

Board Meeting Agenda  
Fairmont Housing & Redevelopment Authority Board of Commissioner  
Meeting

Date: Monday, October 10, 2022,

Time: 12:00 PM

- I. Call to order, roll call: Commissioner Kopischke, Commissioner Mosloski, Commissioner Brau, Commissioner Determan, and Resident Commissioner Goerndt
- II. Approval of Agenda
- III. Approval of previous minutes
- IV. Approval of monthly bills report
- V. Open Forum: the open forum is a portion of the Board meeting where residents will be allowed to address the Board. Person must register with Executive Director 48 hours prior to the meet.
  - A. Schedule Guest:
- VI. Unfinished Business
- VII. New Business
  1. Bid opening for truck sale
  2. CD Approval for renewal
  3. Hawkins Ash CPA Contract
  4. Lots
  5. Closed Session
    1. Executive Directors Performance Evaluation

The session may be closed pursuant to Minn.Stat.13D.05 Subd. 3(a)
- VIII. Informational
  1. Maintenance Shop

REGULAR MEETING OF THE HOUSING AND REDEVELOPMENT AUTHORITY  
OF FAIRMONT, MN  
September 19, 2022 – 12:00 P.M

A regular meeting of the Board of Directors was held on Monday, September 19, 2022, in the Friendship Village Community Room. Members present: Commissioner Kopischke, Commissioner Brau, and Resident Commissioner Debra Goerndt. Also present were: Executive Director Gail Diede, and Councilman Randy Lubenow

Commissioner Kopischke called the meeting to order at 12:00 pm with the consent agenda approved (Brau/Goerndt) Motion carried. Previous minutes approved. (Brau/Goerndt) motion carried. Monthly bills approved (Brau/Goerndt) motion carried.

Open Forum: the open forum is a portion of the Board meeting where residents will be allowed to address the Board. Persons must register with Gail Diede, Executive Director, 48 hours prior to the meeting. No request

Old Business consisted of:

New Business consisted of:

1. Resolution 236-2022 Operating Budget, Commissioner Goerndt made a motion to approve, Commissioner Brau seconded the motion and motion carried.
2. Resolution 237-2022 Flat Rent Increase, Commissioner Goerndt made a motion to approve, Commissioner Brau seconded the motion and motion carried.
3. Pick up sale, Diede explained that the pick-up could be put on auction site with a reserved amount, or they could go with a reserved amount and sealed bid per ad in the paper and opened at the next board meeting. Blue book shows that the pick- up value would range from \$7,369.00 to \$9,450.00. Discussion of wholesale through a dealer, auctions. Showing times of the pick-up. Ad could be run for \$7,500 reserved amount, showing times available and opened at board meeting. Commissioner Goerndt motioned to run ad at \$7,500 reserved and open at board meeting. Second by Brau, motion carried.
4. Snowplow purchase- tabled

Informational:

1. HRA Levy was approved for the HRA.

A motion was made by Commissioner Brau, seconded by Commissioner Goerndt, and carried to adjourn meeting.

Respectfully submitted

*Gail Diede*

Gail Diede  
Executive Director

## BOARD OF DIRECTORS MEETING October 10,2022

Bills Due		UTILITIES	OTHERS
City of Fairmont	Electric	\$ 15,381.29	
Midcontinent	Cable	\$ 2,617.99	
Matrix	Retirement		\$ 3,203.00
Medica	Health Insurance		\$ 3,496.24
Hawkins Ash	Mth acctg/budget		\$ 335.00
Leroy Rogge	tenant services		\$ 200.00
Arbriter PLLC	Legal		\$ 196.00
Albin Acquisition	backgrounds		\$ 180.00
JH Larson	materials		
Waste Systems	garbage		\$ 3,050.61
Verizon	cell phone		\$ 115.68
Boekett	materials		\$ 79.88
MN Energy	gas	\$ 29.44	
Midcontinent	internet/phone		\$ 264.78
True Value	materials		\$ 491.21
Bomgaars	materials		
HD Supply	materials		\$ 1,033.92
Richards Auto	pick up		\$ 78.53
Fairmont Glass	Bldg 7		\$ 328.54
A-OK	materials		\$ 762.70
Jetter Clean	bldg 4		\$ 425.00
PHADA	membership		\$ 205.00
Photo Press	truck ad		\$ 37.50
Dans Appliance			\$ 2,259.97
Quill	office supplies		\$ 184.63
Reed and Brinkman	payroll reporting		\$ 335.00
Visual Identity Vault	signs		\$ 68.25
PC Janitorial	janitorial		\$ 110.46
		\$ 18,028.72	\$ 17,441.90
<b>Bills paid prior to board meeting</b>		<b>UTILITIES</b>	<b>OTHERS</b>
Clarance Edhlund	sec dep		\$ 224.14
HD Supply	materials		\$ 363.18
North Star	insurance truck		\$ 502.00
Total Prepaid		\$ -	\$ 1,089.32
Extraordinary & Annual Bills:		Total Utilities	\$ 18,028.72
Plunketts	\$ 733.51	Total Others	\$18,531.22
Gopher State	\$ 787.00		
Total non-regular bills	\$ 1,520.51		
Total regular bills	\$ 36,559.94	Total Bills	\$ 38,080.45

Board Chair Signature: \_\_\_\_\_

## Board of Directors October 10, 2022 Business

[illegible]

Board Chair Signature: \_\_\_\_\_

Bank Midwest		
15 month	3.25	
25 month	3.5	
State Bank		
12 Month	3	
Profinium		
12 Month	0.6	
17 Month	1.82	
27 Month	2.73	
First Farmers		
12 month	0.4	
14 month	3.3	
21 month	3.55	
US Bank		
11 Month	1.1	
17 Month	1.25	
25 Month	1.4	
CCF		

renews to a 12 month  
renews to a 24 month



500 S 2<sup>nd</sup> St, Suite 200 | La Crosse, WI 54601-4029  
608.784.7737 | Fax: 608.785.2140 | 1.800.658.9077  
**WWW.HAWKINSASH.CPA**

September 19, 2022

Ms. Gail Diede  
Fairmont HRA  
500 Home Street  
Fairmont, MN 56031

Dear Ms. Diede:

You have requested that we prepare the financial statements of the Fairmont HRA which comprise the annual and monthly statements of net position for the year ended September 30, 2023, and the related statements of activities and supplemental schedules (if applicable), and perform a compilation engagement with respect to those financial statements for the following programs of the HRA:

- Public Housing and Capital Funds
- Business Activity

These financial statements will not include a statement of cash flows and related notes to the financial statements.

In addition, the document we submit to you will include supplementary schedules. We will compile the supplementary information, but we will not audit or review such information, nor express an opinion, a conclusion, or provide any assurance on it.

You have also requested that we prepare the financial statements of the Fairmont HRA, as of and for the year ended September 30, 2023 in the form prescribed by HUD's Real Estate Assessment Center, in accordance with accounting principles generally accepted in the United States of America, and perform a compilation engagement with respect to those financial statements.

We are pleased to confirm our acceptance and our understanding of this compilation engagement by means of this letter.

#### **Our Responsibilities**

The objective of our engagement is to:

- a. Prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you; and
- b. Apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the HRA or noncompliance with laws and regulations.

## **Your Responsibilities**

The compilation engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- b. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America.
- c. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
- d. The prevention and detection of fraud.
- e. To ensure that the HRA complies with the laws and regulations applicable to its activities.
- f. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- g. To provide us with:
  - i. Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - ii. Additional information that we may request from you for the purpose of the compilation engagement.
  - iii. Unrestricted access to persons within the HRA of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your financial statements and all other nonattest services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

## **Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content.

Our report will disclose that the HRA's management has elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the statement of cash flows and omitted disclosures were to be included in the financial statements, they might influence the user's conclusions about the HRA's financial position, results of operations, and cash flows. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

We will disclose that we are not independent in our compilation report.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to ask our permission to do so.



### Other Relevant Information

As part of our engagement, we will also will perform bookkeeping services.

With respect to any nonattest services we perform,

At the end of each month, we agree to perform the following:

- Post client coded transactions to HRA's general ledger.
- Post adjusting or correcting journal entries to be reviewed and approved by the HRA's management.
- Reconcile checking and savings accounts with bank statements each month.
- Maintain prepaid, investment, and fixed asset subsidiary ledgers.

At the end of the year, we agree to perform the following services in addition to the monthly services:

- Prepare a trial balance based on the adjusted general ledger.
- Upon receipt of approval, we will file the electronic financial data schedules in the Real Estate Assessment Center (REAC).

With respect to any nonattest services we perform, we will not assume management responsibilities on behalf of the HRA. However, we will provide advice and recommendations to assist management of HRA in performing its responsibilities.

HRA's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards.
- This engagement is limited to services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Angela Campbell is the engagement partner for the services specified in this letter. Her responsibilities include supervising Hawkins Ash CPAs, LLP's services performed as part of this engagement. Abraham Leis, Managing Partner, is responsible for signing or authorizing another qualified firm representative to sign the accountant's report.

With regard to the electronic dissemination of financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Our charges for services, plus out-of-pocket expenses, will be billed as work progresses and are payable on presentation. The out-of-pocket expenses will be separately stated on the invoice, and you will be responsible for any Section 274(n) limitations relating to meals and entertainment. Our services will be invoiced at our current billing rates. Work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. A service charge at the rate of 1% per month will accrue on any balance not paid within 30 days of the invoice date with a minimum charge of \$1.00 per month. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

Should you offer a position to our staff assigned to this project, and our staff accepts employment with you or any of your subsidiaries, you agree to pay a finder's fee to Hawkins Ash CPAs, LLP an amount equal to 40% of the greater of a) our staff's annual compensation with Hawkins Ash CPAs, LLP or b) the annual compensation offered to our employee by you or any of your subsidiaries.

With respect to any services, work product, or other deliverables hereunder, or this engagement generally, our liability to the HRA will in no event exceed the fees that we receive for the portion of the work giving rise to the liability. The parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement. All mediations initiated as a result of this engagement shall be administered by the American Arbitration Association ("AAA"). The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties.

Notwithstanding anything contained herein both Hawkins Ash CPAs, LLP and HRA agree that regardless of where the HRA is domiciled and regardless of where this Engagement Letter ("Agreement") is physically signed this Agreement shall have been deemed to have been entered into Hawkins Ash CPAs, LLP's office located in La Crosse County shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of the state of Wisconsin.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary.

We shall not have any liability to the HRA for any special, consequential, incidental, punitive or exemplary damages or loss, including, but not limited to any lost profits, savings or business opportunity. We have the right to withdraw from this engagement, in our discretion, if you don't provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

In the unlikely event that circumstances occur which we, in our sole discretion, believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will notify you of such conflict as soon as practicable, and we will discuss with you any possible means of resolving them prior to suspending our services.

You agree to release, indemnify, defend, and hold us harmless from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us or resulting from any actions against us by third parties relying on the financial statements described herein except for our own intentional wrongdoing.

We look forward to a continued relationship with your organization, and we are available to discuss the contents of this letter or other professional services you may desire. If you request us to perform additional services not contemplated or described in this engagement letter, we will provide you with a separate agreement describing those additional services and fees.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to prepare the financial statements described herein and to perform a compilation engagement with respect to those same financial statements, and our respective responsibilities.

Respectfully,

HAWKINS ASH CPAS, LLP

A handwritten signature in black ink, appearing to read 'Angela Campbell', is written over the printed name.

Angela Campbell  
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Fairmont HRA:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **FAIRMONT HRA FEE SCHEDULE**

The categories checked below are the ones for which services will be provided under this contract.

	CAPITAL FUNDS AND PUBLIC HOUSING	BUSINESS ACTIVITY
1. Tenant Accounting	_____	_____
2. Monthly Tenant Statements	_____	_____
3. General Ledger Accounting	_____X_____	_____X_____
<b>Monthly Accounting Fee</b>	<b>\$ 355</b>	<b>\$ 65</b>

The following are additional services that we will provide (upon request) at the following rates:

1. Consulting Services/Auditor Assistance	
• Partner Consulting	\$150/hour
• Senior Associate or Associate Consulting	\$130/hour
2. FDS Submission to REAC (annually)	\$300/program
3. FDS Scoring Calculation	Contact us for quote
4. Submission of Independent Audit Report to REAC	\$100/hour
5. Management Discussion and Analysis (MD & A)	\$550/report
6. Voucher Management System (VMS) HUD 52681B	\$90/hour
7. New Grant Setup - Capital Funds	\$225 per new grant
8. Payroll Services	\$100/hour
9. New Program Setup	\$235 per new program
10. Depreciation Schedules	\$100/hour
11. Operating Subsidy	\$250/per AMP
12. Operating Subsidy Computation Calculations	\$400/annual
13. Budget Calculations	\$90/hour
14. SAS 115 - Review Audited Financials	Contact us for a quote
15. Tax Credit/RAD Consulting	\$135 - 200/hour
16. Rural Development Reports	\$125 each
17. GASB 68/75 Year-End Entry	\$120/program up to \$480
18. Lease Standards	\$130/hour