



West Virginia Purchasing Division

2019 Washington Street, East
Charleston, WV 25305
Telephone: 304-558-2306
General Fax: 304-558-6026
Bid Fax: 304-558-3970

The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at ***wvOASIS.gov***. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at ***WVPurchasing.gov*** with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

Header 1

List View

General Information [Contact](#) [Default Values](#) [Discount](#) [Document Information](#)

Procurement Folder: 327212

SO Doc Code: CRFQ

Procurement Type: Central Contract - Fixed Amt

SO Dept: 0402

Vendor ID: VS0000007569

SO Doc ID: SBA1700000001

Legal Name: Maher Duessel

Published Date: 5/16/17

Alias/DBA:

Close Date: 5/25/17

Total Bid: \$97,200.00

Close Time: 13:30

Response Date: 05/24/2017

Status: Closed

Response Time: 11:58

Solicitation Description: Addendum No. 1 Independent Auditor Services for the SBA

Total of Header Attachments: 1

Total of All Attachments: 1



Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**State of West Virginia
 Solicitation Response**

Proc Folder : 327212

Solicitation Description : Addendum No. 1 Independent Auditor Services for the SBA

Proc Type : Central Contract - Fixed Amt

| Date issued | Solicitation Closes | Solicitation Response | Version |
|-------------|------------------------|------------------------------|---------|
| | 2017-05-25 13:30:00 | SR 0402 ESR05241700000005792 | 1 |

| VENDOR |
|-------------------------------|
| VS0000007569 Maher Duessel |

Solicitation Number: CRFQ 0402 SBA1700000001

Total Bid : \$97,200.00 **Response Date:** 2017-05-24 **Response Time:** 11:58:22

Comments:

FOR INFORMATION CONTACT THE BUYER
 Melissa Pettrey
 (304) 558-0094
 melissa.k.pettrey@wv.gov

| | | |
|--------------------------|---------------|-------------|
| Signature on File | FEIN # | DATE |
|--------------------------|---------------|-------------|

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

| Line | Comm Ln Desc | Qty | Unit Issue | Unit Price | Ln Total Or Contract Amount |
|------|------------------------------|-----|------------|------------|-----------------------------|
| 1 | Government auditing services | | | | \$97,200.00 |

| Comm Code | Manufacturer | Specification | Model # |
|-----------|--------------|---------------|---------|
| 93151607 | | | |

| | |
|-------------------------------|-----------------------------------|
| Extended Description : | Reference Exhibit A Pricing Page. |
|-------------------------------|-----------------------------------|

Comments: Independent Audit:
2017 - \$20,400
2018 - \$21,000
2019 - \$21,600
2020 - \$22,200

**A Proposal to Provide
Professional Auditing Services**

**State of West Virginia
School Building Authority**



Submitted: May 24, 2017
Contact: Jeffrey W. Kent, CPA
Partner
Maher Duessel
D.L. Clark Building
503 Martindale Street
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MaherDuessel
Certified Public Accountants

Pursuing the profession while promoting the public good®



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MaherDuessel

Certified Public Accountants

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3003 North Front Street
Suite 101
Harrisburg, PA 17110
Main 717.232.1230
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Butler
112 Hollywood Drive
Suite 204
Butler, PA 16001
Main 724.285.6800
Fax 724.285.6875

May 24, 2017

Ms. Melissa Pettrey
State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Charleston, WV 25305

Dear Ms. Pettrey:

Thank you for the opportunity to present Maher Duessel's proposal to provide audit services to the West Virginia School Building Authority (SBA). Maher Duessel was founded in 1989 to provide high-caliber auditing services to clients in the governmental and non-profit sectors, and **all** of our professionals have significant experience and education in both markets. Our commitment and focus to the public sector will ensure a consistent and timely audit process for the SBA. Since February 2016, we have been providing audit assistance services to the West Virginia Department of Administration. Also, we have provided audit services for the West Virginia Supreme Court of Appeals Public Campaign Financing Option. We also are licensed as a CPA firm in West Virginia.

Attached in Appendix A is a copy of our firm's license. We have enjoyed working with the State of West Virginia and we look forward to expanding our service to additional agencies. In addition to the State of West Virginia, we serve several other state entities including the State Public School Building Authority (Pennsylvania), Pennsylvania Higher Educational Facilities Authority, Pennsylvania Department of Human Services, the Maryland Motor Vehicle Administration/Department of Transportation, Pennsylvania Emergency Management Agency, and Maryland Public Service Commission. We also serve over 100 authorities (the largest segment of governmental clients we serve), so we have a comprehensive understanding of SBA's procedures and reporting requirements.

With approximately 95 employees, we offer the personalized service of a regional accounting firm with the added value of national technical expertise on the latest regulatory changes and compliance issues in public sector accounting. Maher Duessel is unique among Pennsylvania auditing firms in that virtually every hour of our practice is devoted to serving the governmental and non-profit sectors. **The firm is registered as a Small Business through the Pennsylvania Department of General Services Small Business Self Certification Program (Certification Number 176022-2014-09-SB).**

We understand that the audits to be completed under this engagement are to be incorporated into the State's Comprehensive Annual Financial Report (CAFR), and the State has been awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1995. **Maher Duessel serves 13 clients that hold this prestigious GFOA Certificate of Achievement including the West Virginia Department of Administration.** Your proposed Engagement Partner, Jeffrey W. Kent, CPA and Engagement Quality Control Review Partner, Tracey L. Rash, CPA, CGFM, both serve on the GFOA's CAFR Review Committee as Technical Reviewers, and six other members of the firm also serve on this committee.

MaherDuessel

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Our widespread experience with the CAFR program's requirements will provide exceptional added value when we finalize the audits.

We also understand that the SBA may require a Single Audit in the future. Based on information from the Federal Audit Clearinghouse, **we rank 25TH nationally in the number of Single Audits performed annually** (out of the more than 4,900 firms/CPA's that conduct Single Audits), at over 140 Single Audits. Additionally, your proposed Engagement Partner, Jeffrey W. Kent, CPA and Engagement Quality Control Review Partner, Tracey L. Rash, CPA, CGFM both recently received the AICPA's Advanced Single Audit Certification.

Maher Duessel offers the personalized service of a regional accounting firm with the added value of national technical expertise on the latest regulatory changes and compliance issues in public sector accounting. A firm, in which all professionals are trained in and serve local governments on a daily basis, and not just occasionally, will best serve you. For over 25 years, we have proudly served governments with integrity and excellence, and we would be pleased to further expand our service in West Virginia. Please contact me at 412.535.5539 or at jkent@md-cpas.com at your convenience.

Sincerely,



Jeffrey W. Kent, CPA
Partner

4.5.1.4 Independence

Maher Duessel affirms that we are independent of the SBA as defined by Generally Accepted Auditing Standards and the U.S. General Accounting Office's *Government Auditing Standards*. Maher Duessel is independent of the State of West Virginia and all other component units of the State as defined by Generally Accepted Auditing Standards and *Government Auditing Standards*. We will give written notice of any professional relationships entered into during the period of this agreement which may cause a conflict of interest.

4.5.1.5 License to Practice

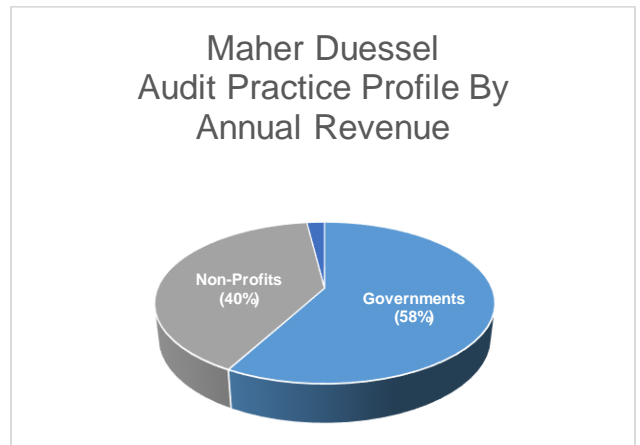
We understand that this RFP requires an affirmative statement that indicates the firm and all assigned key professional staff are properly licensed to practice in West Virginia. Maher Duessel is an independent accounting firm and is licensed as a CPA firm in West Virginia. **Attached in Appendix A is a copy of our firm's license.** Your proposed Engagement Partner, Jeffrey W. Kent, CPA, is a licensed West Virginia CPA. The other key senior level professionals assigned on this engagement are licensed Pennsylvania CPA's, and their Pennsylvania CPA licenses provide the required mobility to perform audit services in the State of West Virginia. However, at the WVABCA's request, we can and are willing to obtain West Virginia CPA licenses for our licensed Pennsylvania CPA personnel upon award of a contract.

4.5.1.6 Firm Qualifications

The founding partners of Maher Duessel had a vision: to focus on providing integrated consulting, auditing and tax services for the unique needs of governmental and non-profit organizations. Since 1989, our commitment to this vision has led Maher Duessel to become one of Pennsylvania's leading certified public accounting firms. Our mission statement, *Pursuing the Profession While Promoting the Public Good®*, reflects

our philosophy of providing expert technical services that help our clients create a better community. We provide the quality of a large firm with the personalized service of a small firm.

All of our professionals have significant experience serving governments. Maher Duessel is unique among Pennsylvania auditing firms in that virtually every hour of our practice is devoted to serving the governmental and non-profit sectors. Many firms will serve a wide range of clients in the private and public sectors. Professionals in firms that serve both the public and private sectors do possess a broad base of experience. However, in serving a wide client base, professionals are limited in gaining specialized knowledge and insight into the unique environments that governments operate in. In other firms, key decisions and judgments with significant client impact often fall to junior level staff. Maher Duessel embraces leveraging our experienced personnel on every engagement. Our clients benefit from experienced and timely guidance of CPAs who understand their specific operations and challenges. The chart below demonstrates our firm's commitment to serving entities within the governmental sector.



A. Government Services

Maher Duessel serves over 250 local governments and performs over 380 governmental audits annually.



The following is a breakdown of the client types we serve:

[Maher Duessel Governmental Client Breakdown](#)

- State (14)
- Authorities (100)
- Municipalities and Cities (77)
- Counties (33) (County Wide Audits: 10)
- School Districts (11)
- Intermediate Units (3)
- Community Colleges (5)
- Tax Collection Committees (3)
- Other Local Governments (19)

Maher Duessel's expertise allows us to offer a wide range of services focused on governments. Those services include the following:

- Financial Statement Audits
- Single Audits
- Audits in Accordance with *Government Auditing Standards*
- Governmental Accounting Standards Board Statement (GASB) Implementation
- Grant Audits
- Assistance with Government Finance Officer Association (GFOA) Award Program Reports
- Agreed Upon Procedures Attestation Reports
- Forensic Auditing
- Pension Audits
- Arbitrage Rebate Calculations
- Debt Refunding Verification Reporting
- Borrowing Base and Debt Statement Preparation
- Internal Control Examinations

B. CAFR Expertise

Maher Duessel is committed to the GFOA. We provide CAFR (Comprehensive Annual Financial Report) assistance to eleven clients who have obtained the GFOA Certificate of Achievement for Excellence in Financial Reporting.

- State of West Virginia
- Municipality of Mt. Lebanon
- Pittsburgh Public Schools
- Mt. Lebanon School District
- Upper Allen Township

- Township of O'Hara
- Bethel Park Municipality
- City of Pittsburgh
- Centre County
- Butler County
- Erie County

Eight members of our firm serve on the GFOA's CAFR Review Committee as Technical Reviewers, including your proposed Engagement Partner, Jeffrey W. Kent, CPA and Engagement Quality Control Review Partner, Tracey L. Rash, CPA, CGFM. **Our firm comprises over 75% of GFOA technical reviewers in the State of Pennsylvania.** Our comprehensive experience with the CAFR program's requirements will provide exceptional added value for the SBA.

C. GASB Expertise

Maher Duessel's expertise in governmental accounting helps us ensure that our clients are always aware of the impact of new GASB statements. We assist our governmental clients throughout the year regarding proper accounting procedures and best practices in addressing GASB requirements. Our partners and managers routinely present seminars to local government officials on GASB implementation. We are well prepared to assist the SBA in implementing these standards at no additional charge, including the most recent standards (GASB 72-85).

D. Single Audit Expertise

The assigned engagement team has substantial experience with auditing and reporting in accordance with *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (*Uniform Guidance*).

Based on information from the Federal Audit Clearinghouse, we rank 25th nationally (out of the more than 4,900 firms/CPA's that conduct Single Audits), in the number of Single Audits performed



annually (over 140). Maher Duessel also ranks among the top 50 accounting firms nationwide for the amount of federal award dollars audited.

Additionally, your proposed Engagement Partner, Jeffrey W. Kent, CPA, and Engagement Quality Control Review Partner, Tracey L. Rash, CPA, CGFM, recently received the AICPA's Advanced Single Audit Certification. From our vast experience providing services to governmental agencies, Maher Duessel has the knowledge of the unique challenges associated with these reporting requirements.

Should the SBA expend federal funds greater than the Uniform Guidance audit threshold (\$750,000), we are well-prepared to handle the additional internal control and required compliance work. In addition, we will assist the SBA in identifying any recommendations for improvement in controls with regard to the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* which sets uniform cost principles and audit requirements for federal awards to nonfederal entities and administrative requirements for all federal grants and cooperative agreements.

4.5.1.6.1 Firm Size and Staffing

At over 95 professionals, Maher Duessel is a regional Pennsylvania accounting firm with offices in Pittsburgh, Butler, State College, Harrisburg, Erie and Lancaster. For a firm of our size, our high percentage of partners, managers and supervisors compared to seniors and staff assures that every engagement is staffed with highly experienced professionals who are actively involved in the field.

Western Pennsylvania Region Staffing

- Partner: 6
- Principal: 1
- Senior Manager: 6
- Manager: 9
- Supervisor: 7
- Senior: 7
- Experienced Staff: 14

- Staff: 9
- IT: 4
- Administrative: 11
- **Total: 74**

Central Pennsylvania Region Staffing

- Partner: 2
- Senior Manager: 3
- Manager: 3
- Supervisor: 3
- Senior: 2
- Experienced Staff: 5
- Staff: 7
- Administrative: 3
- **Total: 28**

Maher Duessel will serve the SBA directly from our Pittsburgh office. All of the professionals to be assigned to this engagement (5) are employed on a full-time basis.

4.5.1.6.2 Peer Review

Maher Duessel is proud to announce that the firm has once again received the top rating for peer reviews. The most recent peer review was conducted by Goff Backa Alfera & Company, LLC for the year ended May 31, 2016. The peer review, which was completed in September 2016 and included a review of specific government engagements, has received a "pass" opinion. A CPA firm that is a member of the American Institute of Certified Public Accountants (AICPA) and conducts audits must be reviewed by another CPA firm every three years to ensure that the quality controls of the firm meet the standards of the AICPA. Maher Duessel has passed all quality control reviews for every peer review undergone since inception, which is testimony to our commitment to the highest standards. **A copy of our two most recent Peer Review is attached in Appendix B.**

4.5.1.6.3 Federal Desk Field Reviews

Our dedication to working with governments means that we have a greater likelihood than many firms of



being randomly selected for federal and state desk or field reviews of our audits. We have been reviewed many times, without ever having any adverse findings. In the winter of 2016 the Office of Inspector General reviewed several of our audits and we received a clean report. There have been no disciplinary actions taken or are pending against Maher Duessel with state regulatory bodies or professional organizations.

4.5.1.6.4 State Agency Audit Experience

We understand that a minimum of five years of experience in auditing with state agencies is required. Our firm exceeds these requirements. Maher Duessel serves several state entities including:

- West Virginia Department of Administration (2015-Current)
- West Virginia State Election Commission (2016-Current)
- Pennsylvania Horsemen's Associations (2015-Current)
- Pennsylvania Department of Human Services (2012-Current)
- Pennsylvania Emergency Management Agency (2016-Current)
- Pennsylvania Health Care Cost Containment Council (2008-Current)
- Pennsylvania Higher Educational Facilities Authority (2015-Current)
- State Public School Building Authority (Pennsylvania) (Current)
- Pennsylvania Intergovernmental Cooperation Authority (2017-Current)
- Port of Pittsburgh Commission (2013-Current)
- Maryland Motor Vehicle Administration (2008-Current)
- Maryland Public Service Commission (2014-Current)
- Maryland State Highway Administration (2017-Current)
- Maryland State Department of Education (2014-Current)

4.5.1.6.7 Team Qualifications

With professionals committed to serving the public sector, the SBA will be served by an engagement team with all team members having extensive experience serving governmental entities.

Jeffrey W. Kent, CPA will serve as **Engagement Partner**. Mr. Kent will have overall responsibility for conducting your audits and will be involved in the field, relying on his 15 years of governmental accounting experience to guide you through every audit phase. **Mr. Kent is a West Virginia licensed CPA.**



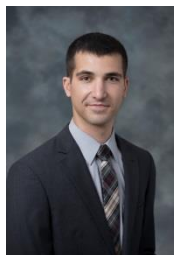
Tracey L. Rash, CPA, CGFM will serve as **Engagement Quality Control Review Partner**. Ms. Rash will independently review the draft reports and corresponding audit work, as appropriate, to ensure all significant auditing, accounting, and reporting issues are handled appropriately. Ms. Rash is a Pennsylvania licensed CPA.



Levi D. Zielinski, CPA will serve as **Supervisor**. Mr. Zielinski will be responsible for the direct oversight of the audit on-site during the audit process, including review of audit work and support to the **Senior**. Mr. Zielinski is a Pennsylvania licensed CPA.



Andrew Hudock will serve as **In-Charge**. Mr. Hudock will assist Mr. Zielinski with the oversight of the audit on-site during the audit process, including review of audit work and support to the **Staff**.



Staff Auditors, to be assigned, will perform audit work in the field under the direction of the **In-Charge**. **Resumes of the proposed team members, detailing their qualifications, experience, and training, including relevant continuing professional education are attached in Appendix C.**

A. Staff Continuity

Maher Duessel has an 87% staff retention rate over the past three years. The average tenure of a senior auditor on a typical engagement is approximately three to four years. This continuity allows our clients to develop excellent working relationships and relieves the disruption of having to retrain new auditors from year to year.

In the event that replacement of a team member does become necessary, we can assure you that you would receive a replacement professional with similar governmental audit experience, as all of our professionals are trained and experienced in serving governments. A key factor in promoting employee continuity is the strength of Maher Duessel's core values: exceptional client service and technical expertise, life-long learners, work-life balance, team oriented philosophy, open door policy, and support our clients' missions.

4.5.1.8 West Virginia Prior Engagements

As a testament to our experience in serving the State, we encourage you to contact the references below:

West Virginia Department of Administration

Scope of Work: Since February 2016, we have been providing audit assistance services to the West Virginia Department of Administration to ensure their continued successful participation in the GFOA's Certificate of Achievement for Excellence in Financial Reporting program.

Date: 2016-Current

May 24, 2017

Engagement Partner: Jeff Kent

Total Hours: >450

Office Location: Pittsburgh

Client Contact Information:

Mr. David Mullins
West Virginia Department of Administration
2019 Washington Street East
P.O. Box 50130
Charleston, WV 25305-0130
304.558.0076
dave.w.mullins@wv.gov

West Virginia State Election Commission

Scope of Work: We conduct audits of the Supreme Court of Appeal Public Campaign Financing Option.

Date: 2016-Current

Engagement Partner: Jeff Kent

Total Hours: >100

Client Contact Information:

Mr. John Sandoro
West Virginia State Election Commission
Building 1
Suite 157K
1900 Kanawha Blvd. E
Charleston, WV 25305-0770
304.356.2607
jsandoro@wvsos.com

4.5.1.9 Similar Engagements

As a testament to our experience in providing high quality audit services to authorities, we encourage you to contact the references below. All of these audits include many relevant aspects to the SBA including single audits with a focus on capital expenditures, complex debt transactions and related restricted



investments, and intergovernmental funding arrangements.

Urban Redevelopment Authority of Pittsburgh

Dates: 1998-Current

Engagement Partner: Jeff Kent

Total Hours: >1,000

Client Contact Information:

Mr. Tom Short
Director of Finance
Urban Redevelopment Authority of Pittsburgh
200 Ross Street
Sixth Floor
Pittsburgh, PA 15219
412.255.6675
tshort@ura.org

Port Authority of Allegheny County

Dates: 2001-Present

Engagement Partner: Jeff Kent

Total Hours: >1,000

Client Contact Information

Mr. Peter Schenk, Chief Financial Officer
Port Authority of Allegheny County
345 Sixth Avenue – Third Floor
Pittsburgh, PA 15222-2527
412.566.5244
pschenk@portauthority.org

Allegheny County Sanitary Authority (ALCOSAN)

Dates: 1999-Current

Engagement Partner: Jeff Kent

Total Hours: >400

Contact Information:

Mr. Bill Inks

Director of Finance
ALCOSAN
3300 Preble Avenue
Pittsburgh, PA 15233-1092
412.766.4810, Ext. 8365
william.inks@alcosan.org

Sports and Exhibition Authority of Pittsburgh

Dates: 2008-Present

Engagement Partner: Jeff Kent

Total Hours: >300

Client Contact Information:

Ms. Rosanne Casciato
Chief Financial Officer
Sports and Exhibition Authority of Pittsburgh
171 10th Street
2nd Floor
Pittsburgh, PA 15222
412.393.0206
rcasciato@pgh-sea.com

**State Public School Building Authority
Pennsylvania Higher Educational Facilities
Authority**

Date: 2015-Current

Engagement Partner: Tracey Rash

Total Hours: >200

Office Location: Harrisburg

Client Contact Information:

Mr. David Player
Comptroller
State Public School Building Authority
1035 Mumma Road
Wormleysburg, PA 17043
717.975.2200
dplayer@spsba.org



4.5.1.10 Specific Audit Approach

Scope of Work

Maher Duessel will audit the SBA for the years ending June 30, 2017, 2018, 2019, and 2020. Our scope of work will include the following services:

- We will provide technical assistance to the SBA accounting staff in the preparation of the financial statements, reports, and documents necessary for compliance with the Comprehensive Annual Financial Accounting and Reporting Section of the Department of Administration (FARS).
- We will express an opinion on the fair presentation of the general purpose financial statements in conformity with Generally Accepted Accounting Principles.
- We will express an “in relation to” opinion on any supplemental forms that FARS requires and include said forms in the bound financial statements.
- We will provide the reports needed for the CAFR and other requirements of FARS in the preparation and presentation of financial statements.
- Should a Single Audit be required, we will express an opinion on the fair presentation of the Schedule of Expenditures of Federal Awards in accordance with the Single Audit Act and the *Uniform Guidance*.
- The audit will be performed in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*.
- We will participate in an entrance conference with SBA staff within two weeks of award. We will also participate in an exit conference with SBA staff.

A. Proposed Segmentation of the Engagement

Maher Duessel’s extensive experience auditing governments allows us to approach our audits in a way that is knowledgeable and efficient. Our audit process is built upon four stages: planning, preliminary fieldwork, final fieldwork, and reporting/conclusion.

The expertise and knowledge of our professionals ensures that this audit process is effective. We take pride in our responsive service and our communication with our clients throughout the process.

Stage One Planning

Why Plan?

Planning ensures implementation of an efficient and effective audit process. Identification of items during planning ensures that issues are addressed in a proactive and timely manner.

Planning Process:

Review accounting and management information systems, identify significant risks and audit areas, confirm current reporting requirements, analyze new accounting standards which may impact reporting, and develop with staff a list of schedules and reconciliations needed prior to the start of preliminary field work, and review of predecessor auditor work papers.

Documentation Needed:

Budgets, minutes, agreements, federal and state compliance requirements, grant documentation, financial statements, organization charts, and policy/procedure manuals.

The Maher Duessel Difference:

We will meet with Management early in the audit process to discuss your operations, any known required or requested changes to accounting or reporting requirements, and to answer any questions you have.

Stage Two Preliminary Fieldwork

Why Conduct Preliminary Fieldwork?

Preliminary Fieldwork (or interim work) enhances the audit process and ensures reporting deadlines and



auditing standards are met. At the end of Preliminary Fieldwork, we will provide the SBA with a detailed list of items needed for Final Audit Fieldwork.

Significant Areas Addressed:

Documentation of SBA's internal controls, performance of preliminary analytical procedures, evaluation of materiality and audit risk, including risk of fraud, preparation of audit programs, refinement of professional time estimate, preparation for cash and investment confirmations, preparation of a list of items needed for final fieldwork.

Documentation Needed:

We will use the SBA's accounting system to extract financial data for analytical review and sampling purposes.

Audit test samples will be based on our overall assessment of internal control and audit risk in the applicable areas. We will also need access to accounting and finance staff to complete internal control narratives.

The Maher Duessel Difference:

We utilize data extraction software to improve accuracy and efficiency. This provides comprehensive audit evidence and value-added information for the client.

Our experience with similar entities enables us to efficiently build the internal control work and planning documents.

Stage Three Final Fieldwork

Key Elements:

Execute the audit program for each significant audit area, document all material or complex consultations, resolve any accounting and compliance disputes, review for contingencies and obtain legal representation letters, and evaluate the effect of any audit differences.

May 24, 2017

The Maher Duessel Difference:

We will be in constant communication throughout the process so you are aware of audit progress as well as any issues that arise during the audit.

Our experience enables us to perform this work efficiently and effectively while keeping your staff's involvement limited to the extent possible.

Stage Four Reporting/Conclusion

Key Elements:

Draft the financial statements, Management Letter and reports. There will be no surprises in the draft documents as any potential issue will be addressed with Management prior to receipt of the drafts. Perform final analytical procedures utilizing the financial statements and reports with Management. Obtain Management representations.

The Maher Duessel Difference:

Our technical expertise will ensure that the financial statements meet all necessary standards. Our experience will allow us to provide you with meaningful feedback on your operations. The reporting phase will also be efficient.

B. Use of Sampling

In performance of Single Audits, sampling is performed to exceed a 90% confidence level. There are four, distinct types of audit tests that may involve the use of audit sampling: substantive test of details of balance sheet account balances, substantive test of details of transactions (vouching expenditures for payroll or goods and services), tests of controls (inspecting documents supporting transactions selected for substantive tests for indications of performance of internal controls), and tests of compliance with laws and regulations (inspecting documents which support expenditures charged to grant programs for compliance with laws and regulations). Based on a combined risk



assessment, effectiveness of other alternative approaches, materiality, and evaluation of analytical and other substantive procedures applied to the audit area, a sample size is determined. As often as possible, tests of controls, compliance, and substantive testing are combined to make the sampling process as efficient and effective as possible. Data extraction software is used whenever possible to accumulate the information relative to the sampling unit. The software has the ability to stratify the sampling unit, select a sample (using a random, systematic, or haphazard selection process), and project sample results to the remaining population.

C. Type and Extent of Analytical Procedures

Analytical procedures applied to financial data are typically an integral part of an audit process and are utilized during the planning, execution, and finalization of the audit engagement. Analytical procedures are particularly important in the planning process for a governmental audit because they improve the auditor's understanding of the entity's operations and assist in identifying audit areas that should receive increased attention.

During planning, we will undertake the task of understanding the budget and budgetary process utilized by the SBA. Maher Duessel will consider the effectiveness of the SBA's approach to budgeting and its philosophy regarding amendments to the budget, as well as the effectiveness of controls over the proper recording and classification of expenditures. Accordingly, we will apply a variety of analytical procedures to "budget vs. actual" during the planning phase of the engagement. Analytical procedures may also be developed and applied during the execution of the audit. These procedures will be a direct result of testing and analysis of transactions, account balances, and account relationship during the audit process. Maher Duessel will also apply analytical procedures as an overall review of the financial information in the final review stage of the audit to assess the conclusions we reach and to evaluate the overall financial statement presentation, including an overall review of the

financial statements and notes. The analysis would consider the adequacy of evidence gathered in response to unusual or unexpected balances or relationships identified in planning or in the course of the audit and unusual or unexpected balances or relationships that were not previously identified during planning and execution of the engagement.

D. Use of Electronic Data Processing Software

All Maher Duessel professionals are very experienced in auditing computerized systems, as our clients use a wide variety of systems such as Harris School Solutions, Peachtree, Excel, Quickbooks, DAXKO Operations, Sage Software MIP Fund Accounting, Fundware, SUNGARD Pentamation, MUNIS, Serenic, ECS, Microsoft Business Solution 4.0 SP2 Navison, and many others. Additionally, individuals assigned to your engagement have specific experience using the WVOasis system as part of our engagement with the West Virginia Department of Administration.

Furthermore, all Maher Duessel professionals make extensive use of computers in the field to improve accuracy and increase efficiency. Our professionals are trained in specialized computer auditing programs such as ProSystem fx Engagement, IDEA, and other computer applications.

ProSystem fx Engagement is a special purpose software application used to handle trial balance functions such as the grouping and adjusting of financial information for the preparation of financial statements, exhibits, and other relevant reports. The use of ProSystem fx Engagement helps our professionals more effectively manage engagements, thus improving client service.

IDEA is a powerful, productivity tool utilized to display, analyze, manipulate, sample, or extract data from files generated by a wide variety of computer systems. IDEA facilitates the selection of criteria for sampling via four different proven sampling techniques. The use of IDEA assists our professionals to accumulate a higher quality of audit evidence and perform complete



analysis in an efficient and effective manner. Our entire audit process utilizes the latest technology to test controls and compliance. Maher Duessel uses Citrix's ShareFile product, which allows us to share and exchange files with our clients easily and securely. We are able to send a secure link to our clients allowing a large amount of data to be uploaded at once. The firm also has an IT Audit Committee which keeps our firm up to date on significant changes in Information Technology impacting our clients and audits.

E. Documentation of SBA Internal Control

The form and extent of internal control documentation is influenced by the nature and complexity of the SBA's controls. For example, documentation of the understanding of internal control of a complex information system in which a large volume of transactions are electronically initiated, recorded, processed, or reported may include flowcharts and questionnaires.

For an information system making limited or no use of information technology, or for which few transactions are processed (for example, long-term debt), documentation in the form of a memorandum may be sufficient. Our process to gain an understanding of the internal control structure of SBA will begin with manuals and control documentation already established by the SBA. Additionally, standard questionnaires and forms will be completed by the appropriate the SBA employee.

Testing of controls to evaluate operating effectiveness includes inquiries, inspection of documents and reports, observation, and re-performance of the application of the control. It is also important to consider the methods the SBA uses to process accounting information in planning the audit because such methods influence the design of the internal control. The extent to which computer processing is used in significant accounting applications, as well as the complexity of those processes, may also influence the nature, timing, and extent of audit procedures. Therefore, general and application controls over the

computer systems at the SBA will be evaluated and documented during the audit process.

F. Determination of Laws and Regulations

Laws and regulations that have a direct and material effect on the determination of financial statement amounts will be determined and the risk of violations of such laws and regulations will be assessed because the SBA's operations are closely regulated and controlled by such laws and budget provisions, and events of noncompliance can have material implications for the financial statements. The compliance requirements that will have a direct and material effect on the financial statements will be tested as part of the audit.

These requirements will be determined by reviewing compliance related documentation, contracts, debt documents, and significant grants. If a Single Audit is required, there are many sources of information to review, including: statutes, the Code of Federal Regulations, the grant agreement or policy manuals related to the particular program, inquiries of SBA's Management, and the cognizant or oversight agency for the audit or the federal agency that administers the program.

Even after the laws and regulations which are relevant to a particular program are identified, professional judgment must be utilized to determine which ones are significant. Because of the small population involved or the type of evidence available, certain compliance requirements do not lend themselves to transaction testing. In those cases, the requirements are usually tested by inquiry, observation, and inspection.

When the transaction testing is applicable to a compliance requirement, a triple-purpose test of transactions is incorporated into the audit process. In this test, a sample is chosen and the documents are inspected to determine the following: recording in the correct amount, account, and period; indications of performance of controls; and indications of compliance with relevant laws and regulations. When this



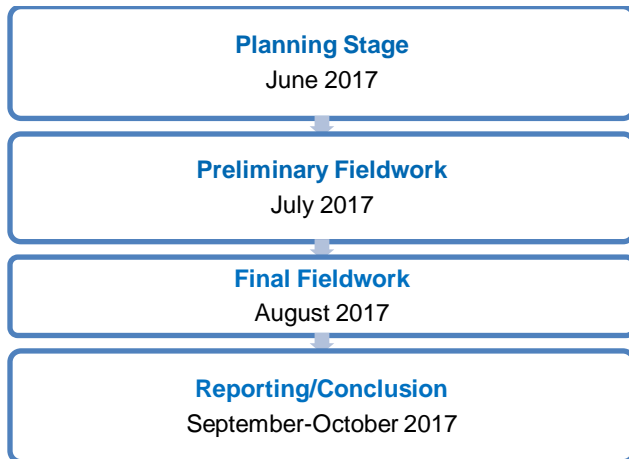
approach is taken, the sample size is the largest sample size necessary to satisfy any one of the three purpose tests.

G. Approach in Drawing Audit Samples

Because of the small population involved or the type of evidence available, certain compliance requirements do not lend themselves to transaction testing. In those cases, the requirements are usually tested by inquiry, observation, and inspection. When the transaction testing is applicable to a compliance requirement, a triple-purpose test of transactions is incorporated into the audit process. In this test, a sample is chosen and the documents are inspected to determine the following: recording in the correct amount, account, and period; indications of performance of controls; and indications of compliance with relevant laws and regulations. When this approach is taken, the sample size is the largest sample size necessary to satisfy any one of the three purpose tests.

H. Proposed Timeline

Based on our understanding of your services and subject to your approval, the following is a proposed timeline for the audit:



We will submit a draft of the audit report and our recommendations to Management for review by

September 1, 2017. We will submit the final audit report by October 15, 2017.

4.5.1.11 Potential Audit Problems

With our experience serving over 100 governmental authorities, we do not anticipate any significant audit problems. SBA will be provided with a detailed listing of information required for timely and efficient completion of the audit.

We will meet with Management early in the audit process to discuss the audit process, required planning matters, any known changes to accounting or reporting requirements, as well as to answer any questions you may have. We will also meet with Management regularly throughout the audit process to apprise you of our progress and any potential issues that arise.

There will be no surprises in your draft documents, as all issues would be discussed with you prior to the receipt of the drafts. Our commitment to service goes beyond the audit itself. We encourage contact throughout the year so that knowledgeable, experienced professionals can lend seasoned judgment to matters of interest to you whenever such matters arise.

We pride ourselves on our responsive service and answer our e-mails and phone calls promptly. We will not burden you with client surveys but rather communicate with you directly during the audit process to ensure you are satisfied. You will have regular contact with the Engagement Partner and Supervisor providing you ample opportunity to convey your thoughts about our performance.

Our high client retention rates are our best barometer of the quality of our service. Partner and manager/supervisor involvement in the audit is a core value of Maher Duessel's service. These team members are actively involved in the field during every phase of the audit. With our clients' trust in our hands,



we owe them nothing less than the most experienced professionals guiding them every step of the way.

5. Proposed Fees

We are able to deliver exceptional service by highly-experienced professionals at a lower cost than many firms because our professionals are dedicated to serving governmental entities. Accordingly, many of the accounting and auditing issues unique to these entities are more efficiently addressed by us than by firms that do not perform these audits year-round. Assuming that the financial records are in good condition (i.e. accounting records are complete; bank reconciliations are done; sufficient support is available to support receipt and disbursement activity as well as all balance sheet accounts; staff is available to answer questions, etc.), and based on our understanding of your requirements, our all-inclusive fees, are as follows:

| Year | Financial Statement Audit | Single Audit (If Required) |
|------|---------------------------|----------------------------|
| 2017 | \$20,400 | \$3,000 |
| 2018 | \$21,000 | \$3,000 |
| 2019 | \$21,600 | \$3,000 |
| 2020 | \$22,200 | \$3,000 |

A. Service Beyond the Audit

Our fee structure allows for financial consultation services throughout the course of the year. **We encourage inquiries whenever they arise and consider them part of our package rather than as opportunities to collect extra billings. We do not charge separate additional fees for accounting related questions as they arise.** However, if the SBA requested research or required services clearly outside the scope of the work outlined here we would reach a written agreement with the SBA on the additional fee, through an engagement letter addendum, prior to commencing the work. The fees for those additional services would be negotiated with the

SBA based on the work requested and all efforts would be made to charge for those services at an agreed upon flat fee.

6. Added Value

Maher Duessel has several attributes that will provide exceptional added value for the SBA as detailed below:

A. AICPA Quality Control Centers

Maher Duessel is a member of the American Institute of Certified Public Accountants (AICPA's) Governmental Audit Quality Center (GAQC) and Employee Benefit Plan Audit Quality Center (EBPAQC). Membership in these quality centers requires Maher Duessel to commit to higher standards than non-members and provides the firm with additional resources to facilitate the audit process.



The firm was one of the first 50 firms to join the GAQC when it was established in late 2004. The GAQC promotes the importance of quality governmental audits and the value of these audits to government officials and staff. As a member of the GAQC, Maher Duessel has access to comprehensive audit resources including GAQC Alerts that contain critical and time sensitive information about governmental audit developments, online publications devoted to best practices and developments in state and local government auditing, Single Audit practice aids, Yellow Book tools, access to webcasts on current issues, and an online forum for member interaction, networking, and sharing of information.

Maher Duessel's membership in the EBPAQC demonstrates our commitment to quality in the performance of ERISA (Employee Retirement Income Security Act) audits. Similar to the benefits from our GAQC membership, Maher Duessel has access to email news alerts, a dedicated and continuously



updated Center website, online member discussion forum, and live webinars. In addition, one of our partners, Diane E. Edelstein, CPA, served on the AICPA's Executive Committee for the Governmental Audit Quality Center from 2007-2011 and has served as an instructor on AICPA webcasts.

B. National and State Appointments

Maher Duessel has had several prestigious national and state appointments of our partners and senior managers over the years to committees of organizations such as the GFOA, AICPA, and PICPA (Pennsylvania Institute of Certified Public Accountants). With appointments at the highest levels of committees devoted to the integrity and advancement of the accounting profession in the governmental sector, the SBA can be assured that we will keep you informed of the latest developments that will impact your financial reporting.

[GFOA Special Review Committee for Comprehensive Annual Financial Report – Technical Reviewers*](#)

Jeff Kent
Brian McCall
Tim Morgus
Tracey Rash
Ashley Ackerson
Samantha Beck
Beth Dittmer
Dan Caponi

*Our firm comprises over 75% of GFOA technical reviewers in the State of Pennsylvania.

[GFOA Pennsylvania Western Region State Board](#)

Jeff Kent, Member
Tim Morgus, Treasurer

[PICPA Budget and Finance Committee](#)

Jeff Kent, Member

[PICPA Accounting and Auditing Procedures Committee](#)

Lisa Ritter, Former Chair and Current Member

[PICPA Local Government Committee and GASB Sub-Committee](#)

Brian McCall, Current Member

[Pennsylvania GFOA Advocacy Task Force](#)

Brian McCall, Current Member

[AICPA Auditing Standards Board](#)

Lisa Ritter, Past Member

[GFOA Pennsylvania State Board](#)

Tracey Rash, Treasurer and Pennsylvania Advocacy Task Force Liaison

[Governmental Accounting Standards Board Going Concern Disclosures Consultative Group](#)

Tracey Rash, Member

[GFOA Pennsylvania Central Region Board](#)

Ashley Ackerson, Treasurer

[GFOA Popular Report Review Committee](#)

Dave Duessel, Reviewer
Katie Yates, Reviewer

[AICPA Peer Review Board Government and Compliance Audits Practice Monitoring Task Force](#)

Diane Edelstein, Current Member

[AICPA Executive Committee Audit Quality Center](#)

Diane Edelstein, Past Member (2007-2011)

[PICPA Professional Ethics Committee](#)

Diane Edelstein, Current Member

[PICPA Statewide Education Committee](#)

Betsy Krisher, Current Member

[PICPA Insurance Trust Committee](#)

Robert Belicose, Current Trustee

C. Education for Licensure Credits

All Maher Duessel professionals meet or exceed the continuing education requirements stipulated by the AICPA, the Commonwealth of Pennsylvania and the U.S. Government Accountability Office (GAO) Yellow



Book. Furthermore, federal *Government Auditing Standards* mandate additional educational requirements for CPA firms that conduct governmental audits.

All of our professionals meet or exceed these standards as well. All of our professionals participate in regular in-house training and seminars specific to our governmental practice. Our professionals gain additional Continuing Professional Education (CPE) through outside conferences and seminars that focus on governments.

We design up to **32 CPE credits annually for our professionals and clients to address the unique needs of our practice**, including a governmental seminar that we host in December of each year. **SBA staff will be invited to attend free of charge.**



Attendees at a Maher Duessel Seminar

Attached in Appendix D is an agenda from our most recent Government Update seminar. In addition to our seminars, our firm has an internal Accounting & Auditing Committee, which helps keep our professionals up to date with new standards and developments as they arise through regular newsletters and e-blasts. We rely heavily on the educational resources that we are able to tap into as members of the AICPA's Quality Centers along with serving on committees of the AICPA, PICPA, GFOA, and local and state organizations. We have intricate knowledge of the regulations and accounting statements relevant to governmental entities. This expertise allows our

professionals to frequently teach governmental topics to CPAs on the local, state, and national levels. **Please refer to the resumes in Appendix C for specific courses taught recently by the professionals slated to serve you.**

D. Industry Insights

Maher Duessel also provides insights to our clients through an active blog we maintain on our website: <http://www.md-cpas.com/blog>. Recent relevant blog topics for the SBA include *GASB 84 Fiduciary Activities*, *GASB 83 Update*, *New January 31st Filing Deadline for W-2 and 1099-MISC Forms*, *The IRS Releases Its Tax Exempt & Governmental Entities*

Fiscal Year 2017 Work Plan, and *Changes to the Pennsylvania Bureau of Audits Single Audit Submission Process*. We also issue quarterly Government News Digests for our clients which contain relevant articles on accounting/auditing topics impacting governments. **Attached in Appendix E is a sample government newsletter.**

Appendix A: CPA License Documentation



West Virginia Board of Accountancy
405 Capitol Street, Suite 908
Charleston, WV 25301-1744
(304) 558-3557
wvboa@mail.wvnet.edu

May 31, 2016

F0591A
MAHER DUESSEL
503 MARTINDALE ST STE 600
PITTSBURGH PA 15212


Your application for an *Out-of-State Firm Permit with Authorization to Perform Attest Services* has been approved by this Board. Attached please find your registration cards permitting you to practice public accounting as a firm with an authorization to perform attest services for the period beginning **July 1, 2016** through **June 30, 2017**.

Please review the following information regarding the issuance and renewal of firm permits:

1. Permits will initially be issued for a period to expire the 30th day of June following the date of issue.
2. All registered firms must notify the Board in writing within 30 days of the occurrence of the following events:
 - a. Formation of a new firm
 - b. Addition of a partner, member, manager or shareholder
 - c. Retirement, withdrawal or death of a partner, member, manager or shareholder
 - d. Any change in the name of the firm
 - e. Dissolution of the firm
 - f. Establishment of a new branch office or the closing or change of address of a branch office in this State
 - g. The occurrence of any event or events which would cause the firm not to be in conformity with the Accountancy Law or Board of Accountancy Rules and Regulations.
3. In the event of any change in legal form of a firm, the new firm shall within thirty (30) days of the change file an application for the issuance of a permit in accordance with the Accountancy Law and Board Rules and Regulations and pay the fee required by these Rules.

If the board can be of additional assistance or if you have any questions, please feel free to contact us.

Respectfully,


Brenda S. Turley
Executive Director

cc: File



State of West Virginia
 West Virginia Board of Accountancy
 405 Capitol Street, Suite 908
 Charleston, WV 25301-1744
 (304) 558-3557

The entity listed below was issued a
FIRM PERMIT
 for the period beginning
 July 1, 2016 through June 30, 2017

**F0591A
 MAHER DUESSEL
 503.MARTINDALE ST STE 600
 PITTSBURGH PA 15212**

Louis J. Costanzo III
 Board President

Blair D. Stenberg
 Executive Director



West Virginia Board of Accountancy
 405 Capitol Street, Suite 908
 Charleston, WV 25301-1744
 (304) 558-3557

Your fee has been received for registration of your firm. The firm permit may be detached from the perforation at left and used until the date indicated.

Any errors in the attached information should be reported to the Board office at 304/558-3557

Louis J. Costanzo III
 Board President

Blair D. Stenberg
 Executive Director



State of West Virginia
 West Virginia Board of Accountancy
 405 Capitol Street, Suite 908
 Charleston, WV 25301-1744
 (304) 558-3557

The entity listed below was issued an
**Authorization to Perform
 Attest and/or Compilation Services**
 for the period beginning
 July 1, 2016 through June 30, 2017

**F0591A
 MAHER DUESSEL
 503 MARTINDALE ST STE 600
 PITTSBURGH PA 15212**

Louis J. Costanzo III
 Board President

Blair D. Stenberg
 Executive Director



West Virginia Board of Accountancy
 405 Capitol Street, Suite 908
 Charleston, WV 25301-1744
 (304) 558-3557

Your fee has been received for your firm's Authorization to Perform Attest or Compilation Services in West Virginia. This Authorization may be detached and used until the date indicated.

Any errors in the attached information should be reported to the Board office at 304/558-3557

Louis J. Costanzo III
 Board President

Blair D. Stenberg
 Executive Director

Appendix B: Peer Review





3325 Saw Mill Run Blvd.
Pittsburgh, PA 15227-2736
412/885-5045
Fax 412/885-4870
www.gbaco.com

Certified Public Accountants

SYSTEM REVIEW REPORT

September 9, 2016

To the Partners
Maher Duessel, CPAs and
the Peer Review Committee of the Pennsylvania Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Maher Duessel, CPAs (the firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable 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 therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a system review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Maher Duessel, CPAs in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Maher Duessel, CPAs has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Goff Backa Alfera & Company, LLC".

GOFF BACKA ALFERA & COMPANY, LLC
PITTSBURGH, PENNSYLVANIA



Appendix C: Resumes





Summary

Mr. Kent began his public accounting career in 2002 with Maher Duessel. Mr. Kent became a Partner of the Firm in 2016 and manages several governmental audit engagements including state entities, authorities, municipalities, and county entities. Mr. Kent has a B.S. in Accounting (Magna Cum Laude) from Grove City College.

Engagement Role: Engagement Partner

Licensed Pennsylvania CPA



Representative Clients

- West Virginia Department of Administration
- West Virginia State Election Commission
- Urban Redevelopment Authority of Pittsburgh
- Port Authority of Allegheny County
- Allegheny County Sanitary Authority
- Sports and Exhibition Authority of Pittsburgh
- Municipality of Mt. Lebanon
- Municipality of Penn Hills
- State College Borough

Professional Activities and Affiliations

- American Institute of Certified Public Accountants (AICPA) – Member
- Pennsylvania Institute of Certified Public Accountants (PICPA) – Member
- PICPA Member Services Committee – Co-Chair
- PICPA Pittsburgh Chapter Executive Committee – Treasurer
- Government Finance Officers Association (GFOA) – Member
- GFOA Pennsylvania Western Region State Board – Member
- GFOA Special Review Committee - Member
- 2010-2011 40 Under 40: PICPA Members to Watch Class - Member
- Auberle – Member of Board of Directors and Finance Committee
- Leadership Development Initiative – LDI XV Graduate

Training Highlights

- 2016 and 2015 Maher Duessel *Pension Update*
- 2016 Maher Duessel *Governmental Update*
- 2015 GFOA *National Conference*
- 2015 AICPA Employee Benefit Plan Audit Quality Center *Designated Partner Training*
- 2015 AICPA Employee Benefit Plan Audit Quality Center *2015 Managers and Supervisors Training*

Published Article

- 2015 PICPA *Ongoing Going Concern Guidance*



Summary

Ms. Rash began her public accounting career in 1990 and joined Maher Duessel in 2006 as Managing Partner of the Harrisburg office. Ms. Rash serves as Partner on audit engagements with a wide range of local governments including state entities, authorities, cities, municipalities, and counties. Ms. Rash has a B.A. in Accounting from the University of Pittsburgh at Johnson, graduating Summa Cum Laude.

Engagement Role: Engagement Quality Control Review Partner; Licensed Pennsylvania CPA and CGFM

Representative Clients

- Pennsylvania Health Care Cost Containment Council
- State Public School Building Authority
- Pennsylvania Higher Education Facilities Authority
- Redevelopment Authority of the City of Harrisburg
- Lancaster County Convention Center Authority
- Dauphin County General Authority
- Capital Region Water
- City of Harrisburg
- City of Lancaster



Professional Activities and Affiliations

- Government Finance Officers Association (GFOA) - State Board Treasurer and Pennsylvania Advocacy Task Force Liaison; Special Review Committee for Comprehensive Annual Financial Reports
- Government Accounting Standards Board (GASB) Going Concern Disclosures Consultative Group – Member
- American Institute of Certified Public Accountants – Advanced Single Audit Certification
- Association of Government Accountants, Association of Certified Fraud Examiners, American Institute of Certified Public Accountants, Pennsylvania Institute of Certified Public Accountants (Member)
- *Central Penn Business Journal* 2015 Women of Influence Awardee
- Tri-County Community Action – Secretary for the Board of Directors
- Leadership Harrisburg Area – Graduate and Board Member

Speaking Engagements

- April, 2016 GFOA State Conference *Foundations of Governmental Accounting*
- April, 2016, The Governor's Center for Local Government Services School of Municipal Government, Lebanon Valley College, *Basics of Governmental Accounting and Basics of Internal Control*
- February 2016, GFOA-Central *GASB Update*
- June 2015, Pennsylvania State Association of Township Commissioners: *GASB 67 and 68 for First Class Townships*
- March 2015, GFOA-PA: *Foundations of Governmental Accounting and Basic Internal Control*

Training Highlights

- 2016 GFOA-PA *Conference*
- 2015 GFOA *109th Annual Conference*
- 2016 AICPA *National Non-Profit and Governmental Conference*
- 2016 and 2015 Maher Duessel *Government Update*
- 2015 and 2014 AICPA *West National Governmental Update*



Summary

Mr. Zielinski began his public accounting career in 2011 with Maher Duessel. His clients include a broad range of governmental entities including state agencies, municipalities, local authorities, and county entities.

Engagement Role: Supervisor

Licensed Pennsylvania CPA

Representative Clients

- West Virginia Department of Administration
- West Virginia State Election Commission
- Redevelopment Authority of the County of Washington
- Canonsburg-Houston Joint Authority
- Monroeville Municipal Authority
- Allegheny County Sanitary Authority (ALCOSAN)
- City of Clairton
- Washington County
- Greene County

Professional Activities and Affiliations

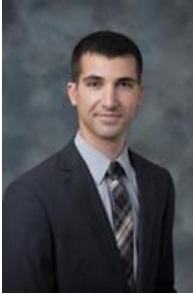
- American Institute of Certified Public Accountants (AICPA) – Member
- Pennsylvania Institute of Certified Public Accountants (PICPA) – Member

Education

- B.S. Accounting
- Grove City College

Training Highlights

- 2016 AICPA *GAAP Update Conference*
- 2016 Maher Duessel *Government Update*
- 2015 Maher Duessel *Uniform Guidance for Federal Awards*
- 2015 Maher Duessel *Financial Reporting Training*



Summary

Mr. Hudock began his career with Maher Duessel in 2016. His clients include a broad range of governmental entities including state agencies, local authorities, educational agencies, and county entities. Prior to joining Maher Duessel, Mr. Hudock was an audit associate with another firm and worked as a financial account in the private sector.

Engagement Role: In Charge

Representative Clients

- West Virginia Department of Administration
- City of Pittsburgh
- Redevelopment Authority of the County of Fayette
- Redevelopment Authority of the County of Washington
- Greene County
- Greene County Conservation District
- Allegheny Intermediate Unit
- Steel Valley School District

Professional Activities and Affiliations

- Pennsylvania Institute of Certified Public Accountants (PICPA) – Member
- Faith Assembly of God – Youth Group Leader

Education

- B.S. Business Administration
- Major in Accounting
- West Virginia University

Training Highlights

- 2016 Maher Duessel *New Staff Training*
- 2016 Maher Duessel *In-Charge Training*
- 2016 Maher Duessel *Government Update*
- 2016 Maher Duessel *Administrative Update*

Appendix D: 2016 Maher Duessel Government Update Seminar Agenda



| TIME SLOT | CPE HOURS | CPE TYPE | TOPIC | SPEAKER |
|-------------|------------|-------------------|---|--|
| 8:00-8:25 | 0 | | REGISTRATION AND BREAKFAST | |
| 8:25-8:30 | 0 | | WELCOME AND ANNOUNCEMENTS | |
| 8:30-9:20 | 1.0 | A&A (YB) (GAS) | GASB UPDATE/RISK ALERT This session will open the seminar by discussing key changes and events that impact our government clients and alert us to risks for audits of our governmental clients. | Michelle Bryan, <i>Maher Duessel</i> |
| 9:20-10:10 | 1.0 | A&A (GAS) | ECONOMIC OUTLOOK This session will provide an update on the economy and its impact to our government clients. | Linda Duessel, <i>Federated</i> |
| 10:10-10:30 | 0 | | 20-MINUTE BREAK | |
| 10:30-11:20 | 1.0 | Other | REGULATORY CHANGES By now, the new overtime rules have taken effect. So, what's next? This session will explore the continued changes that organizations must consider to ensure compliance with various regulations. | Dane Topich, <i>Paycor</i> and Renee Mielnicki, <i>East Coast Risk Management</i> |
| 11:20-12:30 | 0 | | LUNCH | |
| 12:30-1:20 | 1.0 | A&A (GAS) | MUNICIPAL FILINGS Due to recent changes, municipal filings have undergone more scrutiny. This session will update you on the MDCD settlement and other important municipal filing information. | Tim Frenz, <i>Janney</i> <i>Montgomery Scott</i> |
| 1:20-2:10 | 1.0 | A&A (YB) (GAS) | PROCUREMENT UNDER UNIFORM GUIDANCE This session will review the new procurement rules that took effect with the issuance of the Uniform Guidance. | Peggy Jo Campbell and Larissa Van Putten, <i>Maher Duessel</i> |
| 2:10-2:30 | 0 | | 20-MINUTE BREAK | |
| 2:30-3:20 | 1.0 | Tax | PERSONAL TAX UPDATE This session will provide insights to the upcoming 2017 personal tax laws and provide some last-minute tips for 2016 taxes, as well as explore common questions regarding deferred compensation. | Rob Frenz, <i>Chemel Kornick & Mooney</i> |
| 3:20-4:10 | 1.0 | A&A (YB) (GAS) | AUDIT AND ACCOUNTING STANDARDS REVISITED This session will reinforce existing audit and accounting standards applicable to our government clients in an interactive way. | Megan Gebrosky and Kristen Moss, <i>Maher Duessel</i> |
| 4:10-5:00 | 1.0 | A&A (YB) (GAS) | OPEBS – GASB STATEMENTS NO. 74/75 This session will explore the GASB's new standards that will transform OPEBs on the financial statements in the same manner as was recently done for pensions. | Tim Morgus and Amy Lewis, <i>Maher Duessel</i> |
| | 8.0 | TOTAL | | |

CONSISTS OF 6.0 A&A, 1.0 TAX, 1.0 OTHER, 4.0 YELLOW BOOK, 6.0 GAS



Appendix E: Sample Maher Duessel Government Newsletter



Maher Duessel, CPAs

Government News Nuggets

*Pursuing the Profession While
Promoting the Public Good®*

Winter 2017 Article Spotlight

The *Uniform Guidance* has new procurement policies and procedures. Read Peggy Jo Campbell's article on page 4 to learn more about what your organization should expect.



In This Issue:

Dangerous W-2 Scam Now Impacting The Public Sector

By Brian Grublis Page 2

Bidding Thresholds Increase Page 3

Fraud Overview and Prevention Page 3

New Hires Page 3

Procurement Under The Uniform Guidance

By Peggy Jo Campbell Page 4

Upcoming Speaking Engagements Page 6

Single Audit: Get off to a Good Start with an Error Free SEFA

By Diane Edelstein Page 7

New Promotions Page 8

Special Recognition Page 8

Have questions/ideas/feedback?

Contact the Editor:
Rachelle Ogun
Marketing Coordinator
rogun@md-cpas.com
412.535.5550

Maher Duessel Expands to Erie and State College!

We are pleased to announce that we have opened two new office locations to better serve our clients in the Erie and Centre County regions and surrounding areas. Our Erie office (pictured right in the Renaissance Building) is located at 1001 State Street, Suite 1400, Erie, PA 16501, 814.480.5777.



Our State College office is located at 237 South Allen Street, Suite 337, State College, PA 16801, 412.471.5500.

Maher Duessel now has a total of 5 office locations (other locations are Pittsburgh, Harrisburg, and Butler), and we serve governmental and non-profit entities across the entire Commonwealth.

MaherDuessel

Certified Public Accountants

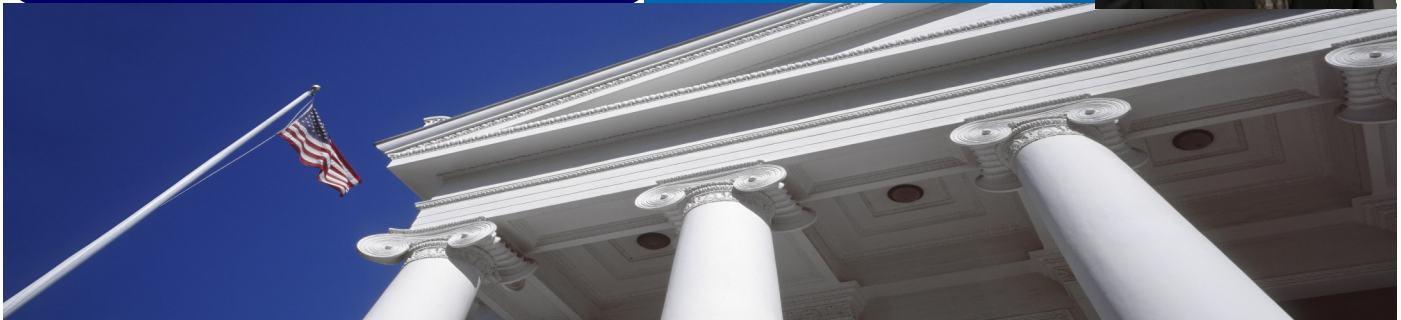
Maher Duessel, CPAs

*Pursuing the Profession While
Promoting the Public Good®*

**Government News Nuggets
Winter 2017**

**Dangerous W-2 Scam
Now Impacting The Public
Sector**

By Brian Grublis, MCSE, MCTS
IT Director/Security Official
bgrublis@md-cpas.com



Dangerous W-2 Scam Now Impacting The Public Sector: IRS Issues W-2 Security Alert

The Internal Revenue Service (IRS) has issued a recent alert that the Form W-2 e-mail phishing scam has expanded from the corporate world and into the public sector. As a governmental agency, you should be aware that this scam can result in the large-scale theft of confidential information. This information can then be used by cyber-criminals for various crimes including the filing of fraudulent tax returns.

How Does The Scam Work?

Cyber-criminals will disguise e-mails to make them appear to be from an internal executive within your organization. The e-mail will be sent to an employee in the payroll, human resources, and finance departments and will request a list of all employees and their Forms W-2. In the latest twist to this scam, the 'executive' e-mail will ask that a wire transfer also be made to a certain account. The wire transfer scam is being combined with the W-2 scam email, and some organizations have lost both employees' W-2s and thousands of dollars due to these fraudulent wire transfers.

What To Do If Your Organization Has Been Targeted?

●If you receive a W-2 scam email forward it immediately to your IT department and to

phishing@irs.gov and place "W-2 Scam" in the subject line.

Also, you should also notify the State by sending an alert to StateAlert@taxadmin.org.

- If you receive the W-2 scam email or if you believe that sensitive data has been stolen, file a complaint with the [Internet Crime Complaint Center](#).
- Promptly notify the employees whose Forms W-2 have been stolen.
- Employees should then review the recommended actions by the Federal Trade Commission at www.identitytheft.gov or the [IRS](#).
- Employees will need to also file a Form 14039, Identify Theft Affidavit, if their tax return is rejected because of a duplicate social security number or if they are instructed to so by the IRS.

Best Practices When Handling E-Mail

- If you receive an internal e-mail that appears to be suspicious (i.e. asking for protected data), pick up the phone and call the sender or ask them directly in person to verify the legitimacy of the email.
- Other signs that an e-mail may be suspicious include the use of all capital letters, spelling errors, typos, and grammatical errors. Try to avoid opening these emails in the first place.
- If you do open the email, do not proceed to

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click on any links, open any attachments, or download any files. If you open an attachment or download a file, contact your IT department immediately.

- If you do click on a questionable link inadvertently and are prompted to log-in with your user credentials, register your credentials, or provide confidential information do not proceed to do so. Notify your IT department instead.

- If you do end up logging your credentials on a questionable web-site or disclosing confidential information, change your password immediately and let your IT department know what has happened right away.

Bidding Thresholds Increase

The Pennsylvania Department of Labor and Industry has published the authority and municipal bidding thresholds for 2017. Effective January 1, 2017 the bidding thresholds for most municipalities and authorities are as follows:

1. Purchases and contracts below \$10,700 require no formal bidding or written/telephone quotes.
2. Purchases and contracts between \$10,700 and \$19,700 require three written/telephone quotes.
3. Purchases and contracts over \$19,700 require formal bidding.

Note that there are exceptions to these requirements for bidding as outlined in the regulations, including those for professional services. Read more on the regulations at <http://www.pabulletin.com/secure/data/vol46/46-50/2154.html>

Fraud Overview and Prevention

The Local Government Academy is offering a free online course at:

[http://
localgovernmentacademy.org/
fraud-overview-and-
prevention/](http://localgovernmentacademy.org/fraud-overview-and-prevention/)



This course on fraud is presented by our Partner, Tim Morgus. Fraud is an intentional act involving deception to obtain an unjust or illegal advantage. Local governments experiencing fraud face loss of assets, fiscal position and public trust. External audits do not protect against fraud. As such, local government officials need to know how to spot and combat fraud.

Maher Duessel New 2017 Hires

- Andrew Lacek joined the Harrisburg office as **Experienced Staff** in November.
- Kathy Kreinbucher joined the Butler office as an **Administrative Professional** in December.
- Ryan Bozman and John Stoner joined the Harrisburg office as **Audit Interns** in January.
- Christa Lerch joined the Pittsburgh office as **Staff** in January.
- Jason Swartley joined the Harrisburg office as **Staff** in January.
- Brenda Hicks joined the Harrisburg office as an **Administrative Professional** in January.
- Jahniah McAllister joined the Pittsburgh office as an **Administrative Intern** in January.
- Gina Wirfel, CPA joined the Harrisburg office as **Experienced Staff** in February.



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**Winter 2017
Government News Nuggets**

Procurement Under The Uniform Guidance

By Peggy Jo Campbell, CPA,
Senior Manager
pcambell@md-cpas.com



Procurement Under The Uniform Guidance

In December 2013, the U.S. Office of Management and Budget (OMB) issued comprehensive grant reform rules titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” (*Uniform Guidance*). Under the *Uniform Guidance*, procurement is one of the areas that had significant changes. Note that there was a grace period which delayed the applicability of the Procurement Standard for two full fiscal years, but beginning with fiscal years that commence on January 1, 2017, this Standard is now applicable.

Procurement Types

There are three main procurement types:

- Micro Purchases—Purchase threshold of \$3,000
- Simplified Acquisition or Small Purchase Procedure—small purchases of less than \$150,000
- Above Simplified Acquisition Threshold—purchases greater than \$150,000

What is Required for Micro Purchases?

- No bid or quote process is required.
- Micro-purchases should be equitably distributed among qualified suppliers.

- No cost or price analysis is required.

What is Required for Small Purchase Procedures?

- Price or rate quotations must be obtained from an adequate number of qualified sources.
- Your organization’s internal written policy must define the number and methods of obtaining quotes.

What is Required for Above Simplified Acquisition Threshold Purchases?

- Sealed bids are the preferred method for procuring construction services. The *Uniform Guidance* requires that sealed bids contain project specifications or a purchase description, that a minimum of 2 bidders are solicited, that the solicitation be bid at a fixed price, and the solicitation and bid opening be made public.
- The other option for procurement for non-construction items/services is competitive proposals. In this case, a request for proposal is required along with an adequate number of bidders, and a written method of evaluation, considering price and other advantageous factors.
- A cost or price analysis must be performed.

Procurement Under The Uniform Guidance

By Peggy Jo Campbell, CPA,
Senior Manager
pcambell@md-cpas.com



There are scenarios where non-competitive proposals can be sought when acquisition costs are above or below simplified acquisition thresholds. These scenarios include:

- The item and service is only available from one single source.
- A public exigency or emergency won't permit a delay resulting from competitive solicitation.
- The federal awarding agency or past through entity has expressly authorized non-competitive proposals.
- After solicitation of several sources, competition is determined to be inadequate.

The following general standards must be adhered to for all purchase types:

- The purchase complies with written procurement policies and procedures.
- Procurement must be necessary.
- Procurement can't present a conflict of interest.
- Procurement must be subject to full and open competition.
- Proper documentation of purchase.

Procurement Records

To be in compliance with the *Uniform Guidance*, your organization must adhere to the following requirements for your procurement records.

- You must use your own documented procurement procedures.
- You must maintain oversight over contractors.
- You have documented written standards of conduct covering conflicts of interest and

governing employees who select, award, or administer contracts.

- You maintain written standards of conduct covering organizational conflicts of interest (i.e. parent, affiliate, or subsidiary organizations).
- You must maintain records that provide the history of the procurement (rationale for purchase, selection of contract type, contractor selection, and the basis for contract type).

Contract Cost and Price

What does the *Uniform Guidance* require regarding contract cost and price?

- You must make an independent estimate before receiving bids or proposals.
- You must negotiate profit as a separate element of the price for each contract for which there is no price competition, and in all cases where a cost analysis is performed.
- To establish a fair and reasonable profit, the following should be taken into account:

1. Complexity of work performed
2. Risk borne by contractor
3. Contractor's investment
4. Amount of subcontracting
5. Industry profit rates in the surrounding geographical area for similar work

- Costs/prices based on estimated costs for contracts are allowable if the costs incurred or cost estimates would be allowable under Subpart E – Cost Principles for the entity.
- Cost plus a percentage of cost and percentage of construction cost methods must not be used.

When Are Time and Material Type Contracts Allowed and What is Required?

Time and material type contracts are permissible when your organization has determined that no other contract is suitable. A time and material type contract is defined as a contract whose cost to the nonfederal entity is the sum of the actual cost of materials and direct labor hours charged at a fixed hourly rate (wages, general and administrative expenses, and profit). A time and material type contract is generally an open-ended contract price, where the contract sets a ceiling price that the contractor exceeds at its own risk.

Procurement Under The Uniform Guidance

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Senior Manager
pcambell@md-cpas.com



For this type of contract, you must assert a high degree of oversight to ensure the contractor is using efficient methods and effective cost controls.

What Provisions Must be in Your Acquisition Contract?

- Equal Employment Opportunity
- Davis-Bacon Act
- Contract work hours and safety standards act
- Right to inventions made under a contract or agreement
- Clean Air Act
- Debarment and suspension (refer to www.sam.gov, a website database of people or entities that are suspended or debarred from performing federally funded work)
- Byrd Anti-Lobbying Amendment

For contracts greater than \$150,000, the contract provisions must address administrative, contractual, or legal 3 remedies where contractors violate or breach contract terms.

For contracts greater than \$10,000, the contract provisions must address termination for cause.

How Can Your Organization Comply With the Updated Procurement Requirements?

- Ensure all the “musts” in the *Uniform Guidance* are followed.
- Update your procurement policies
 1. Implementation of purchase check lists and forms
 2. Determine what the “adequate number of source” definition is for your organization

3. Use small business enterprises and minority, women, and veteran owned businesses when feasible.
4. Ensure that policies are written, documented, and communicated.
5. Monitor new policies.
6. Assess internal controls along with policies.

- Update your standard contract wording (refer to Appendix 2 of the *Uniform Guidance*).
- Identify conflicts of interest among employees with contract or procurement responsibilities.
- Devote resources to the training and hiring of employees who are procurement specialists.
- Utilize pre-qualified bidder lists.

The preceding article was adapted from our December, 2016 Government Update Continuing Professional Education Seminar. If you missed our seminar and would like electronic copies of the handouts please contact roqun@md-cpas.com.

Maher Duessel Upcoming Speaking Engagements

March 10, 2017

2017 Yellow Book Workshop

The Georgia Society of CPA's
Diane E. Edelstein, CPA, Partner

April 23, 2017

Foundations of Governmental Accounting

GFOA-PA Annual Conference
Penn Stater Conference Center Hotel
Tracey L. Rash, CPA, CGFM, Partner

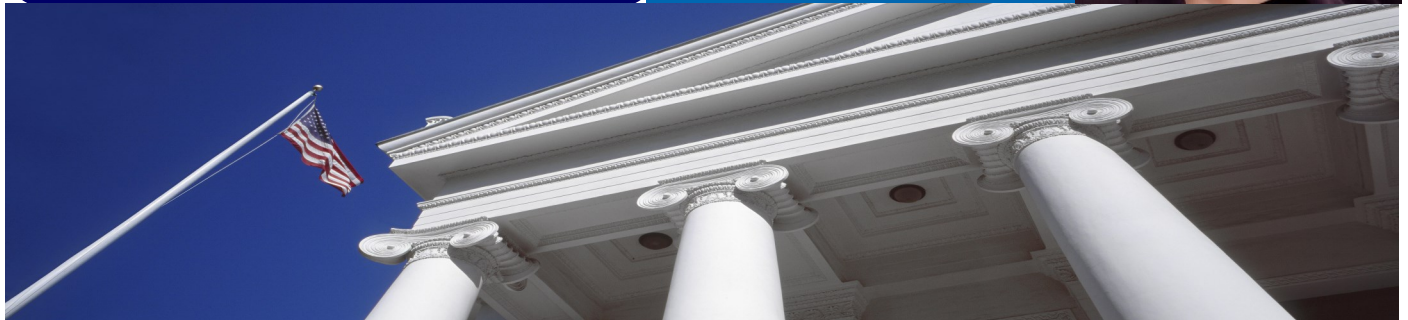


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Winter 2017
Government News Nuggets

Single Audit: Get Off to a
Good Start with an Error Free
SEFA

By Diane E. Edelstein, CPA
Partner,
dedelstein@md-cpas.com



Single Audit: Get Off to a Good Start with an Error Free SEFA

SEFA Errors and the Single Audit

The *Uniform Guidance* (2 CFR Chapter 1, Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) is the standard that both Auditors and Auditees must follow when a Single Audit is performed.

If your organization must have a Single Audit, the first step is to develop the Schedule of Expenditures of Federal Awards (SEFA), which is your responsibility. In certain cases, Maher Duessel can be hired to help with the non-audit services of drafting the SEFA. There have been numerous errors noted by Peer Reviewers and Inspector General auditors connected to the SEFA.

Many of these errors are based on new requirements for the SEFA that the *Uniform Guidance* put into place. If these errors can be identified sooner or prevented in the first place, the Single Audit reporting will proceed more smoothly. A clean error free SEFA will help to ensure that the Single Audit is in compliance with the *Uniform Guidance*.

Errors associated with the SEFA can lead to an audit having to be reissued.

Common SEFA Errors

- Incorrect amounts, estimated amounts, or incomplete reporting on the SEFA can lead to inaccuracies in Major Program Determination. These inaccuracies can lead to Maher Duessel having to go back and audit another major program because the A/B threshold has changed, or a final adjustment has increased the program total to turn a B program into an A program.
- The SEFA must have cluster names and cluster totals. There are numerous clusters noted in the Compliance Supplement. There are cases where failure to identify a cluster can lead to a missed major program.
- In some cases, if the SEFA had only one program or the program was very small, the cluster name and total is missing.
- Failure to include on the face of the SEFA the amount passed onto sub-recipients. (Under the A-133 requirements, this was permitted to be a footnote.)
- Failure to include in the footnote to the SEFA whether or not the non-federal entity elected to use the 10% de minimis cost rate.
- Failure to include the ending balance of a loan in the footnote (The *Uniform Guidance* has clarified that the beginning balance goes on the SEFA.)
- Failure to place non-cash awards on the face of the SEFA. (Under the A-133 guidance, these could be included in the footnote presentation.)

Single Audit: Get Off to a Good Start with an Error Free SEFA

By Diane E. Edelstein, CPA
Partner,
dedelstein@md-cpas.com



How Maher Duessel is Helping to Ensure Compliance

At Maher Duessel we have enhanced our review process to identify missing or inaccurate clusters. We will continue our robust internal review to ensure the required elements of the SEFA are presented. We also require our auditors, before issuing a report final, to redo their Major Program Determination using the numbers in the final SEFA to ensure proper selection of the major program.

New Maher Duessel Promotions in 2017

- Lindsay Saenz, CPA, has been promoted from **Senior** to **Supervisor**.
- Jessica Strigle, CPA, has been promoted from **Senior** to **Supervisor**.
- Ryan Nedley has been promoted from **Experienced Staff** to **Senior**.
- Christina Kotun has been promoted from **Experienced Staff** to **Senior**.
- TJ Gustafson has been promoted from **Experienced Staff** to **Senior**.
- Justin Arnt has been promoted from **Experienced Staff** to **Senior**.

And Special Recognition To...

- Partners David Duessel, CPA, CGFM; Diane Edelstein, CPA; Jeff Kent, CPA; Betsy Krisher, CPA, CGFM, Brian McCall, CPA, CGFM; Lisa Ritter, CPA, CFE; and Tracey Rash, CPA, CGFM have all received the **AICPA's Advanced Single Audit certification**
- Partner Tracey Rash has been appointed **Treasurer** of the **Government Finance Officers Association State Board**.
- Manager, Janet Feick, CPA has received the **AICPA's Advanced Defined Contribution Plans Audit Certificate**.
- Senior Ryan Nedley and Experienced Staff Sara Reed have become **licensed Pennsylvania CPAs**.

MaherDuessel

Certified Public Accountants

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Government News Nuggets 2017 Winter Edition



Pittsburgh Office

D.L. Clark Building
503 Martindale Street
Suite 600
Pittsburgh, PA 15212
412.471.5500

Erie Office

1001 State Street
Suite 1400
Erie, PA 16501
814.480.5777

Harrisburg Office

3003 North Front Street
Suite 101
Harrisburg, PA 17110
717.232.1230

Butler Office

112 Hollywood Drive
Suite 204
Butler, PA 16001
724.285.6800

State College Office

237 South Allen Street
Suite 337
State College, PA 16801
412.471.5500



Appendix F: Exhibit A Pricing Form



EXHIBIT A Pricing Page

| Description | Quantity | Unit Cost | Extended Cost |
|---|----------|-----------------|-----------------|
| Independent Audit Services for Fiscal Year 2017 | 1 | \$20,400 | \$20,400 |
| FY 2017 - Additional Cost for Federal Funds * | 1 | \$3,000 | \$3,000 |
| Independent Audit Services for Fiscal Year 2018(2nd year optional renewal) | 1 | \$21,000 | \$21,000 |
| FY 2018 - Additional Cost for Federal Funds * (2nd year optional renewal) | 1 | \$3,000 | \$3,000 |
| Independent Audit Services for Fiscal Year 2019 (3rd year optional renewal) | 1 | \$21,600 | \$21,600 |
| FY 2019 - Additional Cost for Federal Funds* (3rd year optional renewal) | 1 | \$3,000 | \$3,000 |
| Independent Audit Services for Fiscal Year 2020 (4th year optional renewal) | 1 | \$22,200 | \$22,200 |
| FY 2020 - Additional Cost for Federal Funds* (4th year optional renewal) | 1 | \$3,000 | \$3,000 |
| TOTAL BID AMOUNT | | \$97,200 | \$97,200 |

* In any year the SBA utilizes Federal funds, this is the additional cost to be paid for the preparation of documents relating to the Single Audit Act. Any year the SBA does not have Federal Funds then this cost will not be paid.

Please provide vendor contact information below:

VENDOR CONTRACT MANAGER NAME - Jeffrey W. Kent, CPA

VENDOR NAME - Maher Duessel

VENDOR ADDRESS - D.L. Clark Building, 503 Martindale Street, Suite 600, Pittsburgh, PA 15212

VENDOR PHONE NUMBER - 412.535.5539

VENDOR FAX NUMBER - 412.471.5508

VENDOR CONTACT E-MAIL - jkent@md-cpas.com



Appendix G: Exhibit B Vendor Preference Certificate



State of West Virginia

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 Vendor Preference, if applicable.

1. **Application is made for 2.5% 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;
 Bidder is a resident vendor partnership, association, or corporation with at least eighty percent of ownership interest of bidder held by another entity that meets the applicable four year residency requirement; **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% 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% vendor preference for the reason checked:**
 Bidder is a nonresident vendor that employs a minimum of one hundred state residents, or a nonresident vendor which has an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia and employs a minimum of one hundred state residents, and for purposes of producing or distributing the commodities or completing the project which is the subject of the bidder's bid and continuously over the entire term of the project, on average at least seventy-five percent of the bidder's employees or the bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years and the vendor's bid; **or**,
4. **Application is made for 5% 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% 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% 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.
7. **Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with West Virginia Code §5A-3-59 and West Virginia Code of State Rules.**
 Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

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) rescind the contract or purchase order; 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.

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: Mahe Duessel

Signed: 

Date: May 24, 2017

Title: Partner

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



Appendix H: Certification and Signature Page



DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

 (Name, Title)

Jeffrey W. Kent, CPA, Partner

 (Printed Name and Title)

Maher Duessel, D.L. Clark Building, 503 Martindale Street, Suite 600, Pittsburgh, PA 15212

 (Address)

412.535.5539/412.471.5508

 (Phone Number) / (Fax Number)

jkent@md-cpas.com

 (email address)

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

 Maher Duessel

(Company)



 Jeffrey W. Kent, CPA, Partner

(Authorized Signature) (Representative Name, Title)

 Jeffrey W. Kent, CPA, Partner

(Printed Name and Title of Authorized Representative)

 May 24, 2017

(Date)

 412.535.5539/412.471.5508

(Phone Number) (Fax Number)



Appendix I: Purchasing Affidavit



STATE OF WEST VIRGINIA
Purchasing Division
PURCHASING AFFIDAVIT

MANDATE: Under W. Va. Code §5A-3-10a, 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: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. 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.

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.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"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 exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: Maier Duessel

Authorized Signature: *[Signature]*

Date: May 23, 2017

State of Pennsylvania

County of Allegheny, to-wit:

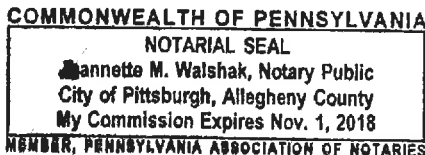
Taken, subscribed, and sworn to before me this 23 day of may, 2017.

My Commission expires 11-1, 2018.

AFFIX SEAL HERE

NOTARY PUBLIC *Jeanette M. Walshak*

Purchasing Affidavit (Revised 08/01/2015)





Appendix J: Proposal Form



REQUEST FOR QUOTATION
Independent Auditor Services

11. MISCELLANEOUS:

11.1. Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: Jeffrey W. Kent, CPA .
Telephone Number: 412.535.5539 .
Fax Number: 412.471.5508 .
Email Address: jkent@md-cpas.com .



Appendix K: Addendum Acknowledgement



ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: SBA170000001

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

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

Addendum Numbers Received:

(Check the box next to each addendum received)

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

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

Maher Duessel

Company



Authorized Signature

May 24, 2017

Date

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