

NOTICE

Please note that this bid from BROWN EDWARDS for CRFQ LOT21*6 was received prior to the established bid opening date and time of January 5th, 2021. However, the bid response submitted did not get read aloud during the scheduled bid opening.



Beverly Toler

Supervisor, Support Services

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2020 DEC 28 AM 9: 50
WV PURCHASING
DIVISION

CRFQ 0705 LOT2100000006

BUYER: JESSICA CHAMBERS

SOLICITATION CLOSES:

JANUARY 5, 2021

1:30 PM

PROPOSAL TO SERVE THE WEST VIRGINIA LOTTERY FOR FINANCIAL REVIEW ANALYSIS AND CONSULTING SERVICES



Timothy J. Gibbons, CPA, ABV, CVA, CFF
Principal

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 **BROWN EDWARDS**
certified public accountants



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January 5, 2021

West Virginia Lottery Commission
900 Pennsylvania Avenue
Charleston, West Virginia 25302

We are very pleased to present our qualifications to provide professional services to the West Virginia Lottery Commission, hereafter referred to as "the Lottery" for the effective contract date of January 5, 2021 and extends for a period of one (1) year and the option to renew for three (3) successive one (1) year periods. Brown, Edwards & Company, L.L.P. ("Brown Edwards") has a large state and municipal governmental practice and is a leader in providing services to those clients in West Virginia and throughout the region. ***We can assure you the Lottery would continue to be an important part of our governmental practice.*** As described in Appendix A, we have committed an engagement team with extensive experience serving governmental entities, including the Lottery, and the gaming industry in West Virginia.

Through our merger with Gibbons & Kawash, A.C. on January 1, 2018, we have fortified and strengthened our overall experience with state agencies to levels that are unmatched by other local or regional firms. Our professional relationship with the Lottery extends more than 20 years, and during that time we have witnessed the Lottery's substantial changes in operations. Racetrack video lottery, limited video lottery, table games, and most recently, sports book wagering, were added during our professional engagement. Total revenues have grown from \$451 million to as high as \$1.5 billion over that period of time. Our personnel have been present as these substantial developments have impacted Lottery operations, and you can be confident that Brown Edwards understands Lottery operations as they exist today.

Our experience serving the Lottery has developed a highly trained, professional team who is knowledgeable and experienced with all West Virginia Code sections relating to the Lottery and its gaming operations. Our personnel have experience with the Lottery and our understanding and knowledge of the systems and procedures relating to the Lottery's operation of all of its activities is unmatched. In addition, we have access to the resources of one of the nation's largest accounting and advisory firms, BDO USA, and hundreds of other CPA and specialty consulting firms, through our membership in the BDO Alliance USA. Our personnel participate in the BDO Alliance USA Gaming and Hospitality Group and Public Sector Group. These groups provide the latest information and feedback on new standards as well as on operational issues.

We certify that this proposal meets or exceeds all of the qualifications identified in Item Number 3 – Qualifications, and Item Number 4 – Mandatory Requirements as listed in the Specifications of this RFQ.

We would be pleased to meet with you and formally present our proposal upon your request. If you have any questions, please do not hesitate to contact me at (304) 343-4188.

Respectfully submitted,

BROWN, EDWARDS & COMPANY, L.L.P.



Timothy J. Gibbons, Principal

ABOUT THE FIRM

Brown Edwards 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 10 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.

QUICK FACTS ABOUT BROWN EDWARDS

Inside Public Accounting's Top 100 Public Accounting Firms by net revenue (8/20)

Recognized as one of America's Best Tax Firms for 2020 by Forbes Magazine (12/19)

Listed as one of the four most successful firms in the United States in Accounting Today (4/19)

Listed as #5 in the Capitol Region by Accounting Today (3/20)

Offices in Blacksburg, Bristol, Lynchburg, Harrisonburg, Newport News, Richmond, Roanoke and Wytheville, VA; Kingsport, TN; and Bluefield and Charleston, WV

Pass opinion on our peer review for over 25 years and our PCAOB inspections have been 100% successful with no findings

More than 400 professionals serving southeastern United States

OUR COMMITMENT TO EXCELLENCE



All aspects of our service quality are monitored against our **5 Star Service Quality Standards**. The 5 Star include standards for responsiveness, product quality and delivery, ease of access to decision makers and professional attitudes of all members of our team. 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.

MEMBERSHIP ORGANIZATIONS

Brown Edwards is a member of the American Institute of Certified Public Accountants' Center for Audit Quality. This membership requires a peer review every three years. **Our most recent peer review was performed in September 2018. We received a "Pass" rating, the highest rating achievable, for our 2018 review.** A copy of our most recent peer review is attached as **Appendix B** for your convenience.



Brown Edwards is also registered with the Public Company Accounting Oversight Board (PCAOB). This Board monitors quality in firms that audit public companies, which subjects our firm to stringent inspection and requires that we meet the highest level of technical quality in the profession today. The benefit to you is that our quality control systems and educational requirements are subject to the same standards and inspections as are those of the largest firms. **We are very proud of the results of our PCAOB inspections, the most recent being in 2016. In each of our five inspections, we received an unqualified report with no findings, a distinction that few firms have achieved.** PCAOB inspection reports are public documents and receipt of a report with no findings places us in an enviable position when compared with peer firms, including those that are significantly larger than our firm.

As an independent member of the BDO Alliance USA, Brown Edwards can expand the services offered to clients by drawing on the resources of BDO USA, LLP, the fifth largest accounting services firm in the nation, and other Alliance members. The firm serves clients through 63 offices and more than 450 independent Alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 1,300 offices in over 150 countries.



Brown Edwards is also a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center (GAQC). The GAQC is designed to help CPAs 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 adhere to specific membership requirements covering the governmental audits we perform, 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 all clients.

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.



We receive comprehensive resources and up-to-date information on a variety of technical, legislative, and regulatory subjects to assist us in performing employee benefit plan audits and ensure clients are in compliance with the appropriate standards and changes in regulations. These resources help us respond quickly to new standards and requirements to ensure the efficiency of your audit engagement.

MEMBERSHIP ORGANIZATIONS (CONTINUED)



Brown Edwards also employs several Certified Fraud Examiners (“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, provide an added benefit to complex municipal engagements.

Brown Edwards performs peer reviews for six to eight firms each year, and our peer review clients include seven top 100 firms in the country in terms of annual revenue. Our governmental team participates 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, audit approaches, and technology.

THE BENEFITS OF A REGIONAL FIRM

As a regional firm, we offer the best of both worlds. With a total staff of over 400 and growing, we are large enough to provide services to a broad range of clients in the functional areas of accounting, auditing, tax, and management advisory services while providing you with **direct access to our partners, principals and directors**.

Although we are considered a large firm on a national basis, Brown Edwards is owned, operated, and managed locally and as a result we can respond to your needs quickly and effectively. Our offices are located in West Virginia, Virginia, and Tennessee, and we have quick and easy access to all of the southeastern United States. Because we live and work very close to all the markets we serve, our partners and directors are always accessible to you. Having unparalleled access to our firm’s decision makers helps to create the meaningful relationship between our firm and our clients that you should expect from your auditors. Our goal with the Lottery is not merely to provide the desired services but to proactively work with you to identify opportunities and use our resources to support your strategic mission – ***Your Success is Our Focus***.

OUR TECHNOLOGY

Brown Edwards is committed to providing our professionals access to sound and advance technology in order to ensure optimum levels of efficiency in our engagements. We use “paperless” techniques which enable our professionals to spend more time on judgment matters and in-depth research and analysis, rather than on “number crunching” and other mechanical aspects of client service, which enhances efficiency by allowing for the quick update of key documentation from year-to-year.

With an internet connection, our personnel can work from anywhere and have complete access to the firm’s network as well as access to multiple high quality research sites for research of accounting and auditing, and reporting issues. Our electronic software allows efficient integration of client prepared Word, PDF, and Excel files into our workpaper files.

OUR TECHNOLOGY (CONTINUED)

All data on Brown Edwards computers, including our workpapers in our computerized audit documentation management system, is encrypted using advanced algorithm technology. The data encryption ensures that in the unlikely event that one of our computers were to be lost or stolen, your data and our workpapers would be unreadable to anyone other than Brown Edwards personnel.

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



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



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



IDEA - A powerful data extraction and analysis program that provides us with access to large amounts of data from which we can quickly import, join, analyze, sample and extract data from almost any source. Through data extraction and analysis programs, a significant amount of information can be evaluated for unusual relationships, which may be the result of erroneous data. **In most cases, use of IDEA reduces the audit preparation time for the client and reduces the duration of fieldwork testing.**



ShareFile - A secure cloud-based collaboration, file-sharing and workflow solution that supports all the document-centric needs of businesses. Auditors and clients can safely share large files, e-sign and get secure remote access to servers and PCs from any device, any time.

Information and Cybersecurity Consulting

Brown Edwards also offers specialized Information and cybersecurity consulting ranging from Security assessments and consulting to penetration and vulnerability testing to help identify threats to system security. We have the expertise and experience to help our clients design and implement solid, secure programs for both IT compliance and security. Fees associated with these services would be based on the degree of responsibility involved and the skill required.

Emerging Technology and Its Effect on the Audit Process

As a Top 100 accounting firm, Brown Edwards is currently participating in discussions with the AICPA and other Top 100 accounting firms regarding the use of artificial intelligence (AI) in the audit process. What this means for the Lottery is that you can be assured that Brown Edwards continually strives to improve the efficiency and effectiveness of our audit process in order to better serve our audit clients.

OTHER PROFESSIONAL SERVICES

We know 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 engagement. Brown Edwards can provide a number of professional services, visit us at becpas.com to learn more.

QUALIFICATIONS AND EXPERIENCE

We have assembled a dedicated team of professionals to serve the needs of the Lottery. These individuals bring a wide range of experience, professionalism, and insight to your engagement. They each have proven 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 Lottery's engagement.
- Our people have experience and knowledge that is relevant to the financial, accounting, information technology, and other business considerations facing the Lottery.
- Our people are active members in various governmental organizations and associations, and maintain a strong professional relationship with FARS, the GFOA, 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 commitment. Resumes of your service team are listed in **Appendix A**.

CONTINUING PROFESSIONAL EDUCATION

One of the best measures of a firm's commitment to its audit practice is the depth of specialized training provided to its professionals. Brown Edwards provides internal and external training on governmental accounting, auditing, reporting, and operations in excess of the GAO requirements. In addition, our membership in the AICPA's Governmental Audit Quality Center requires additional levels of continuing professional education to maintain our membership. We continually monitor the issuance of technical auditing and accounting pronouncements and provide our personnel with specialized training in these areas. Professionals at all levels receive specialized training in seminars and courses presented by nationally recognized experts in governmental and nonprofit accounting, auditing and financial reporting. Brown Edwards' professional staff has met all continuing professional education requirements.

COMMITMENT TO PROVIDE STAFF CONTINUITY

Our staffing and scheduling policies have historically been very successful in maximizing team continuity from year to year. Effective staff recruiting and retention is a top priority for our firm, because we realize that our most valuable investment is our people. We view continuity of engagement teams to be in the best interest of the Firm and our clients. Staff repetition enhances audit effectiveness and efficiency, and is our guiding principle in scheduling. When personnel changes are unavoidable, the depth of our pool of experienced professionals gives us the ability to select a replacement with similar qualifications and levels of experience for your audit team. We understand that the Lottery reserves the right to request staff changes throughout the term of the contract.

OVERALL CHARLESTON OFFICE EXPERIENCE

The Charleston office of Brown Edwards, including the former firm of Gibbons & Kawash, has a long tradition of providing the highest quality professional services to governmental clients. Brown Edwards' Charleston office includes recent public sector experience with the following entities:

- City of Charleston, West Virginia
- Central West Virginia Regional Airport Authority
- Charleston Area Alliance
- Kanawha County Commission
- Kanawha County Sheriff's Department
- Kanawha Valley Regional Transportation Authority
- Kanawha County Regional Development Authority
- Region III Planning and Development Council
- Region VII Planning and Development Council
- School Building Authority of West Virginia
- Tobacco Settlement Finance Authority of West Virginia
- West Virginia Affordable Housing Trust Fund
- West Virginia Alcohol Beverage Control Administration
- West Virginia Bar Foundation
- West Virginia Board of Treasury Investments
- West Virginia Consolidated Public Retirement Board
- West Virginia Department of Transportation
 - Division of Motor Vehicles
 - Division of Public Transit
 - Aeronautics Commission
 - Public Port Authority
- West Virginia Division of Highways
- West Virginia Drinking Water Treatment Revolving Loan Fund
- West Virginia Economic Development Authority
- West Virginia Housing Development Fund
- West Virginia Infrastructure and Jobs Development Council
- West Virginia Jobs Investment Trust
- **West Virginia Lottery Commission**
- West Virginia Municipal Pension Oversight Board
- West Virginia Parkways Authority
- West Virginia Prepaid College Tuition and Savings Plan
- West Virginia Public Service Commission
- West Virginia Regional Jail and Correctional Facility Authority
- West Virginia Solid Waste Management Board
- West Virginia State Bar
- West Virginia State Rail Authority
- West Virginia Water Development Authority
- West Virginia Water Pollution Control Revolving Loan Fund

RECENT ENGAGEMENTS WITH THE STATE OF WEST VIRGINIA

The following is a list of engagements with the State of West Virginia from the Charleston office of Gibbons & Kawash, now Brown Edwards, for the past five years.

<u>West Virginia Engagements</u>	<u>Principal Contact</u>	<u>Scope of Work</u>	<u>Years Served</u>
West Virginia Solid Waste Management Board	Scott Norman 304-926-0448	GAS / AUP	2015-2020
West Virginia Lottery Commission	Dean Patrick 304-558-0500	GAS	2015-2020
West Virginia Division of Highways	Susan Creager 304-558-9420	GAS	2015-2016
Tobacco Settlement Finance Authority of WV	Jane Shinn 304-558-4083	GAS	2015-2020
West Virginia Infrastructure and Jobs Development Council	Sheila Miller 304-414-6500	GAS	2015-2020
West Virginia Water Development Authority	Sheila Miller 304-414-6500	GAS	2015-2020
West Virginia Drinking Water Treatment Revolving Loan Fund	Sheila Miller 304-414-6500	GAS / UG	2015-2020
West Virginia Jobs Investment Trust	Andy Zulauf 304-345-6200	GAS	2015-2020
West Virginia Economic Development Authority and affiliated entities	Jackie Browning 304-558-3650	GAS	2015-2020
West Virginia Water Pollution Control Fund	Katheryn Emery-Fultineer 304-926-0499	GAS / UG	2016-2020
West Virginia Alcohol Beverage Control Administration	Julia Jones 304-356-5510	GAS	2015-2020
West Virginia Prepaid College Tuition and Savings Plan	Greg Curry 304-340-2702	GAS	2016-2020
West Virginia Board of Treasury Investments	Kara Hughes 304-340-1564	GAS / AUP	2015-2020
West Virginia Housing Development Fund	Chad Leport 304-391-8644	GAS / UG	2015-2020
West Virginia Consolidated Public Retirement Board	John Galloway 304-558-3570	GAS	2015
West Virginia Municipal Pensions Oversight Board	Michelle Painter 304-356-2422	GAS	2015, 2019, 2020

LOTTERY EXPERIENCE

As Brown Edwards, and previously Gibbons & Kawash, we have audited the financial statements of West Virginia Lottery Commission for 22 years and have an in-depth knowledge of the operations of the Lottery. **We have also provided the services listed in the RFP over the past 9 years to the Lottery.** During this time, the Lottery's operations have expanded and have become substantially more complex, adding Racetrack Video Lottery, Limited Video Lottery, Table Games, and Sports Book Wagering. Our personnel are familiar with the requirements of the State Lottery Act, the Racetrack Video Lottery Act, Limited Video Lottery Act, Table Games Act, Limited Gaming Facility Act, and Sports Wagering Act, as well as the many other laws and regulations applicable to Lottery operations as presently designed. Our staff has detailed knowledge regarding all of the Lottery's various gaming types (Traditional, Racetrack and Limited Video Lottery Games and Table Games) as well as the computer systems currently in use by the Lottery to operate its traditional games, limited video lottery, and racetrack video lottery, as well as the related controls that impact complete and accurate financial reporting.

In connection with its traditional games, the Lottery conducts live televised drawings. Our personnel include numerous individuals with multiple years of combined experience observing the drawings.

ADDITIONAL GAMING INDUSTRY EXPERIENCE

Our gaming industry experience includes over 15 years of providing financial statement auditing services to a licensed racetrack, Mardi Gras Casino and Resort (formerly Tri-State) in Cross Lanes, West Virginia. The scope of our work included Racetrack Video Lottery operations at the track, which operated "coin drop" machines and "TITO" (ticket in ticket out) machines, as well as pari-mutuel wagering operations. Our experience with the licensed racetrack has provided a unique perspective for our understanding of racetrack video lottery.

We performed separate engagements for two licensed racetracks in West Virginia (Tri-State and Mountaineer) relating to evaluations of procedures and controls over their pari-mutuel wagering or totalisator (tote) systems. These services included procedures at the local tracks and at the off-site data center responsible for processing data from over 60 tracks in the eastern U.S. utilizing inter-tote protocol. These services were provided to one track (Mountaineer) for two years and another track (Tri-State) for over 10 years. Our experience with these systems has contributed to our ability to evaluate electronic controls and procedures in environments such as the Lottery's.

PURPOSE AND SCOPE OF ENGAGEMENT

Brown Edwards understands that the West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia Lottery to establish a contract for financial review analysis and advice concerning video lottery terminals manufacturers, licensed racetracks and licensed operators, table games supplier manufacturers or persons applying for these licenses or permits under the Racetrack Video Lottery Act [W.V A. CODE §29-22A-1 ET SEQ.], The Limited Video Lottery Act [W.V A. CODE §29-22B-1 ET SEQ.], The Racetrack Table Games Act [W.VA. CODE §29-22C-1 ET SEQ.], The Limited Gaming Facility Act [W.V A. CODE §29-25-1], The WV Sports Wagering Act [§29-22D-I], the WV Lottery Interactive Wagering Act [§29-22E-I] and/or other acts that may be enacted prior to or during the term of the contract issued pursuant to this solicitation.

We also understand that the State Lottery Commission requires consultant services to provide calculations and analysis, and to give the commission candid and unbiased advice concerning the initial licensing and continuing re-licensing of governed entities, as well as, specialized ad hoc intermediate and advanced financial work requiring the prior approval and direction of the commission. We also understand that if selected we will provide management consulting services and will perform special reviews and/or work involving the administration of the Lottery's responsibilities under WV Code §29-22-29.

AFFIRMATIONS

Brown Edwards has no conflict of interest with regard to any other work performed by the Vendor for the State of West Virginia.

Brown Edwards has no accountant-client relationship with any of the four pari-mutuel racetracks that are located in West Virginia and regulated by the State Lottery Commission.

Brown Edwards has no accountant-client relationship with any of the manufacturers of the video lottery machines that are now licensed by the West Virginia Lottery and that may hereafter become licensed or permitted.

Brown Edwards does have an accountant-client relationship with two of the limited video lottery operators or retailers that now hold West Virginia Lottery limited video lottery licenses or that may hereafter become licensed. Our Charleston Office prepares reviewed financial statements and tax returns for Derrick Video, as well as tax returns for the owners of Derrick Video. Our Wytheville office prepares compiled financial statements and tax returns for Warden Amusements, Inc., as well as tax returns for the owners of Warden Amusements.

Brown Edwards has no accountant-client relationship with any of the supply manufacturers related to the operation of table games that are now licensed by the West Virginia Lottery and that may hereafter become licensed.

Brown Edwards has no accountant-client relationship with any limited gaming facility that is now licensed by the West Virginia Lottery and that may hereafter become licensed.

Brown Edwards has no accountant-client relationship with any sports wagering management services provider/supplier that is now licensed by the West Virginia Lottery and they may hereafter become licensed.

AFFIRMATIONS (CONTINUED)

Brown Edwards has no accountant-client relationship with any i-gaming management services provider or supplier that is now licensed by the West Virginia Lottery and that may hereafter become licensed.

Brown Edwards affirms that one or more partners or members to be assigned to this contract are properly licensed to practice accountancy in the State of West Virginia and is (are) a certified public accountant who has (have) met all continuing professional education requirements within the preceding two years.

Brown Edwards affirms one or more partners or members to be assigned to this contract are experienced in the preparation and analysis of a variety of regulatory financial forms required by the United States Securities and Exchange Commission ("SEC").

Brown Edwards affirms that none of the partners or members of Brown Edwards have been convicted of any violation of security laws or of gambling laws.

Brown Edwards will be able to respond to or meet with the Lottery and Lottery Headquarters within one hour.

UNDERSTANDING THE WORK TO BE PERFORMED

Brown Edwards will assist the Director of the West Virginia Lottery and the Commission to review the financial condition of businesses licensed, permitted, or applying for licenses or permits as video lottery terminal manufacturers, licensed racetracks, limited video lottery licensed operators and table games supply manufacturers under the Racetrack Video Lottery Act, the Limited Gaming Facility [Casino] Act, The WV Sports Wagering Act, the WV Lottery Interactive Wagering Act, and/or by other Acts that may be enacted prior to or during the term of the contract issued pursuant to this RFQ.

Brown Edwards will provide management consulting services and will perform special reviews and/or work of the administration of the Lottery's responsibilities under WV Code §29-22-29 as directed by the Commission.

Brown Edwards understands that services will include, but are not limited to, the review of year-end financial statements (both audited and unaudited) of applicants. The review of applicants interim financial statements, business plan, financial projections, Federal and State tax returns as well as, when applicable, their filings with the SEC. Such services will also include the review of proposed and final loan documents. In addition, a review may be required of the personal financial statements of certain shareholders, officers and members of their board of directors (or other group depending upon the business structure of the applicant), as well as a review of personal federal and state income tax returns. Brown Edwards will conduct these reviews maintaining strict confidentiality to the applicants.

Brown Edwards understands that there are occasions that the Commission will meet in other parts of West Virginia, usually at a racetrack location. We will attend these meetings, when required, to present analysis at public meetings. We understand that travel and lodging expense outside of the headquarters area of the Lottery will not be reimbursed.

Brown Edwards understands that we may be assigned special review or administrative work needed to advise the Commission or accomplish administrative duties of the Lottery.

TIMELINE

Brown Edwards and the Lottery will agree upon a schedule for performance of contract services and contract services deliverables.

CONFIDENTIALITY

Brown Edwards shall have access to private and confidential data maintained by the Lottery to the extent required for Brown Edwards to carry out the duties and responsibilities defined in this contract. Brown Edwards agrees to maintain confidentiality and security of the data made available.

APPENDIX A – RESUMES

Timothy J. Gibbons, CPA, ABV, CVA, CFF

Principal



Timothy J. Gibbons is a Principal at Brown Edwards in the Charleston office. He has provided valuation and financial advisory services for numerous purposes including estate and gift taxation, mergers and acquisitions, buy/sell agreements, corporate and strategic planning, ESOPs, shareholder disputes, marital dissolutions, and other tax, litigation, and corporate related matters.

Tim has been responsible for review of accounting systems, review and evaluation of internal controls and consulting with clients on various management issues. He frequently consults with owners and managers regarding business, accounting, and valuation issues; assists with mergers, acquisitions, and sales of privately-owned business, and has provided services to SEC regulated entities.

Tim's experience includes business valuations of entities in numerous industries including manufacturing, wholesale distribution, energy, retail, construction, healthcare services, professional services, food service, and holding company/estate planning vehicles. Tim has also provided litigation support services related to business valuations, shareholder disputes, marital dissolution, wage impairment, lost profits in connection with business interruption, and other business matters.

Prior to co-founding Gibbons & Kawash, A.C. in 1992, Tim co-founded a predecessor firm in 1983 and was a supervisor at Main Hurdman (now KPMG) from 1978 through 1982.

Education

MBA – West Virginia University College of Graduate Studies
BSBA – Xavier University

Professional Accreditations

CPA – Certified Public Accountant
ABV – Accredited in Business Valuation
CVA – Certified Valuation Analyst
CFF – Certified in Financial Forensics

Associations and Memberships

American Institute of Certified Public Accountants
West Virginia Society of CPAs
National Association of Certified Valuation Analysts
Institute of Business Appraisers
The ESOP Association
Charleston Estate Planning Council

Contact Information:

tgibbons@BEcpas.com

304-343-4188

Rob E. Adams, CPA, CGMA

Consulting Partner



Rob is a partner in our Charleston office and has over 25 years of professional experience. He is the Firm's Central region assurance department coordinator and a member of the Firm's Accounting and Audit Committee.

Rob's professional experience includes significant audit responsibilities for numerous large governmental entities, including the West Virginia Lottery Commission. He has consulted with governmental organizations regarding federal grant compliance matters, unrelated business taxable income, and evaluation of internal control.

Rob is active in the AICPA's Governmental Audit Quality Center. Rob's experience also includes reporting under International Financial Reporting Standards, and conducting audits in accordance with Government Auditing Standards and the Uniform Guidance or the Single Audit.

Rob graduated Magna Cum Laude from West Virginia Wesleyan College in 1994 with a Bachelor of Science degree in business administration with a concentration in accounting and a minor in economics. He is a member of the American Institute of CPAs, the West Virginia Society of CPAs, the Charleston Chapter of the West Virginia Society of CPAs, the Governmental Finance Officers Association, and is a Chartered Global Management Accountant.

Rob is in compliance with all applicable CPE requirements.

Contact Information:

readams@BEcpas.com

304-343-4188

Anthony Carpenter, CPA

Director



Anthony is a Director in the Charleston office with over 12 years of professional experience providing audit, review, compilation, internal control, consulting, and agreed upon procedures services to state and local governments, nonprofit organizations, employee benefit plans, and closely held businesses.

Anthony's professional experience includes significant audit responsibilities for numerous large governmental entities, including the West Virginia Lottery Commission. His industry experience includes state and local governments, multi-state retailers, professional service firms, hospitality, mineral extraction, religious organizations, and dealerships.

Anthony graduated with a Bachelor of Business Administration with a concentration in accounting from West Virginia State University in 2007.

Anthony is a member of the American Institute of CPAs, the West Virginia Society of CPAs, and the Charleston Chapter of the West Virginia Society of CPAs, Leadership Kanawha Valley Class of 2016, and Emerging Leaders Academy Class of 2019.

Anthony is in compliance with all applicable CPE requirements.

Contact Information:

acarpenter@BEcpas.com

304-343-4188

Vincent Centofanti, MBA, ABV

Senior Associate



Vincent is a Senior Associate in the Valuation and Forensic Services group at Brown, Edwards & Company, L.L.P. He has over five years of experience in this area. Specifically, Vincent has prepared valuations for gift and estate tax purposes, mergers and acquisitions, equitable distribution, buy/sell agreements, strategic planning, and Employee Stock Ownership Plans. His business valuation experience includes but is not limited to the following industries: manufacturing, coal, oil and gas, professional services, hospitality, food service, bio-technology, real estate holdings, and retail.

Vincent's litigation support services experience includes calculating economic damages related to personal injury, wrongful death, wrongful termination, deliberate intent, and commercial matters. Furthermore, he has performed forensic accounting engagements and fraud examinations.

Vincent also has over five years of experience providing consulting services for the West Virginia Lottery Commission in the areas of licensing and financial compliance.

Vincent is in compliance with all applicable CPE requirements.

Education

- MBA – University of Charleston
- BSBA – University of Charleston

Professional Accreditations

- ABV - Accredited in Business Valuation

Associations and Memberships

- American Institute of Certified Public Accountants – Forensic and Valuation Services Section

Contact Information:

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304-343-4188

Tyler Cornell, CPA

Senior Associate



Tyler is a Senior Associate with Brown Edwards in the Charleston office with 4 years of experience in public accounting with a concentration in valuation and tax services. He has provided tax compliance, planning, and advisory services to a variety of closely-held companies and related individuals in the construction, hospitality, oil and gas, restaurant, and professional services industries.

In addition, Tyler has prepared valuations for gift and estate tax purposes, strategic planning, and Employee Stock Ownership Plans to clients in the manufacturing, food-service, professional services, and defense industries.

Tyler graduated from Alderson Broaddus University with a Bachelor of Science degree in business administration. He is also currently in the process of obtaining an M.B.A. from Marshall University's Lewis College of Business. Tyler is a member of the West Virginia Society of Certified Public Accountants.

Tyler is in compliance with all applicable CPE requirements.

Contact Information:

tcornell@BEcpas.com

304-343-4188

APPENDIX B – PEER REVIEW REPORT

Report on the Firm's System of Quality Control

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 inspection in effect for the year ended May 31, 2018. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

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 inspection in effect for the year ended May 31, 2018, 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*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 17, 2018

APPENDIX C — FIRM LICENSE TO PERFORM ATTESTATION SERVICES AND TEAM MEMBER CPA LICENSES

CPA License Information

Name TIMOTHY J. GIBBONS
Company Name BROWN EDWARDS & CO LLP
Address 707 VIRGINIA ST E STE 300
City CHARLESTON
State WV
Zip 25301-2710
County KANAWHA
License Number [REDACTED]
License Type CPA
Status Active
Effective Date 07/01/2020
Expiration Date 6/30/2021
Discipline

[Public Discipline Documents](#)

CPA License Information

Name ROBERT E ADAMS
Company Name BROWN EDWARDS & CO LLP
Address 707 VIRGINIA ST E STE 300
City CHARLESTON
State WV
Zip 25301-2710
County KANAWHA
License Number [REDACTED]
License Type CPA
Status Active
Effective Date 07/01/2020
Expiration Date 6/30/2021
Discipline

[Public Discipline Documents](#)

CPA License Information

Name ANTHONY LEE CARPENTER
Company Name BROWN EDWARDS & CO LLP
Address 707 VIRGINIA ST E STE 300
City CHARLESTON
State WV
Zip 25301-2710
County KANAWHA
License Number [REDACTED]
License Type CPA
Status Active
Effective Date 07/01/2020
Expiration Date 6/30/2021
Discipline

Public Discipline Documents

CPA License Information

Name TYLER V Cornell
Company Name BROWN EDWARDS & COMPANY LLP
Address 707 VIRGINIA ST EAST
City Charleston
State WV
Zip 25301
County KANAWHA
License Number [REDACTED]
License Type CPA
Status Active
Effective Date 08/23/2020
Expiration Date 6/30/2021
Discipline

Public Discipline Documents

Firm License Information

Firm Name BROWN EDWARDS & CO LLP
Address 1815 JEFFERSON STREET
City BLUEFIELD
State WV
Zip 24701-1697
County MERCER
Permit Number F0157
Effective Date 07/01/2020
Current Status Active
Expiration Date 06/30/2021

APPENDIX D — REQUIRED FORMS



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

State of West Virginia
 Centralized Request for Quote
 Financial

Proc Folder: 815755 **Reason for Modification:**
Doc Description: FINANCIAL REVIEW ANALYSIS

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2020-12-15	2021-01-05 13:30	CRFQ 0705 LOT2100000006	1

BID RECEIVING LOCATION

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

VENDOR

Vendor Customer Code:

Vendor Name : Brown, Edwards & Company, L.L.P.

Address : 300 Chase Tower

Street : 707 Virginia Street, East

City : Charleston

State : West Virginia

Country : USA

Zip : 25301

Principal Contact : Timothy J. Gibbons, Principal

Vendor Contact Phone: 304-343-4188

Extension: 1433

FOR INFORMATION CONTACT THE BUYER

Jessica S Chambers
 (304) 558-0246
 jessica.s.chambers@wv.gov

Vendor Signature X

FEIN# 54-0504608

DATE January 5, 2021

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

ADDITIONAL INFORMATION

: The West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia Lottery to establish a contract for financial review analysis and advice concerning video lottery terminals manufacturers, licensed racetracks and licensed operators, table games supplier manufacturers or persons applying for these licenses or permits per the terms and conditions and specifications as attached.

INVOICE TO		SHIP TO	
LOTTERY PO BOX 2067		LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON	WV 25327-2067	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Accounting services	1.00000	HOUR		

Comm Code	Manufacturer	Specification	Model #
84111500			

Extended Description:
SEE ATTACHED SPECIFICATIONS

SCHEDULE OF EVENTS

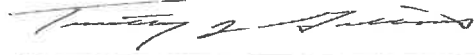
<u>Line</u>	<u>Event</u>	<u>Event Date</u>
1	TECHNICAL QUESTION DEADLINE	2020-12-22

	Document Phase	Document Description	Page 3
LOT2100000006	Final	FINANCIAL REVIEW ANALYSIS	

ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions

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.

 Principal

(Name, Title)
Timothy J. Gibbons, Principal

(Printed Name and Title)
300 Chase Tower, 707 Virginia Street, East, Charleston, WV 25301

(Address)
304-343-4188 / 304-344-5035

(Phone Number) / (Fax Number)
tgibbons@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, L.L.P.

(Company)

 Principal

(Authorized Signature) (Representative Name, Title)

Timothy J. Gibbons, Principal

(Printed Name and Title of Authorized Representative)

January 5, 2021

(Date)

304-343-4188 / 304-344-5035

(Phone Number) (Fax Number)

REQUEST FOR QUOTATION

**FINANCIAL REVIEW ANALYSIS RE: RACETRACK AND LIMITED GAMING FACILITY,
LIMITED VIDEO LOTTERY AND RACETRACK MANUFACTURERES, LIMITED VIDEO
LOTTERY OPERATORS, TABLE GAMES AND LIMITED GAMING FACILITY SUPPLIERS,
SPORTS WAGERING AND I-GAMING MANAGEMENT SERVICE PROVIDERS AND
SPORTS WAGERING AND I-GAMING SUPPLIERS**

11. MISCELLANEOUS:

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

Contract Manager: Timothy J. Gibbons
Telephone Number: 304-343-4188
Fax Number: 304-344-5035
Email Address: tgibbons@becpas.com

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

CONSTRUCTION CONTRACTS: Under W. Va. Code § 5-22-1(f), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

ALL CONTRACTS: 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: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, 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 and Company, L.L.P.

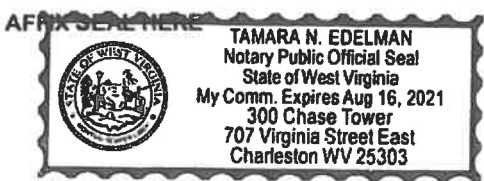
Authorized Signature: [Signature] Date: 12/21/20

State of WEST VIRGINIA

County of KANAWHA, to-wit:

Taken, subscribed, and sworn to before me this 21 day of DECEMBER, 2020.

My Commission expires AUG 16, 2021.




NOTARY PUBLIC [Signature]
Purchasing Affidavit (Revised 01/19/2018)

APPENDIX D — PRICING PAGE

REQUEST FOR QUOTATION

**FINANCIAL REVIEW ANALYSIS RE: RACETRACK AND LIMITED GAMING FACILITY,
LIMITED VIDEO LOTTERY AND RACETRACK MANUFACTURERES, LIMITED VIDEO
LOTTERY OPERATORS, TABLE GAMES AND LIMITED GAMING FACILITY SUPPLIERS,
SPORTS WAGERING AND I-GAMING MANAGEMENT SERVICE PROVIDERS AND
SPORTS WAGERING AND I-GAMING SUPPLIERS**

EXHIBIT A- Pricing Page

PRINT NAME	Timothy J. Gibbons
SIGNATURE	
COMPANY NAME	Brown, Edwards & Company, L.L.P.
COMPANY ADDRESS	300 Chase Tower, 707 Virginia Street, East Charleston, WV 25301
FEDERAL ID NUMBER	54-0504608
PHONE	304-343-4188
FAX	304-344-5035
EMAIL ADDRESS	jgibbons@becpas.com

Financial Review Analysis Services	HOURLY RATE \$ <u>105.00</u>
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