



MAULDIN & JENKINS

mjcpa.com

4208 Six Forks Road, Suite 1000

Raleigh, NC 27609

Town of Carrboro, North Carolina

Technical Proposal to Provide Audit Services
Fiscal Years June 30, 2024, through 2026

Mauldin & Jenkins Certified Public Accountants

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Going Further.



VISION

To be a trusted advisor, earning trust and building respect through our consistent commitment to sustainable excellence, leadership, and integrity.

*Over 725 Governmental Units Served
Throughout the Southeast*



Going Further.



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Appendix

A – Firm's Statement of Policy and Procedures



Transmittal Letter

August 30, 2024

Town of Carrboro, North Carolina
Attn: Darrell Keyes, Interim Finance Officer
301 West Main Street
Carrboro, NC 27510

Ladies and Gentlemen:

We appreciate the opportunity to propose on providing audit services to the **Town of Carrboro, North Carolina** (the "Town"), and we are pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the Town. The contract for such audit services will be for three consecutive fiscal years beginning with the fiscal year ended June 30, 2024, and ending with the fiscal year ended June 30, 2026.

We have read the Request for Proposal (RFP) and fully understand its intent and contents. We understand that the time frame for performance of the annual financial audit will be discussed at the issuance of the audit contract. We will conduct preliminary and final fieldwork and will issue all the deliverables and reports prior to the agreed upon due dates.


As professionals serving the public sector, Mauldin & Jenkins is qualified to serve the Town. We believe that **Mauldin & Jenkins is the leader in auditing state and local governments in the Southeast**. This leadership was achieved by recognizing that we are an important part of our client's success, with our objective being to ensure that accurate information is reported to the governing body, management, regulatory agencies and investors, and citizens. Given the complexities of the Town's financial operations and the ongoing significant changes in accounting standards, we feel that it is important that you select an auditing firm that is **focused and experienced** in the governmental industry. We differentiate ourselves from our peers via:

❖ **Experience with Governments.** As auditors for more governments in the Southeast than any other firm, our professionals are thoroughly versed in the complex governmental arena and have consistently provided the highest quality of service to our government clients. We serve:

- **725+ state and local governments across the Southeastern U.S.A.**
- **21 governments across the State of North Carolina.**
- **180+ cities and 90+ counties**
- **70+ stand-alone business-type utility authorities (water/sewer, gas, electric, airports, transit)**
- **175 governments awarded the GFOA's and, or ASBO's Financial Reporting Certificates.**
- **220+ of Single Audits as required by the Uniform Guidance.**

Mauldin & Jenkins provides nearly 155,000 hours of service to over 725 governmental units in the Southeast on an annual basis utilizing over 150 professionals.



- ❖ **Nationally Recognized.** Mauldin & Jenkins is consistently ranked in the Top 100 by various publications as one of the largest certified public accounting firms in the country. We are a regional firm, but the firm's influence is shared nationally. Our partners have volunteered to serve: on the American Institute of CPA's (AICPA's) Governmental Audit Quality Center's (GAQC) Executive Committee in 2022; the AICPA's State and Local Government Expert Panel in 2021; the AICPA's sole representative to the Government Accounting Standards Advisory Council (GASAC); the 2015 Chairman of the board of the AICPA; and a board member of the International Federation of Accountants (IFAC) in 2016. In 2020, our own Joel Black was appointed to serve as the Chairman of the Governmental Accounting Standards Board (GASB).  Mauldin & Jenkins is a leader nationally.
- ❖ **Remote Audits and Suralink.** At management's discretion, Mauldin & Jenkins is effective in working from a remote environment. We utilize new technologies, like Suralink, to add organization and transparency to the audit process and we continue to develop new and efficient ways to conduct audits on-site, in the remote environment, or in a combination / hybrid model. We have the experience and the resources to adapt to you.
- ❖ **Staff Continuity.** Our staff retention rates are considered to be among the best in the profession. We are able to not only provide consistency with the partner and manager on our engagement teams, but seniors as well. We also have enough resources at the partner, manager, and senior levels to provide for periodic rotations as requested by our clients.
- ❖ **Education.** Mauldin & Jenkins' clients have the opportunity to register and receive approximately 30 hours of continuing education on an annual basis, free of charge. We take our experience in serving governments and choose timely and relevant topics to provide ongoing education to our clients, both virtually and in-person. Sessions are limited to clients only.
- ❖ **Responsiveness and Large Firm Resources with Small Firm Sensitivity.** We pride ourselves in responding to the needs of our clients; not only the ability to meet deadlines, but also to respond to other requests. Our ability to be responsive is enhanced by the open communications and good working relationship we have with our clients. Our resources provide for the flexibility to meet your needs and to perform our services in an efficient and effective manner.

This proposal represents a firm offer for 60 days from the date of the proposal. As a director of Mauldin & Jenkins, LeAnn Bagasala is authorized to bind, and make representations for the Firm, and she will be the ultimate party responsible for the quality of the report and working papers. We welcome the opportunity to meet with you to present our proposal and our qualifications. Please contact us at (252) 531-1162. Again, on behalf of Mauldin & Jenkins, thank you for the opportunity to serve.

Sincerely,
MAULDIN & JENKINS, LLC

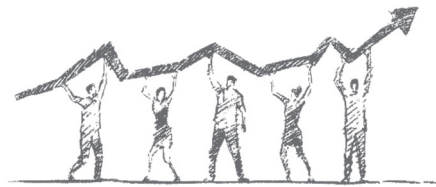


LeAnn Bagasala, CPA
Director

1. North Carolina Office Location that Will Handle the Audit

A Century of Service

Mauldin & Jenkins' commitment to government began when our Firm was established in 1918. Since then, we have viewed service to governments as significant to the overall success of the Firm. Today, the governmental sector is an industry that has been specifically identified for our continued growth in professional services. Accordingly, all professionals, from entry-level accountants to partners (who select the governmental sector as their focus) are trained to understand the issues and meet the needs of state and local governmental entities.



As noted previously, **Mauldin & Jenkins employs 45 partners, directors and managers who dedicate 100% of their time serving**

government clients. We also have numerous additional professionals with current experience in providing services to governmental entities, many of whom spend their time exclusively on government clients.

Mauldin & Jenkins' dedicated professionals can bring a comprehensive understanding of the issues that face government entities as well as "bench strength" at all levels, allowing us to respond swiftly and effectively to your evolving needs.

The goal of our government practice is to help governments improve their financial processes and strategies so that they can in turn achieve their goal of improving the lives of their citizens. This shared commitment to the goals of our clients has resulted in a significant government clientele.

I was apprehensive when the decision was made to go with Mauldin & Jenkins thinking our city was too small for a larger firm. I couldn't be more pleased with their helpful attitude and professionalism. The audit process is now smooth and painless.

**Pam Herring,
City of Rockmart,
Clerk/Finance Officer**

As noted in our transmittal letter, we currently serve over 725 governments in the Southeast. We know of no other regional firm that can match our governmental experience.

Location of the Office from which the Work is to be Performed

Our Raleigh Office will act as the lead in providing services to the Town with additional staff roles coming from our other offices as needed. Since 2015 when we first began working with governmental entities in North Carolina, we have utilized resources from several of the Firm's offices. Over the last two (2) years, we have concentrated those resources in Columbia, South Carolina as our practice continued to grow. With the recent opening of our Raleigh Office, we are excited to serve the Town from this new location while continuing to utilize resources from our Columbia Office as needed to ensure that the knowledge and expertise of auditing local governments in North Carolina is there.



The individuals mentioned in this proposal, Ms. LeAnn Bagasala, Mr. Tim Lyons, and Mr. Brian Nicholson are known across the Southeast for their involvement with governmental entities. They have significant experience in governmental audit and accounting and will play significant roles in providing ongoing services to the Town.

Together, the Raleigh and Columbia offices employ more than **25 professionals with current experience in providing services to governmental entities** and who will meet the continuing professional education requirements set forth in the U.S. General Accounting Office *Government Auditing Standards*.

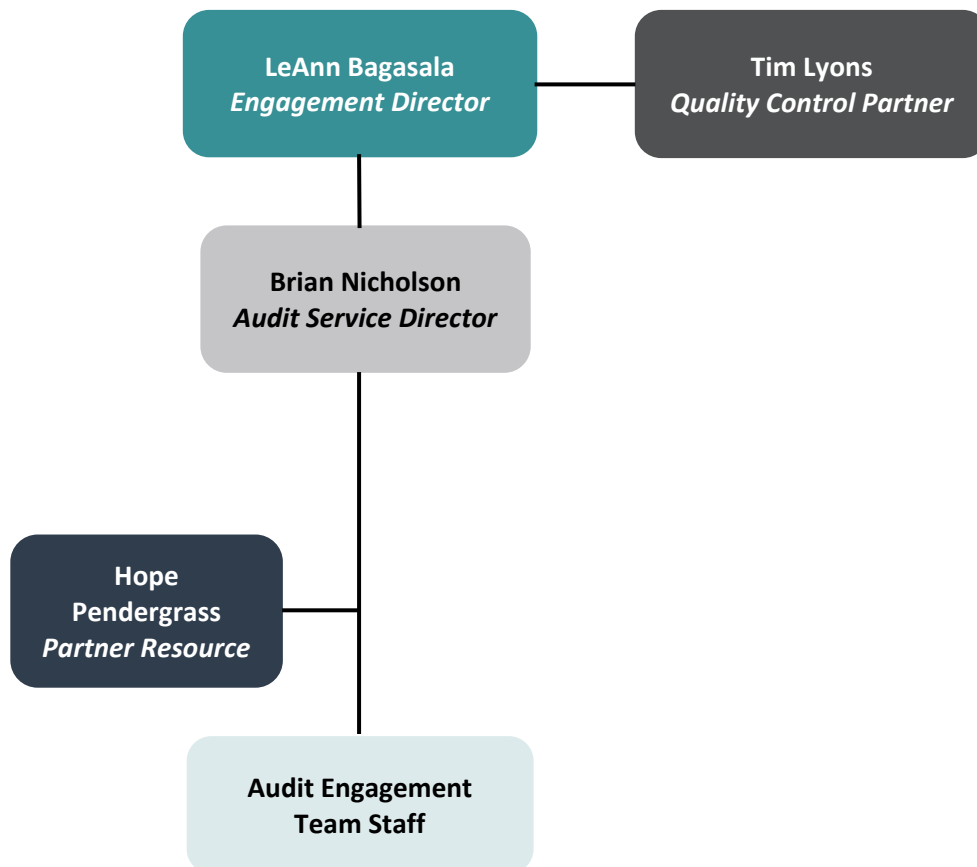
A further profile of these offices, as a whole, is as found in the following table:

Professional Staff by Level	Raleigh / Columbia	Firm-Wide
Partners	5	70
Directors/Managers	7	120
Senior Associates	12	104
Associates	21	221
Total	45	515

2. Number of People by Level within the Office Locations

Proposed Staffing and Qualifications

In order to provide the highest quality service in the most cost-efficient manner, Mauldin & Jenkins has formed a client service team which will function as a cohesive unit and would represent a superb assortment of talent and experience for the audit of the Town. The unit would be assembled as:



The above team dedicated to audit the Town will include (at a minimum): two partners, one full-time director (senior manager), and at least two staff professionals. The director (Brian) and the staff professionals will be dedicated to serving the Town full time throughout the conduct of their role in the audit (i.e., whether remote or on-site, the team is dedicated to the Town during the week(s) when the audit is scheduled). Other governmental audit professionals will be available to assist throughout the fieldwork and the preparation of the financial reports. The audit partner in-charge of fieldwork will correspond with Town management on financial reporting, audit, and related issues on an ongoing basis, and this individual will also be dedicated to serve the Town throughout fieldwork, reporting and conclusion in all respective fiscal years. Mauldin & Jenkins has the depth of resources which allows us to provide you with significant resources of knowledgeable professionals to meet your deadlines.

3. Current and Prior Governmental Audit Clients

Client Transitions

Mauldin & Jenkins has experienced over 600 governmental client transitions in the past 25 years.

We recognize changing audit organizations creates an opportunity as well as a challenge to governmental units. Our method effectively minimizes the impact of transition, and our goal is to make such a change painless and a positive experience.

We accomplish successful transitions by taking the following ten steps:

- **Experience.** Our experience enables us to focus on the areas of your organization that possess the greatest risk. Each and every person assigned to the engagement will bring extensive governmental experience relative to their time with the firm. Essentially, our youngest staff persons oftentimes have more current governmental experience than higher level people in other firms.
- **Communication.** Our emphasis on planning and communication allows for an efficient and effective audit process in which everyone involved knows their roles and expectations. Further, we like to communicate with our clients, and want to hear their concerns, questions and thoughts as they develop, and address such matters at that time. This helps avoid surprises to all respective parties.
- **Learning Before Testing.** We do not take a cookie-cutter approach to our audits. Initially, we spend time visiting, inquiring, listening and learning before we ever begin the first audit tests.
- **Tailoring Our Approach.** Once we obtain an understanding of the intricacies of a client's operations, we tailor our audit approach to minimize unnecessary time and effort in the audit process and avoid disruptions to client personnel.
- **Not Recreating the Wheel.** We also consider client's processes and reports generated on a regular basis for possible use in our audit process to minimize the need for clients to spend additional time and effort simply creating auditor requested schedules. Further, we can share templates used by other clients and ourselves that may reduce time in generating audit schedules.
- **Flexible.** We understand the demands client personnel have on a daily basis. We have the resources available to accommodate any special requests or timing relative to the conduct of the annual audit, and still meet required specified deadlines. We understand plans can change, and we are open to making any change in scheduling requested by our clients.
- **Decisions Made in the Field.** Issues, as they arise, are dealt with immediately and not accumulated until the end of the audit. This is accomplished by having seasoned governmental partners and managers in the field during the course of the engagement.

The Commissioners of Mount Pleasant Waterworks would like to express their sincere thanks and appreciation for the excellent audit of our financials, especially being a first time audit..... We are looking forward to next year's audit.

Clay Duffie, Mount Pleasant (SC) Waterworks, General Manager





- **Reviews in the Field.** Our goal is to conduct and review audits in the field. We find that to be the most effective and efficient approach to client service. Because our partners and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management, so the engagement is essentially complete when fieldwork ends.
- **Year-long Support.** We encourage your staff to take advantage of our accessible staff throughout the year for questions that may arise. Our people, working with you and your staff, can provide proactive advice on new accounting or GAAP pronouncements and their potential impact; help with immediate problems including answers to questions; and share insights and best practices to assist you in planning for your future success.
- **Working Toward a Common Goal.** Considering all of the above thoughts, our ultimate goal and objective is to provide excellent client service with the least amount of disruption to our clients. We tailor our approach to provide for everyone to work smarter, so our clients do not have to work harder.

Governments Served

Perhaps the greatest indicator of our reliability as a professional service provider to state and local governments is our list of governmental clients.

Beginning on the following page, we have included the following lists:

1. A list of the local office's current and prior governmental audit clients, including the types of services performed and the number of years served for each.
2. Additional services to governmental clients by government and type of services provided.
3. A list of our Firm's governmental clients served in the past three (3) years.





No.	Municipalities	Service Provided	Years Served
1	Aiken, SC	Audit, Single Audit	2015 - Present
2	Asheville, NC	Performance Audit	2019 (One time Performance Audit)
3	Black Mountain, NC	Audit	2019 – 2021
4	Chapin, SC	Audit	2018 - Present
5	Charleston, SC	Audit, Single Audit	2015 - Present
6	Clover, SC	Audit	2017 - Present
7	Garner, NC	Audit, Single Audit	2018 - Present
8	Goose Creek, SC	Audit	2017 - Present
9	Hemingway, SC	Audit	2019 - Present
10	Hendersonville, NC	Audit, Single Audit	2021 - Present
11	Jacksonville, NC	Audit, Single Audit	2022 - Present
12	Johnsonville, SC	Audit	2019 - Present
13	New Bern, NC	Audit, Single Audit	2015 - 2018
14	North Augusta, SC	Audit	2020 - Present
15	Orangeburg, SC	Audit, Single Audit	2018 - Present
16	Pamlico, SC	Audit	2019 - Present
17	Rock Hill, SC	Audit, Single Audit	2019 - Present
18	Rocky Mount, NC	Audit, Single Audit	2023 - Present
19	Selma, NC	Audit, Single Audit	2015 - Present
20	Seneca, SC	Audit	2023 - Present
21	Summerville, SC	Audit	2015 - Present
22	Wilkesboro, NC	Audit, Single Audit	2019 - Present
23	Zebulon, NC	Audit, Single Audit	2021 – Present
No.	Counties	Service Provided	Years Served
1	Beaufort County, SC	Audit, Single Audit	2016 - Present
2	Berkeley County, SC	Audit, Single Audit	2020 – Present
3	Bertie County, NC	Audit, Single Audit	2023 - Present
4	Buncombe County, NC	Audit, Single Audit	2023 - Present
5	Calhoun County, SC	Audit, Single Audit	2019 - Present
6	Colleton County, SC	Audit, Single Audit	2014 - Present
7	Columbus County, NC	Audit, Single Audit	2022 – Present
8	Darlington County, SC	Audit, Single Audit	2015 - Present
9	Edgefield County, SC	Audit, Single Audit	2014 - Present
10	Fairfield County, SC	Audit, Single Audit	2022 - Present
11	Florence County, SC	Audit, Single Audit	2022 - Present
12	Gates County, NC	Audit, Single Audit	2018 - Present
13	Greene County, NC	Audit, Single Audit	2022 – Present
14	Greenville County, SC	Audit, Single Audit	2019 - Present
15	Halifax County, NC	Audit, Single Audit	2018 - Present
16	Horry County, SC	Audit, Single Audit	2023 - Present
17	Lancaster County, SC	Audit, Single Audit	2014 - Present
18	Laurens County, SC	Audit, Single Audit	2015 – Present



19	Montgomery County, NC	Audit, Single Audit	2020 – Present
20	Moore County, NC	Audit, Single Audit	2022 - Present
21	Newberry County, SC	Audit, Single Audit	2022 - Present
22	Oconee County, SC	Audit, Single Audit	2014 - Present
23	Orange County, NC	Audit, Single Audit	2016 – 2020; 2022 and Forward
24	Orangeburg County, SC	Audit, Single Audit	2022 – Present
25	Richland County, SC	Audit, Single Audit	2021 – Present
26	Wake County, NC	Audit, Single Audit	2022 – Present
No. State Governmental Entities Years Served			
1	Aiken Technical College		2020 - Present
2	Trident Technical College		2019 - Present
3	Central Carolina Technical College		2019 - Present
4	Francis Marion University		2018 - Present
5	Denmark Technical College		2021 - Present
6	Tri-County Technical College		2019 - Present
7	Williamsburg Technical College		2018 - Present
8	South Carolina Department of Transportation		2019 - Present
9	South Carolina Infrastructure Bank		2019 - Present
10	South Carolina Insurance Reserve Fund		2018 - Present
11	South Carolina Jobs-Economic Development Authority		2018 - Present
No. School Systems & Charter Schools Years Served			
1	Clarendon County School District One		2019 - Present
2	Florence School District One		2019 - Present
3	Florence School District Three		2020 - Present
4	Marlboro County School District		2001 - Present
5	Richland County School District One		2014 - Present
6	Sumter County Schools		2018 - Present
7	Horry County Schools		2021 - Present
8	Orangeburg County Schools		2021 - Present
9	East Point Academy of South Carolina		2014 - Present
10	Montessori School of Camden, SC		2019 - 2021
No. Transit Authorities (Stand-Alone Entities) Years Served			
1	Central Midlands Regional Transit Authority		2013 - 2017
2	Santee Wateree Regional Transit Authority		2017 - Present
3	Waccamaw Regional Transit Authority		2017 - Present
4	Pee Dee Regional Transit Authority		2020 - Present



4. Experience of Local Office in Providing Additional Services

Census Data Testing for State Managed Pension Plans

Mauldin & Jenkins has worked with Orange County, Madison County, Moore County, Montgomery County, Town of Zebulon, and Halifax County who have been selected for census data testing related to the Local Governmental Employees' Retirement System (LERS) in North Carolina. Additionally, we have worked with the State of Georgia's auditors of the Teachers' Retirement System of Georgia and the Employees' Retirement System of Georgia for the past several years to perform census data testing for selected entities in order to provide assurance to the plan auditors.

Other Services

In addition to providing financial and compliance auditing services for the clients listed on the previous pages, we also routinely perform various other types of services for our clients including:

- Agreed upon procedure engagements;
- Landfill financial assurance reporting;
- Forensic audits;
- Compilation services;
- Other consulting services;
- Bond financing and issuance services including consent letters and comfort letters for the solid majority of our governmental clients.

To highlight specific engagements aside from annual financial statement and compliance audit services provided to our governmental clients, consider the following:

1. **City of Rocky Mount, North Carolina** – In 2020, Mauldin & Jenkins was engaged by the City of Rocky Mount to conduct an assessment over the City's billing and collection processes. Our governmental advisory services team (more information found in Section 13 below) performed a thorough consulting engagement that resulted in several recommendations for improvement to the City's operations and internal controls.
2. **Cobb County School District** – Beginning in 2013, Mauldin & Jenkins began providing performance audit services to the School District by reviewing and testing internal controls at each of the School District's 109 schools. At each location, we conduct tests of each school's compliance with internal policies and procedures and consider potential sources of improvement by comparing current operations to industry best practices and State of Georgia laws and regulations.
3. **Gwinnett County and DeKalb County** – Since becoming auditors for Gwinnett County we have annually performed special compliance procedures for the County as well as each municipality within the County for compliance related to their Special Purpose Local Option Sales Tax Program. For DeKalb County, we performed similar procedures related to their compliance with a bond referendum for a General Obligation Bond Program.



4. **Florence County School District 1** – After significant turnover amongst upper-level management of the School District, Mauldin & Jenkins was engaged to conduct a performance audit covering several aspects of operations, including HR/payroll, contracting and purchasing, p-cards, etc. Our performance audit generated several suggestions for improvement to align the School District's operations with industry best practices and creating for efficient and effective internal control processes. We've conducted several performance audits of this type for our governmental audit clients as they are conducted in accordance with *Government Auditing Standards* which require us to remain independent of the entity. We've found that our experience as the entity's external auditor gives us significant advantage over an outside firm as we already have the baseline knowledge of the entity's controls and operations.

Other Non-Attestation Services

Other services beyond the above attestation types which Mauldin & Jenkins currently provide to our clients include:

- Federal and State income tax planning/return preparation;
- Payroll tax issues;
- Multi-state income tax issues;
- State sales tax matters;
- Information technology (IT) systems consulting;
- Cost accounting issues;
- Profitability consulting;
- Advanced cost management;
- Human resources (HR) predictive index services and interviewing and hiring.
- Business, strategic and succession planning.
- Information technology engagements.

Governmental Attestation Services

Other attestation services beyond financial and compliance audits which Mauldin & Jenkins currently provides to our clients include:

- Forensic audits
- Performance audits
- Information systems audits
- Cybersecurity Assessments
- Agreed-upon procedures
- Bond issuance services
- Capital asset inventory services

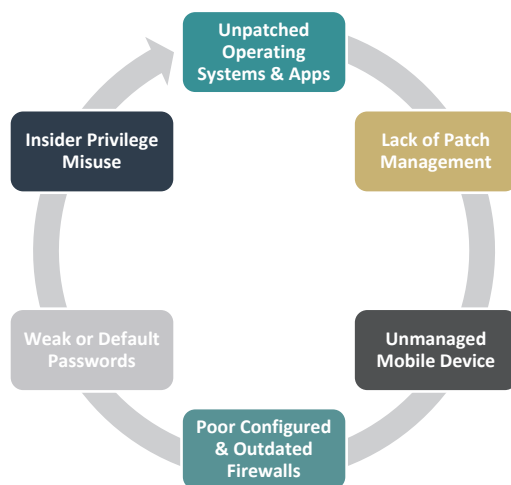
Governmental IT Solutions

As noted above, Mauldin & Jenkins performs various IT attestation and non-attestation services. The following are three such services.

Cybersecurity Framework Engagements

With governments dealing with IT ransoms, cybersecurity is one of the top issues on the minds of nearly every government (large & small). Managing this business issue is especially challenging. A government with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner.

Services can be provided via: 1) attestation engagements or 2) consulting engagements. The AICPA has established standards for performing attestation engagements in this arena with the issuance of the SOC for Cybersecurity as part of its suite of System and Organization Controls (SOC) reporting. Consulting services can be provided while not compromising auditor independence.

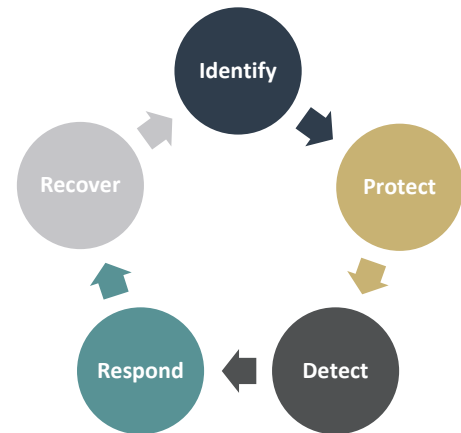


System Vulnerability Assessments Engagements

This is the process of defining, identifying, classifying and prioritizing vulnerabilities in computer systems, applications and networks infrastructures, and providing an assessment with necessary knowledge, awareness and risks to understand the threats to determine appropriate reactions. Using specialized tools and applications, we can access networks to scan with automated tools and interrogate every device connected to network with the objective of searching for misconfigurations, unsupported software, missing software updates and patches, etc.

Penetration Testing Engagements

This is the practice of testing a computer system to find security vulnerabilities that a hacker/attacker could exploit using automation or manual applications. The process involves gathering information about the target before the test, identifying possible entry points, attempting to break in – actually or virtually – and reporting back the findings. Tests come from external or internal angles of entry. Our main objective is to identify security weaknesses. Penetration testing can also be used to: test an organization's security policy; its adherence to compliance requirements; its employees' security awareness; and, the government's ability to identify and respond to security incidents.



We would like to express our sincere appreciation for the quality of service provided by the staff of Mauldin & Jenkins. We would like to thank you for the level of detail and accountability you have demonstrated on this project and the way you conduct business as a whole. Our team could not be more satisfied with your work and we look forward to continuing this relationship.

Angela Jackson, City of Fairburn (GA), Finance Director

Governmental Advisory Services

Beyond traditional audit and accounting services and IT services, we provide advisory services that are wide-ranging in nature. Our experienced government advisory team helps governments, governmental agencies and special purpose governmental organizations balance fiscal responsibility with the latest business strategies to achieve targeted and overarching objectives. Our advisory services can be summarized via the following bubbles:





Cities. Cities we have served within the past three years:

Georgia

- 1) Albany
- 2) Alpharetta
- 3) Americus
- 4) Ashburn
- 5) Atlanta
- 6) Austell
- 7) Avondale Estates
- 8) Bainbridge
- 9) Baldwin
- 10) Ball Ground
- 11) Barnesville
- 12) Bloomingdale
- 13) Brookhaven
- 14) Brunswick
- 15) Butler
- 16) Byron
- 17) Cartersville
- 18) Cedartown
- 19) Centerville
- 20) Chamblee
- 21) Chattahoochee Hills
- 22) Clarkston
- 23) College Park
- 24) Colquitt
- 25) Conyers
- 26) Cordele
- 27) Covington
- 28) Dacula
- 29) Dalton
- 30) Decatur
- 31) Doraville
- 32) Douglasville
- 33) Duluth
- 34) Dunwoody
- 35) Fairburn
- 36) Fayetteville
- 37) Flovilla
- 38) Forest Park
- 39) Forsyth
- 40) Garden City
- 41) Grovetown
- 42) Griffin
- 43) Hapeville
- 44) Hinesville
- 45) Holly Springs
- 46) Jefferson
- 47) Johns Creek
- 48) Kennesaw
- 49) Kingsland
- 50) LaGrange
- 51) Lake Park
- 52) Lawrenceville
- 53) Leesburg
- 54) Lilburn
- 55) Lone Oak
- 56) Lyons
- 57) Manchester
- 58) Mansfield
- 59) Milledgeville
- 60) Milner
- 61) Milton
- 62) Monroe
- 63) Morrow
- 64) Nashville
- 65) Newton
- 66) Norcross
- 67) Oxford
- 68) Palmetto
- 69) Peachtree City
- 70) Peachtree Corners
- 71) Pearson
- 72) Perry
- 73) Pooler
- 74) Powder Springs
- 75) Port Wentworth
- 76) Reynolds
- 77) Richmond Hill
- 78) Riverdale
- 79) Rockmart
- 80) Rome
- 81) Roswell
- 82) Sandy Springs
- 83) Savannah
- 84) Sharpsburg
- 85) Social Circle
- 86) South Fulton
- 87) St. Marys
- 88) Stockbridge
- 89) Stonecrest
- 90) Suwanee
- 91) Temple
- 92) Thunderbolt
- 93) Tifton
- 94) Toccoa
- 95) Tucker

96) Turin

- 97) Tybee Island
- 98) Union City
- 99) Valdosta
- 100) Villa Rica
- 101) Waycross
- 102) West Point
- 103) Willacoochee

Alabama/Mississippi

- 104) Athens, AL
- 105) Huntsville, AL
- 106) Tuscaloosa, AL
- 107) Gulfport, MS
- 108) Meridian, MS
- 109) Prattville, AL
- 110) Sheffield, AL

Florida

- 111) Apopka
- 112) Callaway
- 113) Clewiston
- 114) Crystal River
- 115) Destin
- 116) Gulf Stream
- 117) Fernandina Beach
- 118) Ft. Myers Beach
- 119) Haines City
- 120) Hallandale Beach
- 121) Indiantown
- 122) Islamorada
- 123) Jupiter Inlet Colony
- 124) Jupiter Island
- 125) LaBelle
- 126) Lake Placid
- 127) Longboat Key
- 128) Marco Island
- 129) Naples
- 130) New Port Richey
- 131) North Port
- 132) Palmetto
- 133) Pensacola
- 134) Pinecrest
- 135) Plant City
- 136) Tarpon Springs
- 137) Tequesta
- 138) Wildwood

North Carolina

- 139) Black Mountain
- 140) Garner
- 141) Hendersonville
- 142) Jacksonville
- 143) Rocky Mount
- 144) Selma
- 145) Zebulon
- 146) Wilkesboro

South Carolina

- 147) Aiken
- 148) Beaufort
- 149) Cayce
- 150) Chapin
- 151) Charleston
- 152) Clemson
- 153) Clinton
- 154) Clover
- 155) Fountain Inn
- 156) Hanahan
- 157) Hardeeville
- 158) Hemingway
- 159) Hilton Head Island
- 160) Hollywood
- 161) Georgetown
- 162) Goose Creek
- 163) Johnsonville
- 164) Kiawah Island
- 165) Mount Pleasant
- 166) North Augusta
- 167) North Charleston
- 168) Orangeburg
- 169) Pamplico
- 170) Rock Hill
- 171) Seabrook Island
- 172) Seneca
- 173) Summerville
- 174) Winnsboro

Tennessee

- 175) Bristol
- 176) Clarksville
- 177) Jackson
- 178) Lebanon
- 179) Morristown
- 180) Spring Hill



Counties. Counties we have audited or are in the process of serving within the past three years:

Georgia

- 1) Athens-Clarke
- 2) Augusta-Richmond
- 3) Bacon
- 4) Barrow
- 5) Bryan
- 6) Butts
- 7) Camden
- 8) Charlton
- 9) Chatham
- 10) Clayton
- 11) Columbus-Muscogee
- 12) Crisp
- 13) DeKalb
- 14) Dougherty
- 15) Douglas
- 16) Emanuel
- 17) Floyd
- 18) Forsyth
- 19) Gwinnett
- 20) Henry
- 21) Irwin
- 22) Jackson
- 23) Jeff Davis
- 24) Jenkins
- 25) Jones
- 26) Lamar
- 27) Lee
- 28) Liberty
- 29) Long
- 30) Lumpkin
- 31) Macon
- 32) Macon-Bibb
- 33) McIntosh
- 34) Meriwether
- 35) Mitchell
- 36) Monroe
- 37) Morgan
- 38) Newton
- 39) Paulding
- 40) Pierce
- 41) Polk
- 42) Rockdale
- 43) Spalding
- 44) Stephens
- 45) Stewart
- 46) Sumter
- 47) Talbot
- 48) Tattnall
- 49) Taylor
- 50) Toombs
- 51) Troup
- 52) Turner

Florida

- 53) Walton
- 54) Whitfield
- 55) Wilkes
- 56) Alachua
- 57) Hernando
- 58) Union
- 59) Walton

North Carolina

- 60) Bertie
- 61) Buncombe
- 62) Columbus
- 63) Gates
- 64) Greene
- 65) Halifax
- 66) Madison
- 67) Montgomery
- 68) Moore
- 69) Orange
- 70) Wake

South Carolina

- 71) Aiken
- 72) Beaufort
- 73) Berkeley

74) Calhoun

- 75) Colleton
- 76) Darlington
- 77) Dorchester
- 78) Edgefield
- 79) Fairfield
- 80) Florence
- 81) Greenville
- 82) Hampton
- 83) Horry
- 84) Jasper
- 85) Lancaster
- 86) Laurens
- 87) Newberry
- 88) Oconee
- 89) Orangeburg
- 90) Richland
- 91) Sumter

Tennessee

- 92) Hamilton

Alabama

- 93) Jefferson

Business-type Special Purpose Governments. Please see the following for a listing of business-type stand-alone special purpose business-type governments we have served in the past three years:

Water/Sewer & Electric Utility

- 1) Albertville Municipal Utilities Board
- 2) Athens Electric Utility
- 3) Athens Water and Sewer Utility
- 4) Atlanta Watershed
- 5) Augusta Utilities (Water/Sewer Ops)
- 6) Barrow County Water & Sewer Authority
- 7) Beaufort Jasper Water & Sewer Authority
- 8) Berkeley County Water & Sanitation
- 9) Bristol Essential Services
- 10) Bristol Joint Sewer System
- 11) Broad Creek Public Service District
- 12) Brunswick - Glynn Joint Water & Sewer Comm.
- 13) Butts County Water & Sewer Authority
- 14) Cape Fear Public Utility Authority
- 15) Catawba River Water Supply Project
- 16) CDE Lightband
- 17) Charleston Water System
- 18) Chatsworth Water Works Commission
- 19) City of Sheffield Utilities
- 20) Clarksville Gas, Water & Wastewater
- 21) Clayton County Water Authority
- 22) Cobb County - Marietta Water Authority
- 23) Dutton Waterworks
- 24) Eatonton-Putnam Water & Sewer Authority
- 25) Edgefield County Water & Sewer Authority
- 26) Electric Power Board of Chattanooga
- 27) Englewood Water District
- 28) Gladeville Utility District
- 29) Grand Strand Water & Sewer Authority
- 30) Greenwood Commissioners of Public Works
- 31) Greenville Water System
- 32) Guntersville Water and Sewer Board
- 33) Gwinnett County Water and Sewerage Authority
- 34) Hamilton Co. Water & Wastewater Treatment
- 35) Henry County Water Authority
- 36) Huntsville Utilities
- 37) Limestone County Water and Sewer Authority
- 38) Lumpkin County Water & Sewerage Authority
- 39) Macon Water Authority
- 40) Middle Georgia Regional Water & Sewer Authority
- 41) Mount Pleasant Waterworks
- 42) Newton County Water & Sewerage Authority
- 43) North Charleston Sewer District
- 44) Onslow Water & Sewer Authority
- 45) Orangeburg Department of Public Utilities
- 46) Peace River/Manasota Reg. Water Supply Auth.
- 47) Peachtree City Water & Sewerage Authority
- 48) Polk County Water Authority
- 49) Susanville Sanitary District



- 50) Seabrook Island Utility Commission
- 51) Seacoast Utility Authority
- 52) Section Waterworks
- 53) Sheffield Utilities
- 54) Tampa Bay Water
- 55) Waterworks & Sewer Board of the Town of Parrish
- 56) Warren County Utility District
- 57) Crisp County Power Commission
- 58) Electric Power Board of Chattanooga, TN
- 59) Emerald Coast Utilities Authority
- 60) Greer Commission of Public Works

Airports

- 61) Atlanta Hartsfield-Jackson International Airport
- 62) Augusta-Richmond County Regional Airport
- 63) Charleston County Aviation Authority
- 64) Glynn County Airport Commission
- 65) Gwinnett Airport Authority
- 66) Halifax-Northampton Regional Airport Authority
- 67) Horry County Airport
- 68) Moore County (Pinehurst) Airport Authority

- 69) Paulding County Airport Authority
- 70) Walterboro-Colleton County Airport Commission

Transit

- 71) Chatham Area Transit Authority
- 72) Chattanooga Area Reg. Transportation Authority
- 73) Jackson Transit Authority, TN
- 74) Lakeland Area Mass Transit District
- 75) Lowcountry Regional Transit Authority
- 76) Macon-Bibb County Transit Authority
- 77) Pee Dee Regional Transit Authority
- 78) Santee Waterree Regional Transit Authority
- 79) South Florida Regional Transportation Authority
- 80) Waccamaw Regional Transportation Authority

Gas

- 81) Athens Gas Utility
- 82) Austell Natural Gas System
- 83) Natural Gas Acquisition Corp.

Certificates of Achievement & Excellence in Financial Reporting



Mauldin & Jenkins has served **over 725 governments** in the past several years, and **175** governmental units who obtain the GFOA's Certificate of Achievement for Excellence in Financial Reporting (and, or the ASBO's Certificate of Excellence in Financial Reporting).



Mauldin & Jenkins' clients have never failed to obtain the Certificate! Every Annual Comprehensive Financial Report submitted has received the award. The following are current clients:

Counties:

- 1) Aiken, SC
- 2) Athens-Clarke
- 3) Augusta-Richmond
- 4) Barrow
- 5) Beaufort, SC
- 6) Buncombe, NC
- 7) Butts
- 8) Camden
- 9) Cartersville
- 10) Chatham
- 11) Clayton
- 12) Colleton, SC
- 13) Columbus-Muscogee
- 14) DeKalb
- 15) Douglas
- 16) Edgefield, SC
- 17) Florence, SC
- 18) Floyd
- 19) Forsyth
- 20) Glynn
- 21) Greenville, SC
- 22) Gwinnett
- 23) Halifax, NC
- 24) Hamilton, TN
- 25) Henry
- 26) Horry, SC
- 27) Jackson
- 28) Lancaster, SC
- 29) Liberty
- 30) Macon-Bibb
- 31) Morgan
- 32) Moore, NC
- 33) Newton
- 34) Oconee, SC
- 35) Orange, NC
- 36) Paulding
- 37) Richland, SC
- 38) Rockdale
- 39) Spalding
- 40) Wake, NC
- 41) Walton
- 42) Whitfield

Cities:

- 43) Aiken, SC
- 44) Albany
- 45) Alpharetta

- 46) Americus
- 47) Apopka, FL
- 48) Austell
- 49) Ball Ground
- 50) Beaufort, SC
- 51) Black Mountain, NC
- 52) Bluffton, SC
- 53) Bradenton, FL
- 54) Bristol, TN
- 55) Brookhaven
- 56) Brunswick
- 57) Callaway, FL
- 58) Cartersville
- 59) Cayce, SC
- 60) Chamblee
- 61) Charleston, SC
- 62) Chamblee
- 63) Chapin, SC
- 64) Clarksville, TN
- 65) Clemson, SC
- 66) College Park
- 67) Conyers
- 68) Cooper City, FL
- 69) Covington
- 70) Decatur
- 71) Douglasville
- 72) Dunwoody
- 73) Fayetteville
- 74) Fairburn
- 75) Forest Park
- 76) Forsyth
- 77) Garden City
- 78) Garner, NC
- 79) Georgetown
- 80) Griffin
- 81) Gulfport, MS
- 82) Haines City, FL
- 83) Hallandale Bch, FL
- 84) Hapeville
- 85) Hardeeville, SC
- 86) Hendersonville, NC
- 87) Hinesville
- 88) Holly Springs
- 89) Huntsville, AL
- 90) Jacksonville, NC
- 91) John's Creek
- 92) Kennesaw
- 93) Kiawah Island



- | | | | |
|-------------------------|------------------------|----------------------|-------------------------|
| 94) Kingsland | 106) N. Augusta, SC | 118) Prattville | 130) Stockbridge |
| 95) Marco Island, FL | 107) N. Charleston, SC | 119) Richmond Hill | 131) Suwanee |
| 96) Lagrange | 108) North Port, FL | 120) Riverdale | 132) Thunderbolt |
| 97) Lawrenceville | 109) Palmetto | 121) Rockhill | 133) Tarpon Springs, FL |
| 98) Longboat Key, FL | 110) Peachtree City | 122) Rockmart | 134) Thomasville |
| 99) Milledgeville | 111) Pensacola, FL | 123) Rocky Mount, NC | 135) Tuscaloosa, AL |
| 100) Milton | 112) Perry | 124) Rome | 136) Union City |
| 101) Monroe | 113) Pinecrest, FL | 125) Roswell | 137) Valdosta |
| 102) Morristown, TN | 114) Plant City, FL | 126) St. Marys | 138) Villa Rica |
| 103) Morrow | 115) Pooler | 127) Sandy Springs | 139) Zebulon, NC |
| 104) Mount Pleasant, SC | 116) Port Wentworth | 128) Savannah | |
| 105) Naples, FL | 117) Powder Springs | 129) Social Circle | |

Boards of Education:

- 140) Atlanta Public Schools
- 141) Beaufort County Schools
- 142) Bibb County Schools
- 143) Cartersville City Schools
- 144) Cobb County Schools
- 145) Fayette County Schools
- 146) Fulton County Schools
- 147) Gwinnett County Schools
- 148) Horry County Schools
- 149) Lee County School District
- 150) Marietta City Schools
- 151) Richland Co. School District One
- 152) Savannah-Chatham County Schools

State Governmental Entities:

- 153) Ga. Environ. Fin. Auth. (GEFA)
- 154) Ga. Ports Authority

Other Governmental Entities:

- 155) Beaufort Jasper Water & Sewer Authority

- 156) Cape Fear Public Utility Authority
- 157) Central Savannah River Area Regional Comm.
- 158) Charleston Water System
- 159) Clayton County Water Authority
- 160) Cobb County - Marietta Water Authority
- 161) Emerald Coast Utilities Authority
- 162) Greenville Technical College
- 163) Greenville Water System
- 164) Greenwood Commissioners of Public Works
- 165) Greer Commission of Public Works
- 166) Henry County Water Authority
- 167) Lowcountry Regional Transportation Authority
- 168) Macon Water Authority
- 169) Mount Pleasant Waterworks
- 170) North Charleston Sewer District
- 171) Onslow Water & Sewer Authority
- 172) Port of Corpus Christi Authority
- 173) Public Building Authority of Knox Co. & Knoxville
- 174) South Florida Transportation Authority
- 175) Tampa Bay Water Authority

5. Mauldin & Jenkins' Quality Control Program

External Peer Review

In the mid-70s, the Private Companies Practice Section (PCPS) was founded by the American Institute of CPAs (AICPA) to establish a voluntary quality assurance program for CPA firms. There are requirements for membership in the section, which include mandatory continuing education for each member of the professional staff and a key element is a tri-annual independent review of a firm's quality control system in its practice of public accounting. Mauldin & Jenkins has been a member of the section from inception.



The peer review aspect has evolved from being voluntary to mandatory and Mauldin & Jenkins is in full compliance with the requirements of having a tri-annual review. In the peer reviewer's latest report dated December 29, 2023, our reviewing firm gave a rating of "pass" which is the highest form of assurance they can render on the system of quality control for our accounting and audit practice.

A copy of the report on our most recent external quality control review is provided on the next page. **The quality control review included a review of specific government engagements, including compliance audits under the Single Audit Act.** No letter of comment was received as a result of this review. We are quite proud to be one of the few Southeast based firms to have undergone this review and to have received such an excellent opinion from a large reputable national firm.



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

December 29, 2023

To the Shareholders of Mauldin & Jenkins, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and an examination of service organizations (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Mauldin & Jenkins, LLC has received a peer review rating of *pass*.

PBMares, LLP

PBMares, LLP
Fredericksburg, Virginia

We chose Mauldin & Jenkins and have continued with them, because of their deep understanding and accounting knowledge of our industry and they are an invaluable resource to us. The professionals on their team are easy to work with and pay close attention to our specific concerns. They provide exceptional expertise and service, responding to questions quickly and proficiently. Without question, our decision to use Mauldin & Jenkins for the past years was a sound business decision, delivering the expected results and then some.

David Smith, Henry County (GA), Chief Financial Officer

6. Professional Experience of Engagement Team

LeAnn Bagasala, CPA Engagement Director



LeAnn is a director and a certified public accountant with Mauldin & Jenkins, LLC specializing in serving local and state governmental entities. LeAnn joined the Mauldin & Jenkins in February 2022 with a significant amount of experience serving governments in North Carolina with two other large CPA firms.

With 14 years of progressive experience in public accounting, including time at a Big 4 firm, LeAnn provides comprehensive assurance and accounting services to a variety of governmental entities with a particular focus on counties and municipalities in North Carolina. LeAnn is a leader in her field, having presented seminars on a variety of topics. She has also been selected to lead instructional trainings both internally and externally.

Years of Professional Experience and Years with Firm

LeAnn has over fourteen years of experience in public accounting and joined Mauldin & Jenkins in February 2022. LeAnn holds active CPA licenses in both North Carolina and Virginia.

LeAnn has significant experience providing services to governmental entities in North Carolina:

Counties:

Bertie County, NC
Buncombe County, NC
Columbus County, NC
Cumberland County, NC
Durham County, NC
Forsyth County, NC
Gates County, NC
Greene County, NC

Guilford County, NC
Halifax County, NC
Madison County, NC
Moore County, NC
Montgomery County, NC
Onslow County, NC
Orange County, NC
Person County, NC
Randolph County, NC

Rockingham County, NC
Wake County, NC
Aiken County, SC
Calhoun County, SC
Greenville County, SC
Fairfield County, SC
Richland County, SC
Roanoke County, VA

Municipalities:

Angier, NC
Fuquay-Varina, NC
Garner, NC
Harrisburg, NC
Hendersonville, NC
Holly Springs, NC
Jacksonville, NC

Morganton, NC
Morrisville, NC
Raleigh, NC
Reidsville, NC
Rocky Mount, NC
Salisbury, NC
Selma, NC
Wake Forest, NC

Warrenton, NC
Zebulon, NC
Cayce, SC
Chapin, SC
Clemson, SC
North Augusta, SC
Norfolk, VA
Selma, VA

School Systems:

Richland County (SC) School
District One
Sumter County (SC) School
District

Florence County (SC)
School District One
Orangeburg County (SC)
School District

Higher Education:

Francis Marion University
Central Carolina Technical
College



Other Governmental Units:

Cape Fear Public Utility
Authority
Onslow Water and Sewer
Authority
Columbus County Tourism
Development Authority
Halifax-Northampton
Regional Airport
Authority
Jacksonville Tourism
Development Authority

Moore County Airport
Authority
Moore County/Southern
Pines Convention and
Visitors’ Bureau
Halifax County Tourism
Development Authority
Buncombe County Tourism
Development Authority
Charleston (SC) Water
System

Triangle Transit Authority
(GoTriangle)
Greenville (SC) Water
System
Greenwood Commissioners
of Public Works
Greer Commissioners of
Public Works
Santee-Lynches Regional
Council of Governments

Tim Lyons, CPA, CGMA
Engagement Quality Control Review Partner

Tim Lyons is a partner with Mauldin & Jenkins and is a certified public accountant as well as a chartered global management accountant. His experience covers a variety of clients throughout the Southeast, working mainly in North Carolina, South Carolina, and Georgia.

Tim spends 100% of his time serving clients in the governmental industry, working with all types of entities ranging from large state agencies and institutions of higher education to local counties, school districts, and municipalities. Tim also serves the firm as the partner-in-charge of the Raleigh and Columbia Offices and as a member of the Firm's Assurance Committee which oversees the entire audit practice of Mauldin & Jenkins.



Years of Professional Experience and Years with Firm

Tim has more than fourteen years of experience in public accounting – a year and a half with a firm based out of Charleston, South Carolina and over thirteen years with Mauldin & Jenkins serving a wide variety of clients in the public services industry.

List of Governmental Clients Served in the Last Three (3) Years

Counties:

Columbus County, NC.
Darlington County, SC.
Forsyth County, Ga.
Gates County, NC.
Greene County, NC.
Halifax County, NC.
Jefferson County, AL.
Laurens County, SC.
Madison County, NC.
Montgomery County, NC.
Moore County, NC.
Orange County, NC.
Richland County, SC.
Wake County, NC.
Walton County, Ga.

Cities and Townships:

Atlanta, Ga.
Black Mountain, NC.
Bristol, Tennessee
Brookhaven, Ga.
Cartersville, Ga.
Decatur, Ga.
Douglasville, Ga.
Garner, NC.
Hendersonville, NC.
Jacksonville, NC.

Johns Creek, Ga.
LaGrange, Ga.
Monroe, Ga.
Milton, Ga.
Rocky Mount, NC.
Sandy Springs, Ga.
Social Circle, Ga.
Selma, NC.
Wilkesboro, NC.
Zebulon, NC.

School Districts:

Atlanta Public Schools
Beaufort County Schools
Clarendon County School District 1
East Point Academy of South Carolina
Florence School District 1
Florence School District 3
Forsyth County Schools
Horry County Schools
Marlboro County School District
Montessori School of Camden
Orangeburg County School District

Richland County School District 1
South Carolina Public Charter School District
Sumter County School District

State Agencies:

Georgia Environmental Finance Authority (GEFA)
Georgia Superior Court Clerks' Cooperative Authority (GSCCCA)
South Carolina Centers for Economic Excellence ("SmartState")
South Carolina Department of Transportation
South Carolina Education Lottery Commission
South Carolina Transportation Infrastructure Bank

Higher Education:

Aiken Technical College
Central Carolina Technical College
Denmark Technical College
Francis Marion University
Northeastern Technical College
Tri-County Technical College
Trident Technical College

Other Governmental Units:

Austell Natural Gas System
Cape Fear Public Utility Authority



Cobb County-Marietta Water Authority	Halifax-Northampton Regional Airport Authority	Halifax County Tourism Development Authority
Cobb County-Marietta Water Authority Retirement Plan	Jacksonville Tourism Development Authority	Santee-Lynches Regional Council of Governments
Columbus County Tourism Development Authority	Moore County Airport Authority	Santee-Lynches Regional Development Corporation
E.G. Fisher Public Library	Moore County/Southern Pines Convention and Visitors' Bureau	Onslow Water and Sewer Authority
Forsyth County Public Library		
Fulton County School Employees' Pension Fund		



Brian Nicholson, CPA
Audit Service Director

Brian is a director with Mauldin & Jenkins. His experience with the firm covers a variety of state and local governmental organizations. Such experience is very balanced between cities, counties, education and other special purpose entities, and he stays steady all year long.

Brian spends 100% of his time serving state and local governments all of which utilize the new reporting model. Brian works with local governments in Georgia and South Carolina, and also serves various entities within the State of South Carolina's reporting entity.

Years of Professional Experience and Years with the Firm

Brian has almost nine (9) years of experience in public accounting, all with Mauldin & Jenkins, serving a wide range of clients in the governmental sector. Brian started in the Macon, Georgia office, but has since been in the Columbia, South Carolina office for the past 5+ years.

List of Audits Performed for Governments in the Last Three Years

Cities:

Aiken, SC
Brunswick, GA
Charleston, SC
Chapin, SC
Clover, SC
Goose Creek, SC
Hardeeville, SC
Hemingway, SC
Hendersonville, NC
Johnsonville, SC
North Augusta, SC
North Charleston, SC
Orangeburg, SC
Pamplico, SC
Rock Hill, SC
Summerville, SC
Wilkesboro, NC
Town of Garner, NC

Counties:

Aiken County, SC
Beaufort County, SC
Berkeley County, SC
Calhoun County, SC
Colleton County, SC
Darlington County, SC
Edgefield County, SC

Greenville County, SC
Henry County, GA
Lancaster County, SC
Laurens County, SC
Oconee County, SC
Richland County, SC
Halifax County, NC
Orange County, NC
Gates County, NC

School Systems:

Richland County (SC) School District One
Sumter County (SC) School District
Florence County (SC) School District One
Orangeburg County (SC) School District
Horry County Schools (SC)
Calhoun County Schools (SC)
Florence School District 3 (SC)
Clarendon County School District (SC)
Marlboro County School District (SC)

Higher Education:

Aiken Technical College

Central Carolina Technical College
Coker University
Denmark Technical College
Morris College
Northeastern Technical College
Tri-County Technical College
Trident Technical College
Williamsburg Technical College
Greenville Technical College
Drake State Community and Technical College
Snead State Community College

State Government Entities:

South Carolina Department of Transportation
South Carolina Jobs-Economic Development Authority
South Carolina Insurance Reserve Fund
South Carolina Transportation Infrastructure Bank

Other Governmental Entities:

Charleston Water System



Catawba River Water Supply
Project
Edgefield County Water &
Sewer Authority
Georgetown County Water &
Sewer Authority

Greer Commission of Public
Works
Greenwood Commissioners of
Public Works
Pee Dee Regional
Transportation Authority

Santee Wateree Regional
Transportation Authority
Waccamaw Regional
Transportation Authority

Hope Pendergrass, CPA
Partner

Hope Pendergrass is a partner and a certified public accountant with Mauldin & Jenkins. Her experience covers a variety of state and local governmental organizations, and non-profit organizations. Hope spends 100% of her time serving state and local governments. Hope is well respected for her knowledge of performing Single Audits relative to expenditures of Federal awards and serves as the firm's lead compliance audit technical partner. Hope was recently appointed to the Executive Committee of the AICPA's Government Audit Quality Center (GAQC) where she collaborates with a team of individuals from firms across the United States on issues facing firms who perform governmental audits.



Years of Professional Experience and Years with Firm

Hope has 19 years of experience in public accounting and has spent all of that time serving both large and small governmental units. She is directly involved in serving approximately 85 such governmental entities. Hope obtained her CPA certificate in 2007.

As noted above, Hope is a member of the GAQC and serves as the Firm's Single Audit subject matter expert. As a recipient of a significant amount of COVID-19 relief funding, Hope would be available to serve the Town on compliance and other Single Audit-related matters.

Below is the proposed time each engagement member will be onsite:

	On-site Interim	On-site Fieldwork	M&J Office	Total
Partners/Directors	16	8	40	64
Managers	16	40	40	96
Professional Staff	40	40	60	140
Subtotal	72	88	140	300



7. Education and Training of Engagement Team

LeAnn Bagasala
Engagement Partner

Degree/Certifications and Audit Training: LeAnn graduated from East Carolina University with a Bachelor of Science in Accounting and subsequently a Master of Science in Accountancy. Additionally, LeAnn has obtained and instructed a significant amount of continuing professional education over the last three years including:

- 2023 Managing People, Risk and IRS Requirements – Participant
- NCGFOA 2023 Fall Conference – Participant
- 2023 Advancing Advisory: Governmental – Participant
- 2023 Accounting and Auditing Potpourri – Participant
- 2023 Accounting and Auditing Potpourri – Instructor- “Detecting Fraud Before It’s Too Late – Revenue”
- NCGFOA 2023 Summer Conference – Participant
- 2023 Governmental Conference – Participant
- 2023 Governmental Conference – Instructor-“Improving and Excelling in Client Service in a Remote Environment”
- 2023 Advancing Advisory: Nonprofit – Participant
- 2023 Yellow Book Update- Participant
- 2023 Accountants’ Responsibility Regarding Fraud, Part I
- 2023 Octane Conference -Instructor- “Detecting Fraud Before It’s Too Late – Revenue”
- 2023 Ethics for Virginia CPAs – Participant
- 2022 GAAS Update – Participant
- 2023 Not-for-profit Accounting and Auditing Update- 2023- Participant
- NCGFOA 2023 Spring Conference- Participant
- 2022 Internal Inspection Findings and Suggestions – Participant
- 2022 Internet Crime, Cybersecurity and Privacy Updates – Participant
- NCGFOA 2022 Fall Conference- Participant
- 2022 Governmental Conference
- 2022 GASB Update- Participant
- 2022 Managing a Virtual Team – Participant
- 2022 Audit Update- Participant
- 2022 Ethics and Professional Conduct for Virginia CPAs – Participant
- 2022 Independence Requirements for Auditors – Participant
- Elliott Davis February 2022 A&A Monthly Webcast – Participant
- Elliott Davis 2022 A&A Kickoff – Participant
- Elliott Davis December 2021 A&A Monthly Webcast – Participant
- NCGFOA 2021 Fall Conference – Participant
- Elliott Davis November 2021 A&A Monthly Webcast – Participant
- Elliott Davis October 2021 A&A Monthly Webcast – Participant
- Elliott Davis September 2021 A&A Monthly Webcast – Participant
- 2021 Galasso Learning Solutions GASB Update – Participant
- 2021 Virginia Society of CPAs Government Ethics Theory and Application – Participant
- 2021 NCGFOA Virtual Spring Conference – Participant



- Elliott Davis May 2021 A&A Monthly Webcast – Participant
- Elliott Davis February 2021 A&A Monthly Webcast – Participant

Tim Lyons, CPA
Quality Control Partner

Degree/Certifications and Audit Training: Tim graduated in 2006 from Furman University in Greenville, South Carolina with a Bachelor of Arts in Accounting and subsequently, obtained his Master of Science in Accountancy from the College of Charleston (South Carolina) in 2009. Tim holds active CPA licenses in both South Carolina and Georgia.

Tim has obtained and instructed a significant amount of continuing professional education over the last three years, including:

- Podcasts Hosted with LumiQ During 2023:
 - GASB Updates for 2023 and Beyond (Spring 2023)
 - Audit Considerations and Risks for Government Financing (Summer 2023)
 - GASB 94 (Fall 2023)
- 2023 Government Finance Officers of South Carolina Annual Conference – Live Conference (Hilton Head Island, SC) – Instructor (“Auditing Standards and Yellow Book Updates for 2023”)
- 2023 Mauldin & Jenkins Annual Governmental Conference – Live Conference (Chattanooga, TN) – Instructor and Participant
- 2023 UNC School of Government Local Government Auditor Conference – Virtual Conference – Instructor (“Auditing Standards and Yellow Book Updates for 2023”)
- 2023 Mauldin & Jenkins Government Client CPE– Virtual Conference – Instructor (“Updates in the Debt Environment for State and Local Governments”)
- 2023 South Carolina Association of School Business Officials – Spring Conference Myrtle Beach, South Carolina – Instructor (“New GASB Standards and Upcoming Changes in School District Accounting”)
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference – Instructor (“Implementing GASB Statement 87”)
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference – Instructor (“GASB Update”)
- 2022 Mauldin & Jenkins Annual Governmental Conference – Virtual Conference – Instructor and Participant
- 2022 UNC School of Government Local Government Auditor Conference – Virtual Conference – Instructor (“The Role of Risk Assessment in Local Government Audits”)
- 2021 South Carolina Association of CPAs Fall Fest – Instructor (“Accounting for Debt in a Government”)
- 2021 AICPA Webcast – Participant (“Navigating the New AICPA Ethics Interpretation: State and Local Government Client Affiliates”)
- 2021 South Carolina Association of CPAs Virtual Webinar – Instructor (“Overview of the ACFR and Common Deficiencies in Seeking the GFOA Certificate”)
- 2021 Mauldin & Jenkins Annual Governmental Conference – Virtual Conference – Instructor and Participant
- 2021 South Carolina Association of CPAs Spring Splash Virtual Conference – Instructor (“Reporting Issues with Component Units and Changes Brought on by GASBs 84 and 97”)
- 2021 Mauldin & Jenkins Government Client CPE – Virtual Webinar – Instructor (“GASB Update and GASB 87”)



2021 Mauldin & Jenkins Government Client CPE – Virtual Webinar – Panelist (“Ask the Auditor!”)

Brian Nicholson, CPA
Audit Service Director

Degree/Certifications and Audit Training: Brian graduated from the Georgia College & State University with a B.B.A. in Accounting. He is a Certified Public Accountant. In addition, Brian has obtained a significant amount of continuing professional education over the last three years, as a participant in several seminars and courses including:

- 2023 Spring Mauldin and Jenkins Quarterly CPE
- 2023 SCACPA Fall Fest Accounting Conference
- 2023 Student Financial Aid Seminar - Online
- 2023 Mauldin and Jenkins Governmental Conference – Instructor
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference – (“Implementing GASB Statement 87”)
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference – (“GASB Update”)
- 2022 Mauldin & Jenkins Annual Governmental Conference – Virtual Conference
- 2022 Mauldin & Jenkins LEAP Conference – Instructor
- 2022 Student Financial Aid Seminar – Online
- 2022 Mauldin & Jenkins ACFR Training - Instructor
- 2021 Compliance Supplement Addendum Webinar – Self Study
- 2021 Student Financial Aid Seminar - Online
- 2021 Thomson Reuters Audit Watch Level 6 – Online

GASB Reporting and Training

Our proposed engagement team has obtained a significant amount of experience and education with all GASB reporting requirements over the last several years. Included with each proposed team member’s bio (above) is a complete list of all CPE attended (and related certifications) over the last three years.



8. Professional Experience of Proposed Team Auditing Relevant Functions

Our proposed engagement team provides a combined over fifty years of experience providing financial and compliance audit services to local governments throughout the southeast. Each member of the engagement team spends 100% of their time providing these services to our governmental clients. Each member of the team has previous experience, including services provided in the most recent 2023 fiscal year audits, providing services to governments which provided the following services:

- Water & Sewer services
- Electric services
- Gas services
- Solid Waste/Garbage services
- Transportation services

Additionally, each of the proposed engagement team have served the following type of entities:

- Counties
- Municipalities
- School Districts (County and Municipal)
- State agencies
- Development Authorities
- Airport Authorities
- Convention and Tourism Bureaus
- Stand-alone Utility Authorities
- Libraries



9. Specialized Skills of Engagement Team

LeAnn Bagasala, CPA Engagement Director

Professional and Civic Activities: LeAnn is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, and North Carolina Association of Certified Public Accountants. LeAnn is the chair of the NCACPA governmental resources group. LeAnn frequently attends North Carolina Government Finance Officers Association conferences, events, etc. and is an active member of the Junior League of Greenville. LeAnn has attended all NC GFOA Conferences the last three years.

Tim Lyons, CPA Engagement Quality Control Partner

Professional and Civic Activities: Tim is involved in a variety of organizations to both support the governmental industry and to promote the CPA profession overall. At the national level, he is a graduate of the AICPA's Leadership Academy, Class of 2012 and is a current member of the AICPA's State and Local Government Expert Panel. As a part of this fifteen-member panel, Tim works on financial reporting, audit and attest matters relevant to audits of state and local government financial statements. The expert panel protects the public interest by bringing together knowledgeable parties in the state and local government industry to deliberate and come to agreement on key state and local government issues. It also plays a significant advocacy role through analysis and comment on exposure documents of the Governmental Accounting Standards Board and other proposals affecting state and local governments.

Also at the national level, Tim is a member of the Special Review Committee for the Government Finance Officers' Association (GFOA), reviewing Annual Comprehensive Financial Report submissions from all across the U.S. for governments seeking to obtain the Certificate of Achievement for Excellence in Financial Reporting.

At the state level, Tim is involved with the state GFOA organizations as a periodic presenter at the annual conferences as well as with the State CPA societies. Tim has attended all NC GFOA Conferences the last two years. Outside of the CPA profession, Tim was appointed by Governor Henry McMaster to the Board of Directors for Children's Trust of South Carolina. Children's Trust is the only statewide organization whose mission is the prevention of child abuse, neglect and injury throughout South Carolina by forming partnerships with local governmental and nonprofit organizations including many counties, school districts, and other governmental agencies.

Brian Nicholson, CPA Director

Professional and Civic Activities: Brian is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, and the South Carolina Association of Certified Public Accountants. Brian periodically presents for the Government Finance Officers Association of South Carolina, South Carolina Association of Certified Public Accountants and the South Carolina Association of School Business Officials.



10. Client References

In addressing the Town's interest in the qualifications and client references of Mauldin & Jenkins, we have provided the names, addresses, and telephone numbers of personnel of current governmental clients of the Firm. To demonstrate to the Town both our experience in auditing similar municipalities as well as auditing governments in North Carolina, we have provided a diverse list of clients for references that we think speak very well for our ability to serve the Town:

1) Moore County, North Carolina

Caroline Xiong, Finance Director
206 S Ray St #206, Carthage, NC 28327
(910) 947-6310
cxiong@moorecountync.gov

2) Town of Garner, North Carolina

David Beck, Finance Director
900 7th Avenue, Garner, NC 27529
(919) 773-4413
dbeck@garnernc.gov

3) City of Jacksonville, North Carolina

Sabrina Adams, Deputy Finance Director
815 New Bridge Street, Jacksonville, NC 28541
(910) 938-5245
sadams@jacksonvillenc.gov

4) City of Rocky Mount, North Carolina

Krystal Hunter, Finance Director
Frederick E. Turnage Municipal Building
331 S. Franklin Street, Rocky Mount, NC 27802
(252) 972-1200
krystal.hunter@rockymountnc.gov

5) Orange County, North Carolina

Gary Donaldson, Chief Financial Officer
131 West Margaret Lane, Suite 300, Hillsborough, NC 27278
(919) 245-2453
gdonaldson@orangecounty.gov

6) Halifax County, North Carolina

Mary Duncan, Finance Director
10 N. King Street, Halifax, NC 27839
(252) 583-3771
duncanm@halifaxnc.com



11. Mauldin & Jenkins' Independence Policies

We hereby affirm that Mauldin & Jenkins, LLC is independent with respect to the Town of Carrboro, North Carolina and related outside entities as defined by generally accepted auditing standards.

We meet the independence standards of Generally Accepted Auditing Standards and the U.S. General Accounting Office *Government Auditing Standards* (2018 revision). We are also independent with respect to the Town within the meaning of Part 1.200 of the Code of Professional Conduct of the American Institute of CPAs and the applicable published rules and interpretations thereunder.

To further understand the above paragraph, we have not:

- Prepared or performed reconciliation services;
- Performed bookkeeping services; or,
- Provided other consulting services

for the Town during the past year or any time prior. Independence is very important to the integrity of an audit, and we are independent with respect to the Town. Further, we have no conflicts of interest or local bias.

We have had no business relationships or made payments to any officer or employee of the Town or on Town Council of the Carrboro, North Carolina who is or has been in a policy making or significant management position relating to any aspect of the proposed work in the past five years. Our Firm, nor any partner or employee, has made any contributions to any political campaigns of any person serving on Town Council of the Town of Carrboro, North Carolina. We have made no payments or commitments to make payments to any person, Firm or corporation for services rendered in soliciting business for the Town of Carrboro, North Carolina. Written notice will be provided to the Town provided any professional relationships are entered into with the Town during the period of this agreement.

We will conduct our audits objectively and will report findings, opinions, and conclusions objectively. As noted above, we are free from personal and external impairments to independence, are organizationally independent and will maintain an independent attitude and appearance so that opinions, conclusions, judgments, and recommendations are impartial and will be viewed as impartial by knowledgeable parties. There are no situations that might lead others to question our independence.

An excerpt from the Firm's Policy Manual on our policies and procedures is included in **Appendix A**.

12. Mauldin & Jenkins' Insurance Policies

Mauldin & Jenkins carries sufficient commercial insurance to cover the minimum requirements. Mauldin & Jenkins also agrees to have a Certificate of Insurance properly executed by our insurance company upon notice of award of audit contract, if so desired. Our insurance companies, Cincinnati Insurance Company and the Travelers Indemnity of America are licensed (admitted) in the State of North Carolina per review of the North Carolina Department of Insurance (NCDOL) website. The NCDOL website lists these Insurers with the "Company Type" of F&C.



13. Regulatory Actions

Mauldin & Jenkins has not had any disciplinary actions taken (nor are any pending) against the Firm during the past three years with any state or Federal regulatory bodies or professional organizations.

14. Relationship with the NC Local Government Commission and the University

Mauldin & Jenkins has had a constructive and beneficial working relationship with the LGC and the UNC School of Government (“UNC-SOG”) since beginning to serve governments in the State of North Carolina in 2015. On an annual basis we attend training held by LGC at the three (3) NCGFOA conferences and frequently discuss technical matters with the LGC to provide assistance and insight into accounting issues that arise.

In May 2022, May 2023 and April 2024, the LGC asked Tim Lyons to teach a session on risk assessment in local government audits at the UNC-SOG’s annual Local Government Independent Auditors’ Conference.

LeAnn Bagasala, proposed engagement director on the Town’s audit, serves with several LGC members on the NCACPA special resource group dedicated to state and local government.

15. Brief Summation

As professionals serving the public sector, Mauldin & Jenkins is qualified to serve the Town. We believe that Mauldin & Jenkins is the leader in auditing state and local governments in the Southeast. This leadership was achieved by recognizing that we are an important part of our client’s success, with our objective being to ensure that accurate information is reported to the governing body, management, regulatory agencies and investors, and citizens. Given the complexities of the Town’s financial operations and the ongoing significant changes in accounting standards, we feel that it is important that you select an auditing firm that is focused and experienced in the governmental industry. A unique factor with Mauldin & Jenkins is our ability to serve the Town from our Raleigh, NC and Columbia, SC offices which are both two hours away. This will lead to a hands-on experience and allow for time onsite to complete the audit.

Closing

We appreciate the opportunity to serve the Town of Carrboro, North Carolina. We believe Mauldin & Jenkins is the “right” Firm for the Town. Our experience and knowledge in the governmental sector of accounting is vast and ever improving. We would be very pleased to share our experience and understanding of governmental accounting and operations for the benefit of the Town.

We would greatly appreciate your recommending us for your continued audit, accounting, and financial reporting needs. Should you or anyone at the Town have any questions with regards to this proposal or about Mauldin & Jenkins, please feel free to contact us.

Appendix A

*Copy of Mauldin & Jenkins' Policy and Procedures
Regarding Independence*

Appendix A
Firm's Statement of Policy and Procedures
(excerpt from Firm's Policy Manual)

RELEVANT ETHICAL REQUIREMENTS

It is the Firm's policy that all professional personnel be familiar with and follow relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, the Boards of Accountancy in States in which the Firm provides services, and the State CPA Societies in which the Firm provides services in discharging their professional responsibilities. Furthermore, it is the policy of our Firm that, for engagements subject to *Government Auditing Standards*, Public Company Accounting Oversight Board ("PCAOB") standards, and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards, including any that may be more restrictive. Any transaction, event, circumstance, or action that would impair independence or violate the Firm's relevant ethical requirements policy on an audit, attest, review, compilation, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee (as required under the *General Standards and Compliance With Standards Rules*) is prohibited. Additionally, when the Firm and its professional personnel encounter situations that raise potential independence threats, but such situations are not specifically addressed by the *independence rule* of the AICPA *Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for Independence* and applying professional judgment to determine whether an independence breach exists. The Firm will take appropriate action to eliminate threats to independence or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the Firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach.

Although not necessarily all-inclusive, the following are considered to be prohibited transactions and relationships:

1. Investments by any partner or professional employee in an attest client's business during the period of a professional engagement, including a commitment to acquire any direct or material indirect financial interest in a client.
2. An investment in an entity or property by any of the following individuals and the attest client (or the client's officers or directors, an affiliate or any partner who has the ability to exercise significant influence over the client) that enables them to control (as defined by GAAP for consolidation purposes) the entity or property:
 - a. An individual on an attest engagement team.
 - b. An individual in a position to influence the attest engagement by doing any of the following:
 - i. evaluating the performance or recommending the compensation of the attest engagement partner/director,
 - ii. directly supervising or managing the attest engagement partner/director and all of that partner's superiors,
 - iii. consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or
 - iv. Participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.
 - c. A partner, director or manager who provides nonattest services to the attest client beginning once he or she provides ten or more hours of nonattest services to the client within any fiscal year and ending on the later of the date:
 - i. the Firm signs the report on the financial statements for the fiscal year during which those services were provided, or
 - ii. he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis.
 - d. A partner/director in the office in which the lead attest engagement partner/director primarily practices with respect to the attest engagement.
 - e. The Firm and its employee benefit plans.
3. Borrowing from or loans to a client, an affiliate, or client's personnel during the period of a professional engagement by any of the individuals listed in items 2. a.–e., except as grandfathered or permitted.
4. Accepting or offering gifts or entertainment from or to a client unless reasonable in the circumstances or approved by the Managing Partner.

5. Certain family relationships between professional personnel and client personnel. (Consult the Assurance Committee for a ruling on such relationships.)

Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the Managing Partner's discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the Firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional standards.

The Firm ensures compliance with this policy by implementing the following procedures:

1. All personnel have ready access to the relevant ethical requirements to which the Firm is subject. Those requirements include the AICPA *Code of Professional Conduct*, the State Boards of Accountancy in states where we provide services, and the State CPA Societies ethical requirements in states where we provide services. The Firm provides access to those ethical requirements to all professional personnel. The Firm expects its personnel to be familiar with those relevant ethical requirements.
2. All professional personnel who work on attest engagements and are required to be independent sign an independence statement when hired (and annually thereafter) acknowledging their familiarity with the Firm's relevant ethical requirements policy and procedures, particularly with regard to independence. The independence statement also lists known circumstances and relationships, if any, that may create a potential threat to independence or violate the Firm's relevant ethical requirements policy. The Firm keeps a copy of the independence statements, which includes the professional standards of relevant ethical requirements that govern the Firm. Professional standards, including the AICPA's *Conceptual Framework for Independence*, and the advice of the Assurance Committee are consulted if an employee is unsure if a threat to independence should be reported to the Managing Partner.
3. All professional personnel review the Firm's current client list in conjunction with completing the annual independence statement for identification of threats to, or breaches of, independence. The current client list is maintained by Central Office and changes to the list are communicated on a timely basis by a memorandum from Central Office. When hired (and annually thereafter), all professional personnel are required to sign an independence statement, as stipulated in Procedure 2 above, that confirms this responsibility.
4. Ethics training is provided or obtained for professional personnel as required by relevant State Boards of Accountancy. Additional training is provided as needed (or required) that covers the Firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators.
5. To ensure that independence is properly addressed at the engagement level, as part of the acceptance and continuance decision, the engagement partner/director obtains and considers relevant information about the engagement and evaluates circumstances and relationships that could cause a potential threat to independence, if any. In addition, for audit and review engagements, the engagement partner/director forms a conclusion on compliance with independence requirements. In evaluating potential independence threats, any familiarity threat related to senior personnel recurring on an audit or attest engagement for five years or more will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and forms in the attest materials used by the Firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those materials contain reporting guidance for the types of engagements where a lack of independence is allowed. All professional personnel remain alert for any evidence of noncompliance with relevant ethical requirements during the engagement and are required to promptly notify the engagement partner/director and the Managing Partner or the Assurance Committee of any circumstances or relationships that may create a potential threat to independence (such as a potential prohibited transaction) or an independence breach, so that appropriate action can be taken. For clients of whom the firm is not independent, the only attest service performed is a compilation, and the firm discloses its lack of independence in the related report.
6. If a potential threat to independence is identified, the Assurance Committee accumulates and the Managing Partner communicates relevant information to appropriate personnel so (a) Firm management and the engagement partner/director can determine whether they satisfy independence requirements, (b) the engagement partner/director can take appropriate action to address identified threats to independence, and (c) the Firm can maintain current independence information. For clients of whom the Firm is not independent, only compilation services are performed and the Firm discloses the lack of independence in its accountant's reports for those clients.

7. If performing a group audit, the Firm is required to obtain a written representation regarding the component auditor's independence with respect to the client. The auditing materials used by the Firm contain examples of representation letters to use in such situations. Furthermore, in a review or attest engagement, if another Firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other Firm's independence is required. The engagement programs in the attest materials used by the Firm contain steps to ensure compliance with this procedure.
8. The engagement partner/director (or the accountant in charge under the partner's supervision) has the primary responsibility for determining if there are unpaid fees on any of his or her clients that would impair the Firm's independence. The engagement work programs and standard forms used by the Firm contain steps to ensure compliance with this procedure. The Firm's client accounts receivable listing and the engagement partner/director's knowledge of unbilled fees should be considered in making this determination. In addition, the Managing Partner has secondary responsibility to review the Firm's accounts receivable listing on a periodic basis to identify potential independence problems.
9. The engagement partner/director has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services threaten independence with respect to that client. Reviewing nonattest services performed for attest clients includes obtaining and documenting an understanding with the client regarding the client's responsibilities for the nonattest services performed by the Firm (including how the firm was satisfied that client personnel had the skills, knowledge, or experience to oversee the nonattest services). The Firm will only provide nonattest services to an attest client when the client accepts its responsibilities. Where applicable, this includes determining whether such nonattest (nonaudit) services impair independence under the independence rules in *Government Auditing Standards*. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure.
10. The engagement partner/director has the primary responsibility for determining whether actual or threatened litigation has an effect on the Firm's independence with respect to the client. The Firm's independence could be impaired by litigation (a) between the client and the Firm, (b) with the client company's securities holders, and (c) from other third parties.
11. If the Firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the Firm is engaged as principal auditor to report on a major fund, non-major governmental and enterprise fund, internal service fund, fiduciary fund, or blended component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the Firm reports on. The engagement partner/director has the primary responsibility for determining whether the Firm's relationship with entities in the governmental financial statements has an effect on independence.
12. The Managing Partner has the primary responsibility for determining whether the Firm was a party to a cooperative arrangement with a client that was material to the Firm or the client.
13. The Managing Partner is responsible for monitoring the Firm's independence of attest clients at which partners or other senior personnel have been offered management positions or have accepted offers of employment. The independence, integrity, and objectivity questionnaire used by the Firm, and the client acceptance checklists used by the Firm in attest engagements, include questions to help ensure compliance with this requirement.
14. The Managing Partner and the Assurance Committee are responsible for obtaining the annual employee independence statements, reviewing them for completeness, and accumulating relevant information relating to identified threats in relevant ethical requirements matters (including questions from the annual independence statements and those from other sources). In determining a resolution, the Managing Partner and the Assurance Committee consider the AICPA's Code of Professional Conduct, including the *Conceptual Framework for Members in Public Practice* and the *Conceptual Framework for Independence* and, when necessary, consults the AICPA or the State CPA Societies for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirements matter is filed in the client's workpaper files. The Managing Partner is also responsible for determining actions to be taken when professional personnel violate Firm independence policies and procedures. The action for each incident is determined based on its unique circumstances and may include eliminating a personal impairment, requiring additional training, drafting a reprimand letter, or even termination. The chairman of the Executive Committee will annually review all potential independence matters identified from the annual independence statements and report the results of

his/her review to the Executive Committee.

15. If a breach of independence is identified, the breach and the required corrective actions are promptly communicated to (a) the Managing Partner, (b) the engagement partner/director, who (along with the Firm) needs to address the breach, and (c) other relevant personnel in the Firm and those subject to the independence requirements who need to take appropriate action and (d) those charged with governance at the attest client. The engagement partner/director confirms to the Managing Partner when required corrective actions related to the independence breach and noncompliance with these policies and procedures have been taken.
16. At least annually, the Assurance Committee reviews the Firm's **RELEVANT ETHICAL REQUIREMENTS** policy and procedures to determine if they are appropriate and operating effectively. See the **MONITORING** section of this document for further information.



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