

Request For Proposal

Issued by:

Office of the State Auditor
Jackson, Mississippi

Stephanie Palmertree

Director, Financial and Compliance Division

Submitted by:

Paul Breazeale, CPA
Breazeale, Saunders & O'Neil, Ltd.
Certified Public Accountants
120 North Congress Street, Suite 300
P.O. Box 80
Jackson, Mississippi 39205

TABLE OF CONTENTS

BREAZEALE, SAUNDERS & O'NEIL, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

April 20, 2018

Jason Ashley
Financial and Compliance Audit Division
Mississippi Office of the State Auditor
501 North West Street
Suite 801
Jackson, Mississippi 39201

In response to your request for proposal dated April 3, 2018, we are pleased to submit our firm's proposal to provide professional auditing services in conjunction with rendering an audit report for each of the selected treasury funds of the State of Mississippi Veterans' Home Purchase Board for fiscal year 2018.

Thank you so very much for consideration of this proposal. Please let us know if you have any questions.

Sincerely yours,

BREAZEALE, SAUNDERS & O'NEIL, LTD.


Paul V. Breazeale
Certified Public Accountant

**FINANCIAL AND COMPLIANCE AUDIT DIVISION
MISSISSIPPI OFFICE OF THE STATE AUDITOR**

**Proposal to Provide Professional Auditing Service for
Veterans' Home Purchase Board Fiscal Year 2018**

**FINANCIAL AND COMPLIANCE AUDIT DIVISION
MISSISSIPPI OFFICE OF THE STATE AUDITOR
Proposal to Provide Professional Auditing Service for
Veterans' Home Purchase Board Fiscal Year 2018**

TABLE OF CONTENTS

	<u>Page</u>
Firm Qualifications	1
Firm Experience	1 - 2
Firm Tax Identification Number	2
Affirmative Statement of Firm's Independence	3
Most Recent External Quality Review	3
Schedule of Professional Fees and Expenses	3
Appendix A – Copy of Most Recent External Quality Review	

BREAZEALE, SAUNDERS & O'NEIL, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

April 20, 2018

Jason Ashley
Financial and Compliance Audit Division
Mississippi Office of the State Auditor
501 North West Street
Suite 801
Jackson, Mississippi 39201

In response to your request for proposals, we are pleased to submit our firm's bid to perform the audit of the June 30, 2018 GAAP reporting package and underlying records for each of the selected treasury funds of the State of Mississippi Veterans' Home Purchase Board ("VHPB"). This letter provides information about our firm and the bid that we are submitting to perform the professional services requested.

FIRM QUALIFICATIONS

Our firm was founded in 1981. We are an independent firm of Certified Public Accountants with offices in Jackson, Mississippi. We have approximately 11 professionals and two administrative personnel in our firm. Our firm and its individual CPA's are registered and in good standing with the Mississippi State Board of Public Accountancy ("MSBPA"). We meet and exceed all of the statutory and regulatory requirements of the MSBPA for a Mississippi CPA practice.

Our firm is approximately 37 years old and has never been sued nor has any regulatory or professional authority ever investigated us. In addition, and as required by MSBPA, we have an independent peer review of our firm every three years. All of our peer reviews have resulted in the very best reports possible in the profession.

Our firm fully supports and has memberships in the American Institute of Certified Public Accountants and the Mississippi Society of Certified Public Accountants.

FIRM EXPERIENCE

We have the experience and resources necessary to perform the audit work requested. We have extensive experience in working with enterprise funds and loan files such as those utilized by VHPB. We have been the auditors for VHPB for the past 17 years. Our firm serves as independent auditors for approximately 100 entities.

FIRM EXPERIENCE (CONTINUED)

A partial listing of our state and local government clients (audited in the last five years) follows:

City of Meridian, Mississippi (includes a CAFR report)
Dual Party Relay Service Fund
Jackson Municipal Airport Authority
Meridian and Bonita Lakes Development Authority
Meridian Urban Renewal Authority
Mississippi Band of Choctaw Indians
Mississippi Municipal Liability Plan
Mississippi Municipal Services Company
Mississippi Municipal Worker's Compensation Fund
Tunica County Airport Commission
Veterans Home Purchase Board

A partial similar listing of our non-governmental clients follows:

Adams County Water Association
Herring Gas
Fail Telephone Companies
Lyle Equipment Co.
Mississippi Symphony Orchestra
Mississippi Credit Union League
Mississippi Forestry Association

Although we prepare well over 1,000 tax returns annually, ranging in size from small individual returns to multistate corporate consolidated returns, over 60% of our firm's revenues are for audit services.

Paul V. Breazeale will be the engagement partner for these audit services. He has served on the board of over 15 non-profit organizations. He currently serves as president of Hinds Community College. In addition to having over 48 years of public accounting experience, he has written and lectured extensively on a number of accounting and auditing topics. As a veteran and a member of American Legion Post No. 110, Mr. Breazeale fully supports the work of the VHPB.

FIRM TAX IDENTIFICATION NUMBER

The tax identification number for Breazeale, Saunders & O'Neil, Ltd. is 64-0501200.

AFFIRMATIVE STATEMENT OF FIRM'S INDEPENDENCE

Our firm, as well as all members of the engagement team, is independent of VHPB as defined by auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

MOST RECENT EXTERNAL QUALITY REVIEW

Our firm has a peer review every three years. All of the peer reviews of our firm's practice have resulted in a "pass" or "unmodified" report, which is the very best opinion available in our profession. A copy of our most-recent peer review which was completed in 2017 is attached. This peer review included a review of an audit of a municipality.


SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

Our professional fees and expenses to perform the services that you have requested are based upon the hourly rates of the individuals to be assigned to complete the engagement. These are all-inclusive fees that include our out-of-pocket expenses. Based on the request for proposal, our fees for the audit of VHPB for fiscal year 2018, will not exceed \$22,450. Should unforeseen conditions or events arise that require additional time, we will confer with the Agency and OSA to mutually revise the fee to reflect the additional effort require by us to achieve the audit objectives.

Please call me if you have any questions.

Sincerely yours,

BREAZEAL, SAUNDERS & O'NEIL, LTD.



Paul V. Breazeale

Certified Public Accountant

Report on the Firm's System of Quality Control

To the Partners of Breazeale, Saunders & O'Neil, Ltd.
and the Peer Review Committee of the
Mississippi Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Breazeale, Saunders & O'Neil, Ltd. (the firm) in effect for the year ended June 30, 2017. 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 an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by 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 Breazeale, Saunders & O'Neil, Ltd. in effect for the year ended June 30, 2017, 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*. Breazeale, Saunders & O'Neil, Ltd. has received a peer review rating of *pass*.

McNair, McLemore, Middlebrooks & Co., LLC

McNair, McLemore, Middlebrooks & Co., LLC

Macon, Georgia
December 28, 2017