

RESOLUTION NO. \_\_\_\_\_

**AUTHORIZATION TO RENEW CONTRACT FOR THE INDEPENDENT PUBLIC  
ACCOUNTANT ANNUAL AUDIT**

Item No. 5a

WHEREAS, the U.S. Department of Housing and Urban Development requires an annual audit of the Housing Authority records to be conducted by an independent public accountant, and

WHEREAS, Louisville Metro Housing Authority staff submitted requests for proposals to conduct the annual audit; and

WHEREAS, the proposals were received and opened on February 7, 2017; and

WHEREAS, the original contract award in 2017 to MCM CPAs and Advisors included four, one-year renewal options; and

WHEREAS, staff is requesting approval of the fourth, one-year renewal option.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS that the Executive Director and Contracting Officer, Lisa Osanka, is hereby authorized to execute the fourth, one-year renewal option of the contract with MCM PCAs & Advisors to conduct the Louisville Metro Housing Authority financial audit for the 12-month period ending June 30, 2021 for a fee of \$42,500.

BE IT FURTHER RESOLVED, that the Executive Director is authorized to negotiate all contractual documents with MCM CPAs & Advisors on behalf of the Louisville Metro Housing Authority including any additional services that may be required.

## RESOLUTION BACKGROUND STATEMENT

### AUTHORIZATION TO RENEW CONTRACT FOR THE INDEPENDENT PUBLIC ACCOUNTANT ANNUAL AUDIT

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#### I. STATEMENT OF FACTS:

The U.S. Department of Housing & Urban Development requires an annual audit of the Housing Authority records to be conducted by an independent public accountant. The Louisville Metro Housing Authority's (LMHA) accounts and records must be audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Additionally, the audit must meet all requirements set forth in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

In January 2017, LMHA staff requested proposals from eleven (11) CPA firms with offices in Louisville, southern Indiana, Missouri, Georgia, and Florida. Also, a legal notice was placed in The Courier-Journal and Louisville Defender newspapers requesting proposals for the audit. Three (3) proposals were received.

All proposals were reviewed and scored independently by a four-member procurement committee. Selection criteria included a number of factors. Those factors were:

- Cost
- Public Housing Authority/HUD experience and knowledge
- Auditor's staffing capacity to successfully conduct the audit
- Experience and knowledge of low-income housing tax-credit program (LIHTC)

MCM CPAs & Advisors received the highest overall score by the members of the committee and was awarded the contract.

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#### II. ALTERNATIVES:

- A. Authorize the fourth renewal of the audit contract with MCM CPAs & Advisors which was deemed the best and most responsive bidder by staff.
- B. Develop a new request for proposal and advertise for a new independent financial auditor.

#### III. RECOMMENDATION:

Staff recommends Alternative A.

#### IV. JUSTIFICATION:

- MCM CPAs & Advisors submitted a proposal that was competitively priced.
- MCM CPAs & Advisors is a licensed certified public accounting firm within the State of Kentucky.
- MCM CPAs & Advisors has successfully completed fourteen prior Louisville Metro Housing Authority financial audits as well as audits of numerous other public housing authorities and other governmental and not-for-profit organizations.
- HUD funds a portion of the audit fee through the allocation of additional federal operating subsidy.
- Renewal will provide continuity with the audit of the Beecher CHOICE Grant requirements and expenditures.
- MCM CPAs has provided assistance with the selection of the new computer software acquisition and will also provide periodic financial reporting to the Audit Finance Committee with the new computer software conversion.

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**IV. JUSTIFICATION (cont'd):**

- MCM CPAs has provided valuable assistance with the Mixed Finance transition process to LMHA/LMHADC and continuity with the preparation of the financial audits and tax returns for the Park Duvalle, Sheppard Square, and CH6 Mixed Finance Partnerships owned by LMHA/LMHADC.

**V. BUDGET APPROVAL:**

The Operating Budget will provide funding for this contract.

\_\_\_\_\_  
Angela Larsson, Director of Finance

\_\_\_\_\_  
Date

**VI. PROCUREMENT CERTIFICATION:**

The procurement of services from MCM CPAs & Advisors is in compliance with the Louisville Metro Housing Authority's procurement policies and procedures.

\_\_\_\_\_  
Steve Webb, Purchasing Agent

\_\_\_\_\_  
Date

Submitted by: Angela Larsson  
Director of Finance  
April 20, 2021