

## **REQUEST FOR AUDITOR PROPOSALS**

The Grand Forks Housing Authority is seeking proposals from Independent Public Auditors to perform auditing services for its federally subsidized housing programs. (Not-for-Profit, Housing Choice Voucher Programs and Administrative Fund, and multiple Section 8 Subsidized Properties) Qualified and interested firms can request proposals from the Grand Forks, by calling 701-746-2545 between the hours of 9:00 am and 4:30 pm or going to <http://www.thegfha.org/resources.php> "2020 REQUEST FOR PROPOSALS – AUDIT".

Proposals must be submitted at 1405 1<sup>st</sup> Avenue North, Grand Forks, North Dakota, on or before November 20, 2020 at 2 pm.

The Grand Forks Housing Authority is an Equal Housing Opportunity Provider and an Equal Opportunity Employer.

REQUEST FOR PROPOSAL  
FINANCIAL AND COMPLIANCE AUDIT  
HOUSING AUTHORITY OF THE CITY OF GRAND FORKS  
1405 1st Avenue North  
GRAND FORKS, NORTH DAKOTA 58203

October 22, 2020

Purpose:

The Board of Commissioners of the Housing Authority of the City of Grand Forks, Grand Forks, North Dakota, (HA) have issued this request for proposals from interested auditors who are qualified (certified public accountants) for the performance of financial and compliance audits of specific Department of Housing and Urban Development programs and contracts as outlined below.

Scope:

The auditor shall perform a financial and compliance audit of the financial statements of all funds and Annual Contribution Contracts of the following programs administered by HA:

- Housing Voucher Program, ACC # NDOI2VO, Program consist of approximately 1,355 housing vouchers as of fiscal year end with an approved budget of \$8,416,490.
- Housing Authority Administrative Fund. The Grand Forks Housing Authority Administrative Fund manages various HUD assisted public and private housing projects in Grand Forks, North Dakota. The fund's revenue consists of management fees earned from housing projects, rental income on property owned, miscellaneous grant and other income. Expenditures of the fund consist mainly of administrative expenses and taxes and insurance on the housing projects. Fund consists of approximately \$4.5 million in Assets with annual revenue of approximately \$2.2 million and is divided between approximately eleven sub-funds.
- Fiscal yearend December 31.

Type of Audit:

The auditor shall conduct the examination in accordance with Generally Accepted Auditing Standards, Government Auditing Standards and the Uniform Guidance, Consolidated Audit Guide for Audits of HUD Programs, OMB Circular A-133, The Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations* and any other applicable federal circulars and regulations.

General Requirements:

1. The auditor shall, as part of the written Independent Auditor's Report, submit to the Board of Commissioners of the HA a report containing an expression of an opinion that the financial statements are fairly stated, or an opinion qualified as to certain funds or items in the financial statements, or a disclaimer of opinion and the reasons therefore. The auditor shall explain in every detail any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted government auditing standards have been followed. Additional reports will include: Report 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; Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by The Uniform Guidance; and any other reports required by the above referenced manuals and regulations.

2. The auditor shall furnish 5 (five) bound and 1 (one) unbound copies of the report to the Board of Commissioners of the HA.
3. The management letter or any other reports or correspondence relating to findings or recommendations issued in connection with this audit shall be filed with the Chairman of the HA and a copy shall be directed to the Executive Director of the Grand Forks Housing Authority. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose *no* material matters not also disclosed in the findings found in the published report of audit).
4. The period to be covered by this audit shall be January 1, 2020 through December 31, 2020. The audit shall begin soon after the books have been closed, which will be on or about January 18, 2021. HA requires audits to be completed in time to report results to HUD with-in sixty (60) days after the fiscal year end.
5. The auditor shall retain working papers for no less than three (3) years. Pertinent data from the working papers shall be available for three years for reference if requested by HA or the United States Department of Housing and Urban Development.
6. Full payment for auditing services will be made upon submission of a bill, by the auditor, to the HA and acceptance of the audits by the HA Board of Commissioners.
7. Should the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the HA Board of Commissioners in writing of the need for additional investigation and the additional compensation required. Upon approval by the Board of Commissioners, an additional agreement may be made for additional investigation. The changed agreement shall not ignore the routine portion of the examination to be performed as part of the normal examination. Any evidence of fraud, such as defalcation, misappropriation, misfeasance, malfeasance, embezzlement, or other illegal acts shall be immediately reported to the Board of Commissioners, who shall under all circumstances have the preemptive authority to directly investigate such matters at its discretion.
8. An audit exit conference with the Executive Director, or a designee, will be conducted by the auditor in charge. At this time, the findings and recommendations regarding compliance and internal control shall be discussed. The Executive Director, or a designee, shall have the opportunity to respond, orally or in writing, to the findings. Any such written responses shall be included in the audit report.
9. A representative of the audit firm may be asked to attend the HA board meeting at which the audit report is considered.
10. The records of the HA will not be removed from the offices of the HA except with express written permission of the Executive Director.

11. The audit firm will be required to enter into a written contract with the HA. A copy of this contract may be requested for review prior to the submission of proposals. The RFP and the auditor's proposal will become part of the audit contract.
12. The audit firm shall state its willingness to enter into a contract for one year, renewable for four (4) succeeding years by the HA. The HA requests that bids be submitted to do the 2021, 2022, 2023, and 2024 audits as well. One firm will be selected to do the audits for the five years providing that the audits meet HA Board and HUD approval and are done in a timely manner.
13. All adjusting entries will be submitted to the Finance and IT Manager in writing with sufficient explanation so that they can be easily understood and properly posted to the financial records. Example: Working papers showing computation of management fees earned that support the adjusting entry.
14. The audit firm shall also include in the quote the cost associated with the on-line UII approval required through the HUD Secure Systems.

General Information:

The HA operates a double entry, computerized accounting system on a modified accrual basis for these programs. The HA shall have closed and balanced all accounts and shall have prepared financial statements for all projects to be audited.

If additional information is required prior to submitting a proposal, inquiries should be directed to Tina Hoffart, Finance and IT Manager, Grand Forks Housing Authority, 1405 1st Avenue North, Grand Forks, ND 58203 or by telephone at (701) 746-2545.

Proposal Format:

The proposal shall be styled at the discretion of the submitter. However, at a minimum must address the following areas:

1. Breadth and depth of the firm's Department of Housing and Urban Development housing programs auditing experience.
2. Organization size and structure of firm.
3. Qualifications of staff to be assigned to the work; this will be determined from resumes submitted. Education, position in the firm and years and types of experience will be considered. Education and training in HUD program auditing is of particular interest.
4. Availability of the auditor to the HA for specialized consultation and support assistance on sensitive or highly specialized issues.
5. Type and level of training provided to the firm's staff.
6. The audit fee for the five years must be quoted individually either as a fixed amount or a rate per hour, with the total estimated hours. If the latter method is used, a maximum amount must be stated

for budgetary purposes. The bid must also include two hours of conference time per project. Also, estimated incidental expenses, such as travel and supplies, will be included. One firm shall be selected to perform all audits. However, each project must be bid separately in order that they pay their portion of the audit.

7. Briefly state the proposer's understanding of work to be done. Indicate the proposed time frame for completion. Describe the proposer's approach to the audit.

Submittal Information:

Proposals shall be submitted no later than 2:00 p.m., November 20, 2020 to:

Tina Hoffart, Finance and IT Manager  
Grand Forks Housing Authority  
1405 1st Avenue North  
Grand Forks, ND 58203

Proposals shall be reviewed by HA Board of Commissioners at its next meeting following the above submission date.

Reservation of Right:

HA reserves the right to reject any or all proposals, to waive technicalities or informalities, and to accept any proposal deemed to be in its best interest.

## REQUEST FOR PROPOSAL

### FINANCIAL AND COMPLIANCE AUDIT

GRAND FORKS HOMES, INC, COLUMBIA SQUARE SOUTH, COLUMBIA SQUARE EAST, HARVEST HOMES CORPORATION, HOMESTEAD PLACE, LAGRAVE ON FIRST LLLP, LAGRAVE ON FIRST LLC, GFH WINTERLAND AND CHERRYWOOD VILLAGE GRAND FORKS, NORTH DAKOTA 58201

October 22, 2020

#### Purpose:

The Board of Directors/Owners of Grand Forks Homes Inc., and Columbia Square South, Columbia Square East, Harvest Homes Corporation, Homestead Place, LaGrave on First LLC and Cherrywood Village of Grand Forks, North Dakota, have issued this request for proposals from interested auditors who are qualified (certified public accountants, for the performance of financial and compliance audits of specific Department of Housing and Urban Development programs and contracts as outlined below.

Scope: The auditor shall perform a financial and compliance audit of the financial statements of all funds and Housing Assistance Payments Contracts of the following housing projects owned by (1) Grand Forks Homes, Inc., Harvest Home Corporation, Homestead Place, LaGrave on First LLC and Cherrywood Village not-for-profit corporations, and (2) the two separate owners of Columbia Square South and Columbia Square East, organized as general partnerships, and managed by the Grand Forks Housing Authority (HA):

- GFH Continental Homes LLC, HUD Project Account Number 094-11004. (Grand Forks Homes Inc is the Sole Member) This is a Section 8 project consisting of sixty-four units of family housing. Fiscal Year-end December 31.
- GFH CHOM LLC, HUD Project Account Number 094-35018. (Grand Forks Homes Inc is the Sole Member) This is a Section 8 project consisting of one hundred twenty-four units of elderly housing. Fiscal Year-end December 31.
- Faith and Hope Homes LP, HUD Project Account Number 094-11006. This is a Section 8/202 project consisting of twenty-four units for the mentally handicapped and physically disabled. Fiscal Year-end December 31.
- Grand Forks Homes. Inc., LaGrave Place, HUD Project Account Number 094-44019. This is a Section 8 project consisting of sixty-six units of non-elderly family housing. Fiscal Year-end December 31.
- GFH Winterland LLC, HUD Contract Number ND99-007-5202. (Grand Forks Homes Inc. is the Sole Member) This is a Section 8 project consisting of nineteen units of family housing. Fiscal Year-end December 31.

- Columbia Square South, HUD Project Account Number 094-35027. This is a Section 8/New Construction project consisting of seventy-two family housing units. Fiscal Year-end December 31.
- Columbia Square East, HUD Project Account Number 094-35028. This is a Section 8/New Construction project consisting of fifty elderly housing units. Fiscal Year-end December 31.
- Harvest Homes Corporation, HUD Project Number 094-HD005. This is a Section 811 project consisting of twelve units of housing. Fiscal Year-end December 31.
- Harvest Lodge Corporation, HUD Project Number 094-HD008. This is a Section 811 project consisting of six units of disabled housing. Fiscal Year-end December 31.
- Homestead Place, HUD Project 094-35055. This is a Section 221(d)(4) project consisting of fifty units of elderly housing. Fiscal Year-end December 31.
- LaGrave on First, LLLP – This is a Low Income Housing Tax Credit property with 42-one bedroom units. Fiscal Year-End December 31.
- LaGrave on First LLC – Only a 990 is required and is necessary in completing the Grand Forks Homes, Inc 990. Fiscal Year-End December 31.
- Cherrywood Village, HUD Project Number 094-EE009. This is a Section 202 PRAC project consisting of thirty units of elderly housing. Fiscal year July 1, 2020 through June 30, 2021. Fiscal Year-end June 30.
- Combined Grand Forks Homes, Inc. Financial Report to include all properties owned by Grand Forks Homes, Inc and not also audited individually. This would include activity from Affordable and Supportive Housing properties, LaGrave on First LLC and Riverside Manor – MDI #35, and any other properties owned by Grand Forks Homes, Inc.

The auditor shall also prepare for submission to the Internal Revenue Service IRS Form 990 for Grand Forks Homes, Inc., Homestead Place, Harvest Homes, Harvest Lodge, LaGrave on First LLC and Cherrywood Village.

The auditor shall also prepare the appropriate Internal Revenue Service and North Dakota State Partnership tax returns for Columbia Square South and Columbia Square East.

Type of Audit: The auditor shall conduct the examination in accordance with Generally Accepted Auditing Standards, The Uniform Guide, Government Auditing Standards, Consolidated Audit Guide for Audits of HUD Programs, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and any other applicable federal circulars and regulations.

General Requirements:

1. The auditor shall, as part of the written independent Auditor's Report, submit to the Board of Directors of Grand Forks Homes, Inc., Faith and Hope LP, Harvest Homes Corporation, Homestead Place and Cherrywood Village and to the owners of Columbia Square South and Columbia Square East a report containing an

expression of an opinion that the financial statements are fairly stated, or an opinion qualified as to certain funds or items in the financial statements, or a disclaimer of opinion and the reasons therefore. The auditor shall explain in every detail any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted government auditing standards have been followed. Additional reports will include: Independent Auditors Report on Compliance with Specific Requirements Applicable to Major HUD Program Transactions, Independent Auditors Report on the Internal Control Structure, Independent Auditors Report on Compliance with Specific Requirements Applicable to Affirmative Fair Housing, Independent Auditors Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, and any other reports required by the above referenced manuals and regulations.

2. The auditor shall furnish nine (9) copies of the report to the Board of Directors/Owners.

3. The management letter or any other reports or correspondence relating to findings or recommendations issued in connection with this audit shall be filed with the President of Grand Forks Homes, Inc, Harvest Homes Corporation, Homestead Place and Cherrywood Village and the Owners of Columbia Square South and Columbia Square East, and a copy shall be directed to the Executive Director of the Grand Forks Housing Authority Office. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no material matters not also disclosed in the findings found in the published report of audit).

4. The period to be covered by this audit shall be January 1, 2020 through December 31, 2020, except in the case of Cherrywood Village (July 1, 2020 through June 30, 2021). The audit shall begin soon after the books have been closed, which will be on or about January 18, 2021 (Cherrywood Village July 20, 2021). HUD requires that audits be completed in time to report results to HUD with-in sixty (60) days after the fiscal year end.

5. The auditor shall retain working papers for no less than three (3) years. Pertinent data from the working papers shall be available for three years for reference if requested by HA or the United States Department of Housing and Urban Development.

6. Full payment for auditing services will be made upon submission of a bill by the auditor to the HA and acceptance of the audits by the Board of Directors/Owners.

7. Should the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the Board of Directors/Owners in writing of the need for additional investigation and the additional compensation required. Upon approval by the Board of Directors/Owners, an additional agreement may be made for additional investigation. The changed agreement shall not ignore the routine portion of the examination to be performed as part of the normal examination. Any evidence of fraud, such as defalcation, misappropriation, misfeasance, malfeasance, embezzlement, or other illegal acts shall be immediately reported to the Board of Directors/Owners, who shall under all circumstances have the pre-emptive authority to directly investigate such matters at its discretion.

8. An audit exit conference with the Executive Director of the Grand Forks Housing Authority Office will be conducted by the auditor in charge. At this time, the findings and recommendations regarding compliance and internal control shall be discussed, The Executive Director, or a designee, shall have the opportunity to respond, orally or in writing, to the findings. Any such written responses shall be included in the audit report.
9. A representative of the audit firm may be asked to attend Board/Owners meeting at which the audit report is considered.
10. The records of the projects will not be removed from the offices of the HA except with express written permission of the Executive Director of the Grand Forks Housing Authority.
11. The audit firm will be required to enter into a written contract with the HA. A copy of this contract may be requested for review prior to the submission of proposals. The RFP and the auditor's proposal will become part of the audit contract.
12. The audit firm shall state its willingness to enter into a contract for one year, renewable for four (4) succeeding years by the HA. The HA requests that bids be submitted to complete the 2021, 2022, 2023, and 2024 audits as well. One firm will be selected to do the audits for the five years providing that the audits meet Board/Owner and HUD approval and are done in a timely manner.
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4. Availability of the auditor to the HA for specialized consultation and support assistance on sensitive or highly specialized issues.
5. Type and level of training provided to the firm's staff.
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Tina Hoffart, Finance and IT Manager Grand Forks Housing Authority 1405 1<sup>st</sup> Ave. N. Grand Forks, ND 58203

Proposals shall be reviewed by Grand Forks Homes, Inc., Harvest Homes Corporation, Homestead Place and Cherrywood Village Board of Directors and Owners of Columbia Square South and East at the next meeting following the above submission date.

Reservation of Right:

HA reserves the right to reject any or all proposals, to waive technicalities or informalities, and to accept any proposal deemed to be in its best interest.