



BATH COUNTY SCHOOL BOARD

AGENDA ITEM: INFORMATION { } ACTION { X } CLOSED MEETING { }

**SUBJECT:** SUPERINTENDENT’S REPORT - ACTION

School Activity Funds Audit Services for 2013-2016

**BACKGROUND:** In response to our RFP for audit services for school activity accounts, only one bid was received as of 1:00 PM on Monday, November 26, 2012. The request for proposals was published in The Recorder, The Roanoke Times, and The Daily News Leader (Staunton).

The proposal from Anderson, White & Company, P.C. for the fiscal years ending June 30, 2013 to 2016 follows. It meets all RFP requirements.

A second proposal was received by mail on November 28, 2012 and is not eligible for consideration.

**RECOMMENDATION:** Recommend acceptance of the Anderson, White & Company, P.C. proposal.



ANDERSON, WHITE & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

STAUNTON OFFICE  
510 NORTH COALTER STREET  
STAUNTON, VIRGINIA 24401  
(540) 886-2341  
FAX: (540) 886-4944  
EMAIL: awco@awcoepa.com

STUARTS DRAFT OFFICE  
P.O. BOX 1055  
STUARTS DRAFT, VIRGINIA 24477  
(540) 337-4233  
FAX: (540) 337-2114

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
-----  
VIRGINIA SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

THOMAS A. WHITE, CPA  
ANDREW L. CANNADAY, CPA  
-----  
LAYTON W. YANCEY, CPA  
HOWARD H. ANDERSON, CPA

November 21, 2012

Bath County School Board  
Bath County Public Schools Activity Funds  
P.O. Box 67  
Warm Springs, Virginia 24484  
Justin Rider, Business Manager

RE: Audit & Consulting Services

Thank you for the opportunity to present our proposal for audit and consulting services for the Bath County Public Schools Activity Funds. We have very much enjoyed working with you in the past and look forward to the opportunity to continue our relationship.

Anderson, White & Company, P.C. has been providing audit and consulting services to local governments and municipalities since 1970. We are members of the American Institute of Certified Public Accountants, the Virginia Society of Certified Public Accountants, and the Governmental Finance Officers Association. In addition, we were issued an unqualified (clean) opinion in our most recent quality review. We must have a quality review performed periodically to ensure our quality control measures up to the appropriate standards. A copy of this report is included in our proposal.

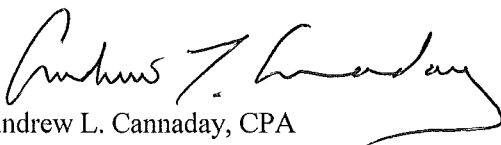
I will continue to be the auditor-in-charge and be personally involved in the audit field work. We believe providing you the opportunity to work with a high level member of the firm has many advantages, such as providing consistency over the term of the audit which eliminates many problems associated with staff turnover.

Mr. Charles E. Archer will continue to be assigned to your engagement. Mr. Archer has been with our firm since 1996.

We believe Anderson, White & Company, P.C. will meet all your requirements. This package contains all the information you requested, however, please call if you need additional information or clarification. We look forward to hearing from you.

Sincerely yours,

ANDERSON, WHITE & COMPANY, P.C.

  
Andrew L. Cannaday, CPA  
Audit Director



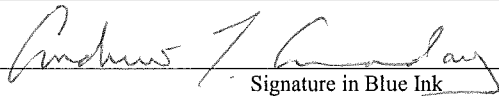


**CERTIFICATION OF PROPOSAL**  
**SCHOOL ACTIVITY FUND FOR AUDITING SERVICES**  
**FOR**  
**BATH COUNTY PUBLIC SCHOOLS**

The undersigned respondent, in compliance with your request for proposals for student-activity fund auditing services for Bath County Public Schools, having examined the specifications and related documents, hereby proposes to furnish all labor in accordance with the specifications. The respondent certifies that he has not combined, conspired, or agreed to intentionally rig, alter, or otherwise manipulate or to cause to be rigged, altered, or otherwise manipulated this proposal for the purpose of allocating purchases or sales to or among persons, raising or otherwise fixing the prices of the goods or services or excluding other persons from dealing with the School division.

Name and Address of Firm: ANDERSON, WHITE & COMPANY, P.C.  
510 N. COALTER STREET, STAUNTON, VA 24401

Date: 11/21/12

By:   
 Signature in Blue Ink

Print/Type Signature: ANDREW L. CANNADAY

Title: AUDIT DIRECTOR

Telephone: (540) 886-2341

Fax: (540) 886-4944

Email Address: ANDY@AWCOCPA.COM





AUDIT PROPOSAL  
FOR  
BATH COUNTY PUBLIC SCHOOLS  
ACTIVITY FUNDS



by

**ANDERSON, WHITE & COMPANY, P.C.**

510 N. Coalter Street  
Staunton, Virginia  
54-1167234

(540) 886-2341  
FAX (540) 886-4944  
awco@awcocpa.com

For the Years Ending  
June 30, 2013 to 2016

Contact

**Andrew L. Cannaday - Audit Director**

**Thomas A. White - Managing Director**

November 21, 2012





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**LETTER OF TRANSMITTAL**





## AUDITOR'S REPRESENTATIONS AND PROPOSED FEE

We shall audit the school activity funds of the Bath County Public Schools, for the fiscal years ending June 30, 2013 to 2016 in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the School Activity Fund Guidelines issued by the State Department of Education. The audit shall result in the preparation of financial statements from the audited records of the Activity Funds with our opinion thereon. Our opinion shall be unqualified unless we furnish to the School Board, on a timely basis, our reasons for qualifying the opinion, disclaiming an opinion or rendering an adverse opinion.

We shall review the system of internal control and compliance and we will make a written management letter, which shall be a part of the written report of audit, setting forth our findings and recommendations for improvement.

We shall provide to the School Board five (5) copies of the financial report, including the auditor's report thereon, and the auditor's reports on internal controls and compliance.

We represent that we are independent with respect to the Bath County Public Schools as defined in the Ethical Rules of the AICPA and that we are licensed to perform the audit as provided in the applicable laws of the Commonwealth of Virginia. We represent that adequate supervision will be provided on a day-to-day basis and the resulting workpapers shall be made available as necessary for routine review by appropriate auditors of the Federal and State governments.

We represent that the auditor in-charge has met all the requirements for continuing education in governmental auditing. We also represent that our firm has completed a quality review in accordance with standards established by the American Institute of Certified Public Accountants and we are currently secured with professional liability insurance. A copy of our quality review report and our certificate of insurance is included with this proposal.

We represent there is no open litigation related to Anderson, White & Company, P.C. at this time.

We agree to provide the above described services for a fee not to exceed \$4,000 for each year. The proposed fee includes all travel and other out-of-pocket costs. We will be available during the year for routine support at no additional cost. Should a major issue arise, the appropriate fee will be discussed prior to work being completed.

We will schedule the audit to have the fieldwork completed by August 31<sup>st</sup> and to issue all required reports no later than November 30<sup>th</sup> and will agree to incorporate fee adjustments into the contract for delays in meeting these dates.





## **QUALIFICATION OF AUDITORS**







## **AUDIT EXPERIENCE AND HISTORY**

Our firm was founded in 1950 and has offices in Staunton and Stuarts Draft, Virginia. We have been engaged in governmental auditing since 1970. Although our experience covers all sizes of audits, we have a lot of experience with smaller entities such as yours. Therefore, we have a good understanding of the problems and concerns you may have.

In addition to governmental auditing, which includes cities, towns and counties, our audit experience includes privately owned profit-oriented companies ranging from small one-office firms to multi-office conglomerates with many subsidiary companies. We have audited specialized businesses such as banks, oil companies, soft drink distributors, and farm supply and feed mills. We have handled inventory observations for companies with multi-locations.

Our firm also has experience in audits of and providing other services for public service authorities, public school boards, school textbook funds, school cafeteria funds, state and federal funded authorities, cost certification, federal and state funded juvenile detention homes, hospitals, mental health associations, churches, country clubs, university endowment funds, united funds and combined federal campaigns, private academies, many charitable organizations, non-profit organizations, day nurseries, tunnel commissions, nurses associations, state funded nursing facilities, telephone companies, aging agencies, bingo operations, and franchise operations.

Our firm also has experience and will be available to provide a variety of consultation services which include but are not limited to the following:

- Preparation of data to be used in connection with the issuance of revenue and general obligation bonds.
- Annexation analysis.
- Financial reporting and analysis of inter-governmental agreements.
- Systems evaluation design and development.
- Cash management planning.
- Organizational studies.
- Personnel classification and pay plans.
- Governmental cost containment studies.
- Indirect cost allocation plans.
- Budgeting and financial forecasting.
- Capital improvement programs.





## REFERENCES

Staunton Creative Community Fund  
Christina Cain, Executive Director  
10 Byers Street  
Staunton, VA 24401  
(540) 213-0333  
[christina@stauntonfund.com](mailto:christina@stauntonfund.com)

Town of Clifton, Virginia  
Marilyn Barton, Treasurer  
PO Box 309  
Clifton, VA 20124  
(703) 842-2333 (Note: Mrs. Barton is part-time and this number is for her other job)  
[pawsnfins@cox.net](mailto:pawsnfins@cox.net)

Town of Shenandoah, Virginia  
Cindy Breeden, Treasurer  
426 First Street  
Shenandoah, Virginia 22849  
(540) 652-8164  
(540) 652-8194 Fax  
[treasurer@townofshenandoah.com](mailto:treasurer@townofshenandoah.com)





# Boyce, Spady & Moore PLC

Certified Public Accountants & Consultants

## System Review Report

January 12, 2010

To the Shareholders  
Anderson, White & Company, P.C.  
and the VSCPA Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Anderson, White & Company, P.C. (the firm) in effect for the year ended September 30, 2009. 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. 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](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included an engagement performed under the *Government Auditing Standards* and an audit of an employee benefit plan.

In our opinion, the system of quality control for the accounting and auditing practice of Anderson, White & Company, P.C. in effect for the year ended September 30, 2009, 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*. Anderson, White & Company, P.C. has received a peer review rating of *pass*.

*Boyce, Spady & Moore PLC*



**CERTIFICATE OF INSURANCE**

effected with certain UNDERWRITERS AT LLOYD'S LONDON  
for the Member named below of the National CPA Risk Purchasing Group, Inc.

The Member named below ("the Insured") is hereby notified that the following insurance has been effected with certain Underwriters at Lloyd's, London (not incorporated) under Master Policy No. BHCPA 1997 ("the "Master Policy") issued to the National CPA Risk Purchasing Group, Inc. The insurance is provided in accordance with the terms of the Master Policy, a copy of which is attached hereto. The original Master Policy may be inspected at the offices of the National CPA Risk Purchasing Group, Inc. which are located at 84 Chalet Circle, Dawsonville, Georgia 30534.

**NOTICE:** The Master Policy is a Claims Made policy which provides liability coverage only if a claim is made during the Policy Period or any applicable Extended Claim Reporting Period. Please read and review the attached copy of the Master Policy carefully for a full description of its terms and conditions.

**DECLARATIONS**

- 1. Certificate No: **BH 919602-14**
- 2. Named Insured:  
Mailing Address: **ANDERSON, WHITE & CO. PC  
510 NORTH COALTER STREET  
STAUNTON, VIRGINIA 24401**
- 3. Policy Period: **JANUARY 31, 2012 to JANUARY 31, 2013  
12:01 A.M. Standard Time at the mailing address  
of the Named Insured.**
- 4. Retroactive Date: **FULL PRIOR ACTS**
- 5. Limit of Liability: **\$500,000 Each Claim  
\$1,000,000 Aggregate for all Claims during the**
- 6. Deductible: **\$20,000 Each and Every Claim including Claims  
Expenses**
- 7. Premium: **\$ 4,903.00**  
Policy Fee: **\$ 25.00**  
Surplus Lines Tax: **\$ 110.88**  
Total: **\$ 5,038.88**
- 8. Date of Application: **NOVEMBER 14, 2011**
- 9. Date of Declaration: **JANUARY 11, 2012**
- 10. Endorsements Attached: **BHET**
- 11. Underwriters Correspondent: **Betty Harder  
Betty Harder & Associates, Inc.  
BETTY HARDER & ASSOCIATES, INC.**

BY *Betty Clark Harder*  
Correspondent





## QUALIFICATION OF PERSONNEL





## INDIVIDUAL BIOGRAPHIES

Personnel data is provided for Mr. Andrew L. Cannaday, CPA (Auditor Director) and Mr. Charles E. Archer, CPA (Senior Auditor). Mr. Cannaday has final responsibility for all our governmental audits and will be present and in-charge of your engagement.

At the present time, our firm consists of the following:

- Two principals/shareholders
- Three professional staff
- One para-professional staff
- Two secretarial staff

Each one of our professional staff members are certified and are members of the Virginia Society of Certified Public Accountants. Shareholders are also members of the American Institute of Certified Public Accountants.

Our firm successfully completed our most recently required quality review in 2009. A previous shareholder of the firm once was a member of the quality control committee established by the Virginia Society of Certified Public Accountants and the Quality Review Executive Committee of the American Institute of Certified Public Accountants. He conducted quality reviews for other firms across the state of Virginia.





**PERSONNEL DATA**

**ANDREW L. CANNADAY, CPA**

Position - Audit Director

Education

James Madison University, Harrisonburg, Virginia,  
Bachelor of Business Administration in Accounting, May 1991  
Completed CPA exam, November 1995

Employment History

1991: Employee of Anderson & White, P.C.  
1991 - 1996: Employee of Anderson, White & Knott, P.C.  
1996 - 1999: Employee of Anderson, White & Company, P.C.  
1999 - Present: Shareholder of Anderson, White & Company, P.C.

Experience

Nonprofit Auditing and Taxation	20 years
Municipal Auditing (includes various Counties, Cities, Towns, Boards, Commissions and Authorities)	20 years
Corporate Auditing and Taxation	20 years
Individual Taxation	20 years

Clubs and Outside Activities

Member, American Institute of Certified Public Accountants  
Member, Virginia Society of CPAs  
Associate member, Government Finance Officers Association  
Treasurer, Laurel Hill Baptist Church

Recent Continuing Education Courses

Nonprofit Auditing and Accounting Update  
Fraud in the Government and Not-for-Profit Environments  
Ethics 2011  
41<sup>st</sup> Annual Virginia Accounting and Auditing Conference  
Auditing Standards Update and Review  
Loscalzo's Step by Step Guide to Compliance Auditing  
Analytical Procedures for Nonprofit Organizations





**PERSONNEL DATA**

**CHARLES E. ARCHER, CPA**

*Position* – Staff Accountant

*Education* –

University of Baltimore  
Bachelor of Science and Accounting, August 1977  
Completed CPA exam, February 1982  
Certified in Virginia

*Employment History*

Prior to 1995: Self Employed  
1995 – 1996: Armstrong and Associates, P.C.  
1996 – Present: Anderson, White & Company, P.C.

*Experience*

Municipal Auditing (includes various Counties, Cities, Towns, Boards, Commissions, and Authorities)	15 years
Nonprofit Auditing and Taxation	16 years
Corporate Auditing	15 years
Individual and Corporate Taxation	28 years

*Clubs and Outside Activities*

Member, American Institute of Certified Public Accountants  
Member, Virginia Society of CPAs  
Board of Directors, American Red Cross, Staunton-West Augusta Chapter

*Recent Continuing Education Courses*

Governmental and Nonprofit Accounting and Auditing:  
4<sup>th</sup> Annual Government and Nonprofit Conference  
Virginia Accounting and Auditing Conference  
Workpapers, Forms, and Checklists: Avoid the Documentation Trap  
Management’s Discussion and Analysis and Government-wide Financial Statements  
Not for Profit Update  
OMB and Single Audit Update  
Government Reporting for the Next Millennium  
How to Perform and Audit of a State or Local Government  
Compliance Auditing







## REQUEST FOR PROPOSALS

### AUDITING SERVICES FOR SCHOOL ACTIVITY FUNDS

**PERIOD OF CONTRACT: Fiscal Years Ending June 30, 2013 through June 30, 2016  
Based on Satisfactory Service**

Interested firms are to submit their proposal clearly marked, "Auditing Services" to be received no later than 1:00 p.m., November 26, 2012. Facsimile and electronic submission proposals will be accepted provided the original proposal with original signature is received with a postmark no later than 1:00 p.m., November 26, 2012 legibility of proposals is solely the responsibility of the vendor. Proposals received after this time will not be accepted. All inquiries for information shall be directed to:

Justin Rider, Business Manager  
Phone: (540) 839-2722  
Fax: (540) 839-3040

Proposals are to be returned to:

Mailing Address: Justin Rider, Business Manager  
Bath County Public Schools  
P.O. Box 67  
Warm Springs, VA 24484

Physical Address: 12145 Sam Snead Highway  
Warm Springs, VA 24484

Bath County Public Schools reserves the right to reject any and all proposals.

No late proposals will be accepted. It is the sole responsibility of the vendors to ensure that proposals are delivered to the Business Manager by the designated date and hour.

