

**Questions and Answers for Request for Proposals 2008-06  
Auditing Services**

**Questions 1 & 2:**

1. What is the total Asset?
2. What is the total Revenue?

**Answer:**

Please refer to the 2007 audited financial statements referenced in Section One of the RFP.

**Question 3 a-d:**

- a. What was the actual amount paid for last year's audit?
- b. What were the prior year audit fees?
- c. What were the fees charged for these comparable services in 2007?
- d. Could you please provide the audit fee for each of the past two years?

**Answers:**

The final cost for the 2007 audit is expected to be under \$450,000.  
The final cost for the 2006 audit was \$364,700.

**Question 4:**

What is the budgeted amount for this year's audit?

**Answer:**

No budget determination has been made for Florida Housing's 2008 audit.

**Question 5:**

Who are your current auditors?

**Answer:**

Deloitte & Touche LLP

**Question 6:**

Is there a policy of mandatory rotation?

**Answer:**

No, there is no mandatory rotation policy at this time.

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**Question 7:**

Is there a local preference for Auditors?

**Answer:**

Florida Housing is unsure of the meaning of this question. Responses will be scored and points awarded based on the information requested in Section Six of the RFP. Responses will be evaluated and ranked in accordance with Section Seven of the RFP.

**Question 8:**

How long have you been working with the current Auditors?

**Answer:**

Deloitte & Touche has performed the Florida Housing's audit since the year ending June 30, 1994.

**Question 9:**

What is the audit time frame?

**Answer:**

Please refer to Section Four, paragraph A. of the RFP.

**Question 10:**

What is the selection criterion for submitted responses?

**Answer:**

Please refer to Section Seven, Evaluation Process, of the RFP.

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**Question 11:**

Who does the audit report go to?

**Answer:**

The audit report is addressed to the Board of Directors. In addition to board members, copies are generally distributed to the Governor's office, legislative leadership, the Florida Auditor General's office, other state agencies, rating agencies, parties who are contractually associated with various bond transactions and internal staff. Since Florida Housing is subject to Florida's Public Records Law, copies may be given to anyone who requests them, and the audit report is available on Florida Housing's website.

**Question 12:**

Who prepares the CAFR?

**Answer:**

Florida Housing does not prepare a CAFR.

**Question 13:**

Section 1 (E) mentions the creation of a new subsidiary business unit. If there is activity during 2008 will this business unit need separate audited financial statements or will they be included in the financial statements of the Florida Housing Finance Corp (FHFC).

**Answer:**

The new subsidiary business unit will be included in the Florida Housing financial statements. If a combining schedule is included in the financials, this unit is expected to be a separate column in that schedule.

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**Question 14:**

Section 4 (A) mentions GAS and Single audit requirements. Can the FHFC provide copies of the 2007 GAS and Single audit reports?

**Answer:**

These reports have been added to the Florida Housing website at the location referenced in Section One of the RFP.

**Question 15:**

Section 4 (A) (3) regarding the single audit requirements, does the FHFC anticipate any significant changes in funding for 2008?

**Answer:**

In 2008, Florida Housing was awarded a grant of federal funds totaling \$1,015,389 for the National Foreclosure Mitigation Counseling Program. This is a new program.

Florida Housing no longer acts as contract administrator for the federal Section 8 program. The final Section 8 disbursement was made in 2008 and was for less than \$30,000. Florida Housing does not expect any transactions in 2009 and forward.

**Question 16 a-b:**

- a. Section 4 (C) refers to procedures of the Affordable Housing Guarantee Program Debt Service Reserve Funds. Can the FHFC provide a copy of any report issued in 2007 associated with these procedures?
- b. Section 6, (E) 1 specifies that a cost proposal is to be provided for the services outlined in Section 4, A-J. Section 4, Item C provides for a report that is separate and distinct from the audit of the financial statements. Could you provide the latest report received to meet the requirements of this provision?

**Answer:**

There is no separate report for this item.

**Question 17:**

What is the reason for the RFP (i.e. end of existing contract, etc.)?

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**Answer:**

Florida Housing's current contract for auditing services has expired.

**Question 18:**

What type of computer systems are used to maintain the accounting records and any significant subsidiary ledgers (i.e. loans receivable)?

**Answer:**

Florida Housing uses the general ledger, accounts payable and accounts receivable modules of Great Plains accounting software.

**Question 19:**

Does the FHFC prepare the financial statements and related schedules?

**Answer:**

Yes, Florida Housing prepares the financials and related schedules.

**Question 20:**

What was the nature of significant audit adjustments for 2007, if any?

**Answer:**

The only significant audit adjustment for 2007 related to the mark to market adjustment of mortgage backed securities in the Single Family bond program. The underlying misclassification on the investment schedules that caused the adjustment has been corrected.

**Question 21:**

Was a management letter issued for 2007 and if so what was the nature of any comments?

**Answer:**

The management letter is included in the audit report added to Florida Housing's web site referenced in Section One of the RFP.

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**Question 22:**

Were there any disagreements with prior auditors as to accounting practices/policies? If so, in what particular area?

**Answer:**

No.

**Question 23 a-b:**

- a. Will GASB 45 be applicable to FHFC for 2008?
- b. Has the agency implemented GASB 45 and is the information available to record, as applicable, and disclose the required information?

**Answer:**

Please refer to the 2007 audited financial statements referenced in Section One of the RFP.

**Question 24:**

Can you provide the estimated number of annual external and internal audit hours provided in connection with the audit of the financial statements in the past?

**Answer:**

For the 2007 audit, internal audit provided 400 hours and the external auditors billed 1,968 hours.

**Question 25:**

Could you please provide the timing for which books and records are closed out and the Corporation is ready for the year end audit to begin?

**Answer:**

Florida Housing is typically ready for the audit work to begin by the first week of March.

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**Question 26:**

Is there any particular time period from contract execution through April 30 when the Corporation would prohibit or strongly suggest that the auditors not be present for audit fieldwork?

**Answer:**

No.

**Question 27:**

With regard to costs, is there any particular fee presentation, including fees associated with out-of-pocket costs (hotels, travel, etc.)?

**Answer:**

Please refer to Section Six, paragraphs E.1-2 of the RFP.

**Question 28:**

Is any portion of the loan portfolio serviced in-house? If so, what is the percentage?

**Answer:**

Yes, Florida Housing performs permanent loan servicing on a small number of the loans totaling less than \$20 million. These are primarily Florida Housing's demonstration loans.

**Question 29:**

Please provide the most recent reports issued by Florida Housing's current auditor (excluding the financial statements that are available online). Specifically, please include the Circular A-133 reporting package, Management Letter, Section 420.5092(6)(a) reporting, and HUD reports required under the FAF agreement.

**Answer:**

The most recent audit reports including management letter and Circular A-133 requirements have been added to the website referenced in Section One of the RFP. There is no separate report for the procedures required by Section 420.5092(6)(a), FS. The agreed-upon procedures required by HUD under the FAF Agreement have not been completed; therefore, there is no report for this item at this time.

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**Question 30:**

Approximately how long were the auditors in the field for the audit?

**Answer:**

For the 2007 audit, auditors were onsite for all or part of approximately eight (8) weeks.

**Question 31:**

Have there been any significant changes in agency activities or personnel since the previous audit?

**Answer:**

The addition of the new subsidiary corporation described in Section One E. of the RFP and termination of the Section 8 contract administration activities are the most significant changes. Depending on timing of closings, there may be loans funded in the Community Workforce Housing Initiatives Pilot (CWHIP) Program, which is a state funded program. There have been no significant changes in personnel.

**Question 32:**

We anticipate that interim fieldwork will be performed. Historically, when have interim procedures been scheduled?

**Answer:**

The interim schedule has varied. In some years, interim has been in the fall, some years in December, and some years no interim work was performed.

**Question 33:**

With respect to the information requested at Section Six E., is it possible to obtain a copy of the prior year chart? How many hours of direct assistance were provided to the auditors in the prior year?

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**Answer:**

For the 2007 audit, 400 hours of direct assistance were provided. A copy of the fee chart from the 2007 engagement letter is attached as Exhibit A.

Submitted by:

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RFP 2008-06 Questions and Answers  
EXHIBIT A

APPENDIX D

COORDINATION OF THE AUDIT  
FLORIDA HOUSING FINANCE CORPORATION  
Year Ending December 31, 2007

Fee schedule for audit:

	FYE 2007 D&T only	FYE 2007 IA Asst.	FYE 2007 IA Asst.	FYE 2007 IA Asst.	FYE 2007 IA Asst.
Internal Audit hours	--	300	400	500	600
Budgeted hours	1,907	1,607	1,507	1,407	1,307
Projected hourly rate	\$213	\$222	\$227	\$230	\$235
Contract/proposed fee	\$407,000	\$356,000	\$342,000	\$324,000	\$307,000

We will plan the performance of our audit in accordance with the following estimated timetable:

	<u>Estimated to Begin</u>	<u>Targeted for Completion</u>
<b>Audit Performance Schedule:</b>		
Planning	<u>October 2007</u>	<u>December 2007</u>
Interim audit procedures	<u>December 2007</u>	<u>January 2008</u>
Year-end audit procedures	<u>March 2008</u>	<u>May 2008</u>
<b>Board of Director Communications:</b>		
Report on audit ( including communications to the Board of Directors required by AU 325 and AU 380)	<u>June 2008</u>	<u>June 2008</u>