

**Request for Proposals from CPA Firms to serve as  
Independent Auditor for the Arkansas Development Finance Authority**

**Q&A**

1. ADFA RFP'd for this service last year, why is ADFA doing it again this year?
  - a. ADFA is not dissatisfied with the current independent auditor, however, several changes occurred such as the merger of Arkansas Student Loan Authority (see other changes in #4). Additionally, as a good steward of our funds, ADFA is always looking to reduce fees whenever possible.
2. Will the scope of the single audits change for this year compared to last year, were there any new federal programs?
  - a. We do not anticipate any drastic changes in federal expenditures in our current programs. ADFA has one new federal program this year, the Housing Trust Fund, with two grants of \$3 million each. No funds have been expended at this time.
3. Does ADFA require or prefer a certain amount of on-site work?
  - a. There is no requirement by ADFA that any firm perform a certain amount of on-site work. There are definitely some benefits to having face-to-face interactions.
4. Will the merger of ASLA affect the scope of the audit?
  - a. ASLA and ADFA remain physically located in different offices within Little Rock.
  - b. With the merger, governance is under one board and the ADFA President.
  - c. ASLA operates as a division of ADFA, just like the Housing division and Development Finance division.
  - d. Walk forward schedules will be combined for the auditor.
  - e. ASLA currently uses Great Plains and ADFA uses MITAS. However, we expect to consolidate the accounting operations and only use MITAS before year-end. Therefore, the independent auditor should NOT have to perform internal control testing at the ASLA location.
5. How do we handle out-of-pocket expenses?
  - a. All expenses must be included in the proposal. Any travel expenses billed to ADFA must follow state travel reimbursement rules.
6. What other changes have occurred at ADFA that may be relevant?
  - a. ASLA merged with ADFA.
  - b. ADFA created a new division of Economic Policy. This change should not affect the audit.
  - c. Senior management – new VP of Housing started on January 1, 2017.
  - d. Housing Trust Fund is a new federal grant, but at this time no disbursements have been made.
  - e. ADFA hired Beall Barclay to provide internal audit consulting services for the 2018 calendar year.
  - f. Arkansas Venture Capital Investment Trust was added to the ADFA financial statements last fiscal year (6/30/17). AVCIT is a public trust that owns two limited liability companies, one of which is audited by another independent auditor.