

Request For Proposal

Issued by:

Office of the State Auditor
Jackson, Mississippi

Stephanie Palmertree

Director, Financial and Compliance Division

Submitted by:

The Sparks CPA Firm, P.C.
P. O. Box 540
Booneville, MS 38829

Yellow Creek State Inland Port Authority

Audit Proposal

Years Ending

June 30, 2018

June 30, 2019

June 30, 2020



Certified Public Accountants

Yellow Creek State Inland Port Authority

Audit Proposal

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Certified Public Accountants

Member of:
American Institute of Certified Public Accountants
Alabama Society of Certified Public Accountants
Mississippi Society of Certified Public Accountants

www.sparkscpas.com

April 16, 2018

Office of the State Auditor
Attention: Jason Ashley
501 North West Street
Suite 801
Jackson, MS 39201

Dear. Mr. Ashley:

We would like to take this opportunity to express our appreciation to you for allowing us to place a bid for The Yellow Creek State Inland Port Authority for their fiscal year June 30, 2018 audit. We understand the requirement from you and the Office of the State Auditor to professionally perform your audit. Our proposed bid is \$17,750 for 2018. We would also like to submit a proposal for \$17,750 for 2019 and \$17,750 for 2020.

Once again, we thank you for your consideration of our proposal. Should you have any questions, please feel free to call. My phone number is 662-728-6172.

Very truly yours,

A handwritten signature in black ink that reads 'Terry E. Cartwright'.

Terry E. Cartwright, CPA
The Sparks CPA Firm, P.C.
Certified Public Accountants

-1-

Florence, Alabama
Phone: (256)764-0991

Red Bay, Alabama
Phone: (256)356-9375

Muscle Shoals, Alabama
Phone: (256)314-5082

Booneville, Mississippi
Phone: (662)728-6172

Corinth, Mississippi
Phone: (662)286-7082

Iuka, Mississippi
Phone: (662)423-5057

**Firm Background and Experience in Governmental, Non-Profit
Auditing, Accounting and Peer Review Participation**

Municipal Government

City of Red Bay	Twenty-seven Years*
Red Bay Gas and Water Board	Twenty-seven Years*
City of Iuka	Twenty-five Years*
City of Haleyville	Nineteen Years*
City of Corinth	Fifteen Years*
Oxford Electric Department	One Year

School Districts

Corinth School District	Fifteen Years*
Haleyville City Board of Education	Ten Years*
Booneville School District	Eight Years*
Tuscumbia City Board of Education	Eight Years*
Tishomingo County Separate Municipal School District	Seven Years*
Holly Springs School District	Two Years*
Sheffield City Board of Education	Five Years*
Itawamba County School District	Four Years*
Prentiss County School District	Five Years*
Alcorn County School District	Two Years*
Franklin County Schools	One Year
Iuka School District	One Year*

County Government

Tishomingo County	Sixteen Years*
Tippah County	Fourteen Years*
Prentiss County	Twelve Years*
Alcorn County	Eleven Years*
Itawamba County	Three Years*

Hospitals

Magnolia Hospital	Four Years
Corinth Surgery Center	Two Years

Colleges

Northeast Mississippi Community College	Twenty-two Years*
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Firm Background and Experience in Governmental, For Profit, Non-Profit Auditing, Accounting and Peer Review Participation

Non-Profit and Other

Tiffin Motor Homes, Inc.	Twenty-eight Years
American Family Association	Twenty-Five Years
Tishomingo County Electric Power Association	Twenty Years*
Alcorn County Electric Power Association	Fifteen Years
Bear Creek Development Authority	Fifteen Years
Tiffin Motor Homes, Inc. 401(k)	Fourteen Years
Corinth-Alcorn County Joint Airport Board	Fifteen Years
Prentiss County Electric Power Association	Twelve Years*
American Family Association 401(k)	Eleven Years
Association for Retarded Citizens of Franklin County	Eleven Years
The Alliance	Nine Years
Yellow Creek State Inland Port Authority	Nine Years
Farmington Water Association	Six Years*
Kossuth Water Association	Six Years*
Holcut Cairo Water Association	Six Years*
Boys and Girls Club of Northeast Mississippi	Five Years
New River Homes, Inc. 401(k)	Four Years
Sav-A-Life of Tupelo, Inc.	Four Years
Town Creek Master Water District	Four Years
North Alabama Council of Local Governments	Two Years*

*Denotes single audit requirements.

The above experience lists those engagements performed by The Sparks CPA Firm, P.C., Dicky H. Sparks, P.C., Hardwick, Vanstory, & Sparks, P.A., and Brawner, Vanstory & Co.

The Sparks CPA Firm, P.C., Certified Public Accountants is a member of the American Institute of CPAs (AICPA) Divisions of Firms (Peer Review). Our unqualified peer review report is shown on page 4.



MIKE DOZIER

Certified Public Accountant, P.C.

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Fulton, Mississippi 38843
(662) 862-7955 • FAX (662) 862-7957
mdozier@nexband.com

System Review Report

December 10, 2015

To the Shareholder
The Sparks CPA Firm, P.C.
and the Peer Review Committee of the Alabama Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of The Sparks CPA Firm, P.C. (the firm) in effect for the year ended June 30, 2015. 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 include engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of The Sparks CPA Firm, P.C. in effect for the year ended June 30, 2015, 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*. The Sparks CPA Firm, P.C. has received a peer review rating of *pass*.

Mike Dozier
Certified Public Accountant, P.C.

Firm Profile

The Sparks CPA Firm, P.C. has been serving Northeast Mississippi and Northwest Alabama for 25 years. We have an extensive audit background in both Governmental and Not-for-Profit entities. We currently have six offices located as described below. Your audit services would be conducted out of our Booneville, MS office which has personnel that have performed nine audits for Yellow Creek State Inland Port Authority.

Firm Locations

The Sparks CPA Firm, P.C.
Certified Public Accountants

204 5th Avenue S.E.
P. O. Box 1366
Red Bay, AL 35582
Phone: 256-356-9375

715 Cox Creek Parkway
Florence, AL 35630
Phone: 256-764-0991

713 Avalon Avenue
P.O. Box 2321
Muscle Shoals, AL 35661
Phone: 256-314-5082

106 South First Street
P. O. Box 540
Booneville, MS 38829
Phone: 662-728-6172

515 E. Waldron Street
P. O. Box 458
Corinth, MS 38834
Phone: 662-286-7082

305 West Eastport Street
P. O. Box 402
Iuka, MS 38852
Phone: 662-423-5057

Personnel Assigned to Engagement

Shareholder	1
Audit Manager	1
Staff	1

Resume Dicky H. Sparks, CPA Shareholder

Work History

2008- Present Owner CPA, The Sparks CPA Firm, P.C., Red Bay, Alabama
1998-2008 Owner CPA, Dicky H. Sparks, P.C., Red Bay, Alabama
1991-1997 Shareholder of Hardwick, Vanstory, & Sparks, P.A., CPA's
1982-1987 Controller & Accountant, Tishomingo County Electric Power Association
1981-1982 Staff Accountant, Moore & Gray CPA's

Audit Experience

Sheffield City Board of Education	Five Years*
Town Creek Master Water District	Four Years
Tuscumbia City Board of Education	Eight Years*
Haleyville City Board of Education	Ten Years*
Tiffin Motor Homes, Inc. 401(k), Red Bay, Alabama	Fourteen Years
American Family Association 401(k), Tupelo, Mississippi	Eleven Years
Tippah County, Ripley, Mississippi	Fourteen Years*
Prentiss County, Booneville, Mississippi	Twelve Years*
Tishomingo County, Iuka, Mississippi	Sixteen Years*
City of Haleyville, Haleyville, Alabama	Nineteen Years*
American Family Association, Tupelo, Mississippi	Twenty-five Years
Tishomingo County Electric Power	Twenty Years*
Tiffin Motor Homes, Inc., Red Bay, Alabama	Twenty-eight Years
City of Red Bay, Red Bay, Alabama	Twenty-seven Years*
Red Bay Gas and Water	Twenty-seven Years*
Bear Creek Development Authority	Fifteen Years
Holly Springs School District (2007-2008)*	Two Years*
The Boys and Girls Club of Northeast Mississippi, Corinth, Mississippi	Five Years
Sav-A-Life of Tupelo, Inc., Tupelo, Mississippi	Four Years
Corinth Surgery Center, Corinth, Mississippi	Two Years
Association of Retarded Citizens of Franklin County	Eleven Years
North Alabama Council of Local Governments	Two Years*

While a shareholder our firm's audit experience included:

Magnolia Hospital
Corinth School District *
Tishomingo County School District *
Kossuth Water Association
Booneville School District *
SCP, Inc.

* Denotes Single Audit

Education

Bachelor of Science, Honor Graduate, University of North Alabama, Florence Alabama 1981
Continuing professional education as required by the AICPA and GAO

Licenses and Certificates

Certified Public Accountant, April 19, 1991, State of Mississippi
Certified Public Accountant, February 26, 1993, State of Alabama
American Institute of Certified Public Accountants, July 31, 1991

Resume

Terry E. Cartwright, CPA

Audit Manager

Work History

2017-Present The Sparks CPA Firm, P.C.

1991-2017 Brawner, Vanstory & Company, P.A., CPA's

1989-1991 Charles E. Brown, CPA

1980-1989 Prentiss County Tax Assessor

Audit Experience

City of Red Bay, Red Bay, Alabama	Three Years*
Red Bay Gas and Water Board	Two Years
City of luka	Twenty-five Years*
City of Corinth	Six Years
Town of Farmington	Fifteen Years
New Albany Public Schools	Two Years*
Pontotoc County Schools	Two Years*
Booneville School District	Two Years*
Lafayette County School District	Two Years*
Prentiss County School District	One Year
Northeast Mississippi Community College	Two Years*
Grenada County	Two Years
Benton County	Two Years
Itawamba County	Two Years*
Tallahatchie County	Six Years*
Alcorn County	Eleven Years*
Prentiss County School District	Two Years
Prentiss County Electric Power Association	Thirteen Years*
Northeast Mississippi Elderly Service	One Year
Holcut Cairo Water Association	One Year
Prentiss County Development Association	Two Years
Tishomingo County Electric Power Association	Two Years*
Northwest Alabama Council of Local Governments	Two Years*
Prentiss Alcorn Water Association	Five Years*
Blackland Water Association	One Year*
New Candler Water Association	Two Years
Accord County Electric Power Association	Six Years
The Alliance	Nine Years
Yellow Creek State Inland Port Authority	Six Years
Corinth Airport	Fifteen Years

* Denotes Single Audit

Continuing Education

Continuing professional education as required by the AICPA and GAO

Professional Activities

American Institute of Certified Public Accountants
Mississippi Chapter of Certified Public Accountants
Northeast Chapter of Mississippi Society of Certified Public Accountants

Resume

Brett Galloway, CPA

Staff

Work History

2017-Present The Sparks CPA Firm, P.C.
2009-2017 Tax Manager, International Paper, Memphis, TN
2007-2009 Ernst & Young, LLP, Memphis, TN

Audit Experience

Northeast Mississippi Community College	One Year*
Northeast Mississippi Community College Foundation	One Year
Booneville School District	One Year*
The Alliance	One Year
Alcorn School District	One Year*
Booneville Rural Development Apartments	One Year
Manager for US tax compliance for 180 international entities	Two Years
Auditor for international tax compliance International Paper	Two Years

* Denotes Single Audit

Education

University of Mississippi, Master of Taxation 2006
University of Mississippi, Bachelor of Accountancy
Continuing professional education as required by the AICPA and GAO

Professional Activities

American Institute of Certified Public Accountants

Statement of Understanding of Audit Services to be Performed

We propose to perform the work necessary to conduct an audit of the Authority's records in order to enable us to issue an independent accountants' opinion as to the fairness of the financial position of the Authority as reported in the financial statements for your fiscal year 2018.

The services are to be performed in accordance with the following:

1. The standards for financial audits set forth in the U.S. Government Accountability Office's Government Auditing Standards which include generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.
2. Statements of financial accounting standards as prescribed by the Governmental Accounting Standards Board.
3. Special items or reports prescribed by SAO as set forth in Part VII Audit Services Schedule.
4. OMB Uniform Grant Guidance.

In order to accomplish this objective, we plan on implementing the systematic approach as noted below.

Review and Documentation of Internal Control System

The Authority's Internal Control system of the accounting system represents the accounting functions that are put into place which assures the following:

- A. Safeguarding Assets
- B. Completeness of Records
- C. Appropriate Authorization of Transactions
- D. Appropriate Segregation of Duties

Our firm uses the risk-based approach as outlined in the risk-based suite of auditing standards. To assess risks our preliminary fieldwork will use a combination of "brainstorming", interviews, and review of internal control documentation to allow us to gain a greater understanding of the Authority's internal control. This allows us to: assess the risk of material misstatement from errors or fraud in conjunction with the inherent risk of significant accounts, design procedures to test controls if, in our professional opinion it is considered necessary, and to design procedures based on our risk assessment, to test details of account balances and classes of transactions.

Analysis and Test work of the Authority Accounts

Along with our review of the Internal Control Systems in place, we will review and document my understanding of the processes employed by the Authority's accounting personnel for the recording of Assets, Liabilities, Revenues, and Expenses.

The audit process will entail the following:

- A. The audit program utilized in accordance with Government Auditing Standards will be used in performing the audit.
- B. A detailed analytical review process will be used to identify significant fluctuations, fluctuations from expected results (i.e., Budgets) as well as year-to-year fluctuations.
- C. A detailed examination of documentation that supports the recording of accounting information.

Compliance with Federal Requirements

Along with the audit work performed, an additional emphasis will be placed on the degree of compliance with Mississippi regulations exercised by the Authority. Compliance with Mississippi law will be documented as we review processes and examine documentation.

If applicable, we will also perform the test work necessary to offer an opinion as to the degree of compliance with Federal program requirements as stipulated in the OMB Uniform Grant Guidance.

Reporting and Attestation

As a final step in the completion of our work, we will prepare the audited financial statements, and any related schedules for the Authority, and will issue any necessary compliance reports, and also issue an opinion as to the fairness of the financial statements presented.

Time Frame of Fieldwork

The estimated start date for each fiscal year is August 1 and the estimated completion date for each fiscal year is September 7. We expect the audit to take 180 hours to complete.

**Detailed Work Schedule
2018**

Task	Total Hours	Shareholder	Audit Manager	Staff
Planning	16	16		
Risk Assessment	20	8	4	8
Analytical Procedures	4			4
Cash & Investments	8			8
Revenue/Receivables	8			8
Fixed Assets	16		16	
Expenditures & Accounts Payable	24		4	20
Payroll	4			4
Debt	8		4	4
Fund Balance	4			4
State Compliance	24		8	16
Audit Report Preparation	20	10	10	
Supervision and Review	24	16	8	
Total Hours	180	50	54	76
Hourly Rates	98.62			
Total Fee	<u>17,750</u>			

Firm Contact:

Terry E. Cartwright, CPA
P. O. Box 540
Booneville, MS 38829
Phone: 662-728-6172
Fax: 662-728-6176
Email: tcartwright@sparkscpas.com

CERTIFICATIONS SCHEDULE

Audit Service Provider:

(Check blocks, fill in spaces, and sign where appropriate.)

- A. That the proposer is properly licensed for public practice in the State of Mississippi as a certified public accountant. X
- B. 1. That the firm meets the independence requirements of the *Government Auditing Standards*, published by the Government Accountability Office. (The Yellow Book). X
2. That the firm, under any contract requiring approval by the Office of the State Auditor, will not assign audit responsibilities to any staff member who does not meet the CPE requirements of the *Government Auditing Standards*. (The Yellow Book). X
- C. That the firm has had an External Peer Review and will submit a copy of the opinion in the Proposal. X
- D. That the firm does (), does not (X), have a record of substandard audit work. Disclosure of any positive enforcement action is made below.
- _____
- _____
- E. That the firm has (), has not (X), employed or retained any company or person, other than a full-time bona fide employee working solely for the audit service provider, to solicit or secure this contract.
- F. That the firm has (), has not (X), paid or agreed to pay any company or person, other than a full-time bona fide employee working solely for the audit service provider, any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract, and agrees to furnish information relating to letters E and F as requested.
- G. That the firm is (), is not (X), a small business concern. Generally, a small business concern is a concern that is independently owned and operated, is not dominant in the field of operation in which it is bidding, and, with its affiliates, employs not more than 500, or is certified as a small business concern by the Small Business Administration.

H. That the firm is (), is not (X), a minority business or women's business enterprise.

I. Type of business (check appropriate box).

() Individual () Partnership (X) Corporation

Incorporated in the State of Alabama and Mississippi
(Complete if Corporation)

J. Parent company and employer identification number.

1. Is the firm owned or controlled by a parent company? No

2. If the answer to Number J-1 is "Yes", the firm shall insert in the space below the name and main office address of the parent company.

Name: _____

Address: _____

3. The firm shall insert in the applicable space below, if it has no parent company, its own employer's tax identification number (E. I. No.), or if it has a parent company, the E. I. No. of its parent company.

Firm's E. I. No. 63-1208839

Parent Company's E. I. No. _____

K. Certificate of independent price determination.

Certifies, in connection with this procurement, the firm represented (and in the case of joint proposal, each party thereto) to the best of its knowledge and belief:

- a. that the prices in this proposal have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other firm or with any competitor;
- b. that unless otherwise required by law, the prices have not been knowingly disclosed by the firm and will not knowingly be disclosed by the firm prior to award, directly or indirectly, to any other firm or to any competitor; and,
- c. that no attempt has been made or will be made by the firm to induce any other person or firm to submit or not to submit a price proposal for the purpose of restricting competition.

2. Each person giving a price proposal represents with regard to collusive pricing that:
- a. he or she is the person in the firm's organization responsible within that organization for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to numbers K-1-a through K-1-c; or
 - b. he or she is not the person in the firm's organization responsible within that organization for the decision as to the prices being offered herein, but that he or she has been authorized in writing to act as agent for the persons responsible for such decisions in certifying that such persons have not participated, and will not participate in any action contrary to number K-1-a through K-1-c, and as to their agent does hereby so certify; and,
 - c. he or she has not participated, and will not participate, in any action contrary to numbers K-1-a through K-1-c.

A proposal will not be considered for award where numbers K-1-a, K-1-c, or K-2 have been deleted or modified. Where number K-1-b has been deleted or modified, the proposal will not be considered for award unless the firm furnished with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the State Auditor or his designee determines that such disclosure was not made for the purpose of restricting competition.



SIGNATURE

Shareholder
TITLE

The Sparks CPA Firm, P.C.
FIRM