

**WEST VIRGINIA ALCOHOL
BEVERAGE CONTROL
ADMINISTRATION**

**Proposal to Provide Professional
Audit and Management Advisory
Services**

**For the Year Ending
June 30, 2017 with
the option to renew for three years**

May 23, 2017



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BEVERAGE CONTROL ADMINISTRATION**

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Professional Audit and Management Advisory
Services**

**For the Year Ending
June 30, 2017 with
three additional option years**

May 23, 2017

Brown, Edwards & Company, L.L.P.
2 Players Club Drive
Charleston, West Virginia 25311
FIN: 54-0504608

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Table of Contents

TRANSMITTAL LETTER	1
HISTORY OF THE FIRM	3
ASSURANCES	6
EXPERIENCE AND QUALIFICATIONS OF SERVICE TEAM	7
REFERENCES	15
OUR VALUE-ADDED AUDIT APPROACH	17
TECHNOLOGY	26
PROFESSIONAL FEES	27
APPENDIX A — PEER REVIEW	28
APPENDIX B — APA QUALITY REVIEW REPORTS	29
APPENDIX C — SIGNED RFQ FORMS	31

West Virginia Alcohol Beverage
Control Administration
Department of Administration
Purchasing Division
2019 Washington Street East
Charleston, WV 25305-0130

May 23, 2017

We are pleased to present our qualifications to provide independent auditing and management advisory services to the West Virginia Alcohol Beverage Control Administration, hereafter referred to as the "Administration", for the fiscal year ending June 30, 2017 with the option to renew for three additional subsequent fiscal years. Brown, Edwards & Company, L.L.P. ("Brown Edwards") has a large governmental and municipal practice and is a leader in providing services to governmental and municipal clients. This practice includes both state and local agencies. **The Administration would be an important part of our governmental practice and our firm.**

The right firm

As the Administration continues to face new challenges, you will need an exceptional relationship with, and commitment from, a group of professionals who advise you and support your efforts. Your independent auditors should be leaders among that group of trusted advisors. Brown Edwards provides expertise not only in accounting and auditing, but also offers the specific expertise of other dedicated specialists who provide a broad range of financial advisory, information technology, and consulting services. Our long-standing presence and commitment to our region's business communities have resulted in assembling an impressive portfolio of clients not only in the governmental arena but in other industries as well. As you review our proposal, keep in mind the reasons Brown Edwards should be your choice.

- **Governmental and municipal experience** – We are one of the leading firms in Virginia serving governmental and municipal entities. In recent years our client base has expanded to both Tennessee and West Virginia, as well. We spend approximately 32,000 hours annually providing audit, accounting, and advisory services to our governmental and municipal clients, and other related entities that expend government funding or fall under *Government Auditing Standards*.
- **Commitment to Compliance** – We are committed to ensuring compliance with all federal, state, regulatory, and industry auditing and accounting standards including those issued by the Governmental Accounting Standards Board and the Government Accountability Office.
- **Timeliness of service** – We are proud to say that the only non-timely filings experienced have been client-imposed and agreed-upon.
- **The local choice** – Our Charleston office, which is just minutes from the Administration's office, is also the office that will staff the audit.
- **Engagement staff consistency** – Staff turnover is unavoidable in any organization, particularly in CPA firms. Although our turnover rate is generally below average for CPA firms, it does occur. In order to minimize the effects on our clients of turnover, each Brown Edwards partner, director, and senior manager are responsible for significantly fewer staff and engagement hours than partners in other firms. The resulting increased involvement by high level professionals minimizes the effects of inevitable staff turnover on our clients.
- **Client satisfaction** – In our efforts to provide excellent service to our clients, we periodically ask for feedback in the form of a client survey. The questions include topics on overall satisfaction, interaction with our team members, promptness of communication, and proactivity in offering valuable solutions. We sent our most recent survey to over 60 local government clients and we feel the results speak for themselves – over 80% of those responding indicated they were either very satisfied or extremely satisfied with their relationship with Brown Edwards. When asked specifically if they would be likely to recommend Brown Edwards to others, 93% indicated they would be either likely or extremely likely to do so.

The right firm (Continued)

- **Annual government conference** – Each year we conduct a one-day conference specifically geared to governmental entities. In recent years, topics such as GASB updates, pension standards, utility rate setting, internal controls, budgeting, and capital markets have been presented. This seminar, which celebrated its 20th year in 2017, has consistently received outstanding evaluations. As our practice has grown and as our presence has expanded, we have expanded our conference to multiple locations.

An exceptional commitment

Every firm proposing to serve as your auditor will present their credentials in great detail; we are no exception. There is more, however, to a successful professional relationship, including how information gathered during the audit process is used and intangible factors such as commitment and service. We believe your auditor's knowledge of your operations should be used to bring you added value, in the form of innovative and proactive solutions to the current and future issues you face. In this proposal, we present compelling reasons why we believe Brown Edwards is the best choice to serve the Administration. **In addition, one key fact differentiates us from other firms that you may consider – our enthusiasm to serve you.** Please call us at 540-345-0936 if you have any questions or need additional information.

Sincerely,



Christopher A. Banta, Partner
cbanta@BEcpas.com



John S. Aldridge, Partner
jaldridge@BEcpas.com

History of the firm

Brown, Edwards & Company, L.L.P. is a regional accounting firm formed in 1967 through the merger of Fred P. Edwards Company and C. A. Brown & Company, whose histories date back to the 1920s. The firm has enjoyed significant growth since its formation, thanks to an unwavering commitment to our clients to provide the highest quality professional services in the industry and the attention and responsiveness they deserve and have come to expect.

With an average of 25 years of experience for partners and directors and ten years for senior managers and managers, team members at Brown Edwards bring significant experience and knowledge to every client engagement. Each service area offers specialists in accounting, assurance, tax, and management advisory services to our clients. In addition, we have developed industry teams, such as our not-for-profit, higher education, health care, financial institutions, and governmental practice units, which are comprised of team members with in-depth experience and specialized training who spend substantially all of their professional life providing services exclusively to clients in those specific industries.

Our qualifications
Offices in Blacksburg, Roanoke, Lynchburg, Harrisonburg, Bristol, and Wytheville, Virginia , Bluefield and Charleston, West Virginia , and Kingsport, Tennessee
40 Partners and over 270 Professionals
In the top 10 of leading accounting firms in the region, with industry teams to provide you with a team with extensive experience and specialized training
<i>Accounting Today's</i> 2017 Regional Leaders in the Capital Region (DE, MD, VA, DC, and WV)
<i>Inside Public Accounting's</i> Top 105 Public Accounting Firms by gross revenue
For 25 years , continuously received a pass in our peer review

Our governmental and municipal practice is based in and has grown from our Roanoke office, where three partners devote a majority of their time to this practice. In addition, between our Lynchburg, Harrisonburg, and Bristol offices, we have six partners, two directors, and over forty-five professionals who devote substantial amounts of their time servicing municipal clients. Our Roanoke office will serve as managing office for the engagement; however, staffing on the engagement will be based out of our Charleston, West Virginia office. We have recently begun working with municipal clients in the Charleston area. The size of our practice allows for lead and concurring partner rotation available upon request.

Our commitment to excellence

All aspects of our service quality are monitored against our 5-Star Service Quality Standards. While these standards are part of our culture, we also monitor how well we are doing by annual face-to-face client surveys in which members of the firm, not associated with an engagement, conduct interviews of selected clients to obtain feedback related to service quality. The results of these surveys assist us in realignment of priorities and, on an ongoing basis, support our goal of continuous improvement of service quality.



Local, state, and national organizations



Successfully passed the review by the Auditor of Public Accounts for fiscal year June 30, 2015, as well as multiple previous years. The results were pass ratings, with no deficiencies.



Key members of our engagement team are members of the Government Finance Officers Association. All of our local government team partners, directors, and senior associates have extensive experience with the GFOA certificate program. In addition, certain members of our staff have served as qualified reviewers for the GFOA certificate program.



Most of the engagement team are members of the Virginia Government Finance Officers Association. Additionally, certain members of our staff have conducted training for the VGFOA.



Board monitors quality in firms that audit public companies to meet the highest level of technical quality. Received an unqualified report from its inspection, a distinction few firms receive. Benefit to you is that our quality control systems and educational requirements are subject to the same standards and inspections as are those of large national and super-regional firms. Our most recent PCAOB report is available at <http://pcaobus.org/Inspections/Reports>.



Serving Investors, Public Company Auditors & the Markets

Membership requires a peer review every three years, and Brown Edwards received a pass rating, with no deficiencies. During our most recent review, one governmental engagement was selected.



Chris Banta is a Certified Fraud Examiner ("CFE"). CFE's are experts in the field of internal control, fraud detection and prevention, litigation support, and expert witness assistance. This designation, and the skills associated with this certification, provides an added benefit to complex municipal engagements.



GAQC is designed to help CPA's meet the challenges of performing quality governmental audits. The GAQC's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. As a member of the GAQC, we will adhere to specific membership requirements covering the governmental audits we perform, will comply with the specific continuing education requirements for all of our personnel working on these audits, and have access to tools that focus around quality improvement. We believe our participation in the GAQC enhances our audit services to the Administration.

Local, state, and national organizations (Continued)

Brown Edwards performs peer reviews for four to six firms each year, and our peer review clients include seven top 100 firms in the country in terms of annual revenue. Four key members of our governmental team participate significantly in this practice area. Participation as peer reviewers gives Brown Edwards exposure to the work of other quality firms and is an excellent exercise to ensure we are up-to-date on the most recent professional standards.

"In a constantly changing governmental environment full of industry standard updates and changes, Brown Edwards is always there to help guide the implementation to make the transition smooth. They are a top notch quality firm that gets the job done right."

*-Matthew R. Hornby, Assistant Director of Finance
Town of Blacksburg, Virginia*

Assurances

Assurances	Explanation
Statement of independence and compliance	<ul style="list-style-type: none"> Brown Edwards meets the independence standards of the AICPA and the U.S. General Accounting Office's Government Auditing Standards in relation to the Administration and will comply with all federal, state, and local laws and regulations.
External quality program	<ul style="list-style-type: none"> Brown Edwards participates in an external quality program and a copy of the most recent quality control review report is located at Appendix A.
Statement of assurances	<ul style="list-style-type: none"> If Brown Edwards' work related to the Administration's audit is reviewed by any State or Federal agencies, we will notify the Administration of any findings.
Affirmation of staff qualifications	<ul style="list-style-type: none"> All staff assigned to work on the Administration's engagement will be appropriately qualified to perform the work assigned, will do so objectively and competently, will maintain confidentiality, and will have the required training and certification to comply with applicable standards, that might arise in the course of performing the audit.
Statement of licensing	<ul style="list-style-type: none"> Brown Edwards and partners assigned to the engagement are licensed to perform the audit as provided by applicable laws of West Virginia and the Commonwealth of Virginia.
Commitment to continuity	<ul style="list-style-type: none"> Staff assigned to the Administration's audit will be scheduled with sufficient capacity to provide appropriate attention to the Administration's engagement. Audit efficiency benefits from recurring involvement by Brown Edwards professionals on engagements. To the extent possible, we assign the same professionals to an engagement for the duration of the contract.
Insurance coverage	<ul style="list-style-type: none"> Brown Edwards maintains appropriate insurance coverage including general liability, automobile liability, umbrella liability, worker's compensation and employer's liability and professional liability.

Experience and qualifications of service team

The members of the proposed service team have proven track records with other governmental entities. Our service team is exceptionally well suited to meet your needs because:

- Our firm's experience and commitment to continuing to build our governmental practice ensures that your questions and concerns are addressed promptly.
- Our local presence provides immediate availability of resources, expertise, and decision-making on the Administration's engagement.
- Experience with a wide range of government specific public sector software systems including, but not limited to: New World, Bright (BAI), Munis, HTE, and Pentamation.
- Our people have experience and knowledge that is relevant to the financial, accounting, information technology, and other business considerations facing the Administration.
- Our people are active members in various governmental finance organizations and associations, and maintain a strong professional relationship with the office of the Auditor of Public Accounts of the Commonwealth of Virginia, GFOA, VGFOA, and GASB.
- All service team members meet or exceed minimum continuing professional education requirements, including the stringent requirements under the GAO Yellow Book.

People make the difference in professional relationships. We believe communication and personal chemistry are particularly important elements of client relationships, especially in the dynamic governmental arena. Our professionals are skilled in this field, and we expect you will feel comfortable with their expertise and 'round the clock' commitment to the Administration.

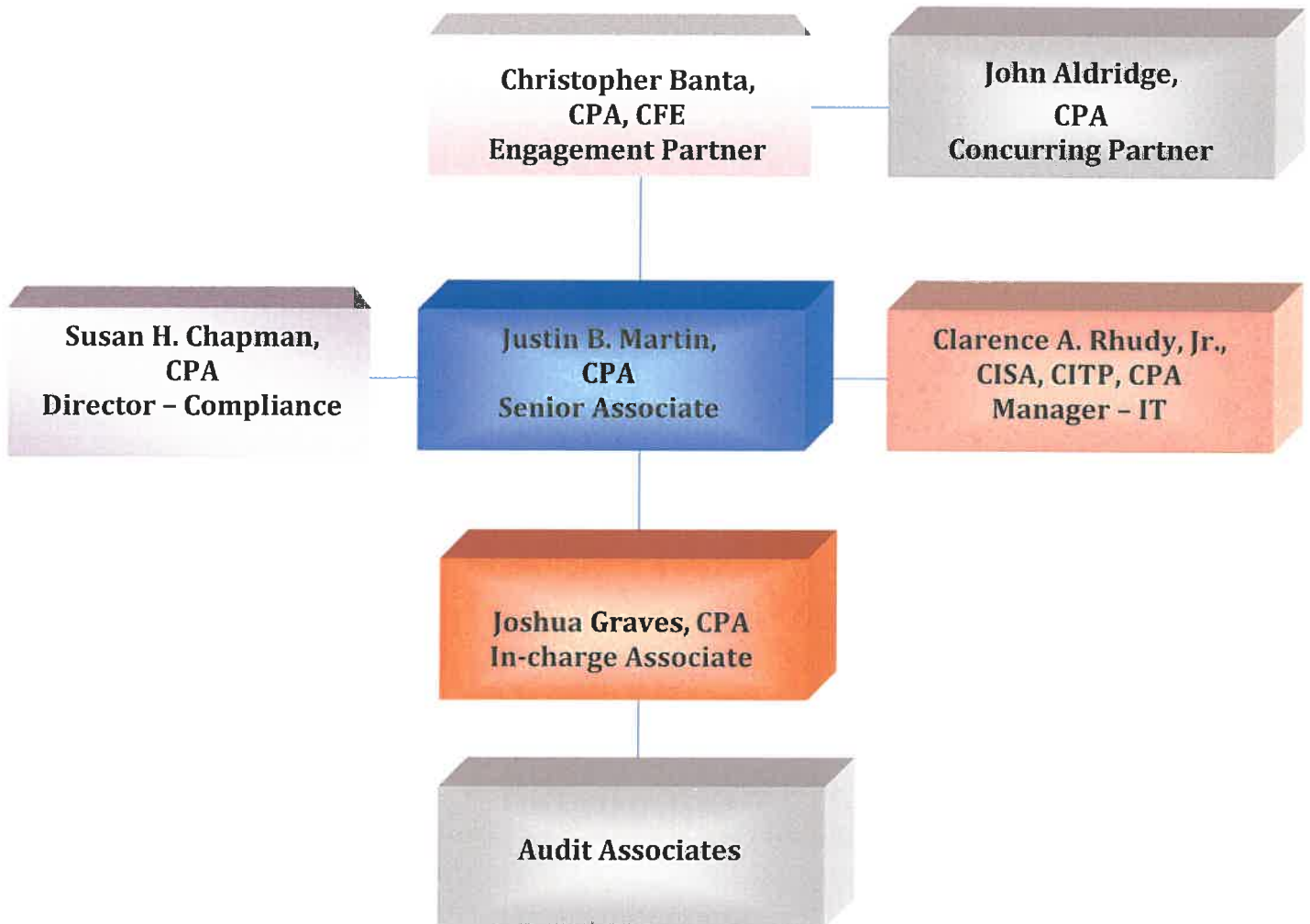
Partner rotation – To ensure a “fresh look” and to further enhance quality in the audit review process, Brown Edwards rotates partner review to a new reviewer every three years. Full rotation of the designated engagement partner is also available at the client's request.

Biographies of your service team are included.

“The staff at Brown Edwards have served as much more than auditors. They have become a partner with the City of Winchester. They continually give us the guidance and expertise we need to navigate through new mandates and they offer solutions that fit our needs as a small government. The audits are consistently thorough and their focus is on customer services; their staff are always available to us throughout the year if we need assistance.”

*-Mary Blowe, Finance Director
City of Winchester, Virginia*

Your Service Team





Profile

- Partner with oversight responsibility of firm municipal practice
- Partner in the Roanoke office specializing in municipalities, electric cooperatives, not-for-profit organizations, and HUD properties
- Coordinates the compliance auditing aspect of the annual audits of municipal and nonprofit clients, including APA compliance and transmittal form preparation, single audit compliance, FAA compliance, RUS compliance, and NTD reporting compliance
- Member of Brown Edwards' peer review services team
- Certified Fraud Examiner, providing internal control reviews, fraud examinations, forensic accounting services, and litigation support services
- Previously named a "Super CPA" in the Government and Nonprofits area of practice in the **Virginia Business** magazine

Education

- Bachelor of Science in Accounting from Virginia Tech

Memberships and certifications

- AICPA and VSCPA, Government Finance Officers Association, Virginia Government Finance Officers Association, National Society of Accountants for Cooperatives, and Association of Certified Fraud Examiners
- Past Treasurer (also former President) of the Grandin Theatre Foundation
- Current Board member and Treasurer of the Virginia Museum of Transportation
- Member of the Kiwanis Club of Roanoke, serving as Chair of the Career Technical Education Scholarship Committee
- Treasurer of the Boys and Girls Club of Southwest Virginia

Government audit engagement	Years on engagement	Position
Yeager Airport (Charleston, West Virginia)	1	Partner
NRV Regional Water Authority	2	Partner
Alexandria Renew Enterprises	1	Partner
Montgomery County, Virginia	7	E/IC /Director/Partner
County of Frederick, Virginia	10	Staff auditor/E/IC/Director/Partner
County of Bedford, Virginia	8	E/IC - Compliance
City of Falls Church, Virginia	2	Quality Control Reviewer
City of Colonial Heights, Virginia	2	Partner
City of Winchester, Virginia	4	Compliance Reviewer
City of Lynchburg, Virginia	11	E/IC/Director/Partner
City of Harrisonburg, Virginia	8	Staff Auditor/E/IC - Compliance
City of Staunton, Virginia		Staff Auditor/E/IC - Compliance, Concurring Reviewer
Roanoke City Public Schools	5	E/IC/Director/Partner
Virginia Tech/Montgomery Airport Authority	8	E/IC/Director/Partner
Town of Blacksburg, Virginia	9	E/IC/Director/Partner
Virginia Resources Authority	3	Director/Partner
Virginia Tobacco Settlement Financing Corporation	3	Director/Partner
Greater Lynchburg Transit Company	4	E/IC - Compliance/
Town of Bedford, Virginia	8	Staff auditor
Town of Culpeper, Virginia	1	Partner
Town of Vinton, Virginia	7	Staff auditor/E/IC - Compliance
Town of Tazewell, Virginia	3	E/IC/Director/Partner
Riverside Regional Jail Authority	1	Partner
Crater Criminal Justice Academy	1	Partner

E/IC - Engagement In-Charge



John Aldridge, CPA
Concurring Partner
 540-345-0936
 jaldridge@becpas.com

Profile

- Partner based in our Roanoke office, concentrating on municipalities, not-for-profit organizations, and HUD properties
- Performs organizational reviews related to internal controls and operations
- Previously named a “Super CPA” in the Government and Non-profit area of practice in the **Virginia Business** magazine

Education

- Bachelor of Business Administration from James Madison University

Memberships

- American Institute of Certified Public Accountants (AICPA) and the Virginia Society of Certified Public Accountants (VSCPA)
- Virginia Government Finance Officer’s Association
- Treasurer for the Better Business Bureau of Western Virginia

Government audit engagement	Years on engagement	Position
Yeager Airport (Charleston, West Virginia)	1	Concurring Partner
FMRs Health Systems, Inc. (Beckley, West Virginia)	1	Partner
General Assembly of Virginia	6	Partner
County of Frederick, Virginia	12	E/IC/Partner
County of Powhatan, Virginia	1	Partner
County of Bedford, Virginia	13	Partner
County of Montgomery, Virginia	9	Partner
City of Danville, Virginia	2	Concurring Partner
City of Staunton, Virginia	1	Concurring Partner
City of Harrisonburg, Virginia	10	E/IC/Concurring reviewer
City of Manassas, Virginia	1	Partner
City of Lynchburg, Virginia	9	Dir./Concurring reviewer
Town of Bedford, Virginia	15	Partner/Concurring reviewer
City of Colonial Heights, Virginia	4	Partner
City of Falls Church, Virginia	4	Partner
City of Winchester, Virginia	5	Partner
Roanoke City Public Schools	5	Partner
Town of Blacksburg, Virginia	11	Partner
Town of Vinton, Virginia	12	Partner
Virginia Tech/Montgomery Airport Authority	10	Partner
Town of Culpeper, Virginia	5	Partner

E/IC —Engagement In-Charge



Susan Chapman, CPA
Director – Compliance
 434-948-9000
 schapman@becpas.com

Profile

- Twelve years of experience in public accounting and municipal auditing
- Works on municipal audits which includes APA compliance auditing, OMB Circular A-133 single audit engagements, comprehensive annual financial report preparation, and APA transmittal form preparation
- Serves clients in the manufacturing, small business, and not-for-profit industries

Education

- Bachelor of Business Administration in Accounting and a Master of Business Administration, both from Radford University

Memberships and certifications

- AICPA and VSCPA

Government audit engagement	Years on engagement	Position
Since joining Brown Edwards:		
County of Bedford, Virginia	6	E/IC
County of Amherst, Virginia	2	Director
City of Danville, Virginia	1	Compliance - reviewer/E/IC
City of Lynchburg, Virginia	7	Compliance - reviewer
City of Staunton, Virginia	2	Staff auditor
Roanoke City Public Schools	5	Compliance - reviewer
Greater Lynchburg Transit Company	7	Compliance E/IC
Horizon Behavioral Health	6	E/IC/1 st review
Region Ten Community Services Board	4	E/IC/1 st review
Richmond Behavioral Health Authority	3	E/IC/1 st review
Blue Ridge Behavioral Healthcare	2	E/IC/1 st review
Virginia Resources Authority	1	E/IC/1 st review
Prior to joining Brown Edwards:		
City of Buena Vista, Virginia	5	E/IC
City of Manassas Park, Virginia	2	Staff auditor
County of Augusta, Virginia	5	Staff auditor
County of Bath, Virginia	5	E/IC
County of Gloucester, Virginia	3	Staff auditor
County of Highland, Virginia	5	E/IC
County of Rockbridge, Virginia	5	Staff auditor
County of Shenandoah, Virginia	5	Staff auditor

E/IC —Engagement In-Charge



Justin Martin, CPA
Senior Associate
 540-345-0936
 jmartin@becpas.com

Profile

- Seven years of experience in public accounting in municipal auditing and tax preparation
- Works on municipal audits which includes APA compliance auditing, OMB Circular A-133 single audit engagements, comprehensive annual financial report preparation, APA transmittal form preparation, and central service cost allocation plans.
- Serves clients in the electric cooperatives, small business, and not-for-profit industries.

Education

- Bachelor of Business Administration in Accounting from Radford University

Memberships and certifications

- AICPA and VSCPA

Government audit engagement	Years on engagement	Position
Since joining Brown Edwards:		
County of Pulaski, Virginia audit preparation services	2	Staff auditor
Town of Blacksburg, Virginia	2	E/IC, Staff auditor
Town of Tazewell, Virginia	2	E/IC
Roanoke City Public School Board	3	E/IC
Danville Industrial Development Authority	1	Staff auditor
Blue Ridge Behavioral Health	2	Staff auditor
New River Valley Community Services	2	Staff auditor
Alleghany Highlands Community Services	1	E/IC
Town of Wytheville, Virginia audit preparation services	2	E/IC
Prior to joining Brown Edwards:		
City of Lexington, Virginia	3	E/IC, Staff auditor
City of Covington, Virginia	4	E/IC, Staff auditor
County of Pittsylvania, Virginia	3	Staff auditor
County of Craig, Virginia	3	Staff auditor
County of Giles, Virginia	3	Staff auditor
County of Patrick, Virginia	4	E/IC, Staff auditor
County of Pulaski, Virginia	3	E/IC, Staff auditor
County of Carroll, Virginia	3	Staff auditor
County of Wythe, Virginia	1	Staff auditor
County of Bland, Virginia	3	Staff auditor
County of Grayson, Virginia	3	E/IC, Staff auditor
County of Russell, Virginia	3	Staff auditor
County of Washington, Virginia	3	E/IC, Staff auditor
County of Dickenson, Virginia	4	E/IC, Staff auditor
County of Wise, Virginia	1	Staff auditor
Town of Wytheville, Virginia	3	Staff auditor
Town of Pulaski, Virginia	3	E/IC, Staff auditor
Town of Bluefield, Virginia	3	Staff auditor
Town of Richlands, Virginia	1	Staff auditor
Town of Rocky Mount, Virginia	3	E/IC, Staff auditor
Town of Narrow, Virginia	1	Staff auditor
Town of Pembroke, Virginia	3	Staff auditor

E/IC — Engagement In-Charge



**Clarence A. Rhudy, Jr.,
 CPA, CISA, CITP**
Senior Manager
 540-345-0936
 crhudy@becpas.com

Profile

- Information technology specialist in the Roanoke office with over ten years of experience in public accounting, experience in programming, classroom training, automation, and utilization of information technology and controls in the work place with our firm and with other organizations
- Worked closely with various organizations prior to and since he joined Brown Edwards to achieve more effective and efficient use of technology, including IT assessments for organizations such as local governments and Sarbanes-Oxley (SOX) compliance both as a consultant and an auditor
- Experience performing information technology assessments for private industry, local government, financial institutions, and colleges and universities

Education

- Bachelor of Science in Accounting and Finance from Concord University
- Master's in Accountancy from Lynchburg College
- Previously taught accounting, investing, finance, and computers at National Business College and Central Virginia Community College

Memberships and certifications

- Certified Public Accountant
- American Institute of Certified Public Accountants
- Information Systems Audit and Control Association
- Certified Information Systems Auditor
- A+ and Network + from Comptia
- Certified Information Technology Professional

Government audit engagement	Years on engagement	Position
County of Montgomery, Virginia	6	IT Auditor
County of Bedford, Virginia	7	IT Auditor
Frederick County Sanitation Authority	4	IT Auditor
Bedford County Public Service Authority	4	IT Auditor
City of Lynchburg, Virginia	7	IT Auditor
City of Bristol, Tennessee	3	IT Auditor
City of Staunton, Virginia	3	IT Auditor
City of Harrisonburg, Virginia	3	IT Auditor
Roanoke City Schools	4	IT Auditor
Virginia Tech/Montgomery Regional Airport	5	IT Auditor
Town of Blacksburg, Virginia	7	IT Auditor
Town of Bedford, Virginia	7	IT Auditor
Harrisonburg Electric Commission	3	IT Auditor
Town of Vinton, Virginia	7	IT Auditor
Town of Tazewell, Virginia	4	IT Auditor



Joshua Graves, CPA
In-charge Associate
jgraves@becpas.com

Profile

- 5 years of experience in public accounting focusing on audits, reviews, compilations, bookkeeping, and tax returns.
- In-charge associate on Yeager Airport (Charleston, West Virginia) engagement.

Education








- Bachelor of Science in Business Administration, Accounting and Finance from University of Charleston






Memberships

- American Institute of Certified Public Accountants (AICPA), the West Virginia Society of Certified Public Accountants (WVSCPA), and the Charleston Chapter of the WVSCPA

References

Our firm is a leader in providing professional services to local governments throughout Virginia. A partial listing of local government clients currently served is as follows:

Local Governments	Contact Information	Types of services performed	Number of Years Served
Local Clients			
 Yeager Airport 100 Airport Road – Suite 175 Charleston, West Virginia 25311	Ms. Lorie Wynes Director of Finance & Administration 304-344-8033	Internal Control Consulting, Agreed Upon Procedures Testing, Accounting Assistance	1
State Agencies			
 Virginia Resources Authority 111 East Main Street, #1920 Richmond, Virginia 23219	Mr. Curtis Doughtie Controller 804-616-3451	Audit Single Audit	4
 Virginia General Assembly 101 North 14 th Street, 8 th Floor Richmond, Virginia 23219	Mr. Carnell N. Bagley Manager/Procurement 804-225-3350	Audit	6
 Virginia Auditor of Public Accounts 101 North 14 th Street, 8 th Floor Richmond, Virginia 23219	Mr. Carnell N. Bagley Manager/Procurement 804-225-3350	Turnover Audit Assistance	1
Virginia Municipals			
 City of Winchester, Virginia 15 North Cameron Street Winchester, Virginia 22601	Ms. Mary Blowe Director of Finance 540-667-1818	Audit Single Audit CAFR Preparation	6
 City of Manassas, Virginia 9027 Center Street Manassas, Virginia 20110	Mr. Paul York Finance & Administration Director 703-257-8234	Audit Single Audit CAFR Preparation	2
 City of Harrisonburg, Virginia 345 South Main Street Harrisonburg, Virginia 22801	Ms. Larry Propst, CPA Director of Finance 540-432-7702	Audit Single Audit Landfill Assurances Transmittal Forms	14
 City of Falls Church, Virginia 300 Park Avenue Suite 300 East Wing Falls Church, Virginia 22046	Ms. Melissa Ryman, CPA Assistant Director of Finance 703-248-5120	Audit Single Audit Pension Plan Audit	6

Local Governments	Contact Information	Types of services performed	Number of Years Served
 <p>Town of Blacksburg, Virginia 300 South Main Street Blacksburg, Virginia 24060</p>	<p>Ms. Susan Kaiser, CPA Director of Finance 540-961-1177</p>	<p>Audit Single Audit CAFR Preparation GASB Infrastructure Accounting Assistance Highway Funding Testing</p>	<p>14</p>
 <p>Town of Vinton, Virginia 311 S. Pollard Street Vinton, Virginia 24179</p>	<p>Mr. Barry Thompson Town Manager 540-983-0608</p>	<p>Audit CAFR Preparation Transmittal Forms Highway Funding Testing</p>	<p>20</p>
 <p>City of Lynchburg, Virginia 900 Church Street Lynchburg, Virginia 24504</p>	<p>Ms. Donna Witt Director of Finance 434-455-4240</p>	<p>Audit Single Audit Landfill Assurances Transmittal Forms Highway Funding Testing</p>	<p>12</p>
 <p>City of Colonial Heights, Virginia P.O. Box 3401 Colonial Heights, Virginia 23834</p>	<p>Ms. Tomeka Smith Acting Director of Finance 804-520-9332</p>	<p>Audit Single Audit CAFR Preparation Highway Funding Testing</p>	<p>5</p>
 <p>County of Montgomery, Virginia 755 Roanoke Street, Suite 2C Christiansburg, Virginia 24073</p>	<p>Ms. Angie Hill, CPA Director of Finance 540-382-6960</p>	<p>Audit Single Audit CAFR Preparation Landfill Assurances</p>	<p>12</p>
 <p>County of Bedford, Virginia 122 East Main Street, Suite 203 Bedford, Virginia 24523</p>	<p>Ms. Susan Crawford, CPA Director of Fiscal Management 540-586-7601</p>	<p>Audit Single Audit Landfill Assurances Transmittal Forms Turnover Audits</p>	<p>20</p>
 <p>County of Amherst, Virginia P.O. Box 390 Amherst, Virginia 24521</p>	<p>Mr. Dean Rodgers County Administrator 434-946-9400</p>	<p>Audit Single Audit CAFR Preparation Landfill Assurances Transmittal Forms</p>	<p>2</p>

Our value-added audit approach

Approach	Method
Understanding of work to be performed	Audit all funds in accordance with: <ul style="list-style-type: none"> ▪ Generally Accepted Auditing Standards (GAAS). ▪ The standards for financial audits contained in Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States.
Survey of systems and financial processes	<ul style="list-style-type: none"> ▪ “Top-down” approach to internal controls, which maximizes the efficiency of the process for your staff and provides the most relevant information by identifying significant audit areas and financial statement assertions. ▪ Gain an understanding of the flow of transactions within those areas and the key controls over those transactions. ▪ Verify implementation of key controls through observation, inspection or re-performance in order to design appropriate audit procedures, as well as provide you with observations and suggestions about your internal controls. ▪ Test controls of selected audit areas more extensively, for efficiency reasons, or to obtain appropriate audit evidence or because of specific compliance requirements. ▪ Utilize narratives that describe the flow of transactions prepared by you or us. ▪ May supplement with internal control questionnaires, depending on complexity of the area and amount of detail required. ▪ Perform internal control audit work during our preliminary fieldwork to free up your staff later when we return to perform final fieldwork, and provide us with relevant information that is used to design our audit procedures.
Pre-audit and post-audit communication	<ul style="list-style-type: none"> ▪ Provide engagement letter to the Administration no later than May 30. ▪ Exit conference with management as well as presentation to the Board prior to final issuance of audit.

Approach (Continued)	Method (Continued)
Annual planning and preparation	<ul style="list-style-type: none"> ▪ Up-front planning to gain understanding of the Administration and its internal controls through one-on-one interviews with and review of questionnaires completed by various Administration personnel. ▪ Seek to identify areas that might be of higher risk and inquire of Administration personnel as to whether there are new grants or other changes to operations requiring us to address compliance with new laws and regulations as we plan our audit. ▪ Assess the risks associated with your audit, including fraud and adapt our audit strategy accordingly to force us, including our partners and directors, to focus our efforts and to be as efficient and effective as possible. ▪ To minimize interruptions of your staff, communicate well in advance the assistance we will need from your staff, establish realistic and achievable deadlines, and schedule our testing to provide a proper amount of time for staff to be available for requests. ▪ Testing schedule occurs when client staff is available. ▪ Management provided with a detailed schedule of client prepared schedules and reconciliations needed during testing. ▪ Reliance on Administration’s staff to locate invoices selected for testing, prepare cash, debt, and other confirmations, pull payroll files for individuals selected for testing, provide support for certain amounts in the general ledger, and answer questions. ▪ Tailor our specific audit procedures, including tailor-made audit programs and approach according to this information, develop a realistic time budget, and factor the potential impact of newly issued technical pronouncements into the overall plan.
Consideration of fraud risks	<ul style="list-style-type: none"> ▪ Conduct fraud inquiries and review financial statements and accounting records for unusual activity. ▪ Randomly select transactions to review controls and validity of transactions. ▪ Letter sent to those charged with governance encouraging communication of fraud or suspicions.

Approach (Continued)	Method (Continued)
<p>Consideration of internal controls related to Information Technology</p>	<ul style="list-style-type: none"> • Approach places emphasis on identifying and testing the key controls of an organization to reduce the level of substantive auditing in well-controlled environments. • Generally accepted auditing standards require an understanding of the internal control system sufficient to plan our audit, we use an experienced CISA (Certified Information System Auditor) for this. • Experience obtained performing IT assessment procedures for various size companies, including public companies for Sarbanes-Oxley Information Technology requirements, governments, colleges, and financial institutions. • CISA will interview your IT personnel for the purpose of evaluation of IT risks and controls relevant to the audit. • Many of our competitors do not have this resource or level of expertise available. In many cases, this review results in the identification of previously unknown areas of risk and areas where controls and/or processes could be improved. Many firms market this as an additional service for an additional fee, if they can, in fact, provide the service. We include this assessment as part of our stated audit fees.
<p>Quality assurance over audit work throughout the engagement</p>	<ul style="list-style-type: none"> • Engagement partner to maintain daily contact to supervise audit staff. • File reviewed by at least two qualified reviewers.
<p>Communication of progress and potential issues</p>	<ul style="list-style-type: none"> • Regular communication at all stages of process. • Pre-engagement discussion for goals, timetable, and plan. • Discussion of progress and potential findings during fieldwork. • If a more detailed investigation or scope is required; should circumstances arise, we shall inform the Administration in writing of the need for such additional investigation and the additional compensation required. • In wrap-up stage, review audit procedures, findings, and delivery expectations. • Upon delivery of opinion, review with management, finance committee, and the Administration; as well as ways to improve. • Good communication is the key to no surprises!
<p>Use of sampling</p>	<ul style="list-style-type: none"> • We use sampling in various areas of our audit work. We anticipate sampling being used in the areas of grants receivable, capital asset additions, accounts payable, tests of internal control, and tests of compliance.

Approach (Continued)	Method (Continued)
Use of sampling (Continued)	<ul style="list-style-type: none"> ▪ Although we occasionally use statistical sampling approaches, frequently we find it more efficient to use a non-statistical approach, which is designed to approximate a statistically valid sample. We use substantive sampling approaches, in which the sample size is directly related to the size of the population, attribute sampling approaches, where the sample size is determined based on statistical theory and is independent of the population size, and judgmental sampling. The sampling approach to be applied to specific audit areas will be determined in the planning phase of our work. ▪ We select our samples in the manner we believe to be most efficient based on the goals of our testing. Generally, in large populations, we prefer to make selections electronically using data extraction software. Assuming our client can e-mail or otherwise provide us with electronic copies of the subject data, our samples can be designed, selected, and communicated back to our client from our office. The related test work is also generally documented in electronic format.

Major Audit Areas, as applicable	Illustrative Audit Approach Procedures
Cash and Investments	<p>Confirm investment accounts and examine reconciliations.</p> <p>Determine appropriate GASB Statement disclosures.</p> <p>Review reconciliations.</p>
Receivables	<p>Determine appropriateness of accruals.</p> <p>Perform analytical review procedures.*</p> <p>Confirm amounts outstanding.</p>
Capital Assets	<p>Vouch significant capital asset activity.</p> <p>Test depreciation expense analytically.*</p> <p>Review construction-in-process and timing of capitalization.</p>
Contingencies, Litigation, and Insurance Risk	<p>Communicate with legal counsel.</p> <p>Discuss the risk environment (claims pending or threatened) and related implications with management.</p> <p>Obtain representations from management and correlate with other procedures including minutes of meetings.</p>
Payables, Payroll, and Accrued Expenses	<p>Review fluctuation analysis, obtaining explanation of changes.</p> <p>Consider the need for additional procedures based on the significance of account balances or transactions.</p> <p>Perform search for unrecorded liabilities.</p> <p>Review of actuarial reports for pension and post-retirement healthcare liabilities.</p>
Revenues	<p>Confirm as necessary.</p> <p>Perform analytical review of revenues.*</p> <p>Perform predictive tests.</p>
Expenses/Transfers	<p>Perform analytical review of expenses.*</p> <p>Review the propriety of the summarization of accounts for financial statement presentation.</p> <p>Test charges for restricted expenses.</p>

* – Analytical procedures typically include, but are not limited to:

- Trend analysis
- Ratio analysis
- Month-to-month or year-to-year comparisons

Tentative Audit Timetable

Activity	Timing	Staff level	Time Estimate
Planning, including annual audit plan, entrance conference, review of prior year workpapers, and a list of all schedules and workpapers to be prepared by the client	June	Senior Associate	10%
Preliminary Fieldwork: Documentation and evaluation of systems Early substantiation procedures Provide management with any preliminary findings Interim testing of federal grants and additions to capital assets	June	Senior Associate and Staff	20%
Year-End Fieldwork to include component unit audits: <ul style="list-style-type: none"> • Substantiation of significant account balances • Analytical review of accounts • Preparation of management letter 	August	Senior Associate and Staff	50%
Fieldwork completed and all proposed audit adjustments delivered to management	August	Senior Associate	-
Draft of audit reports, recommendations, and management letter	September 6	Partner/Associate	20%
Final financial statements and notes	October 31		
Final management letter	October 31		
Presentation of the financial report to Board	As scheduled	Partner/ Senior Associate	-

"As always it was our pleasure to work with Brown Edwards again this year. We appreciate all of your help, friendly reminders and keeping us on task. Your knowledge, expertise and ability to discuss the issues in a professional and understanding manner is much appreciated and highly regarded, not only by staff but by our Audit Committee as well. Thank you!"

*-Kim Hynes, Executive Director
Central Virginia Waste Management Authority*

Services provided	Reporting overview
Financial Report	<ul style="list-style-type: none"> • Audit will be performed in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in <i>Government Auditing Standards</i> issued by the Comptroller General of the United States. • If auditors' opinion is other than unmodified, the Administration will be provided reasons for qualifying the opinion, disclaiming an opinion or rendering an adverse opinion within five business days of such determination. • Issue a report on our consideration of the Administration's internal control over financial reporting and tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. • Describes the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. • Apply certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information and no audit opinion issued.
Management letter	<ul style="list-style-type: none"> • Throughout the engagement, as matters are noted for management letter inclusion, we will discuss these matters timely with management to ensure all of our facts are accurate and that management agrees with the potential suggestions. • Submission of a management report of the findings on the system of internal control and related budgeting and operating procedures by October 31. • Offer recommendations for improving administrative methods, management operations, and cost reductions.
New accounting standards	<ul style="list-style-type: none"> • Brown Edwards will keep the Administration fully informed of new GASB statements and provide informal and incidental advice that may be requested by the Administration's officials regarding their implementation.

Professional development and technical resources	Explanation
Employee development approach	<ul style="list-style-type: none"> ▪ Employees receive on the job training and continued professional education. ▪ Conduct local government specific training for all staff involved in government audits each year. ▪ All employees assigned to the Administration's engagement will be in compliance with "Yellow Book" professional education requirements and will be supervised on a day to day basis by an In-Charge and/or Senior Associate. ▪ Continuing professional education records for the Administration's engagement team are available upon request.
Employee access to technical resources	<ul style="list-style-type: none"> ▪ Staff has access to <i>Checkpoint tools for PPC</i> as well as <i>RIA Checkpoint</i> which are online databases for research on local government audit and accounting issues, and workpapers. ▪ Brown Edwards uses a paperless audit approach and utilizes CCH's Prosystem <i>fx</i> Engagement software for all engagements and workpaper retention. ▪ Access to PPC's <i>SMART Practice Aids</i> efficiently and effectively plans your audit by simultaneously identifying higher risk audit areas and developing procedures to mitigate those risks.
Use of financial audit software (Computer-assisted auditing techniques ("CAATS"))	<ul style="list-style-type: none"> ▪ Data extraction software makes it possible to perform a 100% test of a transaction class for some attributes in less time than it would take to design a statistical sample for a traditional test and allows analysis of very large databases that are in formats which Excel is unable to open or sort properly to reduce audit preparation time for the client and reduces the duration of fieldwork testing. ▪ Certain risks identified during an audit require extended procedures. In most of these circumstances, we utilize CAATS to efficiently perform these procedures.

'Beyond the Basics' – Management Advisory Services

Our clients operate in a complex financial and compliance focused environment. At times, clients face challenges that only our expertise can assist with. These circumstances have strengthened our relationship with clients through services that are beyond the basic compliance audit. Real world examples of services provided to actual clients are as follows:

- Forensic and fraud services
- Excess overtime analysis
- Information technology services, vulnerability evaluations, and social engineering tests
- Internal controls evaluation and testing
- Payroll tax compliance assistance
- Procurement law compliance analysis
- Consultation on implementation of new GASBs
- Payroll and human resources controls and process reviews

Technology

Information technology assessment

Generally accepted auditing standards require that we gain a sufficient understanding of the information technology internal control system to plan our audit. As part of that process, we utilize an experienced Certified Information System Auditor (CISA). We have obtained this experience performing IT assessment procedures for various size companies, from public companies for Sarbanes-Oxley information technology requirements, governments, colleges, and financial institutions.

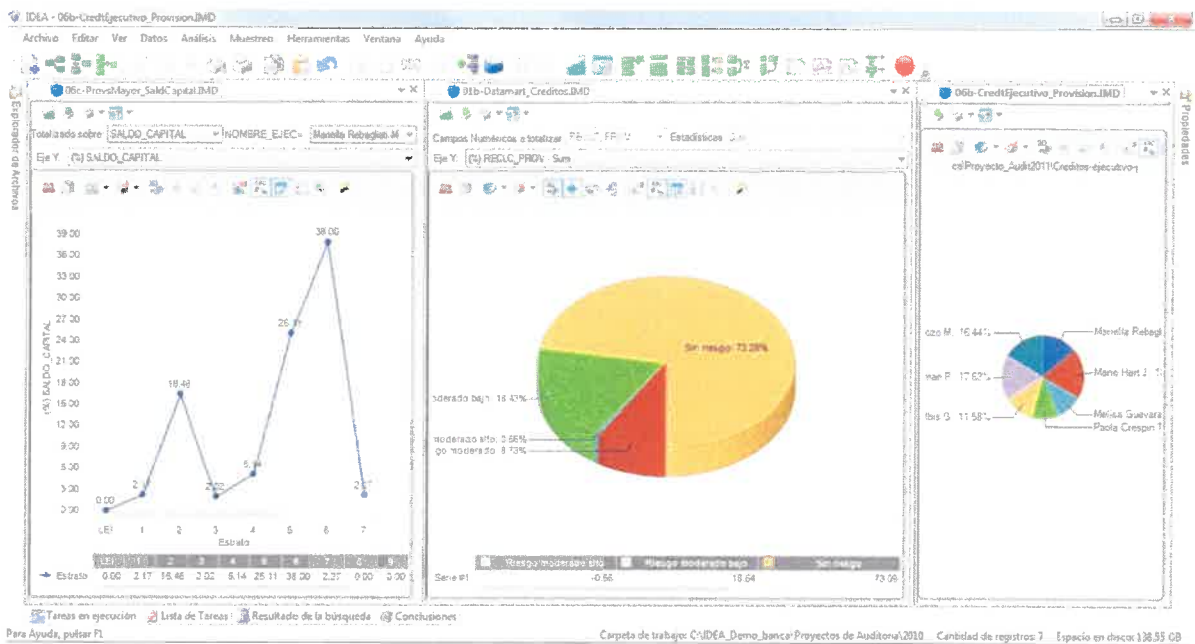
Our CISA will interview your IT personnel for the purpose of evaluation of IT risks and controls relevant to the audit. In most cases, this review results in the identification of previously unknown areas of risk and areas where controls and/or processes could be improved.

Many firms market this as an additional service for an additional fee, if they can, in fact, provide the service. We include this assessment as part of our stated audit fees.

Use of technology - IDEA software

We make use of IDEA data extraction software for many of our larger engagements. One advantage of using IDEA is that it can perform a 100% test of a transaction class for some attributes in less time than it would take to design a statistical sample for a traditional test. Another advantage is that IDEA allows us to analyze very large databases that are in formats which Excel is unable to open or sort properly. In some cases, IDEA allows us to not only perform tests more efficiently but also to apply tests that might not be possible through traditional means.

In most cases, use of IDEA reduces the audit preparation time for the client and reduces the duration of fieldwork testing.



Professional Fees

Concern over the level of fees for professional services is an issue for every organization. We are sensitive to this concern and are committed to maintaining fees at reasonable levels. However, we also recognize fees cannot be compromised for reduced quality or experience. We believe the level of experienced professionals assigned to your engagement ensure value-added service to your operations.

When is an audit well worth its cost? We believe it is when:

- The audit results in an improved understanding and disclosure of the organization's true financial position.
- The audit serves to strengthen the skills and confidence of the organization's finance department.
- The management letter points out control deficiencies and provides practical suggestions.
- Those at the organization feel comfortable in asking their audit team for technical advice throughout the year and are confident in the quality of that advice.
- The engagement team consists of highly skilled, knowledgeable professionals.

When is an audit not worth its cost? No matter the price, we believe audit fees are too high when:

- The auditor is inattentive to client service needs and does not provide timely service.
- The engagement team largely consists of inexperienced staff.
- The auditor has rarely provided management letter comments or other advice.

Our fee proposal is included in Appendix C.

Appendix A — Peer review



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

System Review Report

To the Partners of Brown, Edwards & Company L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown, Edwards & Company L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 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 Brown, Edwards & Company L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 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*. Brown, Edwards & Company L.L.P. has received a peer review rating of *pass*.



Baton Rouge, Louisiana
August 27, 2015

Appendix B — APA Quality Review Reports



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia *Auditor of Public Accounts*

P.O. Box 1295
Richmond, Virginia 23218

November 17, 2016

Brown, Edwards & Company, LLP
124 Newman Avenue
Harrisonburg, VA 22801

We have reviewed the working papers for the audit of the City of Falls Church, Virginia, which includes the City of Falls Church Public Schools, for the year ended June 30, 2015. The purpose of our review was to determine whether:

- A. the audit complies with the Specifications for Audits of Counties, Cities, and Towns, issued by the Auditor of Public Accounts;
- B. the audit complies with Government Auditing Standards, issued by the Comptroller General of the United States;
- C. the audit complies with Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations;
- D. the annual financial reports comply with generally accepted accounting principles for governmental entities; and
- E. the auditor has performed the agreed upon procedures for the Comparative Report Transmittal Forms as set forth in the Uniform Financial Reporting Manual, issued by the Auditor of Public Accounts.

We conducted our review in accordance with the 2015 Quality Control Review Program for Audits of Local Governments, developed by the Auditor of Public Accounts. The review was limited to the audit of the City of Falls Church, Virginia, and did not extend to any other engagements performed by your firm.

We found that for the audit of the City of Falls Church, Virginia, for the year ended June 30, 2015, the working papers appropriately supported the requirements listed in A through E above. Firms can receive a rating of pass, pass with deficiencies or fail. Brown, Edwards & Company, LLP has received a review rating of pass.

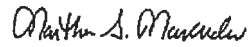
www.apa.virginia.gov | (804) 225-3350 | reports@apa.virginia.gov

Appendix B — APA Quality Review Reports

Brown, Edwards & Company, LLP
November 17, 2016
Page Two

This report is intended for the information and use of management. However, it is a public record and its distribution is not limited.

Sincerely,



Martha S. Mavredes
Auditor of Public Accounts

cc: City of Falls Church
City of Falls Church School Board
Virginia Board of Accountancy
Virginia Society of Certified Public Accountants



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

State of West Virginia
 Request for Quotation
 10 - Consulting

Proc Folder: 328218

Doc Description: Annual External Audits of the WVABCA

Proc Type: Central Contract - Fixed Amt

Date Issued	Solicitation Closes	Solicitation No	Version
2017-05-03	2017-05-23 13:30:00	CRFQ 0708 ABC1700000002	1

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

Michelle L Childers
 (304) 558-2063
 michelle.l.childers@wv.gov

Signature X

FEIN # 54-0504608

DATE 5/23/17

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

ADDITIONAL INFORMATION:

Request for Quotation

The West Virginia Purchasing Division is soliciting bids on behalf of West Virginia Alcohol Beverage Control Administration (WVABCA) to establish a fixed term contract to provide the WVABCA with Audit and Management Advisory Services for the fiscal year ending June 30, 2017.

INVOICE TO	SHIP TO
ACCOUNTING DEPARTMENT ALCOHOL BEVERAGE CONTROL COMMISSION 4TH FLOOR 900 PENNSYLVANIA AVE CHARLESTON WV25302 US	ALCOHOL BEVERAGE CONTROL COMMISSION 4TH FLOOR 900 PENNSYLVANIA AVE CHARLESTON WV 25302 US

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	All Inclusive Auditing Services per Contract Specifications				

Comm Code	Manufacturer	Specification	Model #
84111600			

Extended Description :

Soliciting bids to provide all inclusive auditing services as per specifications.

**EXHIBIT A : PRICING PAGE
AUDIT SERVICES
FLAT FEE PRICING**

Description		Extended Cost
Total all-inclusive maximum price for audit services as described in this solicitation.	2017	\$22,500
Total all-inclusive maximum price for audit services as described in this solicitation.	2018	\$23,200
Total all-inclusive maximum price for audit services as described in this solicitation.	2019	\$23,900
Total all-inclusive maximum price for audit services as described in this solicitation.	2020	\$24,600
	TOTAL BID AMOUNT	\$ 94,200

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.

- N/A 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**,
- N/A 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**,
- N/A 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**,
- N/A 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**,
- N/A 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**,
- N/A 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.
- N/A 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: Brown, Edwards & Company LLP


Signed: 

Date: May 23, 2017

Title: Partner

*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.



(Name, Title)
Christopher A. Banta, Partner

(Printed Name and Title)
2 Players Club Drive, Charleston, West Virginia 25311

(Address)
540-345-0936 / 540-342-6181

(Phone Number) / (Fax Number)
cbanta@becpas.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.

Brown, Edwards & Company, LLP

(Company)



(Authorized Signature) (Representative Name, Title)

Christopher A Banta, Partner

(Printed Name and Title of Authorized Representative)

May 23, 2017

(Date)

540-345-0936 / 540-342-6181

(Phone Number) (Fax Number)

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: Brown, Edwards & Company, LLP

Authorized Signature: *Charles E. Heath* Date: May 23, 2017

State of WV

County of Kanawha, to-wit:

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

My Commission expires July 6, 2020.



NOTARY PUBLIC *Deborah L. Bradley*
Purchasing Affidavit (Revised 08/01/2015)