



Request for Proposal for Audit and Tax Preparation Services

June 23, 2022

North Carolina A&T
Real Estate Foundation, Inc.

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Dear Managing Partner:

The NC A&T Real Estate Foundation, Inc. and respective LLCs (the Foundation) are requesting proposals from CPA firms that have extensive experience in providing audit and tax services for tax-exempt, not-for-profit organizations. The Foundation invites your firm to submit a proposal to the Foundation by November 11, 2022 at 5 pm. A description of the Foundation, the services needed, and other pertinent information follows:

Background

The NC A&T Real Estate Foundation, Inc. is a North Carolina nonprofit public benefit corporation recognized by the Internal Revenue Service as a charitable, tax-exempt organization pursuant to section 501 (c) 3 of the Internal Revenue Code. NC A&T University Foundation, Inc. was founded in 1946 with a single purpose mission of supporting NC A&T State University. In 2015, the named was changed with a repurposed mission to the NC A&T Real Estate Foundation, Inc. The Foundation Inc's investment portfolio is approximately \$18 million, of which +/- \$7 million is endowed. The Foundation Inc manages +/- \$16 million in restricted funds annually and handles the financial accounting for five University departmental grants.

The Foundation is the sole member of The NC A&T University Foundation, LLC ("University LLC"), the NC A&T Real Estate Foundation, LLC ("Real Estate Foundation LLC"), the Bulldog Real Estate Holdings of East Greensboro, LLC, and the Aggie Apartment Life Holding Corporation, LLC.

The NC A&T University Foundation, LLC

The University LLC was organized February 2001 for the purposes of financing the construction of privatized housing through the issuance of bonds and the articles of organization state that it "shall be operated exclusively to further the charitable purposes of its members. The bonds were originally issued in 2001, refunded in 2004 and reissued in 2015 with variable rate series bond in the amount of \$22,495,000. As of June 30, 2021, the outstanding balance was \$29,730,000.



Financed on-campus facilities include:

- 1,298 beds located in various residence halls;
- The Alumni-Foundation Event Center consisting of approximately 30,000 square feet of rental space; and
- Child Development Lab, a childcare teaching facility used as an academic laboratory consisting of approximately 6,000 square feet.

The Real Estate Foundation, LLC

The NCA&TREF LLC was organized March 8, 2018 for the purpose of supporting the operations and mission of the Foundation and North Carolina A&T State University (the “University”). The NCA&TREF LLC received two bond issuances to finance the acquisition of five apartment complexes for privatized student housing of enrolled students at the University. Aggie Pointe and Preeminent Pointe known as The Pointes and Campus Edge were financed beginning June 24, 2019 for \$26,020,000 and Collegiate Commons and Sebastian Villages were December 18, 2019 for \$47,795,000. As of June 30, 2021, the outstanding balance was \$73,445,000. All bond funds are managed through an assigned trustee. The bed details are as follows:

- The Pointes 360 beds;
- Campus Edge 108 beds;
- Collegiate Commons 324 beds; and
- Sebastian Villages 840 beds.

Bulldog Real Estate Holdings of East Greensboro, LLC and Aggie Apartment Life Holding Corporation, LLC

Bulldog was organized on June 10, 2021, for the purpose of supporting the operations and mission of the Foundation and the University’s economic development pursuits. The Aggie Apartment Life Holding Corporation, LLC was organized on March 17, 2022, for the purpose of supporting the operations and mission of the Foundation and the University by providing privatized off-campus student apartment housing.

Revenue Sources and Management of Properties for the LLCs

The primary source of revenue comes for bedroom rentals to university students (privatized student housing). The University and both LLC have agreements outlining the relationship. The student referral agreement outlines the university’s responsibility to “refer students on a priority basis to this private housing. Additionally, the University manages the properties located on campus for the University LLC, while a third-party property management company manages the off-campus apartment complexes owned by the Real Estate Foundation LLC.

There are no major construction projects at this time. However, routine repair, replacement and upgrades to the properties occur in the normal course of business operations connected with the LLCs.



General Operation Information

Annual Operating Budgets before Debt:

- Foundation Inc equals +/- \$5.2 million
- University LLC equals +/- \$6.2 million
- Real Estate Foundation LLC equals +/- \$9.5 million
- Total revenues from all sources for the fiscal year ending 2021 were \$25 million.

Employees

- Foundation Inc employs twelve (12) full-time staff
- University LLC employs 23 full-time shared services and 28 part-time staff.

All entities operate on the same fiscal year ending June 30th, and is required to file financial statements by August 31st with the University. Additionally, the bond insurer and bank require the filing of the Real Estate Foundation LLC audited financial statements no later than 180 days after fiscal year end.

The Foundation Inc staff includes twelve full-time employees. The leadership team includes the Executive Director, Director of Real Estate, Director of Accounting, Director of Financial Reporting (vacant) and Director of the Alumni-Foundation Event Center. Additionally, the Accounting and Financial Reporting consists of the following positions: Assistant Director of Accounting, two Property Accountants and a Commercial Accountant.

All entities maintain all accounting records in-house and use the University's Banner Accounting system software (donor-based software). The software is maintained by the University, granting the Foundation inquiry access only. The University's Treasurer's Office maintains student room revenue transactions and the Foundation reconciles and mirror transactions captured through student housing assignments.

For more information on the Foundation, please visit the website: <https://ncatrealestatefoundation.org/>

Services to Be Performed

Proposals must include a description of the following services:

1. Annual audit of the consolidated financial statements and audited financial statements for the Real Estate Foundation LLC for the year in accordance with auditing standards accepted in the United States for the period ended 2022-23 and meetings with the Audit Committee and/or Board of Directors, as necessary.
2. The audit scope will include a determination as to whether the financial statements are presented in accordance with the appropriate accounting principles for the organization, i.e. GASB or FASB.



3. Management letter containing comments and recommendations with respect to accounting and administrative controls and efficiency where material and significant.
4. Preparation of federal and state information returns for the organization.
5. Availability throughout the year to provide advice and guidance on financial accounting and reporting issues.

Relationship with Prior CPA Firm

Audit and Tax Preparation services have been provided by Thomas & Gibbs, CPAs, PLLC for the past nine years. The Foundation Inc is complying with best business practices to open solicitations every three years to provide assurance of effective and efficient audit processes.

Tentative Timeframe for Annual Audit (2023)

Task	Due Date
Meet with the Executive Director to discuss the audit plan	Monday, July 31, 2023
Receive internally prepared financial statements workbook	Thursday, August 31, 2023
Provide request list of client-provided documents	Friday, September 8, 2023
Begin field work	Monday, September 11, 2023
Financial Statement Draft for management review	Wednesday, October 11, 2023
Presentation of draft Audit report and comments to Executive Director	Wednesday, October 18, 2023
Presentation of the draft Audit report to the Audit Committee	Wednesday, November 1, 2023
Issue final audit, bound copies	Monday, November 6, 2023
Provide draft information returns (990's) for management	Monday, November 13, 2023
Provide draft information returns for board review	Tuesday, November 14, 2023
File final information returns	Wednesday, November 15, 2023

Proposal Content

To ensure an equitable evaluation process and obtain maximum comparability, the RFP responses should be organized in the format described below:

A. Executive Summary

Describe your understanding of the work to be performed and your firm’s ability to perform the work within the time frame provided.



B. Professional Experience

Describe how and why your firm is different from other firms being considered. This should include an explanation of the firm's philosophy, size, structure, and qualification with serving not-for-profit organizations. Please include reference letters and client testimonials.

C. Teams Qualifications

Identify the specific partners, managers, and in-charge staff who will be assigned to the engagement if you are successful in your bid. Provide their bios specifying relevant experience to the type of services requested. Also discuss commitments you make to staff continuity, including your staff turnover experience in the last three years.

D. Audit Approach

Describe how your firm will approach the proposed services, including the use of affiliates or staff from other locations, areas that will receive primary emphasis and the type of assistance that will be required from the NC A&T Real Estate Foundation, Inc. /LLCs. Also discuss the firm's use of technology.

Finally, discuss the communication process used by the firm to discuss issues with management and the board.

E. Fees

Please provide a firm estimate of fees for the services to be provided and billing arrangements. Contracts will be awarded for one-year with two additional years in accordance with guideline from the State of NC Auditor's Office. Include the maximum, not to exceed amount, should you be awarded the three-year contract. It has been the NC A&T Real Estate Foundation, Inc. /LLCs practice for management to negotiate a fee for service each year prior to such services being rendered. Given that the time required in the first year will be more substantial than subsequent years, please feel free to include the fees for subsequent years if there is a significant differential in cost from year one as well as provide any guarantees that can be made regarding increase in future years.

F. Client References

Include a list of relevant not-for-profit clients the firm has served within the past three years and furnish the names and telephone numbers of any references whom we may contact.

G. Additional Information

Please provide a copy of your most recent peer review report. Please provide any additional information, not specifically requested, but which you believe would be useful in evaluating your proposal. Please included the completed conflict of interest form with your proposal.



Proposal Review and Approval Timetable

Task	Date
RFP responses in PDF electronic format due	Friday, November 11 th
RFP responses distributed to Audit Committee	Monday, November 14 th
CPA firms contacted to schedule for interviews	Week of November 14 th
Finalist makes presentation to Ex Dir. / Audit Committee	Week of November 29 th – December 2 nd
CPA firm selected and notified	Wednesday, December 7 th

Evaluation of Proposal

While price is an important factor, NC A&T Real Estate Foundation, Inc. /LLCs will evaluate proposals on price and the following criteria:

- Prior experience auditing similar organizations
- Qualifications of staff to be assigned to the engagement
- CPA firm's understanding of work to be performed
- References
- Completeness and timeliness of the proposal

Key Contacts

Kimberly Cameron, Executive Director is the key contact for information in preparing your proposal is, she can be reached at 336-433-5560 or refoundation@ncat.edu. Email is preferred for efficiency purposes. Requests for additional information, questions and coordinating visits to our offices should be coordinated through the Executive Director's office.

All proposals must be received electronically to refoundation@ncat.edu by 5:00 pm on Friday, November 11, 2022 in PDF electronic copy. Declination of submissions should be submitted to the above address well.

Sincerely,

Kimberly A. Cameron
Executive Director

Cc: Cliff Maske, Audit Committee Chair

Attachments:

FY 2021 Audited Financial Statements
Form 990 and 990T
FY 2023 Board Approved Budgets