

Proposal to Serve

School Building Authority of West Virginia

Year Ended June 30, 2017

RFQ Number: SBA1700000001
Attention: Melissa Pettrey
Bid Opening: May 25, 2017
Bid Time: 10:00am
Firm Name: Gibbons & Kawash, CPAs
Address: 300 Chase Tower
707 Virginia St., East
Charleston, WV 25301
Telephone: 304-345-8400
Fax: 304-345-8451
Contacts: Robert E. Adams

05/24/17 13:27:06
WV Purchasing Division

May 25, 2017

Melissa Pettrey
Department of Administration, Purchasing Division
2019 Washington Street, East
Charleston, West Virginia 25305-0130

Dear Ms. Pettrey:

We welcome this opportunity to provide our qualifications to once again serve the School Building Authority of West Virginia (the SBA). You know our track record of providing timely, effective auditing services, reliable counsel, and clear communication. Our team assigned to serve the SBA has many years of experience serving your organization and is familiar with the securities markets and the debt issuance environment in which you operate and the significant compliance requirements applicable to the SBA.

Gibbons & Kawash is uniquely positioned to serve you. Having previously served as your independent auditor, our understanding of the School Building Authority of West Virginia's operations simply cannot be matched. Our knowledge of your operations will ensure that your audit is conducted with uncompromising quality. In addition, we have access to the resources of one of the nation's largest accounting and advisory firms, BDO USA, and hundreds of other CPA and specialty consulting firms, through our membership in the BDO Alliance USA. We believe the depth and breadth of our experience is unmatched.

I can assure you that the opportunity to serve the School Building Authority of West Virginia is of great importance to us. I will personally see to it that you have prompt and ready access to our best people, and we will spare no effort to understand and meet your expectations. If you have any questions about our proposal, or need more information, please do not hesitate to contact me.

Very truly yours,



Robert E. Adams
Director

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EXECUTIVE SUMMARY

Gibbons & Kawash will provide the School Building Authority of West Virginia with **ultimate value**:

- **Resources.** Gibbons & Kawash is one of the area's leading CPA firms, and our talented people and state-of-the-art technology provide a distinct client service advantage. Combine our local capabilities with the power of the BDO Alliance USA, a nationwide association of independent CPA firms with the strength of 15,000 professionals and \$2.5 billion in revenues, and our resources are unsurpassed.
- **Experience.** The depth and breadth of our experience in serving closely held businesses is extensive, and we can draw upon the experience of the BDO Alliance USA as necessary. But more importantly, our experience in serving School Building Authority of West Virginia affords us a comprehensive understanding of your business that simply cannot be matched.
- **Quality.** To ensure the consistent delivery of superior quality service, we have developed a comprehensive system of quality control which covers every aspect of our practice. External quality control review reports have demonstrated that we maintain, on a continuing basis, the highest professional standards.
- **Accessibility.** Clear, proactive communication is our most important tool for maximizing efficiency and effectiveness, and is a year-round process. We will keep you informed about new audit and accounting issues that could affect your organization. And we encourage you to contact us anytime - your engagement team will always be accessible, and we won't bill you for brief phone consultations, unless extensive research is required.
- **Commitment.** We will be committed to meeting the timelines you establish, to actively seeking to add value to the services we provide, and to ensuring that we exceed your expectations.
- **No surprises - ever.** Not in the delivery of service, not in our final reports, and not in our fees. As your organization tackles its challenges and opportunities, you can rest assured that our firm will be there to offer dependable, superior quality service.

PROFILE OF GIBBONS & KAWASH

OVERVIEW

The services to be provided to the School Building Authority of West Virginia (the SBA) requires extensive experience in serving governmental entities to properly respond to your needs. Our experience in serving governmental entities, including previously provided audit services to the School Building Authority of West Virginia will enable us to effectively and efficiently meet the SBA's needs for quality and timely audit services.

GIBBONS & KAWASH'S PRACTICE

Gibbons & Kawash is a professional independent accounting firm which provides a full range of accounting and auditing, tax and management consulting services to clients throughout West Virginia and the surrounding region, and is a leading firm in providing auditing, accounting, and consulting services to nonprofit and governmental clients. Our governmental services practice professionals have many years of experience in providing competent, high quality audit services to State of West Virginia component units and local governments.

AN INDEPENDENT MEMBER OF THE



Gibbons & Kawash is an independent member of the BDO Alliance USA, a nationwide association of local and regional accounting and consulting firms. Membership enables us to access a level of expertise in specialties which are usually available only from large national and international CPA firms, without the high overhead costs.

As a member, we have access to vast resources and technical expertise, outstanding audit, tax and consulting professionals, and their specialty niche expertise with BDO USA, LLP serving clients through 50 offices and more than 400 alliance firm locations across the United States.

As an independent member of the BDO Alliance USA we offer the resources of a national firm, yet we remain autonomous so you are assured of a local presence of highly trained and knowledgeable experts with your needs in the forefront.

COMMITMENT TO QUALITY

At Gibbons & Kawash, an uncompromising commitment to provide superior quality service is the overarching principle which governs the administration of every engagement.

To ensure the consistent delivery of quality services, we have developed a comprehensive system of quality control which covers virtually every aspect of our practice. This system is formalized in a written quality control document to which every staff member is expected to adhere. The elements of our quality control system are as follows:

- Leadership responsibilities for quality
- Relevant ethical requirements
- Acceptance and continuance of clients and engagements
- Human resources
- Engagement performance
- Monitoring

PROFILE OF GIBBONS & KAWASH

Gibbons & Kawash is a member of the American Institute of Certified Public Accountants' Peer Review Program. The Program has established a self-regulatory process which includes requirements for peer review of the member firms every three years. These reviews, which are performed by knowledgeable independent CPAs from other firms, periodically evaluate and test systems of quality control of member firms. Our system of quality control provides assurance that we maintain, on a continuing basis, the highest professional standards to which we are committed. Our most recent external quality control review, which was completed on June 11, 2015, was performed by Hill, Barth and King. Their opinion, which was "pass" (the highest possible rating under the peer review standards), is on file with the AICPA and is included as Appendix B. This quality control review included governmental audit engagements.

Gibbons & Kawash is licensed and in compliance with all requirements to practice public accounting in the State of West Virginia. Furthermore, we have never been subject to any disciplinary or legal actions resulting from audit or assurance services, nor are there pending or threatened actions against the Firm as a result of such services.



The Governmental Audit Quality Center (GAQC) provides access to comprehensive resources that enhance the quality of audits performed for nonprofit organizations and governments in accordance with *Government Auditing Standards* and The Uniform Guidance. The GAQC membership provides our firm with timely information on a variety of technical, legislative and regulatory subjects that we can, in turn, apply to our audits to help ensure compliance with the appropriate standards and changes in regulations. By joining the GAQC, Gibbons & Kawash has committed to adhere to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner with oversight responsibility for the quality of our nonprofit and governmental audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report publicly available. The GAQC membership allows our firm to continue our quality initiatives within our nonprofit and governmental audit practice and demonstrates our continued commitment to deliver the most efficient quality audit possible.

INDEPENDENCE

Gibbons & Kawash is independent of SBA as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards* and independent of the State of West Virginia and any other component units of that entity, as defined by those same standards. Gibbons & Kawash shall give the Board written notice of any professional relationships entered into during the period of this agreement which may cause a conflict of interest.

CONTINUING PROFESSIONAL EDUCATION

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Gibbons & Kawash provides internal and external training on governmental accounting, auditing, reporting, and operations in excess of the GAO requirements. We continually monitor the issuance of technical auditing and accounting pronouncements and provide our personnel with specialized training in these areas. Professionals at the in charge level and above receive specialized training in seminars and courses presented by nationally recognized experts in governmental and nonprofit accounting, auditing and financial reporting. Gibbons & Kawash's professional staff has met all continuing professional education requirements within the proceeding two years.

PROFILE OF GIBBONS & KAWASH

EXPERTISE IN COMPUTERIZED SYSTEMS

Gibbons & Kawash is committed to providing our professionals access to the latest technology in order to ensure optimum levels of efficiency in our engagements. We use state-of-the-art "paperless" audit techniques which enable our professionals to spend more time on judgment matters and in-depth research and analysis, rather than on "number crunching" and other mechanical aspects of client service, and enhances efficiency by allowing for quick updating of documentation from year-to-year.

With an internet connection, our personnel can work from anywhere and have complete access to the Firm's local area network as well as access to multiple high quality research sites for research of accounting and auditing issues. Our electronic audit workpaper software allows efficient integration of client prepared word and excel files into our workpaper files.

We combine the use of spreadsheet, word processing, and trial balance software to perform the most efficient audits possible. Some of the benefits of full automation include the ability to:

- Import data directly from your accounting system, thereby eliminating manual keypunching
- Spend more time on judgment matters and in-depth research and analysis rather than on "number crunching" and other mechanical aspects of client service
- Prepare graphs for management presentations; and use pre-formatted spreadsheets from year to year, allowing us to perform ratio and trend analysis on key accounts

We use the following software packages to perform the aforementioned tasks:



ProSystem Fx Engagement - A workpaper preparation program that produces financial statements, trial balances, journal entries, fluctuation and ratio analysis.



Checkpoint - Online access to an expansive library of tax, accounting, auditing, and corporate finance content, including primary source materials and expert analysis.



IDEA - A powerful data extraction and analysis program that provides us with access to large amounts of data from which can we quickly import, join, analyze, sample and extract data from almost any source. Through data extraction and analysis programs, a significant amount of information can be evaluated for unusual relationships, which may be the result of erroneous data.



ProSystemfx Portal - Our client portal offers convenient online storage space in which your confidential information can be uploaded, downloaded, stored and shared in a safe and secure environment.

Encryption

All data on Gibbons & Kawash computers, including our workpapers in our computerized audit documentation management system, is encrypted using a 256-bit algorithm. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Gibbons & Kawash personnel.

QUALIFICATIONS AND EXPERIENCE

The School Building Authority of West Virginia is a complex local government with extensive financial reporting and disclosure requirements, the SBA is subject to significant compliance and reporting regulations under *Government Auditing Standards*. Our personnel selected for your engagement team are experienced with the financial reporting and compliance requirements applicable to all funds and areas of operations of the SBA.

ENGAGEMENT TEAM

The ultimate success and quality of our professional services to the School Building Authority of West Virginia depends on our ability to provide an experienced and capable client service team. We have selected a group of individuals experienced in serving several of our governmental entities. Their resumes are presented in **Appendix A**.

Engagement Director - Robert E. Adams, CPA, will serve as the engagement director within this engagement. Rob will assume primary responsibility for the successful completion of the audit and will maintain contact with senior management of the SBA throughout the engagement to ensure that services and resources are provided to the SBA in a timely professional manner. Rob will also provide technical expertise to the audit team on accounting, auditing, and financial reporting matters and perform on-site review and supervision procedures. Rob has previous experience with SBA.

Engagement Quality Control Review Director - Robert A. Denyer, CPA, a director with Gibbons & Kawash who has extensive experience in serving not-for-profit and governmental clients, will serve as engagement quality control review director. The role of the engagement quality control review director is an essential element of Gibbons & Kawash's quality control program. Bob will be charged with objectively evaluating the significant judgments made by the engagement team and the conclusions reached in formulating our report. Bob has previous experience with SBA.

Senior Manager - Anthony Carpenter, CPA, will serve as the senior manager for the audit. Anthony will be responsible for developing the engagement plan, supervising and coordinating the efforts of the engagement team, identifying and researching technical issues, and administrative matters. Anthony will be in contact with you on a regular basis to ensure your needs and deadlines are met. Anthony has previous experience with SBA.

Senior Associate – Jamie Williams, CPA, will serve as the senior auditor in charge of field work. She will be present in the field on a daily basis to ensure the efficient and effective execution of the engagement plan. She will conduct the more complex areas of the audit while closely supervising and reviewing the work of the staff accountants. She will be a vital link in the chain of communication between your staff and ours.

GOVERNMENTAL PRACTICE

Gibbons & Kawash has a long tradition of providing the highest quality professional services to nonprofit and governmental clients. Our governmental and nonprofit practice is managed by a core team of professionals, including 4 directors. The core engagement team for the SBA has been selected from this pool of highly qualified professionals. The team's public sector experience includes cities, counties, authorities, and State of West Virginia agencies.

Gibbons & Kawash has a long tradition of providing the highest quality professional services to nonprofit and governmental clients. Our governmental experience includes the following:

State of West Virginia Agencies

- Public Service Commission of West Virginia
- Region VII Planning and Development Council
- **School Building Authority of West Virginia**
- Tobacco Settlement Finance Authority of West Virginia

QUALIFICATIONS AND EXPERIENCE

State of West Virginia Agencies (Continued)

- The West Virginia State Bar
- West Virginia's Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Board of Treasury Investments
- West Virginia College Prepaid Tuition and Savings Plan
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation
 - Division of Motor Vehicles
 - Division of Public Transit
 - Aeronautics Commission
 - Public Port Authority
- West Virginia Division of Highways for the Joint Committee on Government and Finance of the West Virginia Legislature
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- West Virginia Lottery
- West Virginia Municipal Pensions Oversight Board
- West Virginia Parkways Authority
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund

Other Governmental Entities

- Central West Virginia Regional Airport Authority
- City of Charleston
- Kanawha County Commission
- Kanawha County Parks and Recreation Commission
- Kanawha Valley Regional Transportation Authority
- Metro Emergency Operations Center of Kanawha County

EXPERIENCE WITH GOVERNMENTAL AUDITS

All of the above audits were performed in accordance with *Government Auditing Standards*, or *Uniform Administrative Requirements*, *Cost Principles*, and *Audit Requirements for Federal Awards* (Uniform Guidance).

GFOA'S CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING



Obtaining a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) is a goal for many governmental entities. Gibbons & Kawash is well qualified to assist governments in obtaining and maintaining these certificates.

QUALIFICATIONS AND EXPERIENCE

Gibbons & Kawash has provided technical assistance to the following state agencies in connection with obtaining the GFOA Certificate of Achievement for Excellence in Financial Reporting:

- City of Charleston, West Virginia
- West Virginia Board of Treasury Investments
- West Virginia College Prepaid Tuition and Savings Plan
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation, Division of Highways
- West Virginia Housing Development Fund
- West Virginia Lottery Commission
- West Virginia Parkways Authority

SERVICE APPROACH

Gibbons & Kawash understands that time and money are important concerns for our clients. We take these concerns seriously, and have designed our approach to yield a rate of return that is reflected in timeliness, effectiveness, and cost efficiency.

The following paragraphs describe some of the most significant elements of the Gibbons & Kawash service approach.

A SERVICE PHILOSOPHY BASED ON VALUE

We reject the notion that an audit is a commodity. First and foremost, we are in business to serve our clients, to help them solve their problems, achieve their objectives, and to make a solid contribution to their success. From the staff accountant to the engagement director, our people work to identify and respond to our clients' needs. We believe that in the course of conducting an audit, your accounting firm should generate information and develop insights that-in the hands of professionals who combine competence with judgment, maturity, and creativity-will result in improved controls, greater efficiencies, and clear, concise, and understandable financial reporting. It is this "value-added" philosophy to client service that has molded our approach to engagement management and distinguishes us from other firms.

CLEAR COMMUNICATION

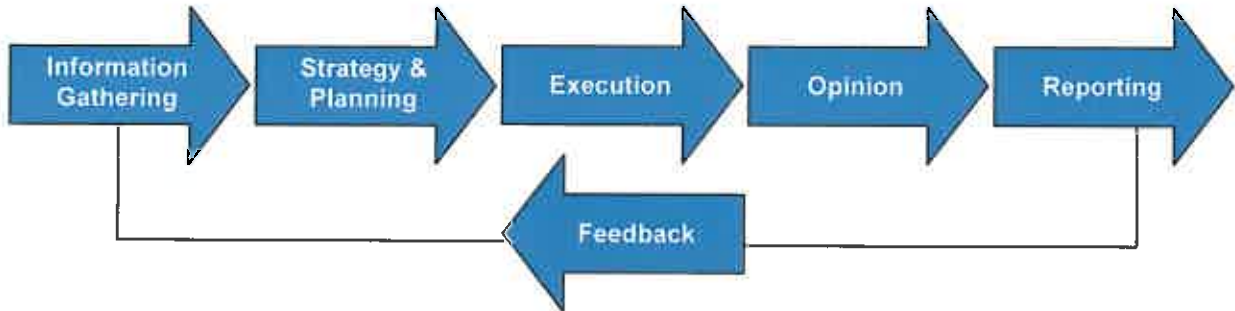
We value the candid exchange of ideas and opinions with our clients, and we maintain an open and robust dialogue with management and the board of directors. We believe that communication is the most important tool for maximizing audit efficiency and effectiveness.

- Prior to the audit, we will meet with senior management and the board of directors to assist us in planning the audit. Taking the time to listen to you during the planning process is crucial to ensuring that we understand your organization and its risks.
- Our key team members will also meet with management frequently during the engagement to keep you apprised of our progress, to discuss any issues that may arise, and to solicit feedback regarding our performance.
- At the conclusion of our audit, we will communicate in writing regarding the results of the audit and any internal control matters that are required by professional standards to be communicated and we will meet with the board of directors to discuss these matters.
- We also encourage contact throughout the year, and your client service team will be ready to consult with you any time you have a question. To demonstrate this commitment to meaningful dialogue, we do not bill for brief phone calls throughout the year. Of course, if a question requires extensive research, we will let you know and arrive at a fee estimate in advance.

SERVICE APPROACH

OUR METHODOLOGY

Our methodology is broken down into six phases:



- We will gather sufficient information on the key business/audit risks to enable us to design appropriate audit procedures, and conduct the audit in the most efficient manner and within the pre-agreed time frame and budget.
- Information gathering will also include a “prepared by client” list with agreed timetable for provision of information and pre year-end planning meetings.
- We will calculate an appropriate materiality level which reflects the perceived audit risk and is based on our in-depth understanding of your business.
- We will use suitably qualified staff to ensure an efficient audit, while maximizing the opportunity for value added service from their experience.
- We will ensure clear and timely communication of issues to avoid any surprises and to enable smooth reporting.

EMPHASIS ON PLANNING AND RISK ASSESSMENT

We recognize that every organization we serve is unique. Effective and thorough planning is the key to ensuring that our approach is tailored to meet your specific needs and is the cornerstone of successful engagement management. From this understanding emerges a written plan and work programs - road maps which will be used by the engagement team to execute field work.

The most critical part of planning an audit is risk assessment. Risk assessment refers to the auditor’s identification and assessment of risks of material misstatement at both the financial statement and relevant assertion levels. Obtaining an understanding of the organization, including its internal control, is an essential aspect of the consideration of risk. Our goal here is to get beyond the numbers, to develop a clear understanding of your organization, your goals and objectives, and the environment in which you operate.

Some risk assessment procedures which we will perform are as follows:

- Inquiries of management and others within the organization and those charged with governance, including specific inquiries related to fraud risks
- Analytical procedures
- Obtaining an understanding of internal controls (both entity- level and activity-level controls)
- Performing “walkthroughs” of key internal controls

SERVICE APPROACH

- Review of internal documents such as by-laws, minutes, and written policies and procedures
- Review of important contracts and agreements
- Engagement team "brainstorming" session to identify ways in which the financial statements could be misstated, especially as related to misappropriation or intentional misstatement

Once risk has been assessed, we are able to determine the quality and quantity of audit evidence required to limit that risk to an acceptable level. We will synthesize the information gathered during the planning and risk assessment procedures to develop a risk-based approach that concentrates audit effort on those areas where the dollar volume of transactions is significant and the risk of material misstatement is greatest.

STAFFING CONTINUITY

Our staffing and scheduling policies have historically been very successful in maximizing audit team continuity from year to year. Effective staff recruiting and retention is a top priority for our firm, because we realize that our most valuable investment is our people. We recruit only those who have achieved a high academic standing and have demonstrated commitment, ambition, and leadership skills, and offer them a proactive approach to staff development that includes a mentoring program, comprehensive training at every level, and performance evaluations after every significant engagement.

We view continuity of engagement teams to be in the best interest of the Firm and our clients. Staff repetition enhances audit effectiveness and efficiency, and is our guiding principle in scheduling. When personnel changes are unavoidable, the depth of our pool of experienced governmental and nonprofit professionals gives us the ability to select a replacement with relevant experience at comparable institutions.

OUR UNDERSTANDING OF YOUR REQUIREMENTS

From your request for proposal, we have obtained an understanding of your expectations for the public accounting firm with whom you will work in the future. Key among these are that your accounting firm should:

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

SERVICES TO BE PROVIDED

We will provide financial statement preparation assistance and an audit of the financial statements of the School Building Authority for the year ended June 30, 2017, with options to renew for the years ended June 30, 2018, 2019 and 2020, respectively, in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and if applicable, in accordance with the Uniform Guidance. We will also provide technical assistance in completing the special reporting requirements of the West Virginia

SERVICE APPROACH

Department of Administration's Financial and Reporting Section (FARS) and requirements of the Uniform Guidance as applicable.

We will also report on supplementary information such as the required FARS forms and the Schedule of Federal Awards as applicable which is other than RSI (Pension Schedules) that accompanies the SBA's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole.

In connection with our audit, we will also prepare a "management letter" which contains our comments and recommendations regarding opportunities for strengthening internal control and improving operational performance.

WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports will be retained, at our expense, for a minimum of three (3) years, unless we are notified in writing by the SBA of the need to extend the retention period. We will make working papers available upon request, to the School Building Authority.

In addition, we will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

TIMING OF SERVICES

We will complete each of the following by the dates indicated. These dates apply to the 2017 audit only. In all years, we will meet the deadlines of FARS and the SBA.

1. Audit Date

We will contact management (the Controller) upon notification of successful award to schedule planning and audit fieldwork for the year ended June 30, 2017.

2. Draft Reports

We will prepare drafts of the audit report and recommendations to management for their review by September 1, 2017. The Audit committee of the SBA will complete its review of the draft as expeditiously as possible. It is not expected that this process shall exceed one week. During that period, we will be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the SBA within seven (7) working days. It is anticipated that this process will be completed and the final report delivered by October 15, 2017.

3. Entrance Conferences, Progress Reporting and Exit Conferences

We will plan an entrance conference with SBA staff within two weeks of award. The purpose of this meeting will be to discuss potential audit problems and the interim work to be performed. This meeting will also be used to establish an overall liaison for the audit and to make arrangements for work space and other needs for the auditor.

We will also plan an exit conference with management to summarize the results of the fieldwork and to review significant findings.

4. Final report

SERVICE APPROACH

We will deliver the final report and fifteen (15) signed copies with any management letter issued will be delivered to the SBA by October 15, 2017.

AUDIT OBJECTIVES AND REPORTING

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) if applicable.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report, if applicable, on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and if applicable, the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit.

AUDIT PROCEDURES - GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

AUDIT PROCEDURES - INTERNAL CONTROL

In planning and performing our audit, we will consider the internal control sufficient to plan the audit and assess risk to determine the nature, timing, and extent of our auditing procedures for the purpose of

SERVICE APPROACH

expressing our opinion on the School Building Authority's financial statements and issuing a report on internal control over financial reporting and on compliance and other matters based on an audit performed in accordance with *Government Auditing Standards*.

Gibbons & Kawash will not express an opinion on the effectiveness of SBA's internal control over financial reporting. Our consideration of internal control over financial reporting is for the limited purpose described in the preceding paragraph and is not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses will be identified.

As required by the Uniform Guidance, if applicable, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

AUDIT PROCEDURES - COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the SBA's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit, and accordingly, we will not express such an opinion. However, we will report on the results of our tests if we discover any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Uniform Guidance, if applicable, requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the SBA's major programs. The purpose of these procedures will be to express an opinion on SBA's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

OTHER SERVICES

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of SBA in conformity with U.S. generally accepted accounting principles and the Uniform Guidance, if applicable, based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes and schedule services previously defined.

PHASES OF THE AUDIT

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

SERVICE APPROACH

Our audit approach for the Commission will consist of four phases:

- I. Comprehensive Planning Process, including internal control evaluation
- II. Development of Audit Plan
- III. Testing
- IV. Reporting

We have separated the audit process into the above phases to emphasize certain significant aspects of each phase. However, the performance of phases I and II will occur concurrently due to the interrelationship of the various steps of these phases. Below is a summarized schedule of estimated audit hours by audit phase:

Audit Phase	Audit Hours			
	Directors	Managers	Staff	Total
Comprehensive Planning, including Internal Control Evaluation	10	18	4	32
Development of Audit Plan, including preparation of audit programs	4	12	10	26
Testing of Financial Data and Compliance requirements	10	25	130	165
Reporting	8	12	16	36
Total hours	<u>32</u>	<u>67</u>	<u>160</u>	<u>259</u>

Phase I: A Comprehensive Planning Process and Internal Control Evaluation

A comprehensive planning process is an important cornerstone in the process of adapting our audit approach to the special needs of the SBA. Effective and thorough planning allows for the early identification and resolution of audit issues, development of an agreed-upon audit timetable and required assistance from SBA personnel. We believe our prior experience with the SBA and other governmental entities will minimize time required of SBA personnel during the planning phase.

Gaining an Understanding of the Client's Business

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

Planning Analysis

An analytical review of the SBA's accounts will then be performed. Based on these analytical reviews and our prior experience, we will identify accounts and information streams that are significant and which may require particular attention.

Risk Assessment

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

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

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

SERVICE APPROACH

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

We plan to concentrate our audit effort on those areas where the dollar volume of transactions is significant and the risk of material misstatement is greatest. To minimize the level of audit effort, particularly in low-risk areas, we will make extensive use of analytical and quantitative techniques to support the opinion on the financial statements of the SBA. We view analytical procedures such as economic and ratio analysis, and statistical sampling as a continuum of techniques to be matched against a continuum of audit risk, ranging from low to high. The audit tools used in each audit area will be matched against the specific audit risks of that area.

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

Laws, regulations, contracts and grants

Identifying and ensuring that the SBA complies with laws and regulations is the responsibility of management. We will include appropriate inquiries of management and staff of the SBA to identify laws and regulations in which noncompliance could have a direct and material effect on the financial statements. We will also review relevant portions of the West Virginia Code, code of State Rules, and relevant regulations, as well as significant grants and awards, including federal grants programs, if any. We will test the provisions of those laws, regulations, grants and contracts for noncompliance which could have a direct and material effect on the financial statements.

Phase II: Development of Audit Plan

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

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

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

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

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

Phase III: Testing

After preparing the tailored audit programs for each entity, we will conduct tests to meet specific audit requirements discussed later in this section.

SERVICE APPROACH

Test Internal Controls (Compliance Tests)

We will test compliance with established control procedures designed to verify that the significant strengths within the system are functioning as described to us. We will also test internal controls and compliance requirements designed to ensure the SBA complies with applicable laws and regulations as required by *Government Auditing Standards*.

Test Financial Data (Substantive Tests)

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

Such tests will include a significant sample of capital grant expenditures, review of invoices supporting payments, etc.

Tests of Compliance with Laws, Regulations and Grants

We will identify and select transactions for testing in accordance with the requirements of *Government Auditing Standards*.

Statistical Auditing Techniques

Gibbons & Kawash will use statistically valid sampling techniques whenever it is considered to be cost-effective. Under this approach, the actual sample sizes are dependent on the assessed risk (which cannot be determined until significant planning effort has been completed), account or transaction class balance, and nature/composition of the population to be sampled.

Phase IV: Reporting

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

We will issue our report on the fair presentation of the SBA's financial statements in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and if applicable, the Uniform Guidance.

In addition, we will make an immediate written report of all fraud and illegal acts of which we become aware, to the State Comptroller and the Financial Accounting and Reporting Section of the Department of Administration under the authority of Section 5A-2-33 of the State Code.

Finally, we will inform the SBA of each of the following:

- The auditor's responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments

SERVICE APPROACH

- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountant
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Significant abuse

REQUIRED AFFIRMATIVE STATEMENTS

Independence

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

Licensure

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

Insurance

Gibbons & Kawash maintain insurance for professional liability in excess of \$1,000,000 and can provide evidence of insurance upon request.

Desk Reviews

Gibbons & Kawash has not been subjected to any federal or state desk reviews or field reviews of any of its audits in the past three years. There have been no actions taken against the Firm or any of its members or employees by any regulations or authorities.

PROFESSIONAL FEES

RATE STRUCTURE AND FEES

The professional fees presented in this proposal are based on our best assessment of the time and resources required to provide audit services for the School Building Authority of West Virginia at our standard hourly rates.

We are mindful of your need to conserve resources and control costs. We will share management's cost concerns, and will work closely with your personnel to enhance the efficiency and cost-effectiveness of our services.

We will spare no effort to find common ground for providing the level of services the SBA requires, and at a reasonable cost. We will never ask you to pay a fee that you do not believe to be fully justified.

ESTIMATED FEES AND COSTS

The detailed pricing page is presented as **Appendix C**.

HOURLY RATES

Our fees for services will be based on the experience and skills of the individuals who are needed to provide the services.

Our standard hourly rates are as follows:

Partner	\$	225
Senior Manager		170
Manager		140
Senior		125
Staff		110

APPENDIX A

QUALIFICATIONS AND EXPERIENCE OF THE ENGAGEMENT TEAM

APPENDIX A



Robert E. Adams, CPA, CGMA

DIRECTOR

304-345-8400 ph
304-345-8451 fax
radams@gandkcpas.com

Experience

Rob's professional experience during the past 20 years has included significant responsibilities providing audit, tax, and consulting services to numerous public sector entities. Rob's experience auditing several large state governmental entities, local governments, and nonprofit organizations is extensive. His service to governmental organizations includes the following:

- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Charleston Urban Renewal Authority
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- Kanawha County Parks and Recreation Commission
- Kanawha Valley Regional Transportation Authority
- Metro Emergency Operations Center of Kanawha County
- **School Building Authority of West Virginia**
- Tobacco Settlement Finance Authority
- West Virginia Alcohol Beverage Control Administration
- West Virginia Board of Treasury Investments
- West Virginia College Prepaid Tuition and Savings Plan
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation - Division of Highways
- West Virginia Department of Transportation
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Housing Development Fund
- West Virginia Independent Colleges and Universities
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- West Virginia Lottery Commission
- West Virginia Municipal Pensions Oversight Board
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund

Professional Activities

Rob is a member of the American Institute of Certified Public Accountants, the West Virginia Society of Certified Public Accountants, and the Charleston Chapter of the West Virginia Society of CPAs. He is the Firm's Director assigned to the Government Audit Quality Center. Rob is a board member of West Virginia Kids Count.

Education

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

Continuing Professional Education

Rob is in compliance with all applicable CPE requirements.

APPENDIX A



Robert R. Denyer, CPA

DIRECTOR

304-345-8400 ph
304-345-8451 fax
rdenyer@gandkcpas.com

Experience

Bob has more than 35 years of experience in providing audit, tax, and consulting services to public sector entities, state agencies, nonprofit organizations, and local governments. His in-

depth industry knowledge includes such areas as federal grant compliance, indirect cost reimbursement, employee benefit plan issues, and internal control and operational matters. His service to governmental entities includes the following:

- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Charleston Urban Renewal Authority
- City of Charleston, West Virginia
- Kanawha County Parks and Recreation Commission
- Kanawha County, West Virginia
- Kanawha Valley Regional Transportation Authority
- Metro Emergency Operations Center of Kanawha County
- **School Building Authority of West Virginia**
- Tobacco Settlement Finance Authority
- West Virginia Alcohol Beverage Control Administration
- West Virginia Board of Treasury Investments
- West Virginia College Prepaid Tuition and Savings Plan
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation
- West Virginia Department of Transportation, Division of Highways
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Educational Broadcasting Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- West Virginia Lottery Commission
- West Virginia Municipal Pensions Oversight Board
- West Virginia Parkways Authority
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund

Professional Activities

Bob is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants, and the Charleston Chapter of the West Virginia Society of CPAs. He is as a board member and past president of the South Charleston Rotary Club and a member of the South Charleston Chamber of Commerce.

Education

Bob graduated from West Virginia University with a Bachelor of Science degree in business administration.

Continuing Professional Education

Bob is in compliance with all applicable CPE requirements.

APPENDIX A



Anthony Carpenter, CPA

SENIOR MANAGER

304-345-8400 ph
304-345-8451 fax
acarpenter@gandkcpas.com

Experience

Anthony has ten years of professional experience providing audit, tax, and consulting services to several non-profit organizations, local and state governmental entities, including several entities that operate large loan and investment portfolios, retirement plans, and privately held businesses. Anthony's clients include Uniform Guidance audits of governmental and nonprofit organizations. His service to public sector entities includes the following:

- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- City of Charleston, West Virginia
- Kanawha County, West Virginia
- Kanawha Valley Regional Transportation Authority
- Public Service Commission of West Virginia
- Region VII Planning and Development Council
- **School Building Authority of West Virginia**
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation - Division of Highways
- West Virginia Housing Development Fund
- West Virginia Independent Colleges and Universities
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Lottery Commission
- West Virginia Municipal Pensions Oversight Board
- West Virginia Parkways Authority
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Fund

Professional Activities

Anthony is a member of the American Institute of Certified Public Accountants, the West Virginia Society of CPAs, and the Charleston Chapter of the West Virginia Society of CPAs, he is a member of the Class of 2016 Leadership Kanawha Valley.

Education

Anthony graduated from West Virginia State University with a Bachelor of Science degree in business administration

Continuing Professional Education

Anthony is in compliance with all applicable CPE requirements.

APPENDIX A



Jamie Williams, CPA

SENIOR

304-345-8400 ph
304-345-8451 fax
jwilliams@gandkcpas.com

Experience

Jamie has four years of experience providing audit, tax, and consulting services to numerous governmental and nonprofit organizations, including component units of the State of West

Virginia, healthcare and local governmental clients. Her professional service to nonprofit and governmental agencies includes the following:

- City of Charleston, West Virginia
- Eastridge Health Systems, Inc.
- Kanawha County, West Virginia
- Logan-Mingo Area Mental Health, Inc.
- Seneca Health Services, Inc.
- Valley HealthCare System
- West Virginia Alcohol Beverage Control Administration
- West Virginia Board of Treasury Investments
- West Virginia College Tuition and Savings Plan
- West Virginia Division of Highways
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Solid Waste Management Board
- West Virginia Water Development Authority

Professional Activities

Jamie is a member of the West Virginia Society of CPAs and a member of the AICPA.

Education

Jamie graduated from Marshall University with a Bachelor's degree in Business Administration in Accounting and is a licensed CPA.

Continuing Professional Education

Jamie is in compliance with all applicable CPE requirements.

APPENDIX B

PEER REVIEW REPORT



SYSTEM REVIEW REPORT

June 11, 2015

To the Partners of
Gibbons & Kawash, A.C.
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Gibbons & Kawash, A.C. (the firm) in effect for the year ended February 28, 2015. 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 a 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 Gibbons & Kawash, A.C. in effect for the year ended February 28, 2015, 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*. Gibbons & Kawash, A.C. has received a peer review rating of *pass*.

Hill, Barth & King LLC

Certified Public Accountants

APPENDIX C

PRICING PAGE

Appendix C Pricing Page

Description	Quantity	Unit Cost	Extended Cost
Independent Audit Services for Fiscal Year 2017	1	25,184	25,184
FY 2017 - Additional Cost for Federal Funds *	1	6,880	6,880
Independent Audit Services for Fiscal Year 2018(2nd year optional renewal)	1	25,184	25,184
FY 2018 - Additional Cost for Federal Funds * (2nd year optional renewal)	1	6,880	6,880
Independent Audit Services for Fiscal Year 2019 (3rd year optional renewal)	1	25,184	25,184
FY 2019 - Additional Cost for Federal Funds* (3rd year optional renewal)	1	6,880	6,880
Independent Audit Services for Fiscal Year 2020 (4th year optional renewal)	1	25,184	25,184
FY 2020 - Additional Cost for Federal Funds* (4th year optional renewal)	1	6,880	6,880
TOTAL BID AMOUNT			128,256

* In any year the SBA utilizes Federal funds, this is the addition al 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 - Robert E. Adams

VENDOR NAME - Gibbons & Kawash, A.C.

VENDOR ADDRESS - 300 Chase Tower, 707 Virginia Street, East, Charleston, WV 25301

VENDOR PHONENUMBER- 304-345-8400

VENDOR FAX NUMBER- 304- 345-8451

VENDOR CONTACT E-MAIL - radams@gandkcpas.com

APPENDIX D

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENTAL ENTITIES

APPENDIX D

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENTAL ENTITIES

	<u>Years Served in Past 5 Years</u>	<u>Engagement Partner</u>	<u>Principal Client Contact</u>	<u>Phone Number</u>
West Virginia Alcohol Beverage Control Administration	June 30, 2012 - 2016	Robert E. Adams	Julia Jones	304-356-5500
West Virginia Board of Treasury Investments	June 30, 2012 - 2016	Robert E. Adams	Kara Hughes	304-340-1564
West Virginia Housing Development Fund	June 30, 2012 - 2016	Robert R. Denyer	Erica Boggess	304-345-6475
West Virginia Consolidated Public Retirement Board	June 30, 2011 - 2015	Robert R. Denyer	Terasa Miller	304-558-3570
West Virginia Lottery Commission	June 30, 2012 - 2016	Robert E. Adams	Dean Patrick	304-558-0500
West Virginia Infrastructure and Jobs Development Council	June 30, 2012 - 2016	Robert R. Denyer	Chris Jarrett	304-414-6500
West Virginia Water Pollution Control Revolving Fund	June 30, 2016	Robert E. Adams	Andy Roller	304-926-0499
West Virginia Water Development Authority	June 30, 2012 - 2016	Robert R. Denyer	Chris Jarrett	304-414-6500
West Virginia Department of Transportation, Division of Highways	June 30, 2015 and 2016	Robert E. Adams	Susan Creager	304-558-9420
West Virginia Solid Waste Management Board	June 30, 2011 - 2015	Robert E. Adams	Scott Norman	304-926-0448
West Virginia Drinking Water Treatment Revolving Loan Fund	June 30, 2012 - 2016	Robert R. Denyer	Chris Jarrett	304-414-6500
West Virginia Jobs Investment Trust	June 30, 2012 - 2016	Robert E. Adams	Andy Zulauf	304-345-6200
West Virginia Tobacco Settlement Finance Authority	June 30, 2012 - 2016	Robert E. Adams	Jane Shinn	304-558-4083
West Virginia Economic Development Authority	June 30, 2015 and 2016	Robert E. Adams	David Warner	304-558-3650
West Virginia College Prepaid Tuition and Savings Plan	June 30, 2016	Robert E. Adams	David Thomas	304-340-1595
West Virginia Municipal Pensions Oversight Board	June 30, 2011 - 2015	Robert R. Denyer	Jeffrey E. Fleck	304-356-2422

All of the above audits were performed in accordance with *Government Auditing Standards (GAS)* and/or the Uniform Guidance (UG).

APPENDIX E

**Purchasing Affidavit, Vendor Preference Certificate, Certification & Signature Page,
Addendum Acknowledgement, Payment Schedule, and RFQ**

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: Gibbons & Kawash, CPA's

Authorized Signature: _____

Date: 5/19/17

State of West Virginia

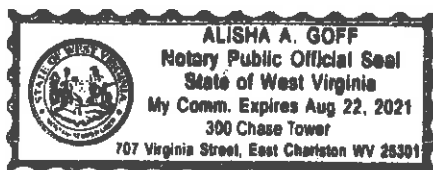
County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 19 day of May, 2017.

My Commission expires 8/22/21, 20 .

AFFIX SEAL HERE

NOTARY PUBLIC Alisha Goff



Purchasing Affidavit (Revised 06/01/2016)

WV-10
Approved / Revised
12/16/15

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: Gibbons & Kawash, CPA's

Signed: 

Date: 05/23/2017

Title: Director

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

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.

Robert E. Adams, Director

(Name, Title)

Robert E. Adams, Director



(Printed Name and Title)

707 Virginia Street East, Suite 300, Charleston, WV 25301

(Address)

304-345-8400 / 304-345-8451

(Phone Number) / (Fax Number)

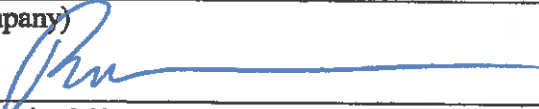
radams@gandkcpas.com

(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.

Gibbons & Kawash, CPA's

(Company)



(Authorized Signature) (Representative Name, Title)

Robert E. Adams, Director

(Printed Name and Title of Authorized Representative)

05/23/2017

(Date)

304-345-8400 / 304-345-8451

(Phone Number) (Fax Number)

**REQUEST FOR QUOTATION
SCHOOL BUILDING AUTHORITY
ANNUAL AUDITING SERVICES**

11.1 Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor 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: Robert E. Adams, CPA

Telephone Number: 304-345-8400

Fax Number: 304-345-8451

Email Address: radams@gandkcpas.com

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 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.

Gibbons & Kawash, CPA's

Company



Authorized Signature

5/25/17

Date

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

**Payment Schedule
For
Independent Auditor Services
Request For Quotation**

School Building Authority of WV

The School Building Authority of WV shall pay invoices based on a progressive pay as detailed in the schedule shown below.

Payment Schedule

- At the completion of the Preliminary Field Work, the vendor may invoice for up to 25% of the total of contract amount.
- At the completion of the Year End Audit Field Work, the vendor may invoice for up to 50% of the total of contract amount.
- At the completion of the Year End Audit Report, the vendor shall invoice for the final 25% of the total of contract amount.



Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25308-0130

State of West Virginia
 Request for Quotation
 34 - Service - Prof

Proc Folder: 327212

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

Proc Type: Central Contract - Fixed Amt

Date Issued	Solicitation Closes	Solicitation No	Version
2017-05-16	2017-05-25 13:30:00	CRFQ 0402 SBA1700000001	2

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25305
 US

VENDOR

Vendor Name, Address and Telephone Number:

FOR INFORMATION CONTACT THE BUYER

Melissa Pettrey
 (304) 558-0094
 melissa.k.pettrey@wv.gov

Signature X

FEIN # 55-0738985

DATE

5/25/17

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

ADDITIONAL INFORMATION:

Addendum No. 1
 is issued to publish and distribute the attached information to the vendor community.

Request For Quotation

The West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia School Building Authority to establish a contract for independent Auditing Services per the attached bid requirements, specifications and terms and conditions.

INVOICE TO		SHIP TO	
SCHOOL BUILDING AUTHORITY 2300 KANAWHA BLVD E		SCHOOL BUILDING AUTHORITY 2300 KANAWHA BLVD E	
CHARLESTON	WV25311	CHARLESTON	WV 25311
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Government auditing services	0.00000			

Comm Code	Manufacturer	Specification	Model #
93151807		<i>See Attached Proposal / PSA</i>	

Extended Description :
 Reference Exhibit A Pricing Page.

SBA1700000001	Document Phase Draft	Document Description Addendum No. 1 Independent Auditor Services for the SBA	Page 3
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ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions

