a Wolters Kluwer Business	07/09/2009	Accounting Research Manager	1
WV Dept. of Education	07/16/2009	Annual Workshop for Auditors	8
AICPA	09/29/2009	The Recovery Act: A Practitioner's Perspective	2
AICPA	10/22/2009	The New GAQC Schedule of Federal Awards	2
RSM McGladrey	12/09/2009	Federal Awards under ARRA	1
AICPA	12/30/2009	Nonprofit Auditing & Accounting Update	19
			35
2010			
CCH, a Wolters Kluwer Business	04/23/2010	MTS Training I (A&A)	8
Suttle & Stalnaker, PLLC	07/13-14/2010	Governmental Accounting & Reporting Update	16
WV Dept. of Education	07/22/2010	Auditor's Workshop	8
Charleston Chapter, WVSCPAs	08/30/2010	Economic Development in WV	2
AICPA	09/13-15/2010	AICPA National Conference on Banks and Savings Institutions	24
			58
			Grand Total 125

Continuing Professional Education Record

Sam Pauley, CPA

SPONSOR	DATE	DESCRIPTION	HOURS
2008			
PKF North American Network	5/19-21/2008	ASD Module C	2
CCH a Wolters Kluwer business	5/30/2008	ProSystem fx Engagement Training I	8
PKF North American Network	5/19-21/2008	ASD Module C	22
WV Department of Education	6/25/2008	Auditor's Workshop	8
Suttle & Stalnaker, PLLC	6/30/2008	CCH Engagement - Intermediate Course	4.5
State of WV - FARS	6/9/2008	GAAP Closing Process Training	3
Suttle & Stalnaker, PLLC	7/7-8/2008	Caseware - Risk Assessment	8
Suttle & Stalnaker, PLLC	11/3/2008	Sexual Harassment Training	2
Suttle & Stalnaker, PLLC	12/22/2008	Single Audit Approach & Update	8
			65.5
2009			
McGladrey & Pullen, LLP	01/6/2009	Introduction to Lotus Notes	1
McGladrey & Pullen, LLP	01/6/2009	Introduction to Assurance Manuals	1
Suttle & Stalnaker, PLLC	01/22/2009	EBPAQC Live Forum: Managers & In-Charges Planning for 2009 EBP Audit Season	2.5
Suttle & Stalnaker, PLLC	01/20/2009	SAS 115 Update	2
PKF North American Network	01/21/2009	Computer Forensics 101	1
Suttle & Stalnaker, PLLC	04/20/2009	Audits of Employee Benefit Plans	8
WV Society of CPAs	04/23-24/2009	Oil & Gas Revenue Accounting	16
PKF North American Network	06/8-10/2009	LP 1	17
WV Society of CPAs	06/17-20/2009	2009 Annual Meeting - Government/Nonprofit Update	3.3
WV Society of CPAs	06/17-20/2009	2009 Annual Meeting - Federal Tax Update	2.7
PKF North American Network	06/8-10/2009	LP 1	5
Suttle & Stalnaker, PLLC	11/20/2009	Using the FASB New Codification	1
Suttle & Stalnaker, PLLC	12/18/2009	Audit Year End Update 2009	3
Suttle & Stalnaker, PLLC	12/21/2009	2009 S&S Single Audit & Governmental Update	8
			71.5
2010			
WV Land & Mineral Owners Association	1/19/2010	Oil & Gas Seminar on metering and royalty payments	5.5
Suttle & Stalnaker, PLLC	06/11/2010	Lunch & Learn ACL & MPG Caseware	0.5
State of WV, FARS	06/22/2010	GAAP Closing Process Training	2
WV Dept. of Education	07/22/2010	Auditor's Workshop	8
Suttle & Stalnaker, PLLC	07/13-14/2010	Governmental Accounting & Reporting Update	16
Suttle & Stalnaker, PLLC	08/12/2010	Governmental Education Session	6
Suttle & Stalnaker, PLLC	08/13/2010	Engagement tips, Consolidations & Cash flows	1
			39

Grand Total 176