

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

REQUEST FOR PROPOSAL

FOR

EXTERNAL FINANCIAL AUDIT SERVICES

FOR



GSP INTERNATIONAL
AIRPORT
ROGER MILLIKEN FIELD

ISSUED: MARCH 5, 2019

Greenville-Spartanburg Airport District
2000 GSP Drive, Suite 1
Greer, SC 29651

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SECTION 1.0 INTRODUCTION

The Greenville-Spartanburg Airport District seeks to establish, with this Request for Proposals (RFP), a fixed price contract with a qualified external financial auditing firm to provide independent auditing services for the District for the next five (5) fiscal years with two (2) one-year renewal options, beginning with fiscal year end 2019 (July 1, 2018 through June 30, 2019). Additional services related to consultation in other areas of accounting and audit are part of the scope of this solicitation; however, the District reserves the right to solicit such services from additional sources in the future.

This document outlines the prerequisites, selection process, and documentation necessary to submit a proposal for external financial auditing services. It is strongly recommended that you review the entire document prior to submitting a proposal.

The proposal must include all criteria described throughout this solicitation document to be considered responsive and eligible for award. Please submit three (3) copies and one (1) electronic version of the proposal to the point of contact at the following address:

Jonathan Stone
Contracts Manager
Greenville-Spartanburg Airport District
2000 GSP Drive, Suite 1
Greer, SC 29651-9202
Attn: Request for Proposal for External Financial Audit Services
Email: jstone@gspairport.com
Office Phone: 864.655.5699

The deadline to submit the proposal is **Friday, March 29, 2019 at 4:00pm**. All proposals received after the deadline will be returned unopened. All questions regarding the RFP shall be directed to the above point of contact via email. It is the sole responsibility of the proposer to ensure proposals are delivered or mailed to the District by the appointed date and time. All responsive proposals shall become the property of the District and must be provided without cost to the District.

The deadline for submitting questions is **Friday, March 22, 2019 at 3:00pm**. An addendum (if necessary) will be issued with question responses no later than **Tuesday, March 19, 2019 at 5:00pm**.

The District anticipates notifying the successful offeror of an award no later than **May 10, 2019**.

This RFP does not commit the District to enter into a contract for the scope of work or to pay any costs during the preparation of a proposal pursuant to this RFP or

incurred in subsequent negotiations. The District intends to negotiate and award a contract with the firm deemed most beneficial and advantageous to the District.

All responsive proposals shall be considered valid for a period of ninety (90) days from the proposal deadline date and provide a statement in the proposal to that effect. Proposals received by the deadline shall be subject to the applicable laws and regulations governing public disclosure and considered part of the public record of this RFP process.

The District reserves the right to reject any and all proposals, to waive minor informalities and irregularities in the proposal submission process, to extend the date of submittal of responses, to request additional information and data from any or all proposers, to supplement, amend, or otherwise modify the RFP prior to the closing date. The District also reserves the right to cancel this RFP at any time prior to an award with or without the substitution of another RFP.

SECTION 2.0 BACKGROUND

2.1 GREENVILLE-SPARTANBURG AIRPORT DISTRICT

The Greenville-Spartanburg Airport District (GSP) (hereinafter referred to as "District") is a commercial service airport that serves the Upstate with more than 1.1 million enplanements for the six (6) major airlines that operate at GSP and moves 590,000 tons of air cargo annually. The District is governed by the Greenville-Spartanburg Airport Commission which consists of six (6) members who are appointed by the Governor of South Carolina and represent both Greenville and Spartanburg Counties. The District also controls the Fixed Base Operator, Cerulean, which services eight (8) tenants. Together, the Airport District earned \$40.5 million in operating revenues and received an additional \$7.5 million in non-operating and capital contribution revenues for fiscal year end 2018.

2.2 DESCRIPTION OF SERVICES – GENERAL

The purpose of this RFP is to award a contract for external financial audit services. The District is seeking proposals from qualified Certified Public Accounting (CPA) firms to provide auditing services. The District's fiscal year begins on July 1st and ends June 30th of the following calendar year. Auditing services are anticipated to begin with fiscal year end June 30, 2019.

Each fiscal year audit must be conducted in accordance with the generally accepted accounting principles (GAAP) in the United States of America and the standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States. Each firm must meet all requirements of federal and state laws and regulations of the State of South Carolina as they relate to the District. The external financial audit services include the following:

- Greenville-Spartanburg Airport District Financial Statements;
- An accountant's report as required by the Yellow Book and OMB Circular A-133;
- Comprehensive Annual Financial Report;
- Passenger Facility Charge (PFC) Program Compliance;
- Three (3) annual agreed-upon procedures engagement to determine selected entities' Agreement compliance; and
- Ongoing consultation of accounting matters as they arise.

The successful offeror will provide all labor, materials, transportation, services, and equipment necessary to reasonably provide external financial auditing services.

SECTION 3.0 INFORMATION AND INSTRUCTIONS

3.1 REQUEST FOR PROPOSAL (RFP)

The District requests your firm submit a proposal based on Fixed Unit Rates for providing external financial auditing services subject to the terms and conditions in accordance with this RFP document. The term for this RFP is five (5) years with two (2) one-year renewal options whereby auditing services will be required for the fiscal years ended as stated below:

- Year 1: FY 2019 (July 1, 2018 – June 30, 2019)
- Year 2: FY 2020 (July 1, 2019 – June 30, 2020)
- Year 3: FY 2021 (July 1, 2020 – June 30, 2021)
- Year 4: FY 2022 (July 1, 2021 – June 30, 2022)
- Year 5: FY 2023 (July 1, 2022 – June 30, 2023)
- Year 6: FY 2024 (July 1, 2023 – June 30, 2024)
- Year 7: FY 2025 (July 1, 2024 – June 30, 2025)

A. Basis for Award

The District shall make an award to the successful offeror that submits a complete and responsive proposal and is determined to be responsible at the sole discretion of the District. The award will be based on a best value using trade-off criteria that provides the best overall benefit to the District in response to the RFP. Further details are provided in the following section, Proposal Evaluation Criteria.

B. Proposal Evaluation Criteria

Complete and responsive proposals received by the District shall be evaluated by a selection committee as determined by District staff through a qualifications-based selection process. Based on an initial evaluation, the selection committee will down select a small group of finalists who may be requested to make oral presentations to the selection committee. The oral presentation provides for the finalist firm an opportunity to answer any questions the selection committee may have regarding the firm's proposal.

Should the selection committee require presentations, it is anticipated that presentations will occur during the week of **April 8 - 10, 2019**.

The criteria used for evaluating proposals shall be as follows in order of importance:

- i. Qualifications related to firm experience with governmental agency and airport audits similar in size to the District
- ii. Cost of services
- iii. Qualifications and experience of key personnel
- iv. Peer review reports and references
- v. Audit approach
- vi. Compliance with RFP instructions

C. Disqualification of Proposals

The District reserves the right to reject a response to the RFP if the following conditions are observed during evaluations:

- i. A proposal is found to be non-responsive to all requirements of this RFP;
- ii. A proposal is found to be not responsible during the evaluation process;
- iii. Past evidence of an unsatisfactory record of integrity and business ethics while working on other contracts;
- iv. If the offeror is found to be debarred from participating on any public, local, state, or federal contracts for similar services;
- v. Existence of unresolved claims, arrearage, or default resulting from participating on any public, local, state, or federal contracts for similar services.

D. Incomplete Proposals

The District may consider a proposal incomplete that is not prepared and submitted in accordance with the requirements of this RFP. Any alteration, omission, addition, or any unauthorized conditions, or provisions attached to the proposal may cause it to be incomplete. Any documents contained in this RFP necessary for submission with the proposal which are missing or incomplete will be viewed as an incomplete proposal and may be subject to being disqualified from evaluation.

3.2 REQUIRED QUALIFICATIONS

The following qualifications are intended to ensure the offeror is independent and has adequate experience and expertise to conduct external financial

auditing services for the District. The successful offeror shall demonstrate and provide evidence in the following categories:

A. Firm History

The firm must be licensed to operate in the State of South Carolina and have maintained a continuous presence providing financial auditing services full-time while operating in South Carolina for at least ten (10) years.

B. Firm Experience

Provide demonstratable evidence that the firm has knowledge of and conducted financial audits of governmental organizations similar in size to the District in compliance with applicable standards of Government Auditing Standards (Yellow Book) issued by the Comptroller General of the United States. Additionally, provide demonstratable evidence that the firm has knowledge of the Government Financial Officers Association (GFOA) certification process and the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Circular A-133 and PFC Regulations (14 CFR Part 158). Must be able to assign professional staff properly licensed to practice public accounting in the State of South Carolina.

- i. *Verifiable Experience* – Provide copies of at least two (2) of the firm's most recent peer review reports and provide three (3) to five (5) references from previous government audits including the agency name, address and phone number, point of contact including their name and title, and permission to contact them.

C. Firm Retention, Access, and Communication Requirements

The firm must have the ability to retain, at the firm's own expense, all working papers and reports for a minimum of five (5) years, unless the firm is notified in writing by the District of the need to extend the retention period. Upon request, the firm shall be required to make working papers available, upon request, to the District or other government agencies as required.

The firm shall assign a principal contact who is designated to be the point of contact for the District. The principal contact shall be responsible for coordinating external auditing services, progress meetings, exit interviews after final reports are completed, but prior to distribution of final reports, and other coordination activities that arise during the contract period with the District's Finance Department.

D. Firm Independence

The firm shall provide demonstratable evidence that all matters relating to audit work and the individual auditors are free in appearance from

personal, external, and organizational impairments to independence. The offeror must certify to their ability to meet the independence standard.

3.3 PROPOSAL INSTRUCTIONS

To submit a responsive proposal, the proposal is limited to twenty (20) pages, single sided, and shall include a table of contents. The District requires three (3) hard copies (either mailed or hand delivered) and an electronic copy in PDF format sent to the point of contact in the previous section. To expedite the evaluation process, offerors shall organize the proposal as outlined below. The District is within its rights to consider a proposal non-responsive and disqualify a prospective offeror if it does not follow this format or if the proposal fails to include all of the requirements of this RFP.

A. Background Information

Concise background information about the proposing firm including:

- i. Length of time in business.
- ii. Firm location.
- iii. Firm license information, including evidence that the firm has remained under the substantially same ownership structure for the past ten (10) years.
- iv. Firm Principals, key employees, and their experience including conducting audits of airports, and CAFR's.
- v. Firm wide staffing size.

B. Dedicated Staff

- i. Size of audit staff (size of governmental audit staff) and their experience credentials capable of working on financial audits for the District on a full-time and part-time basis during an audit period.
- ii. Audit team project structure who will be working on financial audits for the District.

C. Audit Approach

- i. Describe, in detail, the firm's approach to the scope of work of this RFP, including any overview and start up work required during the first audit year, plans for the timing of field work, and estimated total hours required to complete audits.
- ii. Approach to gain and document understanding of the District's internal accounting structure.
- iii. Evidence of the Firm's understanding of laws and regulations that are subject to audit work.

- iv. Approach to audits of federal grants received by the District and indicate how requirements of the Governmental Auditing Standards will be met.
- v. Describe how the requirements of 14 CRF 158 and Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration (FAA) related to Passenger Facility Charges Revenue will be met.
- vi. Discuss the firm's approach to principal audit partner rotation.
- vii. List any areas of an audit considered by the firm to be higher risk and indicate why these areas are considered higher risk.

D. Proposed Schedule and Budget

- i. Schedule outline for each type of audit including anticipated site visits. Prepare two schedules, one for the first audit period and a separate schedule for a typical audit period thereafter.
- ii. Budget estimate of how long it will take to complete each type of audit. Prepare two estimates, one for the first audit period and a separate estimate for a typical audit period thereafter.

E. References

- i. Three (3) to five (5) references, including their contact information as described in Section 3.2(B)(i) that the offeror has completed financial audits for and is similar in size.
- ii. Two (2) peer review reports conducted by external audit firms about the offeror's quality control practices. Be sure to note any specific government engagements.
- iii. If the firm has received state desk reviews or field reviews within the past three (3) years, provide information pertaining to the circumstances and status of any disciplinary action taken or pending against the firm by the governmental regulatory body or professional organization.

F. Cost Proposal

- i. Completed cost proposal using the schedule of values document, Attachment 5

G. Other Completed Forms

- i. Non-Collusion and Debarment Affidavits
- ii. Certificate of Acknowledgement
- iii. Completed Acknowledgement Addenda
- iv. Certificate of Independence Standard

SECTION 4.0 SCOPE OF SERVICES

4.1 BASE DESCRIPTION

The District's fiscal year begins July 1 and ends June 30 of the following year. External financial auditing services will begin with fiscal year end June 30, 2019. (FY 2019). The contract will be for five (5) years with two (2) one-year renewal options which the successful offeror will conduct seven (7) fiscal year end audits for the District ending, June 30, 2025 (FY 2025). All reports required for external financial auditing services as described in Section 4.2 are due to the District no later than October 31st following the end of a fiscal year. The District requires twenty (20) audit reports and bound financial statements each fiscal year end.

The successful offeror will perform a complete annual audit and express an opinion on the fair presentation of the District's financial statements in accordance with the generally accepted accounting principles (GAAP) in the United States of America and the auditing standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States.

The successful offeror shall evaluate the effectiveness of the District's internal controls over financial reporting including the maintenance of documentation necessary to support the accuracy and completeness of financial statement accounts and disclosures. Review and make recommendations with respect to all components of internal controls, including those relating to control environment and activities, risk assessment, document retention and the process of monitoring of such components.

The successful offeror shall perform an audit of the Passenger Facility Charges (PFC) Program to ensure compliance with the requirements described in the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration (FAA) for the District's PFC program for the year ending June 30th of each year.

The successful offeror shall perform three (3) annual agreed-upon procedures of select entities. This engagement is solely to assist GSP in determining the selected entities' compliance with their agreement with GSP by testing a sample of their monthly records.

The successful offeror shall ensure the District's Audit Committee is informed and up to date regarding the auditor's responsibility under generally accepted auditing standards, significant accounting policies, judgements, and accounting estimates. The successful offeror shall communicate any disagreements with management, major issues discussed with management prior to retention, difficulties encountered in performing the audit, illegal acts of which the auditor becomes aware, financial statement areas of emphasis, and auditor independence.

This communication should be presented in a letter to management for any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure that could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with assertions of management in the financial statements. The successful offeror will present the final financial statements, PFC audit to the Audit Committee each year.

4.2 REPORTS

A. Greenville-Spartanburg Airport District Financial Statements

Audit financial statements of the District through examining and reporting on the consolidated financial statements at the end of each fiscal year ending June 30. The firm must provide the District final documentation which includes:

- i. Basic financial statements with an audit opinion;
- ii. A report of independent auditor on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards;
- iii. A report of independent auditor on compliance internal control over on the schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 (Yellow Book);
- iv. Note to the schedule of expenditures of federal awards;
- v. Schedule of findings and questioned costs (current year); and
- vi. Schedule of status of prior year findings and questioned costs.

B. Passenger Facility Charge (PFC) Program Compliance

Audit District staff compliance with the requirements described in 14 CFR Part 158 and the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration (FAA) for the District's PFC program for each fiscal year ending June 30. The firm must provide the District final documentation which includes:

- i. Issuing auditor's report on compliance with requirements that could have direct and material effect on the PFC program;
- ii. Issuing auditor's report on internal control over compliance in accordance with the PFC program audit guide for public agencies; and
- iii. Report on the schedule of PFC program receipts and expenditures used.

C. Comprehensive Annual Financial Report

A Comprehensive Annual Financial Report (CAFR) is prepared for the District annually (as of FY 2018) and submitted to the Government Finance Officers Association (GFOA) for participation in the Certificate of Achievement for Excellence in Financial Reporting. The District has yet to receive notification that we will be awarded the certificate; however, the District's expectation going forward is to achieve and maintain the certificate award with full compliance of its requirements. The successful offeror will provide technical assistance during the preparation of the District's CAFR and to review the CAFR to ensure compliance. The deadline to submit the CAFR for participation in the Certificate of Achievement for Excellence in Financial Reporting is six (6) months after the end of the District's fiscal year end (December 31st).

D. Agreed Upon Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedures for each of the entities selected each year. This engagement is solely to assist GSP in determining the selected entities' compliance with their agreement with GSP by testing a sample of their monthly records.

SECTION 5.0 GENERAL PROVISIONS

5.1 KICKBACK PROVISION

Offerors seeking to do business with the District, its employees, or Commissioners are prohibited from offering or providing any type of payment or other form of consideration if it is intended to reward, influence, or give the appearance of rewarding or influencing the District, its employees, or Commissioners with respect to their employment.

5.2 EQUAL OPPORTUNITY

Contractor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference.

5.3 RESPONSIBILITY

The offeror shall assume sole responsibility for meeting all requirements stipulated in this RFP when submitting a proposal. Any discrepancies, ambiguities, or questions must be addressed by the offeror prior to the proposal deadline. Any proposal submitted by an offeror must contain the signature of a duly authorized officer capable of legally binding the firm in accordance with the requirements of this RFP. All costs incurred in preparing a proposal for this RFP, including participating in the proposal process and negotiating with the District, whether a contract is awarded to the offeror or

not, shall be solely the responsibility of the offeror. All materials and documents submitted by an offeror shall become the property of the District and will not be returned.

5.4 CONFIDENTIALITY STATEMENT

The information provided to you in conjunction with this RFP is strictly confidential and not intended for public use or for the use other than for the process specified in this RFP by the respondent.

5.5 PROTEST WAIVER

By submitting a proposal, offerors waive any rights they may have to protest the selection of the successful offeror by the District. Offerors further waive any cause of action they may have against the District including any action arising from any reliance on advice by the point of contact for this RFP. This waiver is effective notwithstanding the fact that the District may have in place certain protest procedures, which may be applicable in other situations.

5.6 INSURANCE REQUIREMENTS

The successful offeror shall, at its sole cost, obtain and maintain for the duration of the contract, insurance of the following types with limits not less than those set forth below:

A. Commercial General Liability Insurance

The minimum limits for the duration of this contract shall be as follows:

- i. \$1,000,000 each occurrence for bodily injury and property damage combined;
- ii. \$1,000,000 each occurrence for personal and advertising injury;
- iii. \$1,000,000 annual general aggregate

B. Worker's Compensation and Employer's Liability Insurance

Includes occupational illness or disease coverage, to meet statutory requirements of coverage with a minimum limit of \$1,000,000 per accident and, for bodily injury by disease, \$1,000,000 per employee.

C. Automobile Liability Insurance

While conducting field audit work on-site, Consultant shall maintain automobile liability insurance for all owned, non-owned and hired automobiles with a minimum combined single limit of liability for bodily injury and property damage of \$1,000,000 per occurrence.

D. Professional Liability Insurance

Consultant shall, at its sole cost, obtain and maintain for the duration of the contract, Professional Liability insurance in an amount not less than \$1,000,000 for each claim for damages caused by any negligent act, error

or omission by Consultant, or of any other person retained or engaged by Consultant for the performance of services in a professional capacity pursuant to this agreement.

E. Waiver of Subrogation

Consultant is fully and solely responsible for any physical loss or damage to all personal property utilized in the performance of Consultant's work. Consultant agrees to waive its rights of recovery and cause its insurers to waive their rights of subrogation against District for any such damage or loss, howsoever caused. Consultant shall include District, its Commissioners, officials, servants, agents, and employees as additional insured by including the following statement on its insurance certificate:

"Greenville-Spartanburg Airport District, its Commissioners, officials, servants, agents, and employees are named as additional insureds."

F. Indemnity

Consultant agrees and does hereby undertake to release, indemnify, defend and hold harmless District and its present and future Commissioners, officers, agents and employees and assigns of each from and against any and all liabilities, damages, claims, losses, suits, fines, theft, demands, penalties and actions of every kind and description (including any and all attorneys' fees, costs and expenses related to the defense thereof) to the extent caused by, arising out of or resulting from the negligent acts or omissions of Consultant, its directors, officers, employees, Sub Consultants and agents in connection with the performance of this Agreement.

G. Entirety of Agreement

Consultant shall be required to provide the same types and levels of insurance identified above for each year this agreement remains in effect. Consultant shall deliver to District a certificate of this insurance coverage at the time this Agreement is executed and each subsequent period of performance.

- i. The certificate shall unconditionally provide that the requisite coverage shall not be terminated or adversely modified or not renewed until District has received thirty (30) day written notice thereof. In the event that an insurance carrier should terminate or adversely modify or not renew the above coverage, Consultant shall immediately contract with another insurance carrier to provide requisite coverage and shall insure that there is no gap or reduction in coverage and shall immediately deliver to District a replacement certificate. The coverage shall be written through an admitted carrier in the State of South Carolina.

5.7 DEBARMENT AND SUSPENSION

By submitting an Offer, Offeror certifies as further described in Attachment 4 (Debarment, Suspension, Ineligibility, and Voluntary Exclusion), to the best of its knowledge and belief, that Offeror and/or any of its Principals are not presently debarred, suspended, proposed for debarment, or declared ineligible for contract award by the District.

Attachment 1

PROPOSAL SUBMISSION CHECKLIST

The following information and documents must be submitted as part of the sealed proposal for the proposal to be considered responsive:

		Attached/Included			
1.	Attachment 1 – Proposal Checklist	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
2.	Attachment 2 – Acknowledgement of Addenda	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
3.	Attachment 3 – Affirmation Statement	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
4.	Attachment 4 – Debarment, Suspension, Ineligibility, and Voluntary Exclusion	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
5.	Background Information: <ul style="list-style-type: none"> • Principal, Key Employees, Dedicated Staff • Qualifications & Experience 	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
6.	Audit Approach	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
7.	Proposed Schedule & Budget	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
8.	References: <ul style="list-style-type: none"> • 3-5 References • 2 Peer Review Reports 	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
9.	Cost Proposal – Attachment 5	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
10.	Evidence of Insurance	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Submission Due Date: Friday, March 29, 2019, 4:00PM EST

Complete Package <i>(To Be Completed by Selection Committee)</i>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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Attachment 2

ACKNOWLEDGMENT OF ADDENDA

The following form shall be completed and included in the proposal.

Failure to acknowledge receipt of all addenda, if any, may cause the proposal to be considered non-responsive.

The undersigned acknowledges receipt of the following addenda to the documents:

Addendum No.: _____ Date: _____

Addendum No.: _____ Date: _____

Addendum No.: _____ Date: _____

Company Name of Offeror: _____

Company Address: _____

Telephone Number: _____

Email Address: _____

Authorized Signature: _____

Printed Name and Title: _____

Date Signed: _____

Attachment 3

AFFIRMATION STATEMENT FOR INDEPENDENT AUDIT SERVICES

By signing this attachment, the following affirmations are agreed to by an individual authorized to make such decisions behalf of the proposing firm:

1. I am authorized to make these affirmations;
2. To the best of my knowledge, all answers and statements made in the proposal are true and correct;
3. My firm and its Principals certify that it is not currently debarred, suspended, proposed for debarment, or declared ineligible for contract award. That my firm is not presently indicted by a governmental entity nor has not been convicted of or had a civil judgment rendered against it for any reason, including fraud or in violation with Federal or state antitrust statues related to embezzlement, theft, bribery, falsification or destruction of records, or tax evasion in the preceding three (3) years.
4. In preparing this proposal, the financial information contained in it has been arrived at independently and without consultation, communication or agreement with the Airport Commission, or other proposers, to restrict competition as to any matter relating to this RFP;
5. No fee or commission, or any other thing of value, has been paid or agreed to be paid to any employee, agent, representative, official, or current consultant of the Board in order to procure the contract described in this RFP;
6. The firm and personnel performing work under any contract related to this RFP are independent of the Airport Commission as defined by generally accepted auditing standards;
7. The firm and key personnel are properly licensed to practice in the State of South Carolina; and
8. This proposal is valid for a period of ninety (90) days from the closing date of March 29, 2019.

Business Name: _____

By: _____

Title: _____

(Printed Name and Title of Authorized Representative)

Signature: _____

Date: _____

Attachment 4

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION

The Offeror certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily or involuntarily declared ineligible for the award of contracts by any Federal, State, or Local agency;

(b) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(c) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three-year period preceding this offer, been notified of any delinquent Federal or State taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied; and

(e) Have not within a three-year period preceding this offer had one or more public contracts (Federal, State, or local) terminated for cause or default; and

Where the Offeror is unable to certify to any of the statements in this certification, the Offeror shall attach an explanation to this application.

Business Name: _____

By: _____

Title: _____
(Printed Name and Title of Authorized Representative)

Signature: _____

Date: _____

Greenville-Spartanburg Airport District
March 5, 2019

Request For Proposal (RFP)
External Financial Auditing Services

Attachment 5

PROPOSED FEE SCHEDULE FOR EXTERNAL FINANCIAL AUDIT SERVICES

Please complete the excel spreadsheet that accompanies this RFP. When complete, print separately and include with the hard copies of the firm's proposal by inserting it into this section.

**PROFESSIONAL SERVICES AGREEMENT
(NON-A&E, NON-AVIATION RELATED)**

FOR

EXTERNAL FINANCIAL AUDITING SERVICES



GSP INTERNATIONAL
AIRPORT
ROGER MILLIKEN FIELD

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

AND

XXXXXXXXXX

Effective Date:

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DRAFT AGREEMENT

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
EXTERNAL FINANCIAL AUDITING SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") is made to be effective as of the **XXX** day of **XXXX**, 2019, among the **GREENVILLE-SPARTANBURG AIRPORT DISTRICT** (herein referred to as "District"), a body politic created an existing under the laws of the State of South Carolina, whose mailing address is 2000 GSP Drive, Suite 1, Greer, South Carolina, 29651, and **XXXXX**, a **XXXX Company** (herein referred to as "Auditor"), whose mailing address is **XXXX**.

WITNESSETH:

Whereas, said Agreement sets forth the entire agreement between Auditor and District pertaining to the work and supersedes all inquiries, proposals, negotiations, and commitments, whether written or oral, prior to the date of execution of this Agreement.

SECTION 1.0 GENERAL PROVISIONS

1.1 SUBMISSION OF AGREEMENT

The submission of this document for examination and negotiation does not constitute an offer or Agreement. This document shall become effective and binding only upon execution and delivery hereof by an authorized representative of the District and Auditor. No act or omission of any officer, employee or agent of the District shall alter, change or modify any of the provisions hereof.

1.2 QUALITY OF SERVICES

Auditor warrants to District that all services supplied by Auditor in performance of this Agreement, shall be supplied by personnel who are careful, skilled, experienced and competent in their respected profession. Auditor agrees that it is providing professional services, findings, and/or recommendations in the performance of this Agreement and warrants to District, that the same shall conform to the highest professional standards and principles.

1.3 SERVICES OF AUDITOR

Unless this Agreement is terminated as specified herein by reason of substantial failure of either party to fulfill its obligations under this Agreement, Auditor shall perform all services specified in this Agreement.

1.4 INDEPENDENT CONTRACTOR

Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture, and no

provision contained in this Agreement nor any acts of Auditor and the District shall be deemed to create any relationship other than that of Auditor serving as an independent contractor to the District. Time to accumulate and prepare documents is considered part of the services and no additional payment will be provided other than for delivery or shipping costs, which shall be reimbursed at actual cost without markup.

A. Relationship of the Parties

Neither party is an employee, agent, or partner of the other. Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party.

SECTION 2.0 TERMS AND CONDITIONS

2.1 GOVERNING LAW

The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation.

2.2 LEGAL CLAIMS AND ATTORNEY FEES

Each party hereto shall promptly report to the other any claim or suit against it arising out of or in connection with Auditor's duties. The District and Auditor each have the right to compromise and defend the same to the extent of its own interest; provided the defense of the same has not been tendered and accepted by the other party. Auditor is an independent contractor in every respect, and not the agent of the District.

2.3 EXPERT LEGAL TESTIMONY

In the event of any legal or other controversy requiring the services of Auditor in providing expert testimony in connection with the services provided herein, except suits or claims by third parties against the District arising out of negligent errors or omissions of Auditor, the District shall pay Auditor for services rendered in regard to such legal or other controversy, including costs of preparation for controversy. Such payment to Auditor shall be at rates mutually agreed upon.

2.4 ANTI-KICKBACK PROVISION

No officer or employee of the District, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future

gift, favor, service or other thing of value from or to any person involved in this Agreement.

2.5 EQUAL OPPORTUNITY

Auditor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference.

2.6 CIVIL RIGHTS PROVISIONS

A. Compliance with Regulations

Auditor shall comply with the Regulations relative to nondiscrimination in Federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Agreement.

B. Nondiscrimination

Auditor, with regard to the work performed by them during the Agreement shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. Auditor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the Regulations.

2.7 OWNERSHIP OF DOCUMENTS

Documents, Specifications and other data prepared by Auditor for the Project shall become the sole property of District. Auditor shall, at its own cost and expense, be permitted to retain copies thereof for its records.

2.8 SCHEDULE, COORDINATION AND REPORTING

District will schedule, and coordinate performance of the services and Auditor agrees to comply strictly with such scheduling and coordination. Contractor shall promptly submit to Company such schedules and reports pertaining to Contractor's performance of the Work, as may be required by this Contract.

2.9 TERMINATION

A. Termination for Convenience

- i. District may, by written notice, terminate this Agreement for its convenience without cause or default on the part of Auditor. Upon receipt of such notice services shall be immediately discontinued

(unless the notice directs otherwise) and all materials, data, drawings, specifications, reports, estimates, calculations, summaries and support material as may have been accumulated during performance of this contract, whether completed or in progress, must be delivered to District without additional costs.

- ii. District agrees to make just and equitable compensation to Auditor for satisfactory work completed through the date of termination by written notice. Auditor is not entitled to anticipated profits on unperformed services after the date of termination.

B. Termination for Default

- i. This Agreement may be terminated by either party if the other party fails to fulfill its obligations that are essential to the completion of the work in accordance with the terms and conditions of this agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute the breach.
- ii. The terminating party must provide seven (7) days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, conditions to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

2.10 MODIFICATION

The District may modify this Agreement and order changes in the work whenever necessary or advisable. Auditor will accept modification when ordered in writing by the District's designated representative, the time for performance and compensation being mutually agreed upon. Auditor shall make revisions to work included in this Agreement as are necessary to correct errors and omissions appearing therein when required to do so by the District without additional compensation.

2.11 INSURANCE

Auditor shall, at its sole expense, obtain and maintain for the duration of the Agreement, insurance of the following types protecting the District and Auditor (including, without limitation, all members of the governing board of District), officers, agents and employees of each, from and against any and all liabilities arising out of or relating with limits not less than those set forth below:

A. Commercial General Liability Insurance

The minimum limits for the duration of this contract shall be as follows:

- i. \$1,000,000 each occurrence for bodily injury and property damage combined;

- ii. \$1,000,000 each occurrence for personal and advertising injury; and
- iii. \$1,000,000 annual general aggregate

B. Worker's Compensation and Employers Liability Insurance

Auditor Lessee shall keep in force, at its sole expense, worker's compensation or similar insurance affording the statutory coverage as required by the State of South Carolina including occupational illness or disease coverage, with a minimum limit of \$1,000,000 per accident and, for bodily injury by disease, \$1,000,000 per employee.

C. Automobile Liability Insurance

While conducting field audit work on-site, Auditor shall maintain automobile liability insurance for all owned, non-owned and hired automobiles with a minimum combined single limit of liability for bodily injury and property damage of \$1,000,000 per occurrence.

D. Professional Liability Insurance

Auditor shall, at its sole cost, obtain and maintain for the duration of the contract, Professional Liability insurance in an amount not less than \$1,000,000 for each claim for damages caused by any negligent act, error or omission by Auditor, or of any other person retained or engaged by Auditor for the performance of services in a professional capacity pursuant to this agreement.

E. Waiver of Subrogation

Consultant is fully and solely responsible for any physical loss or damage to all personal property utilized in the performance of Consultant's work. Consultant agrees to waive its rights of recovery and cause its insurers to waive their rights of subrogation against District for any such damage or loss, howsoever caused. Consultant shall include District, its Commissioners, officials, servants, agents, and employees as additional insured by including the following statement on its insurance certificate:

"Greenville-Spartanburg Airport District, its Commissioners, officials, servants, agents, and employees are named as additional insureds."

F. Indemnity

Auditor agrees and does hereby undertake to release, indemnify, defend and hold harmless District and its present and future Commissioners, officers, agents and employees and assigns of each from and against any and all liabilities, damages, claims, losses, suits, fines, theft, demands, penalties and actions of every kind and description (including any and all attorneys' fees, costs and expenses related to the defense thereof) to the extent caused by, arising out of or resulting from the negligent acts or omissions of Auditor, its directors, officers, employees, Sub Consultants

and agents in connection with the performance of this Agreement. All indemnities provided in this Agreement shall survive the expiration or any termination of this Agreement.

G. Unconditional Coverage

The certificate shall unconditionally provide that the requisite coverage shall not be terminated or adversely modified or not renewed until District has received thirty (30) days written notice thereof. In the event that an insurance carrier should terminate or adversely modify or not renew the above coverage, Auditor shall immediately contract with another insurance carrier to provide requisite coverage and shall insure that there is no gap or reduction in coverage and shall immediately deliver to District a replacement certificate. The coverage shall be written through an admitted carrier in the State of South Carolina.

2.12 ACCESS, APPROVALS, AND PERMITS

The District shall arrange for access to and make all provisions for Auditor to enter Airport property as required for Auditor to perform its services. Except as may be provided in individual agreements, District shall furnish appropriate approvals and permits from all governmental authorities having jurisdiction over the project and such approval and consents from others as may be necessary for completion of the project.

A. Authorization to Proceed

Auditor shall not begin work on any of the services listed in this Agreement until the District provides written direction to proceed.

2.13 ASSIGNMENT, NOVATION, AND CHANGE OF NAME

A. Assignment

No contract or purchase order awarded by the District is transferable, or otherwise assignable, without written consent of the President/CEO or designee. However, a contractor may assign monies receivable under a contract after adequate notice is provided to the District.

B. Novation

The District shall recognize a successor in interest of transfer in a novation agreement in which the transferor and the transferee agrees that:

- i. The transferee assumes all of the transferor's obligations including performance of the work for a contract and all commercial and legal liabilities associated with the transferor;
- ii. The transferor waives all rights under the contract against the District; and

- iii. Unless the transferor guarantees performance of the contract through by transferee, the transferee shall furnish a satisfactory performance bond, if required.

C. Change of Name

If a contractor elects to change its name in which it holds a contract, the contractor must submit a request to the District. The request must be accompanied by supporting documentation of the name change, such as amended articles of incorporation. After receiving the request and supporting documentation, the District may enter into an agreement with the requesting contractor to effect such a change. The new agreement shall specify that changing the name did not alter the terms and conditions of the original contract.

2.14 SEVERABILITY

If any of the terms, conditions or provisions of this Agreement hereto, or any document incorporated herein (other than a Regulation) or any portions thereof, shall contravene or be invalid under the laws or regulations of the United States or the State of South Carolina or any of their respective agencies, departments or subdivisions, such contravention or invalidity shall not invalidate the whole Agreement, attachment or document, but this Agreement, attachment(s), and document(s) shall be construed as if not containing the particular term, condition or provision, or portion thereof, held to be in contravention or invalid, and the rights and obligations of the parties hereto shall be construed accordingly.

2.15 FORCE MAJURE

Neither District or Auditor shall hold the other responsible for damages nor delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the parties' employees and agents.

2.16 DEBARMENT AND SUSPENSION

Auditor certifies, by execution of this Agreement, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by executing this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Auditor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this Agreement.

2.17 RECORDS RETENTION

Auditor shall make available to the District's authorized representative all records created as a result of the Agreement including pertinent information

which Auditor shall have kept in conjunction with this Agreement and which the District may be required by law to include or make part of its auditing procedures, or which may be required for the purpose of funding the service contracted for herein. Auditor agrees to maintain a copy of said records for a minimum of six (6) years following completion of its services.

SECTION 3.0 PAYMENT TERMS

3.1 COMPENSATION

The District shall pay Auditor per the Scope of Services - Exhibit A, attached hereto. The negotiated fee for said services shall be (on a time and material basis for a not to exceed amount of \$_____) or (for a lump sum amount not to exceed \$_____).

The Auditor agrees that any work identified during the project as outside of the original Scope of Services shall be discussed with the District prior to execution of such work. A separate written scope and fee will be prepared and forwarded to the District for consideration. Any work completed by the Auditor outside of the Scope of Services without express written prior approval from the District shall be considered incidental.

3.2 PAYMENT TERMS

The negotiated price shall be payable thirty (30) calendar days after receipt by District of a proper invoice.

A. Invoicing

Auditor shall prepare all invoices in a form satisfactory to and approved by District. In the event an invoice is submitted, in accordance with Agreement terms, for services accomplished on a reimbursable or unit price/unit rate basis, it shall be accompanied by documentation supporting each element of measurement and/or cost. Any invoice submitted, which fails to comply with the terms of this Agreement, including the requirements of form and documentation, may be returned to Auditor. Any costs associated with the resubmission of a proper invoice shall be to Contractor's account.

B. Invoicing Instructions

- i. Consultant shall submit consecutively numbered invoices, clearly displayed at the top of each page.
- ii. The invoices shall be addressed to District in its name and address as set forth in the Signature Document at the beginning of this Agreement.
- iii. The cut-off date to submit invoices to District shall be the 15th day of each month an invoice is submitted for payment. The District will

accept invoices up to five (5) calendar days after the cut-off date. Invoices submitted beyond the five (5) calendar day grace period may be subject to be paid an additional thirty (30) days later than the payment terms set forth in this Agreement.

- iv. Contractor's invoices shall indicate the time period during which the Work was performed and for which the invoice is submitted.

SECTION 4.0 SCOPE OF SERVICES

4.1 BASE DESCRIPTION

The District's fiscal year begins July 1 and ends June 30 of the following year. External financial auditing services will begin with fiscal year end June 30, 2019. (FY 2019). The contract will be for five (5) years with two (2) one-year renewal options which the successful offeror will conduct seven (7) fiscal year end audits for the District ending, June 30, 2025 (FY 2025). All reports required for external financial auditing services as described in Section 4.2 are due to the District no later than October 31st following the end of a fiscal year. The District requires twenty (20) audit reports and bound financial statements each fiscal year end.

The successful offeror will perform a complete annual audit and express an opinion on the fair presentation of the District's financial statements in accordance with the generally accepted accounting principles (GAAP) in the United States of America and the auditing standards applicable to financial audits contained in Government Audit Standards issued by the Comptroller General of the United States.

The successful offeror shall evaluate the effectiveness of the District's internal controls over financial reporting including the maintenance of documentation necessary to support the accuracy and completeness of financial statement accounts and disclosures. Review and make recommendations with respect to all components of internal controls, including those relating to control environment and activities, risk assessment, document retention and the process of monitoring of such components.

The successful offeror shall perform an audit of the Passenger Facility Charges (PFC) Program to ensure compliance with the requirements described in the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration (FAA) for the District's PFC program for the year ending June 30th of each year.

The successful offeror shall perform three (3) annual agreed-upon procedures of select entities. This engagement is solely to assist GSP in determining the selected entities' compliance with their agreement with GSP by testing a sample of their monthly records.

The successful offeror shall ensure the District's Audit Committee is informed and up to date regarding the auditor's responsibility under generally accepted auditing standards, significant accounting policies, judgements, and accounting estimates. The successful offeror shall communicate any disagreements with management, major issues discussed with management prior to retention, difficulties encountered in performing the audit, illegal acts of which the auditor becomes aware, financial statement areas of emphasis, and auditor independence.

This communication should be presented in a letter to management for any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure that could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with assertions of management in the financial statements. The successful offeror will present the final financial statements, PFC audit to the Audit Committee each year.

4.2 REPORTS

A. Greenville-Spartanburg Airport District Financial Statement

Audit financial statements of the District through examining and reporting on the consolidated financial statements at the end of each fiscal year ending June 30. The firm must provide the District final documentation which includes:

- i. Basic financial statements with an audit opinion;
- ii. A report of independent auditor on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards;
- iii. A report of independent auditor on compliance internal control over on the schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 (Yellow Book);
- iv. Note to the schedule of expenditures of federal awards;
- v. Schedule of findings and questioned costs (current year); and
- vi. Schedule of status of prior year findings and questioned costs.

B. Passenger Facility Charge (PFC) Program Compliance

Audit District staff compliance with the requirements described in 14 CFR Part 158 and the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration (FAA) for the District's PFC program for each fiscal year ending June 30. The firm must provide the District final documentation which includes:

- i. Issuing auditor's report on compliance with requirements that could have direct and material effect on the PFC program;
- ii. Issuing auditor's report on internal control over compliance in accordance with the PFC program audit guide for public agencies; and
- iii. Report on the schedule of PFC program receipts and expenditures used.

C. Comprehensive Annual Financial Report

A Comprehensive Annual Financial Report (CAFR) is prepared for the District annually (as of FY 2018) and submitted to the Government Finance Officers Association (GFOA) for participation in the Certificate of Achievement for Excellence in Financial Reporting. The District has yet to receive notification that we will be awarded the certificate; however, the District's expectation going forward is to achieve and maintain the certificate award with full compliance of its requirements. The successful offeror will provide technical assistance during the preparation of the District's CAFR and to review the CAFR to ensure compliance. The deadline to submit the CAFR for participation in the Certificate of Achievement for Excellence in Financial Reporting is six (6) months after the end of the District's fiscal year end (December 31st).

D. Agreed Upon Procedures

Independent Accountant's Report on Applying Agreed-Upon Procedures for each of the entities selected each year. This engagement is solely to assist GSP in determining the selected entities' compliance with their agreement with GSP by testing a sample of their monthly records.

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have caused this Agreement to be executed in their names and their seals to be affixed hereto as of the day and year first above written.

DISTRICT:

Greenville-Spartanburg Airport District

By: _____

Printed Name: David N. Edwards Jr., A.A.E

Title: President/CEO

Attested By: _____

Printed Name: _____

Title: _____

AUDITOR:

By: _____

Printed Name: _____

Title: _____

Attested By: _____

Printed Name: _____

Title: _____

DRAFT AGREEMENT