

Question 1:

Please provide the June 30, 2012 Audit Reports for GHFA, AHI, EDI and the Schedule of Expenditures of Federal Awards and OMB Circular A-133 Reports.

Response to Question 1:

Below are the requested reports.

[Schedule of Expenditures of Federal Awards and OMB Circular A-133 Reports](#)

[Financial Statements and Independent Auditors' Report GHFA Affordable Housing, Inc.](#)

[Financial Statements and Independent Auditors' Report GHFA Economic Development Financing, Inc.](#)

[Financial Statements and Independent Auditors' Report Georgia Housing and Finance Authority](#)

Question 2:

Can you let me know if Reznick will be bidding again this year and what the fees for each audit were last year.

Response to Question 2:

We do not know who will submit bids to this RFP.

Question 3:

Could you provide the fee amounts for all services covered by the RFP for the last three years?

Response to Question 3:

The standard audit engagement costs were \$119,000 for fiscal year 2012, \$117,000 for fiscal year 2011, and \$115,000 for fiscal year 2010.

Question 4:

Please provide a copy of the June 30, 2012 reports for the Uniform Single Attestation Program (USAP) and the Agreed Upon Procedures - Bond Fund.

Response to Question 4:

Below are the requested reports.

[Uniform Single Attestation Program \(USAP\)](#)

[Agreed Upon Procedures – Bond Fund](#)

Question 5:

Please provide us with the audit fees for the prior year (ended June 30, 2012) audits of GHFA, GHFA Economic Development Financing, GHFA Affordable Housing, and the A-133 audit for GHFA.

Response to Question 5:

The standard audit engagement costs for fiscal year ended June 30, 2012 was \$119,000.

Question 6:

What will be the due date to provide the final copies of the audit reports for the year ending June 30, 2013 for GHFA, EDI and AHI?

Response to Question 6:

September 30, 2013

Question 7:

Should our proposals include provision for presentation of comparative financial statements for GHFA, EDI and AHI?

Response to Question 7:

Yes

Question 8:

The response to Question 5 posted on the GHFA website describes the total "standard audit engagement cost" for fiscal year ended 6/30/2012 for GHFA, EDI, AHI and the A-133 reports for GHFA. Please detail the amounts of the fees for each of the audits (GHFA, EDI and AHI) and the A-133 reports for GHFA.

Response to Question 8:

We did not have individual fees for each audit. In 2012 we had one total fee of \$119,000 for all the work performed for GHFA, EDI, AHI, A-133, and USAP.

Question 9:

Please provide the amount of fees charged by the auditor for the audit of State Home Mortgage's compliance with the minimum servicing standards of the MBA's USAP program for fiscal year ended 6/30/12.

Response to Question 9:

The fee for USAP was included in the Standard Audit Engagement Fee.

Question 10:

Request for proposal indicates the need for separate audits for the GHFA, the AFI, and the EDI. Please provide copies of AFI and EDI's 2012 financial statements for our review. (RFP section 1.1.1)

Response to Question 10:

You will find them in our response to number 1 above.

Question 11:

Please provide the completed GHFA single audit report (as well as the Single Audit Reports for AFI and EDI, as applicable) for the year ended June 30, 2012 for our review. (RFP section 1.1.1)

Response to Question 11:

You will find them in our response to number 1 above.

Question 12:

Please provide copies of the 2012 Uniform Single Attestation Program (USAP) report for our review. (RFP section 1.3.0)

Response to Question 12:

You will find it in our response to number 3 above.

Question 13:

Will the selected auditor be responsible for the preparation of all requested financial statements or only the required audit reports in electronic format? (RFP section 1.3.2)

Response to Question 13:

The firm who wins the award will be responsible for completion of all financial statements in both electronic format and hard copy.

Question 14:

What are the mandated completion timeframes indicated within the RFP section 1.3.2?

Response to Question 14:

All work and resulting reports must be complete no later than September 30 of each year.

Question 15:

What were the fees associated with the performance of the requested services for the June 30, 2012 fiscal year? (RFP section 5.1)

Response to Question 15:

The standard audit engagement cost for 2012 was \$119,000 for all audit work and all reports.

Question 16:

How long have the prior auditors Reznick Group performed the audit for these Entities?

Response to Question 16:

Nine Years

Question 17:

How many bids have you mailed out?

Response to Question 17:

We have not mailed out any bids, the RFP has only been posted to the Georgia Department of Community Affairs and the State of Georgia Procurement websites.

Question 18:

How many firms have shown interest in submitting a proposal?

Response to Question 18:

We will not know until we receive the responses.

Question 19:

Can you provide the names of the firms that have received the proposal?

Response to Question 19:

We have not mailed any proposals, the RFP has only been posted to the Georgia Department of Community Affairs and the State of Georgia Procurement websites.

Question 20:

Can additional questions be asked during our preparation process and if so how should we address these items?

Response to Question 20:

Per section 1.6 of the RFP, the deadline for submitting questions is 3:00 PM on January 25, 2013.

Question 21:

For GHFA, who prepares the financial statements, including the management and discussion analysis, notes to the financial statements and the schedule of expenditures of federal awards?

Response to Question 21:

The firm who wins the award will be expected to complete these items.

Question 21a:

For GHFA, have there been any issues in past audits? (i.e. disagreements with the auditors, Fraud or illegal acts, unpaid audit fees, major litigation, etc.)

Response to Question 21a:

No

Question 22:

For GHFA, has there been any turnover in Key Management Positions during the year?

Response to Question 22:

No

Question 23:

For GHFA, what time period does the audit normally take place and what is the final deadline for completion of the audit?

Response to Question 23:

All audit work must be completed and all reports issued by September 30 of each year.

Question 24:

For GHFA, how many hours has the audit taken in prior years and what was the audit fee?

Response to Question 24:

The standard audit engagement cost for 2012 was \$119,000 for all audit work and all reports. We do not know the total hours spent by the auditing firm.

Question 25:

For GHFA, can we obtain a copy of the prior year single audit supplement?

Response to Question 25:

You will find it in our response to number 4 above.

Question 26:

For GHFA AFI, who prepares the financial statements, including the management and discussion analysis, and notes to the financial statements?

Response to Question 26:

The firm who wins the award will be expected to complete these items.

Question 27:

For GHFA AFI, have there been any issues in past audits? (i.e. disagreements with the auditors, fraud or illegal acts, unpaid audit fees, major litigation, etc.)

Response to Question 27:

No

Question 28:

For GHFA AFI, has there been any turnover in Key Management Positions during the year?

Response to Question 28:

No

Question 29:

For GHFA AFI, what time period does the audit normally take place and what is the final deadline for completion of the audit?

Response to Question 29:

All audit work must be completed and all reports issued by September 30 of each year.

Question 30:

For GHFA AFI, how many hours has the audit taken in prior years and what was the audit fee?

Response to Question 30:

The standard audit engagement cost for 2012 was \$119,000 for all audit work and all reports. We do not know the total hours spent by the auditing firm.

Question 31:

For GHFA AFI, has the June 30, 2012 report been issued? If so could you provide a copy of the report or email to me the website to obtain a copy.

Response to Question 31:

You will find it in our response to number 1 above.

Question 31:

For GHFA EDI, who prepares the financial statements, including the management and discussion analysis, and notes to the financial statements?

Response to Question 31:

The firm who wins the award will be expected to complete these items.

Question 32:

For GHFA EDI, who prepares the financial statements, including the management and discussion analysis, and notes to the financial statements?

Response to Question 32:

The firm who wins the award will be expected to complete these items.

Question 33:

For GHFA EDI, have there been any issues in past audits? (i.e. disagreements with the auditors, fraud or illegal acts, unpaid audit fees, major litigation, etc.)

Response to Question 33:

No

Question 34:

For GHFA EDI, has there been any turnover in Key Management Positions during the year?

Response to Question 34:

No

Question 35:

For GHFA EDI, what time period does the audit normally take place and what is the final deadline for completion of the audit?

Response to Question 35:

All audit work must be completed and all reports issued by September 30 of each year.

Question 36:

For GHFA EDI, how many hours has the audit taken in prior years and what was the audit fee?

Response to Question 36:

The standard audit engagement cost for 2012 was \$119,000 for all audit work and all reports. We do not know the total hours spent by the auditing firm.

Question 37:

The response to Question 4 posted on the GHFA website includes a copy of pages from a recent bond AUP proposal describing the procedures that were to be performed. Please provide a copy of a report during or since fiscal year ended 6/31/2012 from the accounting firm that includes the procedures performed and the results of those procedures and describe the total fees charged by the accounting firm for that engagement.

Response to Question 37:

Please see the report linked below on agreed upon procedures. The fee for the Bond AUP was \$12,000.

[GHFA Report on Bond Agreed Upon Procedures](#)

Question 38:

Please describe the GHFA policy for if any for mandatory auditor rotation including when it was implemented.

Response to Question 38:

GHFA does not have a mandatory auditor rotation policy.

Question 39:

What is the reason GHFA has issued this RFP?

Response to Question 39:

The end of the previous contract.

Question 40:

Please describe any disagreements with Cohn Reznick regarding proper application of accounting principles during their audits of any entities included in the RFP.

Response to Question 40:

There were no disagreements.

Question 41:

What information will you need for a firm that is a Partnership?

Response to Question 41:

As stated in section 4.3.8, second bullet, *If a private company, the Offeror shall provide a copy of it's most recent financial statement, and a letter from their financial institution, on the financial institution's letterhead, stating the Offeror's financial stability.*

Question 42:

Section 5.1 Costs - How are out of pocket expenses for travel, hotel, meals, etc. shown on Attachments E through J?

Response to Question 42:

All allowable costs are outlined on the cost worksheets, Attachments E through J.

Question 43:

Prior to submitting the proposal would you allow a visit to your organization to review the books and records of your organization?

Response to Question 43:

No

Question 44:

For GHFA, How many federal programs are normally tested each year?

Response to Question 44:

Five were tested last year.

Question 45:

Do you expect the number of federal programs tested to change during this five year period?

Response to Question 45:

We don't know.

Question 46:

For GHFA, if additional federal programs need to be tested from year to year, how would this be handled? Would the fee be amended for these additional programs that need to be tested?

Response to Question 46:

No

Question 47:

For GHFA, how would you rate the overall internal controls of the organization? (i.e. excellent, above average, average, needs improvement, or unsatisfactory)?

Response to Question 47:

Above average.

Question 48:

For GHFA AHI, how would you rate the overall internal controls of the organization? (i.e. excellent, above average, average, needs improvement, or unsatisfactory)?

Response to Question 48:

Above average.

Question 49:

For GHFA EDI, how would you rate the overall internal controls of the organization? (i.e. excellent, above average, average, needs improvement, or unsatisfactory)?

Response to Question 49:

Above average.

Question 50:

When can preliminary audit work be performed?

Response to Question 50:

It may begin on or around April 1.

Question 51:

When can final field work begin?

Response to Question 51:

Our fiscal year ends June 30, USAP may begin on or around July 15.

Question 52:

Your response to question 3 states that "standard audit engagement" costs for 2012 were \$119,000. As a point of clarification does this amount include "all" services provided in the RFP or just the three "standard audits"?

Response to Question 52:

The fee of \$119,000 was the total cost for all work performed, all required reporting, and all services provided in the RFP for GHFA, AHI, EDI, USAP, and A-133. We pay an additional \$12,000 for each bond AUP.

Question 53:

How many audit adjustments are proposed by the auditors in a normal year? If there are significant entries explain the general nature of them. Please provide a copy of the 6/30/12 audit adjustments if applicable.

Response to Question 53:

On average, we have three audit adjustments each year. The only significant adjustment this past fiscal year was to our loan loss reserve due to economic conditions.

Question 54:

For the year ended June 30, 2013, the clarified audit standards relative to group audits will apply as the GHFA is a component unit of the State of Georgia. Do you anticipate any special requirements for the audit by the Georgia State Auditor related to materiality or risk?

Response to Question 54:

No

Question 55:

Will there be any significant changes to your organization or accounting system during the 6/30/13 fiscal year?

Response to Question 55:

No.

Question 56:

Do you anticipate any new Federal Grant Programs in the coming year?

Response to Question 56:

None are anticipated.

Question 57:

Have any of the federal programs been designated as high risk by the federal agency?

Response to Question 57:

No

Question 58:

Related to the Hardest Hit program, who performs the independent verification of the effectiveness of the Internal Control Program as required by the U.S. Department of Treasury. Is this part of the audit conducted in accordance with OMB Circular A-133 or performed as a separate agreed upon procedure engagement?

Response to Question 58:

This is not part of A-133 and is a separate agreed upon procedure engagement.

Question 59:

Does GHFA have a penetration test performed on the computer network? If so, who performs it?

Response to Question 59:

Yes, it is performed by the Georgia Technology Authority.

Question 60:

Related to the pooling of mortgages and subsequent selling of Mortgage Backed Securities, is this function performed internally or externally?

Response to Question 60:

currently, we are not pooling mortgages into Mortgage Backed Securities.

Question 61:

Who performs the arbitrage calculations for GHFA?

Response to Question 61:

Our cash managers, cfX, in New York City.

Question 62:

How many HOME projects are closed/funded in a typical year?

Response to Question 62:

Approximately 90 – 100 a year.

Question 63:

Does GHFA have an indirect cost rate agreement? If so, what amount is recovered through the indirect cost rate in a typical year?

Response to Question 63:

We do not have an indirect cost rate agreement. GHFA has a per capita internal cost distribution plan.

Question 64:

Are there any significant IT system changes/implementations expected in the near future? Section 4.1

Response to Question 64:

No

Question 65:

Please provide the most recent management letter. Section 1.3.1

Response to Question 65:

See pages 3 and 4 of the audited financial statements.

Question 66:

Please provide copies of all audit reports and any agreed upon procedures reports issued during 2012. Section 1.3

Response to Question 66:

See responses to Questions, #1, #3, and #37.

Question 67:

Are there any significant issues with the incumbent auditor relationship with respect to service concerns, desired staffing, service delivery, etc.?

Response to Question 67:

No

Question 68:

How many audit entries did the previous auditor propose and what were the nature of the adjustments?

Response to Question 68:

See response to Question, #53.

Question 69:

Please provide prior year audit fees for GHFA, AFI and the EDI.

Response to Question 69:

The audit fee for GHFA, AFI, EDI, USAP, and A-133 was a total of \$119,000. The fee for each Bond AUP was \$12,000.

Question 70:

Please provide an estimate of prior year audit hours.

Response to Question 70:

Previous auditors did much of their audit work off site. Therefore, it is difficult to estimate.

Question 71:

Do you anticipate any changes in the nature of the scope of services during the proposed period or organizational structure? Section 1.3

Response to Question 71:

No

Question 72:

Does GHFA provide access to working space and internet access for the external auditors and how many audit professionals can be accommodated during fieldwork?

Response to Question 72:

We can accommodate up to 12 people at any one time.

Question 73:

Will we have access to the prior year auditor's work papers and will we be able to get copies of these work papers?

Response to Question 73:

Work papers will be available to view at Cohn and Reznick's location.

Question 74:

Request for proposal indicates the need for separate audits for the GHFA, the AFI, and the EDI. Please provide copies of AFI and EDI's 2012 financial statements for our review. (RFP section 1.1.1)

Response to Question 74:

See response to question #1

Question 75:

Please provide the completed GHFA single audit report (as well as the Single Audit Reports for AFI and EDI, as applicable) for the year ended June 30, 2012 for our review. (RFP section 1.1.1)

Response to Question 75:

See response to question #1

Question 76:

Please provide copies of a typical bond related agreed upon procedures report for our review to better estimate the time requirement and thus fees associated with this portion of the engagement. Additionally, how often are these procedures typically needed and required? (RFP section 1.3.3)

Response to Question 76:

See response to question #4. In 2012 we did one bond deal and anticipate one or two bond deals in calendar 2013.

Question 77:

Please provide copies of the 2012 Uniform Single Attestation Program (USAP) report for our review. (RFP section 1.3.0)

Response to Question 77:

See response to question #4.

Question 78:

Will the selected auditor be responsible for the preparation of all requested financial statements or only the required audit reports in electronic format? (RFP section 1.3.2)

Response to Question 78:

The firm who wins the award will be responsible for completion of all financial statements in both electronic format and hard copy.

Question 79:

What are the mandated completion timeframes indicated within the RFP section 1.3.2?

Response to Question 79:

All work and resulting reports must be complete no later than September 30 of each year.

Question 80:

When is the GHFA ready for preliminary and final audit fieldwork to begin? (RFP section 4.3.4)

Response to Question 80:

See responses to questions #50 and #51.

Question 81:

What were the fees associated with the performance of the requested services for the June 30, 2012 fiscal year? (RFP section 5.1)

Response to Question 81:

For the fiscal year end June 30, 2012, we paid a total fee of \$119,000 for all work performed, all required reporting, and all services provided in the RFP for GHFA, AHI, EDI, USAP, and A-133. We pay an additional \$12,000 for each bond AUP.