



## *City of Dacula, Georgia*

### **Quote to Provide Audit and Financial Preparation Services**

#### Mauldin & Jenkins Certified Public Accountants

Meredith Lipson, CPA, Partner

Josh Carroll, CPA, Director

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**MAULDIN  
& JENKINS**  
CPAs & ADVISORS

*Over 650 Governmental Units Served  
Throughout the Southeast*



*Going Further.*

# Transmittal Letter

February 14, 2023

City of Dacula, Georgia  
Attn: Heather Coggins  
442 Harbins Road  
Dacula, Georgia 30019

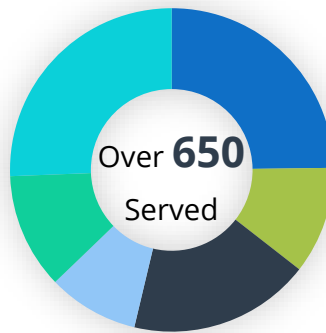
Ladies and Gentlemen:

We appreciate the opportunity to propose on providing audit services to the City of Dacula, Georgia (the "City"), and we are pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the City.

As professionals serving the public sector, Mauldin & Jenkins is qualified to serve the City. 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 Council, management, and its citizens. Given the complexities of the City's financial operations and the ongoing significant changes in accounting standards, we feel that it is very 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:

- **650+ state and local governments across the Southeastern U.S.A.**
- **125+ water & sewer systems, 25 airport operations, 19 gas systems, 17 electrical utilities, & 15 transit services;**
- **11 communities in the Municipal Electric Authority of Georgia (MEAG), 4 other large electric operations, and another 4 gas utility operations;**
- **154 governments awarded the GFOA's and, or ASBO's Financial Reporting Certificates.**
- **225+ of Single Audits as required by the Uniform Guidance.**



■ Cities	155+
■ Counties	75+
■ School Districts & Charter Schools	115+
■ State Entities	55+
■ Utility Authorities	75+
■ Special Purpose	75+

Mauldin & Jenkins provides over 139,000 hours of service to over 650 governmental units in the Southeast on an annual basis utilizing over 140 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: as 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 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.

- ❖ **Experience with Client Transitions.** Over the past 25 years, we have experienced over 600 transitions as the new auditors of governmental entities. Our team offers a great deal of experience with serving new clients, and providing a smooth transition during the change in auditors.
- ❖ **Remote Audits and Suralink.** If management elects for a remote audit, Mauldin & Jenkins is very effective in working from a remote environment. We also utilize software, like Suralink, on all audits to add organization and transparency to the audit process.
- ❖ **Information Technology Services.** Mauldin & Jenkins is one of 38 of the top 100 CPA firms in the nation who have invested in the AICPA's new revolutionary audit tool and methodology – the Dynamic Audit Solution (DAS). We also have resources to address the evolving cybersecurity threats to your government with Certified Information Systems Auditors (CISA) on staff and certified by the AICPA to provide cybersecurity advisory services and the newly created cybersecurity assessment.
- ❖ **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.

As a member of Mauldin & Jenkins, Meredith Lipson 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 (770) 955-8600. Again, on behalf of Mauldin & Jenkins, thank you for the opportunity to serve.

Sincerely,  
MAULDIN & JENKINS, LLC



Meredith Lipson

## Firm Qualifications and Experience

### Organization and Size – Regional Firm

Mauldin & Jenkins was formed in approximately 1918 and has been actively engaged in governmental auditing since its inception. Mauldin & Jenkins is one of the largest certified public accounting firms in the Southeast and in the U.S.A., and a leading provider of audit and accounting services. Mauldin & Jenkins serves clients whose operations span the entire U.S.A. Mauldin & Jenkins is considered to be a large regional firm with offices in the following communities:



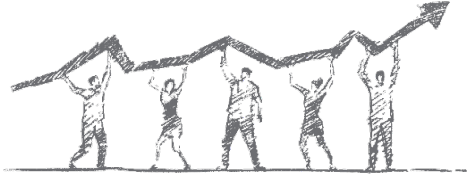
- **Atlanta, GA**
- **Macon, GA**
- **Albany, GA**
- **Savannah, GA**
- **Birmingham, AL**
- **Athens, AL**
- **Florence, AL**
- **Huntsville, AL**
- **Chattanooga, TN**
- **Raleigh, NC**
- **Columbia, SC**
- **Bradenton, FL**
- **Sarasota, FL**

Our current footprint of governmental clients extends as far northeast as Gates County in North Carolina (on the Virginia line) to Corpus Christi, Texas to Islamorada, Florida in the Florida Keys.

Other key information relative to the size and experience of Mauldin & Jenkins is as follows:

- **350,000** - approx. total hours of service provided annually to clients of the Firm
- **139,000** - approx. total hours of service provided annually to governmental clients
- **54%** - percentage of governmental practice as compared to Firm's attestation practice
- **30%** - percentage of governmental practice as compared to Firm's overall practice
- **650** - approx. total governmental entities served in past three (3) years
- **450** - total number of Firm personnel
- **154** - total clients served who obtain the GFOA/ASBO Certificates
- **47** - total clients with publicly issued debts in excess of \$75 million
- **68** - total number of Firm partners
- **22** - total number of full-time governmental partners & directors
- **16** - total number of full-time governmental managers
- **140** - total number of professionals with current governmental experience

## 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 38 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.

As noted in our transmittal letter, we currently serve over 650 governments in the Southeast. We know of no other regional firm that can match our governmental experience.

*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**

## Quality Control Review

### 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 November 12, 2020, 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

November 12, 2020

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, 2020. 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](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 the system of quality control and the firm's compliance therewith 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, an audit of a broker-dealer and an examination of service organization's SOC 1 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, 2020, 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



*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**



## Similar Engagements with Other Governmental Entities

### 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 client's 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.*

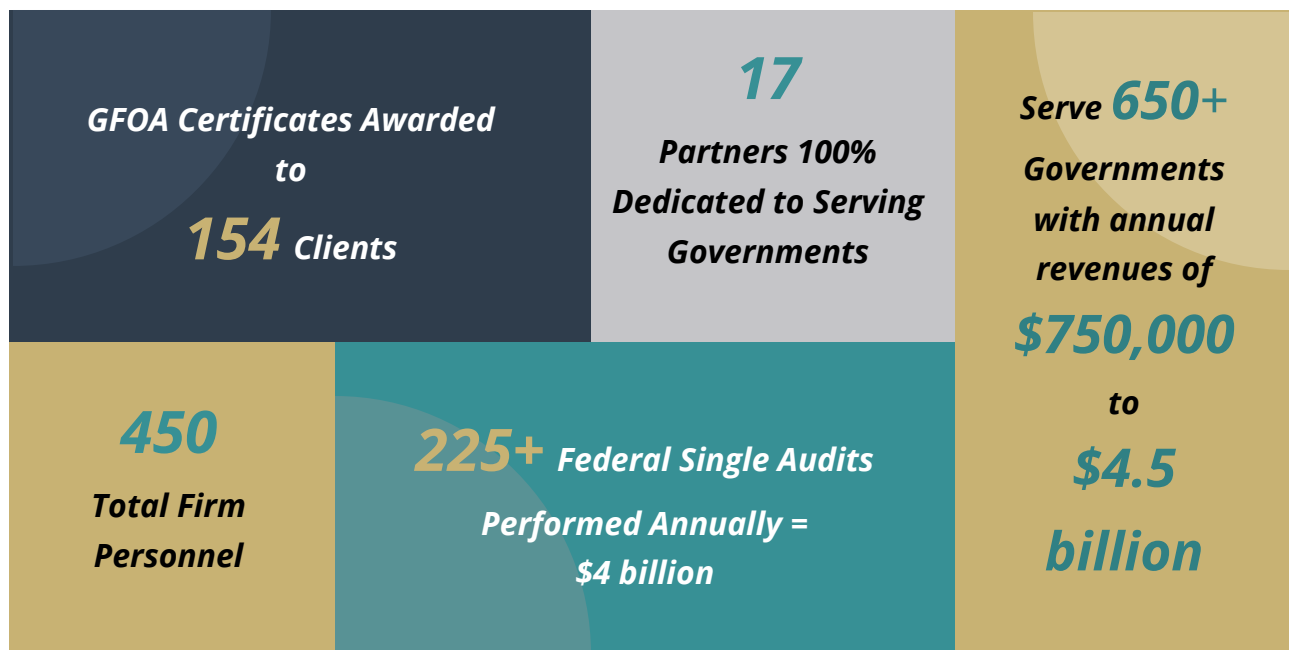
*Clay Duffie, Mount Pleasant (SC) Waterworks, General Manager*

- **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 in the Past Three Years**

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

The following chart is provided to demonstrate Mauldin & Jenkins’ vast experience serving the governmental sector, and these listings are broken down by type of governmental unit, and the respective listings represents clients we have served in the past three years (and not over a lifetime).



## **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

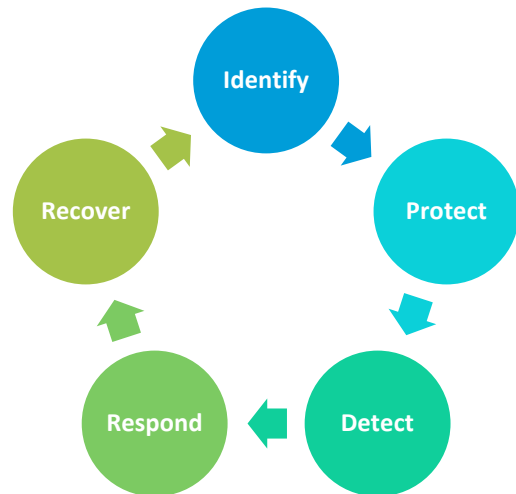
## **Governmental IT Solutions**

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

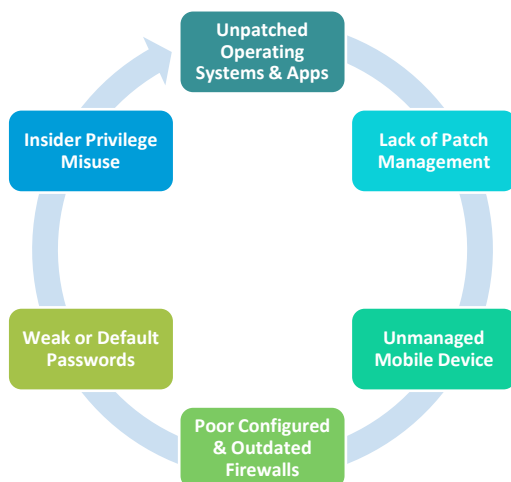
### **Cybersecurity Framework Engagements**

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.

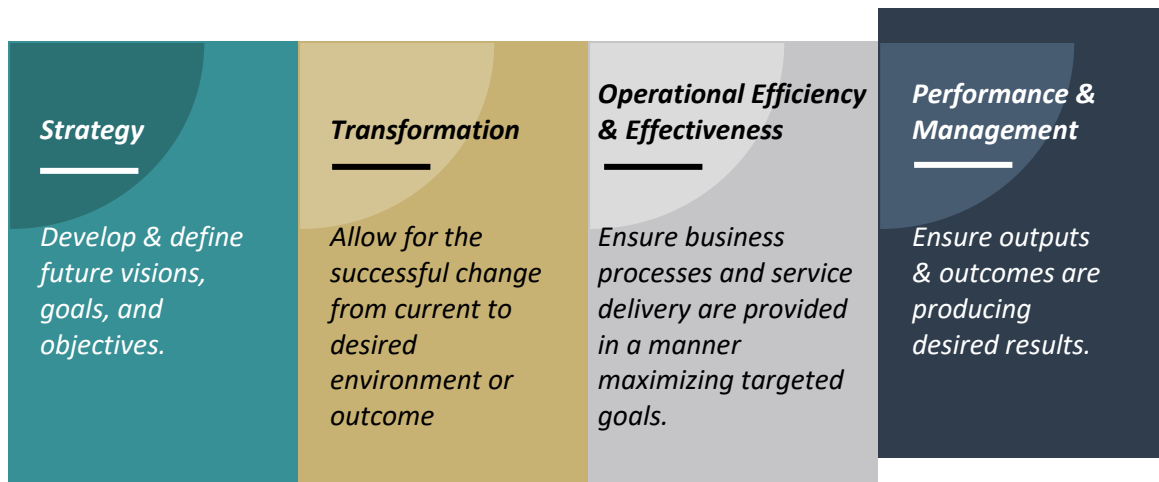


*We would like to express our sincere appreciation for the quality of service provided by the staff of Mauldin & Jenkins. We would like to thank you for the level of detail and accountability you have demonstrated on this project and the way you conduct business as a whole. Our team could not be more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



## Additional Information of Value Added Services

### Free Continuing Education for Governmental Clients

We provide free quarterly continuing education for all of our governmental clients. Each quarter, we pick a couple of significant topics tailored to be of interest to governmental entities, and offer the sessions several times per quarter virtually and at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100-200 people per quarter. We obtain the input and services of experienced outside speakers along with our in-house professionals.

*“I’ve been a CPA for 32 years. Today’s CPE class by Mauldin & Jenkins has been the best of my career”.* **Terry Nall, CPA, City of Dunwoody (GA) Council Member**

*“They are always on top of new accounting pronouncements and provide training well before implementation deadlines. This is a very valuable resource for our organization”.* **Laurie Puckett, CPA, CPFO, Gwinnett County (GA), Accounting Director**



Examples of subjects addressed in past quarters include:

- Accounting for Debt Issuances
- Achieving Excellence in Financial Reporting
- Best Budgeting Practices, Policies and Processes
- Best Practices in Banking
- Budget Preparation
- Comprehensive Annual Financial Report Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Closing Out and Audit Preparation
- Collateralization of Deposits and Investments
- Component Units
- Cybersecurity Risk Management
- Evaluating Financial and Non-Financial Health of a Local Government
- Financial Report Card – Where Does Your Government Stand?
- Financial Reporting Model Improvements
- GASB No. 74 & 75, New OPEB Standards
- GASB No. 77, Tax Abatement Disclosures
- GASB No. 84, Fiduciary Activities
- GASB No. 87, Leases
- GASB Projects & Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Human Capital Management
- Information Technology (IT) Risk Management
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle

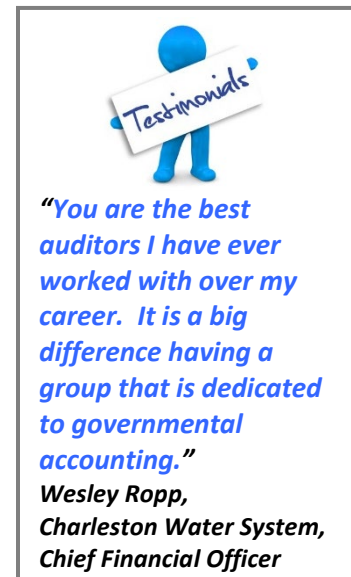
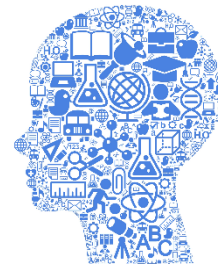


## Governmental Newsletters



We produce quarterly newsletters tailored to meet the needs of governments. We also provide additional timely newsletters and announcements as necessary on any emerging topics to ensure governments stay informed of current developments in the government finance environment. The newsletters are authored by Mauldin & Jenkins governmental industry specialists and have addressed a variety of subjects. In the past several years, the following topics have been addressed in our newsletters:

- Are Your Government's Funds Secure?
- CARES Act (several)
- Cybersecurity Awareness
- Deposit Collateralization
- Employee vs Independent Contractor
- Escheat Laws on Unclaimed Property
- Federal Funding and Accountability Transparency Act
- Forensic Audit or Financial Audit?
- Form PT 440
- GASB Invitation to Comment – the New Financial Reporting Model
- GASB No. 72, Fair Value, It is Not Totally About Disclosure
- GASB No.'s 74 & 75, Other Post-Employment Benefits (OPEB)
- GASB No. 77, Abatements – Go Viral with GASB 77
- GASB No. 84 Fiduciary Activities (Series)
- GASB No. 87, Leases
- GASB No. 89, Accounting for Interest Cost Incurred Before the End of Construction
- GASB No. 91, Conduit Debt Obligations
- General Data Protection Regulation (GDPR)
- Grants Management
- OMB Compliance Supplements
- OPEB, What You Need to Know
- Public Funds and Secure Deposit Program
- Rotating or Not Rotating Auditors
- Property Tax Assessments
- Remote Auditing Best Practices
- Refunding Debt
- Sales & Use Taxes on Retail Sales of Jet Fuel
- Sales Tax Collections and Remittances by the State
- SAS Clarity Standards and Group Audits
- Single Audit, including Uniform Guidance (several)
- Social Security Administration (SSA) Incentive Payments
- Special Purpose Local Option Sales Taxes (SPLOST) Expenditures
- Supplemental Social Security for Inmates
- The New Tax Cuts and Jobs Act – Impact on Bond Refunding



## Fees

Mauldin & Jenkins, LLC is pleased to submit cost estimates to provide annual financial and single auditing services auditing services for the City for the year ended December 31, 2022 as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Fee</u>
2022	\$ 32,000

Should the City wish to contact with Mauldin & Jenkins, LLC for more than one year, we have provided additional pricing below for a three-year period as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Fee</u>
2022	\$ 30,000
2023	31,500
2024	33,000

Each of the above cost proposals above include consideration for the performance of a Single Audit of one major program and the reporting thereof. Additional Single Audit major programs will be additional charges. Each of the above fees also include the preparation of the financial statements for the City.

## Closing

We appreciate the opportunity to serve the City of Dacula, Georgia. We believe Mauldin & Jenkins is the “right” Firm for the City. 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 City of Dacula, Georgia.

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