

REQUEST FOR PROPOSALS
for Auditing Services General Purpose Financial Statements

The Brevard County Florida Housing Finance Authority (“the Authority”) is soliciting proposals from certified public accounting firms in order to select a firm (the "Firm") to perform the annual audit of its general purpose financial statements.

The Authority was created as a public body corporate and politic in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes, as amended (the “Act”), following the adoption of an approving ordinance by the Board of County Commissioners of Brevard County. The Authority is authorized, in furtherance of the public purposes described in the Act, to alleviate the shortage of affordable residential housing facilities, and to provide capital for investment in such facilities, for moderate, middle, and lesser income families or persons within its area of operation, by issuing its revenue bonds to acquire mortgages/mortgage certificates by purchasing the same and by pledging such mortgages/mortgage certificates as security for the payment of the principal and interest on any such revenue bonds and by entering into any agreements in connection therewith.

I. SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAMS AND OTHER LOAN PROGRAMS

Background: The Authority issues bonds to finance mortgages for the purchase of single family housing in Brevard County, Florida. It is required that certain of these programs be audited in insure compliance with applicable law and program documents.

As of September 30, 2017, the Authority had issued and outstanding the following Single Family bonds:

| Bond Issue | Approximate Bonds Outstanding | Trustee |
|------------|-------------------------------------|-------------|
| 1985 | 337,500 | Wells Fargo |

The bond program is not currently audited.

On September 14, 2012, the Authority entered an interlocal agreement with the Housing Finance Authority of Hillsborough County, Florida (“Hillsborough HFA”), pursuant to which its 2012 MBS Origination Program (aka TBA Program or Continuous Funding Program) is available within Brevard County. The purpose of the program is to provide financing for homes to persons and families whose income does not exceed certain limits and who might not otherwise be able to purchase a home. The program also provides mortgage credit certificates and down payment assistance secured by second mortgages held by the Authority.

II. GENERAL PURPOSE FINANCIAL STATEMENTS

The Authority receives administrative fees on an annual or semi-annual basis from its various single family and several of its multi-family issues. These fees and the interest earnings

thereon plus loan receivables and mortgages held by the Authority and the interest earnings thereon comprise the Authority's General Fund. All of these assets funds will be subject to the required audit. The accounting records of the Authority are organized on the basis of one fund, the General Fund. The fund is maintained on the accrual basis of accounting.

As of June 30, 2018, the General Fund liquid assets were in excess of \$5,000,000. The liquid funds are held primarily in a checking account, custody accounts and an investment account with the State Board of Administration. Books and records are kept by the Secretary-Treasurer and the Attorney for the Authority.

Performance Specifications:

Indicate in your proposal if you agree to meet or exceed the following performance specifications. Explain any exceptions you have regarding them.

- (a) the firm shall adhere to generally accepted auditing standards;
- (b) the audit shall cover the one year period from October 1 through September 30;
- (c) begin preliminary audit procedures on October 1. The firm shall submit a final draft of its report no later than January 31st of the following year;
- (d) the firm shall express an opinion on the financial statements and an opinion on compliance with applicable legal provisions;
- (e) the financial statements on which the firm shall express an opinion are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance;
- (f) the firm shall submit a draft management letter no later than December 31, which shall indentify management weaknesses observed, assess their effects on financial management, propose initial steps toward eliminating them, and shall include responses to these comments by the affected parties;
- (g) the firm shall provide 12 hard copies and one electronic copy of the auditor's report, the financial statement and schedules, the management letter, and the report on internal accounting control weaknesses. The reports shall meet the standards prescribed by the Auditor General. The partner-in-charge of the audit shall be available to attend up to two public meetings at which the audit report will be discussed;
- (h) the auditors shall provide copies of their final trial balances to the Secretary-Treasurer as well as any other workpaper that is requested by the Authority;
- (i) other matters requiring corrections which may or may not materially affect the financial statements reported on, including, but not limited to:
 - improper or inadequate accounting procedures,

- failure to properly record financial transactions,
 - other inaccuracies, irregularities, shortages and defalcations discovered by the auditor,
 - the audited financial statements together with related footnotes
- (j) the auditors will assist the Authority in the preparation of the annual financial report of the Authority which is required by Florida Statute 218.32.

III. REQUIRED INFORMATION:

The information requested below must be included in your firm's proposal and presented in the following order:

1. Audit Approach

- (a) describe your understanding of the Authority and the services to be performed;
- (b) describe your scope of services in connection with the Authority's participation in the Hillsborough HFA Loan Program;
- (c) describe your approach to the audit, and should the audit be renewed by mutual consent of the parties for future years, describe how subsequent years would be approached;
- (d) how will you develop your audit plans and what areas do you think will require special attention;
- (e) describe any items in the Scope of Service you will be unable to provide;
- (f) describe your approach in preparing management letters;
- (g) compare the advantages and disadvantages to the Authority of individual audits of each bond issue on a bond year basis to a combined audit of all issues on a fiscal year (October 1 to September 30) basis. Include in your discussion any effect a single combined audit would have on your fee schedule.
- (h) the Authority will require its auditors to certify to its governing authority (the Board of County Commissioners of Brevard County) that it is in compliance with Florida Statute Chapters 189.418(4), 218.32 and 11.45 and any other applicable legal requirements governing audit requirements for dependent special districts. Please provide a discussion of your interpretation of these requirements as they pertain to the Authority's bond issues, whether or not all single family bonds issued by

the Authority must be audited in order for your firm to provide the required certification and what affect, if any, existing or currently proposed GASB rules will have on these requirements.

2. Firm

(a) briefly describe firm's structure, size and methods of operation, including limits of the firm's professional liability insurance coverage;

(b) briefly describe the structure, size and methods of operation of the office which would be in charge of the audit;

(c) describe the firm's expertise and local area office expertise in auditing governmental entities, housing finance authorities and mortgage revenue bonds. Describe your experience in auditing single family mortgage revenue bond issues, with arbitrage rebate calculations and with running cash flow verifications for single family issues.

(d) state the date and result of the firm's most recent peer review conducted under the AICPA's Peer Review Program. Please include a copy of the reviewing firm's report;

(e) describe firm's policies on notification of changes in key personnel;

(f) has firm been the object of any disciplinary action during the past three (3) years;

(g) provide references for firm and local area office, including names, addresses, and telephone numbers of Housing Finance Authorities for which your firm has previously performed audits on single family mortgage revenue bond issues.

3. Professional Staff and Experience

(a) identify partners and managers who will be assigned to the audit. Provide resumes describing their roles and experience. Please specify their experience in auditing housing finance agencies and mortgage revenue bonds, including the types of bond structures audited (i.e. floating rates, GNMA collateralized, capital appreciation bonds, etc);

(b) describe the qualifications of other staff who will be assigned to the audit, including the continuing professional education in governmental accounting and auditing during the last two years, and specific experience in auditing housing finance agencies and mortgage revenue bonds and performing arbitrage rebate calculations for tax exempt bonds. Please specify the types of bond structures audited;

- (c) provide a list of the performing office's present governmental and housing finance agency audit clients. Describe the types of services performed and state the number of years each client has been served by the firm.
- 4. Please provide a schedule of the fees and expenses your firm will charge for each of the following services:
 - (a) Single family bond issue audits, quote each issue individually.
 - (b) Arbitrage rebate analysis reports, quote each issue individually.
 - (c) General Purpose Financial Statement audit.
- 5. Other
 - (a) the name and telephone number of contact person with firm;
 - (b) state whether firm is independent, as defined by applicable auditing standards;
 - (c) state any relationships you may have with SunTrust Bank which may cause you to have a conflict of interest.

IV. MISCELLANEOUS

- 1. The term of engagement will be for an initial term of three years commencing October 1, 2018, and shall be subject to renewal by mutual consent for two additional one year periods.
- 2. The Authority shall have no financial obligation to make any reimbursement or compensation with respect to any charges or costs in preparing or submitting any proposals hereunder, and in preparing for or attending any subsequent interviews.
- 3. The Firm shall make its working papers available to the Authority at reasonable times and places upon request.
- 4. The Firm shall be available to meet with the Authority and its staff or advisors, and to attend such other meetings as may be requested by the Authority or its staff at no additional charge to the Authority.
- 5. Inquiries shall be directed to the Authority's Financial Advisor, Marianne Edmonds, at (727) 822-3339 or the Authority's Counsel, Angela A. Abbott, Esquire, at (321) 264-0334. **Firms and their representatives are requested not to contact the BCHFA members after the release of the RFP.** The Authority reserves the right to waive informalities in any bid, to reject any or all of the bids in whole or in part, with or without cause or for any reason, and to

waive strict compliance with specifications, and/or to accept the bid that, in its best judgement, will be in the best interest of the Authority.

6. The Authority shall evaluate the proposals on the basis of qualifications, relevant experience and responsiveness of bidders. The Authority may or may not conduct oral interviews with some or all of the bidders.
7. The Authority may choose to have the firm selected not perform audits or rebate analysis on each issue mentioned in this Request for Proposals.

V. RESPONSES TO REQUEST FOR PROPOSAL

Respondents are required to deliver eight (8) hard copies and one electronic copy (via email) of their proposal to the Attorney for the Authority:

Angela A. Abbott, Esquire
4420 S. Washington Avenue
Titusville, FL 32780
(321) 264-0334
Email: angelaabbott@cfl.rr.com

Proposals shall also be emailed to angelaabbott@cfl.rr.com

Responses must be received no later than **12:00** noon, Tuesday, September 18, 2018.