



Proposal for Professional Services

School Building Authority of West Virginia

May 25, 2017



500 Virginia Street, East
Suite 800
Charleston, WV 25301
D 304.343.0168
F 304.343.1895
www.dhgllp.com

May 25, 2017

Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

RE: CRFQ 0402 SBA1700000001

Dear Purchasing Division,

We are pleased to submit this proposal to continue providing assurance services to the School Building Authority of West Virginia (referred to herein as SBA or the Organization). Our goal and commitment is to provide the SBA with in-depth attention from an experienced, best-in-class client service team. We very much appreciate your consideration and trust that the accompanying information provides you with the right level of appreciation for why Dixon Hughes Goodman LLP (DHG) is the best professional services firm to continue as the independent auditor for the SBA. We are proud to bring you the following:

- **Solid Government Experience and Familiarity with the SBA** – For over half a century, DHG has provided professional services to governmental units of all sizes and complexities. As your current independent auditor, we are familiar with the SBA and its operations, so we are uniquely qualified to provide the requested financial statement audit.
- **An Experienced Team** – Our team is focused on providing the highest quality professional services in a timely, proactive manner at a reasonable cost. Your engagement team includes returning members who are familiar with the SBA and can help minimize disruption to you and your staff.

In short, we believe that DHG possesses not only the desired technical skills to provide the requested services, but also the familiarity with your operations to perform these services efficiently while minimizing disruptions to your operation.

The SBA is a valuable client of DHG and we appreciate your business as well as your consideration of DHG as your trusted business advisor to continue serving the SBA. Please feel free to contact us with any questions or comments regarding our proposal.

Sincerely,

Norman C. Mosrie, CPA
Partner

Further, we adhere to the independence rules, regulations, interpretations, and rulings of the SEC, PCAOB, AICPA, State CPA societies, State boards of accountancy, and, for applicable engagements, other regulatory agencies under which we practice. We are mindful of current legislative initiatives at both federal and state levels and monitor this activity to ensure our continuing compliance with all applicable guidance.

DHG is independent of the SBA and the State of West Virginia and any other component units of that entity, as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (1988). DHG agrees to give the SBA written notice of any professional relationships entered into during the period of the engagement that could create a potential conflict of interest. Further, we are not aware of any relationships between the Firm (and/or any of our clients) and the SBA that would impair our independence or objectivity.

Quality Control

In our commitment to your industry, we have established policies and procedures that go beyond these regulatory guidelines. The Firm's Risk Management Committee develops and oversees quality control procedures—for all Firm services—to which our professionals are required to adhere.

DHG is a member in good standing with the American Institute of Public Accounting government audit quality control center and complies with the quality control requirements to maintain **a-membership**. Accordingly, samples of our government audit engagements are subject to our peer review process. DHG has not had any negative Federal or State desk reviews or field reviews of its audits during the past three years.

We also participate in the American Institute of Certified Public Accountants' (AICPA) sponsored peer review program. The Firm's last completed peer review, conducted in 2014, resulted in a peer review rating of pass and that the system of quality control for the accounting and auditing practice met the objectives of quality control standards established by the AICPA and was in compliance during the year under review. A copy can be found in Appendix D.

Good Standing

DHG is a registered vendor in the State of West Virginia and is qualified to practice as Certified Public Accountants while remaining in good standing with the West Virginia Board of Accountancy. All assigned key professionals are licensed to practice in West Virginia.

Trusted Advisors to the Governmental Sector

DHG's extensive array of professional resources and experience with numerous governmental clients positions us to continue to be of great benefit to the SBA as you deal with current and future financial priorities and challenges. With our combination of professionals who have a proven track record working in the governmental sector and service team members who are seasoned in the complexities of governmental compliance, we are confident that DHG can continue to meet your requirements. We value the importance of helping our clients improve operational performance while helping to ensure compliance with laws, regulations and grant agreements. DHG has followed the standards of the Governmental Accounting Standards Board (GASB) financial accounting and reporting for state and local governmental clients since 1984 (the year GASB was founded). This experience has led to numerous successful implementations of GASB requirements.

DHG has more than 20 executives dedicated to the firm's governmental practice, as well as many more senior level staff with significant governmental experience who also work with other industries. Senior associates and

associates typically are not dedicated to a specific industry, but the firm has a significant number of staff that have experience on governmental audit engagements.

GFOA Certificate of Achievement

DHG also routinely assists governmental units in the successful attainment or retention of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. **Norman Mosrie**, your proposed engagement partner, is a GFOA special review committee member who assists the GFOA in evaluating submissions for the certificate of achievement. Our professionals understand the complexities and unique reporting issues facing governments today and are prepared to consult with the SBA management on accounting and financial reporting matters and to assist management with submissions under the GFOA Certificate of Achievement for Excellence in Financial Reporting program.

Industry Involvement

To further our commitment to the governmental industry, we spend our time and energy learning all we can about the issues and challenges facing your industry. We actively support and are involved in numerous local, regional and national associations and organizations, and we take pride in advising association leaders in how to help their members. Our involvement in these groups includes activities such as serving on boards, speaking and exhibiting at trade shows, writing articles for industry publications and sponsoring special events. Some of the organizations we are actively involved with include:

- AICPA Government Audit Quality Center
- Government Accounting Standards Board
- Association for Government Accountants
- Government Finance Officers Association—Special Review Committee
- National Association of Local Government Auditors
- Financial Accounting Standards Board

Similar Engagements

DHG is a full-service certified public accounting organization that provides a variety of services to authorities, boards, and commissions, local governmental units, and colleges and universities. The auditing services for this engagement will be primarily serviced from our Charleston office. Although we have the capacity to serve a large volume of clients including governmental entities with significant compliance requirements, we prefer to be very selective in the number to which we actually submit proposals. As a valued DHG client, we recognize that the SBA is our best reference. You understand firsthand the quality and timely service that you can expect to continue receiving from DHG.

Prior Engagements with the State of West Virginia

DHG has worked on the following engagements for the State of West Virginia within the past five years:

Entity	Scope of Work	Date	Contact Information	Partner/Principal In Charge	Total Hours	Office Location
West Virginia Offices of the Insurance Commissioner	Financial Statement Audit	2012–2015	Melinda Kiss CFO 304 558 8344	Norman Mosrie	750+	Charleston, WV
West Virginia Public Employees Insurance Agency	Yellow Book Audit	2015–present	Jason Haught CFO 304.558.7850 x 52642	Norman Mosrie	500+	Charleston, WV
West Virginia Retiree Health Benefit Trust Fund	Yellow Book Audit	2015–present	Jason Haught CFO 304 558 7850 x 52642	Norman Mosrie	500+	Charleston, WV
West Virginia Board of Risk and Insurance Management	Financial Statement Audit	2016–present	Steve Schumacher CFO 304.766.2646 x 107	Norman Mosrie	400+	Charleston, WV
School Building Authority of West Virginia	Financial Statement Audit	2014–present	Garry Stewart Director of Finance 304 558 2541	Norman Mosrie	275+	Charleston, WV

Similar Engagements with Other Governmental Entities

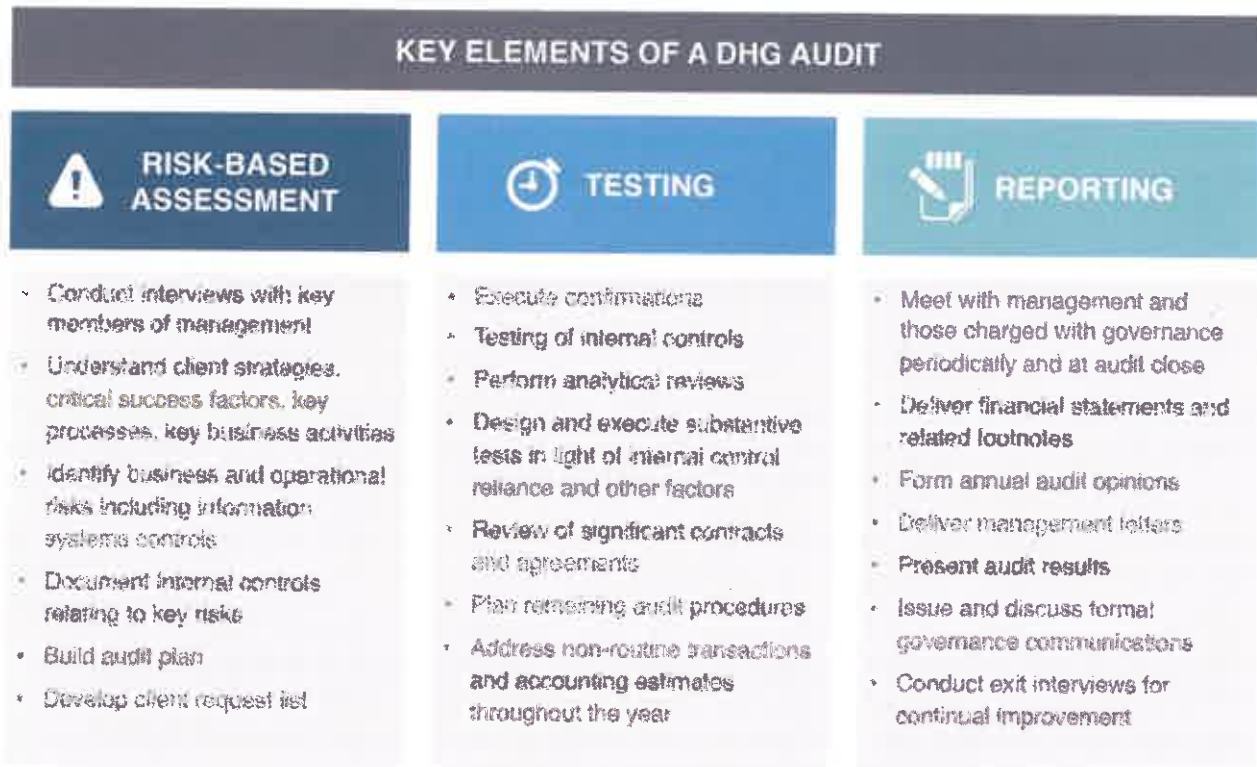
DHG has served government agencies for decades and the industry is one of the Firm's major industry groups. We serve as external auditors to government companies ranging from small companies to companies with net premiums exceeding \$500 million and assets exceeding \$1.0 billion. Below is a list of similar engagements with other governmental entities within the last five years:

Entity	Scope of Work	Date	Contact Information	Partner/Principal in Charge	Total Hours	Office Location
Dinwiddie County Water Authority	Yellow Book Audit Agreed Upon Procedures	1998--present	Robert Wilson Executive Director 804 861 0998	Leslie Roberts	1,000+	Chester / Richmond, VA
James City County Service Authority	Financial Statement Audit Yellow Book Audits Agreed Upon Procedures	2007--present	Sharon Day Assistant Director, Financial & Management Service 757.253.6633	Leslie Roberts	1,000+	Newport News, VA
Williamsburg/James City County Schools	Financial Statement Audit Agreed Upon Procedures	2007--present	Rene Ewing Comptroller 757 603.6418	Leslie Roberts	1,000+	Newport News, VA
Southeastern Public Service Authority	Financial Statement Audit Single Audit A-133 Agreed Upon Procedures	2011--present	Liesl DeVary Deputy Executive Director 757.961.3402	Hugh Barlow	1,000+	Newport News, VA
Economic Development Authority of the City of Richmond	Financial Statement Audit Yellow Book Audit	2012--present	Meda Lane Treasurer 804 521 4002	Leslie Roberts	750+	Richmond, VA

Audit Approach

The DHG audit is complete, thorough and valuable. Our audit will consider the SBA's operations, including processes and controls, in order to deliver a comprehensive audit focused on the key risk areas that may threaten the accuracy of the financial statements, as well as your business objectives. Through our methodology, we gain an extensive understanding of your business by integrating industry focused audit professionals with functional subject matter professionals to identify risks at all levels of your business.

In today's environment, we are equipped to provide proactive communications to both the management and members of the SBA's Board to the extent allowed by our professional standards. Our overall audit methodology is outlined below:



The scope of our audit will include those procedures we consider necessary to render our opinion on the SBA's financial statements. We will meet with the director of finance and others as appropriate early in the planning process to minimize the impact on normal work routines of the SBA's personnel.

As the proposed lead engagement partner, Norman Mosrie, will play an active role in overseeing the engagement. Norman will ensure that the engagement team has the right individuals with the appropriate experience and expertise to perform the engagement. Norman will also ensure that the audit is completed within the proposed timeline.

Conducting the Audit—Interim and Year-end Fieldwork

Audit fieldwork will be executed in accordance with our planning process and will reflect the results of our evaluation of existing internal controls.

Our understanding of the entity and its controls developed in the planning phase will be used to design procedures focused on the significant areas of the audit, which are expected to be cash and cash equivalents, investments, capital grants payable, long-term debt obligations, fund balances, intergovernmental revenue, capital grant expenditures, and debt service expenditures. Our planned procedures over these areas are as follows:

- We will confirm the existence of cash and cash equivalents and investments with the Board of Treasury Investments (BTI) and will request a copy of their audited financial statements. Given the wide variety of cash and cash equivalents, our procedures will be tailored to test valuation and existence of significant items and related investment income. Our audit procedures may utilize the IDEA software and valuation software such as EstateVal and Bloomberg Valuation Services. Valuation software will assist us to value “hard to value” assets and liabilities such as bonds, options, swaps, CMOs, over the counter securities, auction rate securities, and others. We may also use the valuation software to obtain industry and economic information, and obtain public company information. We will also test the reasonableness of investment earnings based on the information provided by BTI. Furthermore, we understand that the BTI will provide the SBA management with the information necessary to complete the required footnote disclosures.
- We will test capital grants payable through review of related agreements.
- We will test long-term obligations due within one year and due after one year through review of related debt agreements and confirmation procedures.
- Fund balance classification (i.e. restricted, committed, assigned, unassigned, and nonspendable) will be tested.
- Intergovernmental revenue will be tested through a combination of cash receipt testing, vouching to support agreements and analytic procedures.
- Capital grant and debt service expenditures will be tested through a combination of cash disbursement testing and analytic procedures.
- In order to assess the reasonableness of balances deemed low risk, we may design analytical procedures to test the balances.

Financial Reporting and Communications

Draft copies of audit reports and management letters will be made available to appropriate officials for discussion and clarification prior to final issuance. The final phase of the audit will include:

- Performing a final quality review of the audit working papers to ensure that all outstanding questions or issues have been resolved prior to drafting preliminary reports.
- Organizing comments and observations documented by audit team members, after clarifying assumptions with SBA personnel, into a draft version letter to the Board.
- Reporting on the SBA's financial statements, including reporting on internal control and compliance as required by GAS and reviewing the financial statements in draft form with appropriate SBA officials.
- Providing the SBA with our final reports by the agreed upon deadline.
- Presentation of audit results to the Board of the SBA.

Coordination of efforts will be occurring throughout the engagement, as discussed in the preceding sections, with our focus in this crucial area being to achieve two primary goals:

1. To establish and maintain open lines of communication between members of our engagement team, the SBA Board and management.
2. To provide an ongoing forum for the exchange of constructive suggestions before, during and after audit fieldwork for the benefit and improvement of both organizations.

Audit Sampling and Sample Sizes

The determination of audit sample size for test work is determined based upon the size of the population and our control risk assessment for that population. The sampling method used (haphazard, random or systematic) is determined based upon which method, in our audit judgment, will be most representative of the population tested.

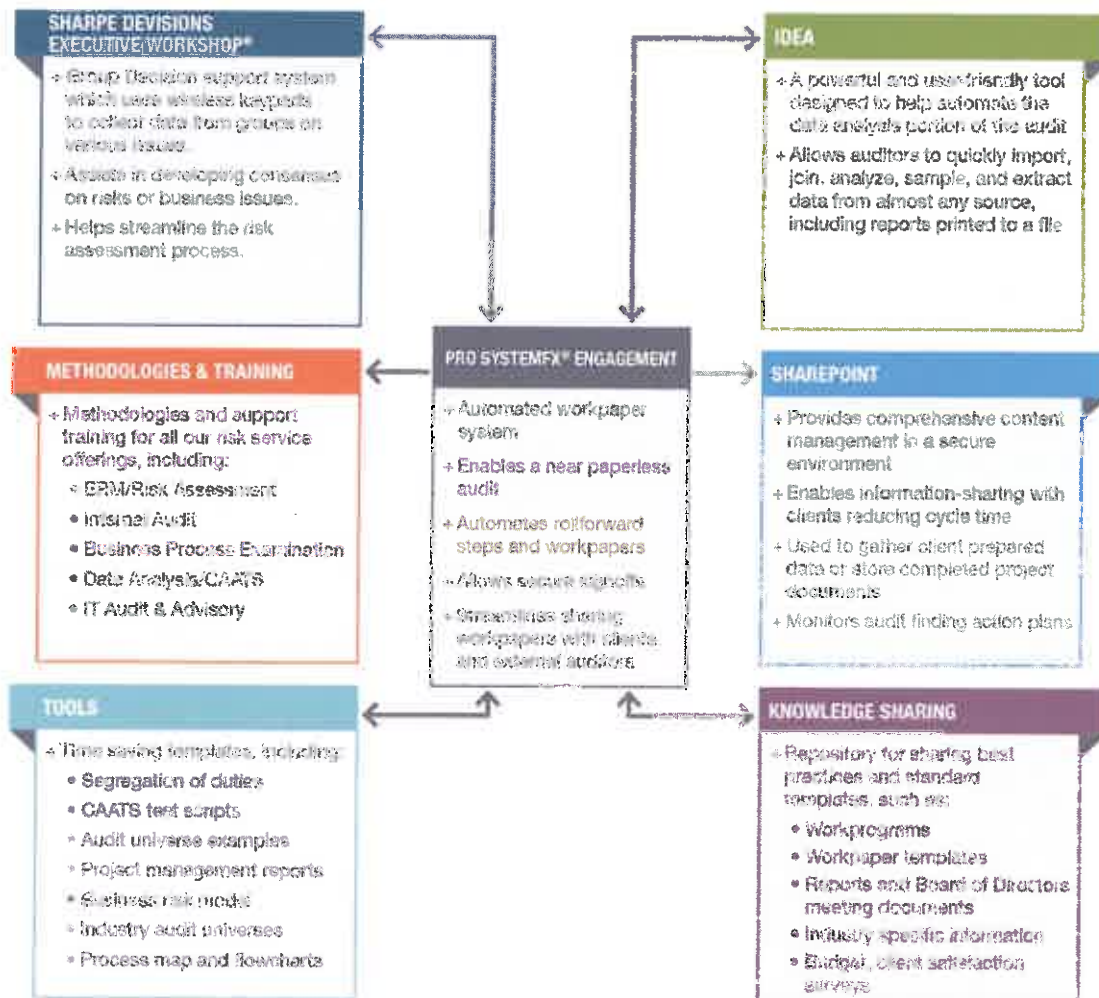
We may use statistical sampling when performing detailed account testing and control testing. The extent to which we perform such test work and the resulting sample size will be dependent upon the determined risk by audit area and assertion and whether such testing is the most effective way to test that account balance or transaction class. Control testing will be performed to the extent that we feel controls are effective, can be relied upon, and can enhance our audit evidence sufficiently. Pursuant to DHG's risk-based approach to auditing, the extent, nature and type of test work for every significant audit area will be determined and finalized during our audit planning meeting and related audit programs tailored accordingly.

Analytical Procedures

Analytical procedures will be used throughout the audit, including preliminary (during planning stages) and final analytical procedures (performed during the wrap-up stage of the audit). While we may use flux analysis to some extent, these types of procedures will be limited and will only be used to test assertions that are deemed not to be high risk and for preliminary and final analytics. DHG uses substantive analytics often, such as predictive tests using statistical or other non-financial data trend analysis and regression analysis.

Technology Tools

The use of Computer Assisted Audit Techniques (CAATs) is embedded in the DHG audit methodology. We use IDEA data analysis software to assist in analyzing large volumes of data. We generally use CAATs when auditing large balances such as revenue and expenses, as these tools allow us to identify any anomalies efficiently within these balances.



Additionally, DHG uses a client portal that enables you to upload documents to a secure website in order to prevent the use of emailing files with sensitive information or files that are too large to email. We would continue to use this client portal such that the audit process for data transmission is efficient and secure.

Single Audit/Uniform Guidance Experience

SBA may have to comply with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), which superseded OMB Circular A-133. Your proposed team is experienced with performing single audits and complies with the Yellow Book specific CPE requirements. We focus on efficiency and non-duplicative work through the simultaneous performance of certain audit procedures for the basic financial statement audit along with the Uniform Guidance single audit compliance requirements. Based on the information provided in the RFQ, we understand the Organization may have one major program.

Our procedures relevant to your compliance with the single audit requirements will be developed to support a presumed low level of assessed control risk and are consistent with the guidance provided in the single audit compliance supplement. Based on our discussion with management, our procedures used in the audit will be tailored to assess your compliance with the requirements applicable to your major program.

Through a risk based audit approach, we will focus on the following areas:

- Planning the single audit, performing risk assessment and identifying major programs
- Documenting and testing internal controls over financial reporting and over compliance
- Testing compliance with applicable compliance requirements
- Reviewing the schedule of expenditures of federal awards and related footnotes
- Preparing the respective Independent Auditor's Reports and the schedule of findings and questioned costs
- Following up on prior years' findings, when applicable
- Providing observations and recommendations for improvement

DHG is a member of the AICPA's Governmental Audit Quality Center (GAQC). The GAQC requires member firms to meet minimum standards, which demonstrate a commitment to governmental audit quality, including requiring that a certain number of governmental/single audits are subject to the AICPA quality control peer review process.

Communication with Management and Members of the SBA Board

In addition to meeting with management and the Board members of the SBA to present our audit results at the end of the audit, our professionals will advise and assist the SBA in achieving its financial objectives throughout the year to the extent allowed by professional standards. Whether you need a sounding board for acting on an idea, discussion of company operations best practices, advice on corporate governance issues or advice on any number of endeavors, our professionals are here for you. We also will keep you up to date on evolving accounting and government industry matters and how they will impact the SBA. For example, we will keep management and the Board of the SBA informed of new accounting pronouncements as standards and communications emanate from the government accounting standards board.

ONGOING COMMUNICATIONS	
<ul style="list-style-type: none"> • Onsite and active participation by engagement manager • Experienced professionals that focus in your industry and specific lines of business • Significant executive involvement 	<ul style="list-style-type: none"> • Ongoing communication to avoid surprises • Accessibility and responsiveness • Focus on business risks: how such risks impact entity and how such risks are managed • Tailored service philosophy vs. "one-size-fits-all"

Resolution of Technical Matters

Our professional services approach is designed to provide for the early identification of potential problems or accounting/disclosures issues, which helps to provide for the early resolution of such matters. The design of our audit approach and our continual communication process leads to earlier identification of issues in an engagement. Our engagement team would resolve such issues with management, the Board of the SBA and our Professional Standards Group as appropriate under the circumstances. Professional standards as promulgated by the AICPA and the Government Accountability Office (GAO) will be followed in such communications and resolutions.

Timeline

Below, please find a preliminary proposed timeline of the audit services based on the RFQ. We understand you desire an entrance conference with SBA staff within two weeks of award.

May - June	August - September	October
<ul style="list-style-type: none"> • Planning and interim audit fieldwork 	<ul style="list-style-type: none"> • Year-end fieldwork • Draft statements presented to management by September 1, 2017 • Draft management letter and communications 	<ul style="list-style-type: none"> • Final audited financial statements delivered by October 15, 2017 (or before)⁽¹⁾ • Exit conference

As you have experienced in the past, we will meet with you to arrive at a mutually agreeable revised timeline, if necessary, that will fit your needs.

⁽¹⁾ Assumes necessary pension and other information is provided in a timely manner.

Proposed Client Service Team

Our philosophy is to have significant partner/director and manager involvement on our engagements. They will be actively involved serving you from initial planning phase and then continuing until completion of our accounting and audit support services. All members of the project team will have open access to both partners/directors and managers assigned to the account throughout the engagement. Since an open line of communication is key to the successful management of the project, our executive team will be actively involved in periodic update discussions with management related to project status throughout the engagement. Our executives will closely supervise staff team members to ensure that the SBA receives high quality and cost effective services. Additionally, one of the key responsibilities of Norman Mosrie, your lead engagement partner, will be to ensure that you receive exceptional client service and that you are satisfied with the services provided by DHG. The engagement will primarily be staffed by professionals from our Charleston, WV office, supplemented with professionals from other offices as needed. We estimate four to six full time professional staff will be assigned to this engagement.

Staff Assignment Process

We will assign experienced returning government staff to the engagement to ensure that our services are delivered in an efficient and effective manner with minimal disruption to your daily business and operational priorities. Any changes to the proposed client service team will be communicated prior to the changes and will be subject to the approval of the SBA. Our clients believe that DHG offers local-firm accessibility and responsiveness backed by national-firm credentials and subject matter talent. This unique combination provides timely, cost-effective, value-added services to meet your needs. The primary objective of DHG is to provide efficient, quality service and sound financial advice to our clients. We offer experience and personal attention to anticipate the needs of your organization and assist in planning for the future.

Team Continuity

Team continuity is beneficial to both of us and every effort will be made to maintain the highest degree of staff continuity possible for your engagement. The depth of our experienced bench allows for the option of quickly replacing team members who pursue other professional options or who you determine are not a good fit to serve the SBA.

Continuing Education and Training

Continuing professional development is extremely important to our Firm. In this ever-changing profession, we have an obligation to ourselves, to our clients and to the profession to keep abreast of new developments. We have a minimum requirement of 40 hours each year of formal continuing professional education (CPE) for all partners and professional employees.

DHG has developed standards and procedures and has allocated resources for maintaining and increasing the technical proficiency of our professionals. Compliance with Firm policies helps assure compliance with the requirements of the AICPA and various state boards. In addition, Firm policy requires compliance with the continuing education requirements of *Government Auditing Standards*. All of the staff assigned to the SBA engagement comply with the AICPA and GAS continuing professional education requirements, as applicable.

Cost Proposal

Your decision to select DHG as your Firm of record will not rest on any single factor. Rather, it is the combination of all factors addressed in this proposal that makes our organization uniquely qualified to serve the SBA. **If our proposed fee is significantly different, we would appreciate the opportunity to discuss the matter with you further.** For comparable services provided by professionals of similar industry experience and acumen, we are confident that we will be competitive from a fee perspective. Therefore, we do not want professional fees to be the determining factor in your selection.

Our fee estimate assumes no significant changes in your operations from the prior fiscal year and no material weaknesses in internal control. Additionally, our estimate assumes that the West Virginia Board of Treasury Investments and the West Virginia Consolidated Retirement Board will provide management the necessary information to complete the required footnote disclosures for cash and cash equivalents and the related pension obligation and disclosures, respectively, as provided in prior years. Should additional assistance be needed (ie. assistance with implementation of new GASB standards), we will discuss a mutually agreed upon price for additional services. Billing for services will be submitted on an interim basis throughout the engagement as work progresses.

Estimated audit fees are included on the provided pricing page located in Appendix F. Our estimate assumes that board meetings will be held in the Charleston, West Virginia area. If we are required to travel outside of the greater Charleston area we will meet with management to discuss any out-of-pocket expenses and would expect to bill for actual costs incurred to travel to other locations.

Client Acceptance

Once we receive notification of our appointment, we will begin our client continuance due diligence procedures immediately. Upon successful completion of these procedures, we would expect to execute an audit engagement letter formalizing our understanding of the terms of the audit engagement.



Appendix A: Addendum Acknowledgement Form

ADDENDUM ACKNOWLEDGEMENT FORM SOLICITATION NO.: SBA1100000001

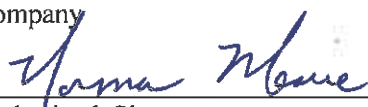
Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

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.

Dixon Hughes Goodman LLP
Company

Authorized Signature

May 24, 2017
Date

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

Appendix B: Authorized Vendor

	Purchasing Division 2018 Washington Street East Post Office Box 50130 Charleston, WV 25305-0130	State of West Virginia Request for Quotation 34 - Service - Prof

Proc Folder: 327212			
Doc Description: RFQ for Independent Auditor Services for the SBA			
Proc Type: Central Contract - Fixed Amt			
Date Issued	Solicitation Closes	Solicitation No	Version
2017-05-04	2017-05-25 13:30:00	CRFQ 0402 SBA1700000001	1

BID RECEIVING LOCATION	
BID CLERK DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2018 WASHINGTON ST E CHARLESTON WV 25305 US	

VENDOR
Vendor Name, Address and Telephone Number: Dixon Hughes Goodman LLP 500 Virginia Street East Suite 800 Charleston, WV 25301

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

Signature X <i>Mama Marie</i>	FEIN# 56-0747981	DATE May 24, 2017
All offers subject to all terms and conditions contained in this solicitation		

Appendix C: Designation / Certification

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.

Norman C. Mosrie Partner
(Name, Title)
Norman C. Mosrie, Partner
(Printed Name and Title)
500 Virginia Street East Suite 800, Charleston, WV 25301
(Address)
304.414.3913 / 304.343.1895
(Phone Number) / (Fax Number)
norman.mosrie@dhhgllp.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.

Dixon Hughes Goodman LLP
(Company)
Norman C. Mosrie Partner
(Authorized Signature) (Representative Name, Title)
Norman C. Mosrie, Partner
(Printed Name and Title of Authorized Representative)
May 24, 2017
(Date)
304.414.3913 / 304.343.1895
(Phone Number) (Fax Number)

Revised 04/07/2017

Appendix D: Peer Review Report



A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

System Review Report

To the Partners of Dixon Hughes Goodman LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 28, 2014. 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*; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations Service Organizations Control (SOC) 1 and 2 engagements.

In our opinion, the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 28, 2014, 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*. Dixon Hughes Goodman LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
August 15, 2014



American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

October 31, 2014

Kenneth Max Hughes, CPA
Dixon Hughes Goodman LLP
6525 Morrison Blvd Ste 500
Charlotte, NC 28211

Dear Mr. Hughes:

It is my pleasure to notify you that on October 31, 2014 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is August 31, 2017. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

A handwritten signature in blue ink that reads "Larry Gray".

Larry Gray
Chair, National Peer Review Committee
nprc@aicpa.org 919 402 4502

cc: Candace E Wright; David W Hinshaw

Firm Number: 10017108

Review Number 359179

Letter ID: 935009

T: 1 919 402 4502 | F: 1 919 402 4876 | nprc@aicpa.org



Appendix E: Pricing Page

Description	Estimated Fees
Audit of the financial statement of the School Building Authority of West Virginia as of and for the year ended June 30, 2017	\$28,500
FY 2017 - Additional Cost for Single Audit Assuming One Major Program, if applicable	\$5,000
Audit of the financial statement of the School Building Authority of West Virginia as of and for the year ended June 30, 2018 (2nd year optional renewal)	\$29,000
FY 2018 - Additional Cost for Single Audit Assuming One Major Program, if applicable (2nd year optional renewal)	\$5,200
Audit of the financial statement of the School Building Authority of West Virginia as of and for the year ended June 30, 2019 (3rd year optional renewal)	\$30,000
FY 2019 - Additional Cost for Single Audit Assuming One Major Program, if applicable (3rd year optional renewal)	\$5,400
Audit of the financial statement of the School Building Authority of West Virginia as of and for the year ended June 30, 2020 (4th year optional renewal)	\$30,800
FY 2020 - Additional Cost for Single Audit Assuming One Major Program, if applicable (4th year optional renewal)	\$5,600

Please provide vendor contact information below:

VENDOR CONTRACT MANAGER NAME – Norman Mosrie
VENDOR NAME – Dixon Hughes Goodman LLP
VENDOR ADDRESS – 500 Virginia Street East, Suite 800, Charleston, WV 25301
VENDOR PHONE NUMBER – 304-414-3913
VENDOR FAX NUMBER – 304-343-1895
VENDOR CONTACT E-MAIL – norman.mosrie@dhgllp.com

Appendix F: Purchasing Affidavit

STATE OF WEST VIRGINIA
Purchasing Division
PURCHASING AFFIDAVIT

MANDATE: Under W. Va. Code §5A-9-10a, 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: Dixon Hughes Goodman LLP

Authorized Signature: *Thomas Moore*

Date: May 24, 2017

State of West Virginia

County of Kanawha, to-wit:

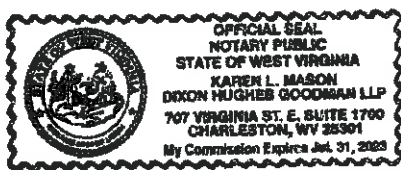
Taken, subscribed, and sworn to before me this 24 day of May, 2017.

My Commission expires July 31, 2023.

AFFIX SEAL HERE

NOTARY PUBLIC *Karen L. Mason*

Purchasing Affidavit (Revised 08/31/2015)



Appendix G: Vendor Preference Certificate

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-3-53* 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 balances on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorize 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: Dixon Hughes Gordon LLP

Signed: [Signature]

Date: May 14, 2017

Title: Partner

*Check any combination of preferences considered/checked indicated above, which you are entitled to receive.

Appendix H: Proposed Client Service Team

Norman C. Mosrie, CPA, FHFMA, CHFP

Partner, Assurance Services

Role on the Engagement: Lead Engagement Partner

Contact

304.414.3913

norman.mosrie@dhgllp.com

Experience

A retraining member of the SBA team, Norman serves as Assurance Services Market Leader for the Western Mid-Atlantic market focusing in the areas of healthcare, government and not-for-profits. A certified healthcare financial professional, Norman was previously a partner with a Big Four firm, where he worked for 24 years.

A certified healthcare financial professional, Norman has been involved with providing a wide variety of audit and business advisory services to clients, including having served as the coordinating partner on the State of West Virginia's Single Audit for ten years, as well as various other governmental financial statement audits. He has significant experience performing audits in accordance with Government Auditing Standards and Uniform Guidance/OMB Circular A-133 including Medicaid, as well as agreed-upon procedures engagements.

Norman has also assisted clients in filing for the GFOA Certificate of Achievement for Excellence in Financial Reporting, and has developed and led government and Single Audit training programs at the local, area and national levels.

Licenses & Certifications

- CPA: Certified Public Accountant, NY and WV
- CHFP: Certified Healthcare Financial Professional
- FHFMA: Fellow of Healthcare Financial Management Association

Education

- Marshall University, Bachelor of Business Administration in Accounting, *summa cum laude*

Relevant Continuing Professional Education

- Advancements in DHG's Audit Methodology
- Audit Innovation: Engagement Management for Managers and Partners
- GFOA Annual Governmental GAAP Update
- Excellence in Assurance
- Governmental and Not-for-Profit Annual Update
- OMB Compliance Supplement and Single Audit Update
- Audit Quality Discussion Part II: Avoiding Common Audit Deficiencies in Yellow Book and Single Audits
- Accounting Update – FASB and GASB

Brian Broom, CPA

Managing Director, Government
Assurance Services

*Role on the Engagement: Quality Control/Review
Partner*

Contact

828.236.5802

brian.broom@dhhlp.com



Experience

A returning member of the SBA team, Brian is an Audit Director in the Asheville, North Carolina office and has more than 25 years auditing experience. During his career, Brian has concentrated in working with governmental and not-for-profit entities. Brian is member of the Governmental Accounting and Auditing Committee of the North Carolina Association of Certified Public Accountants (the "Committee"). He has served on the Committee since its inception.

Brian volunteers on the United Way's Financial Review Team where he monitors the financial health of selected recipients of United Way Funding. He has served as a volunteer of the Certificate of Excellence Panel of Review for the Association of School Business Officials International, where he reviewed selected submissions of comprehensive annual financial reports for the Certificate of Excellence in Financial Reporting Program.

Licenses & Certifications

- CPA: Certified Public Accountant, FL, GA, NC and SC

Education

- Western Carolina University, Bachelor of Science in Business Administration, Accounting, magna cum laude

Relevant Continuing Professional Education

- OMB Compliance Supplement and Single Audit Update
- North Carolina Association of Certified Public Accountants (NCACPA) Local Government Conference
- NCACPA Implementing the Grant Guidance
- NCACPA Local Government Conference
- GAQC Annual Update Webcast
- AICPA Governmental Accounting and Auditing Update
- OMB Compliance Supplement and Single Audit Update
- Governmental Accounting and GASB Update

D. Cole Malcolm, CPA, CGMA

Senior Manager, Assurance Services

Role on the Engagement: Coordination of audit and supervision of assigned staff

Contact

304.414.2621

cole.malcolm@dhgllp.com



Experience

A returning member of the SBA team, Cole is a Senior Manager in the firm's assurance and advisory practice in the Mid-Atlantic market with more than 14 years of experience. Prior to joining DHG, Cole was with a Big 4 firm for over six years and served both public and private clients in the energy, manufacturing, government and healthcare sectors. Having clients with SEC, GAAP and GASB reporting requirements has given him the experience to lead engagement teams and clients in the public and governmental reporting arena. His experience includes working through client activities like public equity offerings, private placement debt transactions and other complex technical accounting situations.

He has led educational accounting sessions at major colleges and universities throughout West Virginia. In addition, he has provided a training program for the Financial Accounting & Reporting Department of the State of West Virginia.

Cole has experience with several technical accounting and financial reporting requirements of government entities. He has experience working with the Department of Environmental Protection to analyze the State of West Virginia's annual special reclamation liability analysis. As a three-year returning team member to the SBA audit, he is familiar with the key processes and reporting requirements of the organization. He has helped clients with the reporting requirements of pension and post retirement obligation accounting including single employer and multi-employer benefit plans.

Licenses & Certifications

- CPA: Certified Public Accountant, WV
- CGMA: Chartered Global Management Accountant

Education

- Concord University, Bachelor of Science in Business Administration, Accounting & Finance, *magna cum laude*
- Morehead State University, Master of Business Administration

Relevant Continuing Professional Education

- Single Audit and Uniform Guidance Update
- Excellence in Assurance
- Single Audit Fundamentals, Part 1: What is a Single Audit? A Basic Background and Overview
- Single Audit Fundamentals, Part 2: The Mysteries of Major Program Determination
- Single Audit Fundamentals, Part 3: Understanding and Testing Compliance Requirements
- Single Audit Fundamentals, Part 4: Overview of Single Audit Reporting Requirements and Resources
- Yellow Book Refresher
- Now is the Time for Auditors to Get Ready for the Uniform Guidance Audit Requirements
- Annual Governmental GAAP Update

Jonathan Austin

Associate, Assurance Services

Role on the Engagement: Execution of audit procedures

Contact

304.414.2637

jonathan.austin@dhgllp.com



Experience

A returning member of the SBA team, Jonathan is an associate member of the firm's Assurance Group located in our Charleston, West Virginia office. He provides audit, review and compilation services to a variety of clients in the government, not-for-profit, healthcare and manufacturing industries. He is experienced in financial accounting and reporting requirements (GASB and FASB) and will be actively involved in detail execution of our audit procedures on the audit engagement.

Prior to joining DHG as an associate, Jonathan was selected to participate in the firm's summer internship program, where his skills, knowledge and interests impressed DHG leadership. Jonathan continues to display these same qualities in serving our clients every day.

Education

- Marshall University, Bachelor of Business Administration in Accounting *cum laude*
- Marshall University, Masters of Business Administration

Relevant Continuing Professional Education

- Audit Staff Training Level 2: Technical Topics
- Audit Staff Training Level 1: Technical Topics
- Audit Innovation: Engagement Management for Seniors and Staff