



**Planning Report to the Members of the  
the School Building Authority of West  
Virginia**

June 20, 2015

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## Contacts

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Partner & Assurance Market Leader

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Senior Manager

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## Required Communications

To the Members of the  
School Building Authority of West Virginia

We have been engaged to audit the financial statements of the governmental activities and each major fund of the School Building Authority of WV (SBA) as of and for the year ended June 30, 2015. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

As stated in our engagement letter dated April 15, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of these financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to RSI, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI. RSI is as follows:

1. Management's Discussion and Analysis (MD&A)
2. Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Budgetary Basis)—General Fund
3. Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Budgetary Basis)—Debt Service Fund

We have been engaged to report on supplementary information, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Supplementary information is as follows:

1. Supplemental GAAP Reporting Form—Deposit Disclosure
2. Supplemental GAAP Reporting Form—Investment Disclosure
3. Supplemental GAAP Reporting Form—Deposits & Investments Reconciliation
4. Supplemental GAAP Reporting Form—Transfers In/Out

### **Planned Scope and Timing of the Audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the SBA and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the SBA or to acts by management or employees acting on behalf of the SBA. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit in June 2015 and expect to issue our report by October 15, 2015, to comply with the State of West Virginia targeted delivery deadline.

### **Office of Management and Budget (OMB) Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations**

Based on our discussions with management, it is our understanding that an audit of SBA's federal programs in accordance with OMB Circular A-133 will not be required for the year ended June 30, 2015.

This information is intended solely for the use of the Members and management of the SBA and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Dixon Hughes Goodman LLP*

**Charleston, West Virginia**  
**May 27, 2015**

## Timeline

Below, please find a preliminary proposed timeline of the audit services:

June	August - September	October
<ul style="list-style-type: none"><li>• Planning and interim audit fieldwork</li></ul>	<ul style="list-style-type: none"><li>• Year-end fieldwork</li><li>• Draft statements presented to management by September 15, 2015</li><li>• Management letter and communications</li></ul>	<ul style="list-style-type: none"><li>• Delivery of the final audited financial statements for the year ending June 30, 2015 on or before October 15, 2015</li><li>• Exit conference</li></ul>

## **Client Service Team**

We have a dedicated group of individuals focused on providing the highest quality professional services at a reasonable cost. These experienced team members will work closely with functional subject matter professionals focused on resolving highly technical issues. This team will bring an understanding of risks and provide practical insight and experience to the SBA.

Our philosophy is to have significant partner and manager involvement on our engagements. DHG's engagement strategy is to provide quality performance with the minimum number of individuals needed to perform the work while maintaining a high-level of engagement team continuity. This strategy ensures that each team member becomes highly knowledgeable of the SBA and maintains the comprehensive overview needed to address specific priorities with minimal disruption.

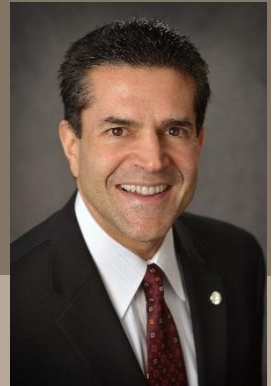
The service team we have assembled has built a strong working relationship serving many of our clients together, including the SBA in the prior year, thus providing continuity and collaboration that you deserve. Following are biographies of our key audit engagement executives:

## Executive Biographies

### Norman C. Mosrie, CPA, FHFMA, CHFP

Partner, Assurance Market Leader

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304.414.3913 | norman.mosrie@dhgllp.com



#### Experience

Norman serves as Assurance Services Market Leader for the Western Mid-Atlantic market focusing in the areas of healthcare, government, and not-for-profits. Prior to joining DHG, Norman was previously a partner with a Big Four firm, where he worked for 24 years.

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

Norman has also assisted clients in filing for the GFOA Certificate of Achievement for Excellence in Financial Reporting, and has developed and led government and A-133 training programs at the local, area, and national levels.

#### Professional & Civic Involvement

- American Institute of Certified Public Accountants (AICPA), Former Council Member and Healthcare Expert Panel Member, National Healthcare Conference Chairman, Alternative Investments Task Force Member
- West Virginia Society of Certified Public Accountants (WVSCPA), Past President and Board of Directors
- Charleston Chapter of WVSCPAs, Past President
- Financial Accounting Standards Board (FASB), Not-for-Profit Advisory Committee
- Government Finance Officers Association, Special Review Committee Member
- Healthcare Financial Management Association, Principles and Practices Board Member
- Marshall University Alumni Association, Past Board Member
- Marshall University College of Business Advisory Board, President
- Rotary Club, Past President and Paul Harris Fellow

#### Licenses & Certifications

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

#### Education

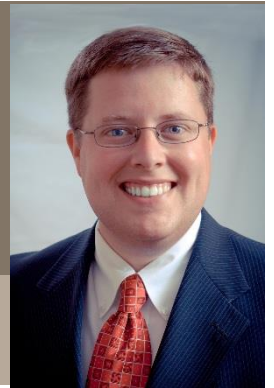
- Marshall University, Bachelor of Business Administration in Accounting, *summa cum laude*



## D. Cole Malcolm, CPA

### Senior Manager, Assurance Services

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#### Experience

Cole Malcolm is a manager in the Firm's assurance practice in the West Virginia region. Prior to joining DHG, Cole was with a Big 4 firm for over six years and served both public and private clients in the manufacturing, government, not-for-profit and healthcare sectors. Having clients with SEC, GAAP and GASB reporting requirements has given him the experience to lead engagement teams and clients in the public and governmental reporting arena along with specific client activities like public equity offerings, private placement debt transactions and other complex technical accounting situations.

Additionally, Cole was selected to participate in the instructor's excellence program and led internal training sessions for new and experienced associates in the assurance practice. He has also led educational accounting sessions at major colleges and universities throughout West Virginia. In addition, he provided a training program for the Financial Accounting & Reporting Department of the State of West Virginia.

Cole has experience with several technical accounting and financial reporting requirements of manufacturing and government entities. He has experience working with the Department of Environmental Protection to analyze the State of West Virginia's annual special reclamation liability analysis. He has helped clients with the reporting requirements of pension and post retirement obligation accounting including single employer and multi-employer benefit plans.

#### Professional & Civic Involvement

- American Institute of Certified Public Accountants
- West Virginia Society of Certified Public Accountants
- Charleston Chapter of the West Virginia Society of Certified Public Accountants, Board Member
- Advisory Council to the School of Business at Concord University, Board Member
- Advisory Council to the School of Business at Glenville State College, Board Member
- Fund for the Arts, Chair of Appropriations & Board Member
- South Hills Youth Soccer Association, Treasurer & Board Member

#### Honors & Awards

- Leadership Kanawha Valley, Class of 2010
- Leadership West Virginia, Class of 2013

#### Licenses & Certifications

- WV Certified Public Accountant

#### Education

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