

Greensboro Housing Authority (GHA) Audit Services

**Request for Proposals:
Audit Services for the
Greensboro Housing Authority
Greensboro, North Carolina**

Issued - October 26, 2020

Due - November 20, 2020

Request for Proposals

Audit Services of the Housing Authority of the City of Greensboro, North Carolina (GHA)

GHA is requesting audit proposals for fiscal years ending December 31, 2020 and December 31, 2021, with renewal options for the fiscal years ending December 31, 2022 and December 31, 2023. The annual financial and compliance audit of the Housing Authority of the City of Greensboro shall be conducted in accordance with the Single Audit Act, the Standards of Audit for Governmental Organizations, Programs, Activities, and Functions, 24 CFR Part 990, and all other relevant regulations.

A list of the major programs included in this audit proposal is included on pages 5 - 7. In addition, there are eleven tax credit communities that are Discrete Component Units (DCU) of the housing authority. For the purpose of this RFP, these entities are included in the DCU column of the financial statements and the Financial Data Schedule (FDS). The selected auditor will **not** be responsible for the audit of these communities, but will incorporate the audited financials of other audit firms into the reporting requirements for GHA.

GHA is chartered as a public corporation under the laws of the State of North Carolina. The purpose of the Authority is to engage in the development, acquisition, leasing and administration of low-rent housing programs and RAD properties. Our administrative offices are located at 450 N. Church Street, Greensboro, NC 27401 and employees about 112 employees. The Authority uses YARDI software which is designed for housing management and includes applications for accounts payable, general ledger, work orders, tenant accounting, Section 8, and tenant applications. The YARDI software resides on YARDI's server and is maintained by YARDI. All employees are paid 26 times per year plus eligible employees receive a longevity payroll in early December. Payroll and employee records are maintained in the Paychex software program. The Housing Authority utilizes a "just in time" inventory system and therefore materials are purchased as needed, with minimal supplies onsite.

Services

The Auditor will conduct an audit that covers the Authority's financial statements, internal control systems, and compliance with laws, regulations, and contract provisions or grant agreements that may have a direct and material effect on each of its major programs. The audit shall be performed in accordance with the following standards and guidelines:

1. Generally Accepted Auditing Standards (GAAS) as promulgated by the American Institute for Certified Public Accountants (AICPA).
2. Generally Accepted Government Auditing Standards (GAGAS) as published by the Government Accounting Office (GAO).
3. The provisions of the Single Audit Act of 1984 as amended and as prescribed by the U.S. Office of Management and Budget (OMB), including OMB Title 2 U S Code of Federal Regulations, Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** (Uniform Guidance).
4. The Federal Compliance Supplement for Single Audits for State and Local Governments

5. Auditing and reporting provisions of the applicable HUD Audit Guide for Lower Income Housing Program for use by Independent Public Accountants.
6. Any applicable requirements promulgated and adopted by the Federal Government and/or State of North Carolina including individual grantor agency rules and regulations.
7. Any applicable requirements of the Governmental Accounting Standards Board (GASB) or the Local Government Commission (LGC).

The Single Audit reporting package will be submitted to the Single Audit Clearinghouse, the U.S. Department of HUD, Local Government Commission and GHA's Board of Commissioners.

The auditor is responsible for the completion and submission of the Audited FDS for the agency and the Audited FASSUB (Annual Financial Submissions) for four FHA properties to HUD.

The auditor should be familiar with and prepared to discuss with Housing Authority staff on how best to implement both current and proposed GASB Statements. In addition, the auditor is also expected to provide informal advice and consultation throughout the year on matters relating to accounting and financial reporting. This would not necessarily include any task that entails significant research or a formal report.

Each annual audit may include written recommendations made to management which address any findings, observations, opinions, or comments relating to internal controls, financial systems, compliance or other matters that come to the attention of the auditors during the examination. This management letter shall be provided in draft form during an exit conference to be held at the end of audit fieldwork and prior to publication of the annual financial statement and shall be discussed with the Executive Director.

A formal presentation of the report by the auditor to the Board of Commissioners may be required if requested by the Board.

A draft audit report, including all adjusting entries, must be reviewed by the Authority before the issuance of a final report.

GHA will prepare statements and schedules for a Comprehensive Annual Financial Report (CAFR) for submission to the Governmental Finance Officers Association for review (deadline for this submittal is six months after the fiscal year-end, or June 30). It will be the responsibility of the chosen audit firm to compile this data into a single PDF file and to prepare and deliver 15 hard bound copies of the CAFR to the Authority. Please indicate in your proposal the experience your firm has in assisting in the preparation of CAFRs.

The report will contain the following information at a minimum:

1. Introductory Section including the following documents:
 - a. Letter of Transmittal
 - b. List of Principal Officers
 - c. Certificate of Achievement for Excellence in Financial Reporting
 - d. Organizational Chart

2. Financial Section

- a. Independent Auditor's Opinion on the financial statements and required supplementary information.
- b. Management's Discussion and Analysis
- c. Statement of Net Position
- d. Statement of Revenues, Expenses and Changes in Fund Net Position
- e. Statement of Cash Flows
- f. Notes to the Basic Financial Statements

3. Supplemental Information

- a. Schedule of Revenues, Expenses and Changes in Unrestricted Fund Net Position – Budget and Actual – Public Housing
- b. Schedule of Revenues, Expenses and Changes in Unrestricted Fund Net Position – Budget and Actual – Housing Choice Vouchers
- c. Financial Data Schedule – Schedule of Net Position Accounts
- d. Financial Data Schedule – Schedule of Revenues, Expenses and Changes in Fund Net Position Accounts
- e. Schedules of Grant Services Costs (as applicable)

4. Single Audit Section

- a. Independent Auditor's Report Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- b. Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance
- c. Schedule of Expenditures of Federal Financial Awards
- d. Notes to Schedule of Expenditures of Federal Financial Awards
- e. Status of Prior Audit Findings
- f. Schedule of Findings and Questioned Cost

5. Statistical schedules

6. Corrective Action Plan

7. Data Collection Form

The Authority wishes the audit to commence within 90 days after the end of the fiscal year and to be completed within 30 days (120 days after the end of the fiscal year). Final submittal of the audited Financial Data Schedule and the CAFR to be completed by June 30 of each year. A report including all findings and management points must be reviewed with the Authority during an exit conference. All adjusting entries must first be reviewed with the CFO before completion of fieldwork.

No member, officer, or delegate to the Congress of the United States of America or Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit. No members, officers, or employees of the Authority, no member of the governing body in which the Authority was activated, and no other public official

of such locality or localities who exercise any functions or responsibilities with respect to the project, shall during his tenure, or for one year thereafter, have an interest, direct or indirect, in this contract or the proceeds thereof.

All tax returns and schedules required to maintain tax-exempt status under IRS Code 501(c)(3) for Housing Authority of the City of Greensboro's non-profit entities (Opportunities Unlimited and Greensboro Housing Management Corporation) will be part of the proposal and will be prepared and submitted on time in accordance with state and IRS regulations. Additionally, any information regarding changes in tax laws and regulatory requirements, including but not limited to "Statement of Financial Accounting Standards (SFAS)" and "Governmental Accounting Standards Board" (GASB), affecting our programs should be provided on a timely basis. All completed Grants will require closeout audits. Note that these grants may cross the fiscal year being audited.

Tax returns must be prepared in time to be checked and submitted in a timely manner. Penalties and interest resulting from late preparation will be the responsibility of the auditor.

As part of the final report, the auditor will be responsible for calculating surplus cash calculations on all properties (nine in total, including four FHA properties) and providing recommendations for distributions based on the waterfall agreements. Separate audit reports should be provided for the four FHA properties, including the FASSUB submission.

Your proposal should include:

- Information concerning your firm and the name of the contract partner and staff persons who will be assigned to perform the audit. You should indicate the prior audit experience of these persons, including specifically their experience auditing public housing authorities and HUD grants. Please submit resumes for all staff to be assigned to this audit.
- References pertaining to public housing authority audit clients for which your firm has been the auditor of record and who have permitted the listing of their names as a reference. Please indicate the nature of the work performed for these clients as well as the time frame and the size of the Authority.
- Please include in your proposal the latest peer review report and a certification that your firm is licensed to perform audits in North Carolina.
- A statement as to the amount of assistance your firm will expect from the Housing Authority of the City of Greensboro accounting staff. If the Housing Authority of the City of Greensboro accounting staff will be asked to prepare audit schedules, please list all anticipated requirements.
- A description of insurance coverage maintained by the firm. Please provide a copy of the declaration page from current policies for Worker's Compensation, General Commercial Liability and Professional Liability, Malpractice and Errors and Omissions insurance coverage.
- Certification that your firm is in compliance with the Equal Employment Opportunity requirements.
- Statement that neither the firm nor the members of the firm are debarred, suspended or otherwise prohibited from professional practice by any federal, state, or local oversight, regulatory or law enforcement authority.

- Statement that the firm is financially sound and has financial resources sufficient to successfully execute this prospective project in the time frame outlined.
- Statement that the firm operates in full compliance with all applicable civil rights and nondiscrimination statutes, executive orders, rules and regulations.
- Statement of intention to comply with Section 3 requirements.
- Affidavit of non-collusion.
- HUD Forms 5369-B and 5369-C.
- HUD Form 5370-C.
- A breakdown of time by staff level and computation of the audit fee including expenses used in your proposal. The computation should show the amount of time required and rate used by each level of staff you expect to use on the audit. A quote/table for each fiscal year requested (2020 and 2021; Option years 2022 and 2023) should be included.

The computation should be in the following format:

LEVEL OF SERVICE	RATE PER HOUR	ESTIMATED HOURS	AMOUNT
Partner			
Manager			
Senior Staff			
Intermediate Staff			
Staff Assistant			
Support Staff			
Expenses			
TOTALS			

The contract also requires that you retain the audit working papers to which GHA or other governmental units may have access for a period of five years. These working papers will also be made available to successor auditors should your firm not be the successful bidder in future years. Additional information that we believe may assist you in the preparation of the audit proposal is attached. The completed response to the request for proposal will be an addendum to the signed contract executed with the successful audit firm.

STATISTICS

Public Housing Units	430
Mixed Finance Units	191

Section 8:

Housing Choice Vouchers	5,153
Other	144

PROGRAMS

Listed below are the major programs that are included in this audit for each annual period 1/1 through 12/31. Additional grant awards or additional entities may be added over the course of the audit period(s).

Program	Budget (2020)	Funding Source
Central Office Cost Center	\$1,716,976	Management Fees
Asset Management Properties:		
• Foxworth	\$300,838	PBV Subsidy and rents
• Foxworth II***	\$98,807	PBV & TBV Subsidy and rents
• Smith Homes*	\$2,653,225	HUD Operating Subsidy
• Hall Towers (FHA)	\$1,059,342	PBV Subsidy and rents
• Gateway Plaza (FHA)	\$1,599,429	PBV Subsidy and rents
• Hickory Trails (FHA)	\$1,065,059	PBV Subsidy and rents
• Hampton Homes (FHA)	\$2,486,194	PBV Subsidy and rents
• Woodland Village	\$165,958	HUD
• Abby Courts	\$106,068	PBV Subsidy and rents
• Windhill**	\$23,111	HUD Operating Subsidy
• Windhill Courts**	\$34,895	HUD Operating Subsidy
• Northpoint at Hicone	\$39,844	PBV Subsidy and rents
• The Havens at Willow Oaks **	\$87,158	HUD Operating Subsidy
• The Villas at Willow Oaks **	\$126,584	HUD Operating Subsidy
• Parkview Apartments **	\$109,026	HUD Operating Subsidy
• The Townhomes at Willow Oaks **	\$209,540	HUD Operating Subsidy
HCVP, including Mainstream	\$29,103,026	HUD TBV and PBV Subsidy
Business Activities	\$2,302,692	Notes Receivable; Fees; Internal

		Fee for Service
Greensboro Housing Management Corp.	\$2,169,701	Developer Fees; Surplus Cash Distributions
ROSS	\$359,386	HUD Grant
Supportive Housing Program	\$522,209	HUD Grant
HOPWA	\$270,000	Central Carolina Health Network
Sheltering the Homeless	\$512,976	HUD Grant
Capital Grant - 2016	1,727,814	HUD Grant
Capital Grant - 2017	1,824,238	HUD Grant
Capital Grant - 2018	1,213,216	HUD Grant
Capital Grant - 2019	1,264,558	HUD Grant
Capital Grant - 2020	1,356,078	HUD Grant

- * Smith Homes is in the initial stages of a multi-phase demo/dispo, utilizing RAD and/or Section 18 disposition. (Part of the portfolio-wide RAD approval.) This represents the last Public Housing property owned by GHA, with the exception of the Mixed Finance properties.
- ** Mixed Finance Units
- *** Foxworth II – This property consists of 12 units and is currently under construction (estimated completion date 11/2020). The budget is based on estimated revenues for 2021.

AUDIT PROPOSALS WILL BE EVALUATED USING THE FOLLOWING CRITERIA:

- Mandatory Requirements (5 points)
 - a. The audit firm is independent (SAS 70) and licensed to practice in North Carolina.
 - b. Staff has maintained CPE requirements.
 - c. Firm is not currently being censored by REAC.
 - d. The audit firm submits a copy of their most recent peer review and has a record of quality audit work.
 - e. References from at least 3 other PHA's (comparable size of GHA)
- Technical Requirements (60 points)
 - a. Expertise and experience of the firm auditing Public Housing Authority's (35 points)
 1. Organization, size and structure of firm
 2. Technical and professional qualifications of staff
 3. Firm's past experience and performance with similar engagements
 4. Firm's past experience in CAFR preparation
 5. Experience of the site auditors conducting public housing audits
 - b. Audit Approach (25 points)
- Fees for service (35 points)

The evaluation and selection of an audit firm will be based on the information submitted in the audit firm's proposal, references obtained, and any required on-site visits. Failure to respond to each of the requirements in the RFP may be the basis for rejecting a proposal. GHA reserves the right to reject any and all proposals. If contract negotiations cannot be concluded successfully with the highest scoring proposer, GHA may negotiate a contract with the next highest scoring proposer.

The request for proposals and the completed response to the request for proposals will be an addendum to the executed contract with the successful audit firm.

Proposals may be withdrawn by written request prior to the deadline set for acceptance of proposals. Proposals may not be revoked or withdrawn after the time set for opening of proposals and shall remain open for acceptance for a period of ninety (90) days following such time.

There will be a Question and Answer (Q&A) period through 2:00 p.m. on November 6, 2020. If you have any questions please submit them via emailed to lleak@gha-nc.org. Responses to all questions will be returned no later than **November 16th 2020**.

SUBMISSION

Proposals shall be submitted electronically in a PDF format and emailed to lleak@gha-nc.org. All proposals shall be received no later than **4:00 P.M. (EST), on Friday, November 20, 2020**.

Default by Bidders

In the event of default by the successful bidder, GHA may procure the services specified from other sources. The bidder agrees to reimburse GHA for any additional costs incurred as a result of such default.

Awards

GHA reserves the right to cancel this RFP or to reject, in whole or in part, any and all proposals received in response to this RFP, upon its determination that such cancellation or rejection is in the best interests of GHA. GHA further reserves the right to waive any minor informality's in any proposals received if it is in the public interest to do so. The decision as to who shall receive a contract award, or whether or not an award shall be made as a result of this RFP, shall be at the absolute, sole discretion of GHA. GHA reserves the right to and make award to a single bidder or to make awards to multiple bidders.

Complete and Accurate Submission

A bidder's failure to provide accurate information in response to this RFP may disqualify the bidder from further participation in the Audit services selection process.

A proposal may be corrected, modified, or withdrawn, provided that the correction, modification, or request for withdrawal is made by the bidder in writing and is received at the place prior to the date and time designated in the RFP for final receipt of proposals. After such date and time, the

bidder may not change any provision of its proposal in a manner prejudicial to the interests of GHA and/or fair competition.

Retention

All proposals are the property of the Greensboro Housing Authority, shall be retained by GHA, and shall not be returned to the contractor.