

BATH COUNTY SCHOOL BOARD

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

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

School Activity Funds Audit Services for 2017-2020

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, October 24, 2016. The request for proposals was published in The Recorder and the Staunton Daily News Leader.**

The proposal from White, Withers, Masincup & Cannaday, PC for the fiscal years ending June 30, 2017 to June 30, 2020 follows. It meets all RFP requirements.

RECOMMENDATION: **Recommend acceptance of the White, Withers, Masincup & Cannaday, PC proposal.**

White, Withers, Masincup & Cannaday, PC

THOMAS A. WHITE, CPA
JOHN W. WITHERS, CPA
ROBERT W. MASINCUP, CPA
ANDREW L. CANNADAY, CPA

Certified Public Accountants

MEMBERS
AMERICAN INSTITUTE OF C.P.A.
VIRGINIA SOCIETY OF C.P.A.

RECEIVED

OCT 24 2016

BATH COUNTY SCHOOL BOARD

October 19, 2016

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.

White, Withers, Masincup & Cannaday, 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.

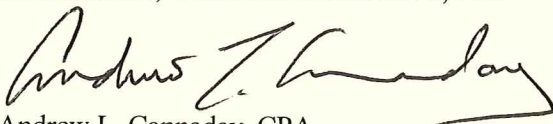
I will continue to be the auditor-in-charge and be personally involved in the audit field work. We believe providing you the opportunity to work with a high level member of the firm has many advantages, such as providing consistency over the term of the audit which eliminates many problems associated 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 White, Withers, Masincup & Cannaday, 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: WHITE, WITHERS, MASINCUP & CANNADAY, P.C.

510 N. COALTER STREET, STAUNTON, VA 24401

Date: OCTOBER 19, 2016

By: 

Signature in Blue Ink

Print/Type Signature: ANDREW L. CANNADAY

Title: AUDIT DIRECTOR

Telephone: (540) 886-2341

Fax: (540) 886-4944

Email Address: ACANNADAY@WMCCPA.COM

AUDIT PROPOSAL

FOR

BATH COUNTY PUBLIC SCHOOLS
ACTIVITY FUNDS

For the Years Ending
June 30, 2017 to 2020

by

WHITE, WITHERS, MASINCUP & CANNADAY, P.C.
510 N. Coalter Street & 1616 N. Coalter Street
Staunton, Virginia
54-1400395

(540) 886-2341
FAX (540) 886-4944
acannaday@wwmccpa.com

Contact

Andrew L. Cannaday - Audit Director

Thomas A. White - Managing Director

October 19, 2016

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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, 2017 to 2020 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 White, Withers, Masincup & Cannaday, P.C. at this time.

We agree to provide the above described services for a fee not to exceed \$4,150 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 31st and to issue all required reports no later than November 30th and will agree to incorporate fee adjustments into the contract for delays in meeting these dates.

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, our audit experience includes privately owned profit-oriented companies ranging from small one-office firms to multi-office conglomerates with subsidiary companies. We have audited specialized businesses such as 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.
- 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

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

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

January 30, 2013

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

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, 2012. 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 an engagement performed under *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, 2012, 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



**CAMICO MUTUAL INSURANCE COMPANY
DECLARATIONS
ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY**

Policy Number: VAL109316-05

Effective Date: 09/01/2016 at 12:01 A.M. Standard time at the address shown below
Expiration Date: 09/01/2017 at 12:01 A.M. Standard time at the address shown below
Retroactive Date: 02/11/1987

Item 1 - Named Insured: White, Withers, Masincup & Cannaday, PC

Item 2 - Business Address: 1616 North Coalter St.

Staunton, VA 24401

Item 3 - Limits of Liability: \$2,000,000 Per Claim
\$2,000,000 Policy Aggregate

Item 4 - Deductibles: \$10,000 Per Claim Deductible

Item 5 - Total Premium: \$12,896

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

- PL-1000-A 07/14 Accountants Professional Liability Insurance Policy
- PL-2028-A (VA) 07/14 State Endorsement - Virginia
- PL-1004-A 07/14 Dollar One Defense Endorsement
- PL-1015-A 07/14 Separate Defense Limit
- PL-1034-A 07/14 Excluded Entities
- PL-1045-A 07/14 Cyber CPA Endorsement
- PL-1049-A 07/14 Privacy and Client Network Damage Endorsement
- PL-1999-A 07/14 Endorsement (Manuscript)-Prior Acts Sublimit

PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.

CAMICO Mutual Insurance Company

Authorized Representative

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:

- Four principals/shareholders
- Eight professional staff
- One para-professional staff
- Three administrative assistants

Each of our professional staff 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 2012. 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 - 2016: Shareholder of Anderson, White & Company, P.C.
2016 - Present: Shareholder of White, Withers, Masincup & Cannaday, P.C.

Experience

Nonprofit Auditing and Taxation	25 years
Municipal Auditing (includes various Counties, Cities, Towns, Boards, Commissions and Authorities)	25 years
Corporate Auditing and Taxation	25 years
Individual Taxation	25 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

Latest Developments in Government and Nonprofit Accounting and Auditing
A Complete Guide to the Yellow Book
Loscalzo's Step by Step Guide to Compliance Auditing
Nonprofit Industry Update and GAAP Refresher
Fraud in the Government and Not-for-Profit Environments
46st Annual Virginia Accounting and Auditing Conference
Auditing Standards Update and Review
Ethics 2016

PERSONNEL DATA

CHARLES E. ARCHER

Position – Staff Accountant

Education –

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

Employment History

Prior to 1995: Self Employed
 1995 – 1996: Armstrong and Associates, P.C.
 1996 – 2016: Anderson, White & Company, P.C.
 2016 – Present: White, Withers, Masincup & Cannaday, P.C.

Experience

Municipal Auditing (includes various Counties, Cities, Towns, Boards, Commissions, and Authorities)	19 years
Nonprofit Auditing and Taxation	20 years
Corporate Auditing	19 years
Individual and Corporate Taxation	32 years

Clubs and Outside Activities

Member, American Institute of Certified Public Accountants
 Member, Virginia Society of CPAs

Recent Continuing Education Courses

Governmental and Nonprofit Accounting and Auditing:
 46th Annual Virginia Accounting and Auditing Conference:
 Tech Update 2016
 Keeping Your Electronic House in Order: Tips to Prepare for & Protect Against Cyber Threats
 GASB Update
 Assessing & Managing Fraud Risk
 What's New in Government Auditing
 AICPA Accounting & Auditing Update
 New Revenue Recognition Guidance
 General FASB Update
 Accounting & Auditing Update for Nonprofit Organizations
 Single Audit Study on the Horizon: OMB