REQUEST FOR PROPOSAL

26-RFP-125

AUDIT SERVICES

Effingham County

804 S Laurel Street

Springfield, GA 31329

Effingham County

REQUEST FOR PROPOSAL

26-RFP-125

Audit Services

Attachments:

A - Nichols, Cauley and Associates Proposal for RFP 26-RFP-125

1. Services Contract

Services Contract Between

This Contract (hereinafter referred to as “Contract” or “Agreement”) is made and entered into by and between the Board of Commissioners of Effingham County, Georgia (hereinafter referred to as the "Board" and/or “County”) and TBD, Nichols, Cauley & Associates, LLC 1300 Bellevue Avenue Dublin, GA 31021-4152, (hereinafter called the "Contractor"). This Contract shall be effective and binding on the date that the last authorized signature is affixed.

WITNESSETH

WHEREAS, the Board desires to engage a qualified company as specified in 26-RFP-125 - Audit Services; and

WHEREAS, the Vendor has represented to the Board that it is experienced, licensed and qualified to provide the services contained herein, and the Board has relied upon such representation; and

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is agreed by and between the Board and the Vendor as follows:

2. TERMS AND CONDITIONS OF THIS CONTRACT

2.1. TERMS OF SERVICE.

The scope of services and the terms and conditions of performance shall be as specified in this document and in 26-RFP-125- Audit Services and related addenda which are hereby adopted and incorporated as if set forth fully herein.

2.2. CONTRACT Renewal Section

This Contract will commence on Wednesday, August 19, 2026 and terminate on TBD with automatic renewal options for three (3) additional one (1) year terms provided that the services to be provided, and the prices thereof, for the extension period, have been mutually agreed upon by the County and the Vendor or:
- Unless otherwise directed by the Effingham County Board of Commissioners.
- Unless budgeted funds are not appropriated.

2.3. REQUIREMENT FOR MANDATORY PERFORMANCE.

The words "shall", "will" and "must" may be used interchangeably in this Contract and in any case will indicate mandatory.

2.4. PERSONNEL AND EQUIPMENT.

The Vendor represents that it has secured and will secure, at its own expense, all personnel and equipment necessary to perform the services of this Contract, none of whom shall be employees of, nor have any contractual relationship with Effingham County. All of the services required hereunder will be performed by the Vendor under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under law to perform such services.

2.5. CHANGES TO THIS CONTRACT

The County may, at any time, request changes in the Scope of Services of the Vendor to be performed hereunder. Such changes, including any increase or decrease in term, rate, or amount of the Vendor's compensation, as more fully described elsewhere herein, which are mutually agreed upon by and between the County and the Vendor shall be incorporated in written amendments to this Contract.

2.6. TERMINATION OF CONTRACT FOR CAUSE.

County may terminate this Contract for cause or Vendor's persistent failure to perform the work in accordance with the Contract Documents. If County terminates the Contract for cause, Vendor shall not be entitled to any further payment from the effective date of the termination which shall be stated in the termination letter sent by the County.

2.7. TERMINATION OF CONTRACT WITHOUT CAUSE.

County may terminate without cause, upon seven (7) days written notice to Vendor. In such case, Vendor shall be paid for completed and acceptable work executed in accordance with this Contract prior to the effective date of termination. Vendor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

2.8. TERMINATION OF CONTRACT FOR LACK OF FUNDING.

The obligation of the County for payment to the Vendor is limited to the availability of funds appropriated in the current fiscal year by the Effingham County Board of Commissioners.

2.9. INDEMNIFICATION.

To the fullest extent permitted by law, the Vendor shall indemnify and hold harmless County and its officers, directors, partners, employees, agents, consultants, and subcontractors from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out or relating to the performance of the work, but only to the extent caused by any negligent or willful act or omission of Vendor, its subcontractors and suppliers, or any individual or entity directly or indirectly employed by them to perform any of the work or anyone for whose acts any of them may be liable.

The Vendor's obligation to indemnify Effingham County under this Section shall not be limited in any way by the agreed upon contract price as shown in this Contract or by the scope and amount of insurance maintained by the Contractor.

2.10. COVENANT AGAINST CONTINGENT FEES.

The Vendor shall comply with the relevant requirements of all Federal, State, County or other local laws. The Vendor warrants this it has not employed or retained any company, person, other than a bona fide employee working solely for the Vendor, for any fee, commission, percentage, brokerage fee, gifts, or any consideration, contingent upon or resulting from the award or making of this contract.

For breach or violation of this warranty, the Board shall have the right to annul this Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

2.11. PROHIBITED INTERESTS.

A. Conflict of Interest. The Vendor and its subcontractors warrant that they presently have no interest and shall acquire no interest, direct or indirect, that would conflict in any manner or degree with the performance of its services hereunder. The Vendor further agrees that, in the performance of the Contract no person having such interest shall be employed.
B. Statement of disclosure: Vendor must provide a statement of disclosure which will allow the County to evaluate possible conflicts of interest.

Interests of Public Officials.
Vendor warrants for itself and any subcontractor that no elected or appointed official or employee of Effingham County, Georgia, has any interest in their bid or the proceeds of any contract/agreement which may result thereof. In the event that an elected or appointed official or employee acquires any interest in any contract/agreement which may result from this bid, or the proceeds thereof, the vendor

agrees to disclose such interest to the County immediately by written notice. For breach or violation of this clause, the County may annul any contract/agreement resulting from this bid without liability, terminate any contract/agreement resulting from this bid for default, or take other remedial measures. "Interest" as used herein means direct or indirect pecuniary or material benefit accruing to a county commissioner, official or employee as a result of a matter which is or which is expected to become the subject of an official action by or with the county, except for such actions which, by their terms and by the substance of their provisions, confer the opportunity and right to realize the accrual of similar benefits to all other persons and/or property similarly situated. The term "interest" shall not include any remote interest. For purposes of this bid, a county commissioner, official or employee shall be deemed to have an interest in the affairs of: (1) his or her family; (2) any business entity in which the county commissioner, official or employee is a member, officer, director, employee, or prospective employee; and (3) any business entity as to which the stock, legal ownership, or beneficial ownership of a county commissioner, official or employee is in excess of five percent of the total stock or total legal and beneficial ownership, or which is controlled or owned directly or indirectly by the county commissioner, official or employee. Remote interest as used herein means the interest of (1) a volunteer director, officer, or employee of a nonprofit corporation; (2) a holder of less than 5 percent of the legal or beneficial ownership of the total shares of a business; (3) any person in a representative capacity, such as a receiver, trustee, or administrator. Family as used herein means the spouse, parents, children, and siblings, related by blood, marriage, or adoption, of a county official or employee.

2.12. AUDITS AND INSPECTIONS.

At any time during normal business hours and as often as the County may deem necessary, the Vendor and its subcontractors shall make available to the County and/or representatives of the County, examination all of its records with respect to all matters covered by this Contract. It shall also permit the County and/or representatives of the County to audit, inspect, examine and make copies, excerpts or transcripts from such records of personnel, conditions of employment and other data relating to all matters covered by this Contract. All documents to be audited shall be available for inspection at all reasonable times in the main offices of the County or at the offices of the Vendor as requested by the County.

2.13. INDEPENDENT CONTRACTOR.

Vendor hereby covenants and declares that it is an independent business and agrees to perform the Work as an independent contractor and not as the agent or employee of the County. The Vendor agrees to be solely responsible for its own matters relating to the time and place the services are performed; the instrumentalities, tools, supplies, and/or materials necessary to complete the Work; hiring of consultants, agents, or employees to complete the Work; and the payment of employees, including compliance with Social Security, withholding, and all other regulations governing such matters. The Vendor agrees to be solely responsible for its own acts and those of its subordinates and subcontractors during the life of this Agreement.

2.14. NOTICES.

All notices shall be in writing and any notices, demands, and other papers or documents to be delivered to Effingham County, Georgia, under this Contract shall be delivered in person or transmitted by certified mail, postage prepaid to 804 South Laurel Street, Springfield, Georgia 31329, or at any such other place as may be subsequently designated by written notice to the Contractor.

All written notices, demands, and other papers or documents to be delivered to the Vendor under this Contract shall be transmitted by certified mail, postage prepaid, to TBD and Nichols, Cauley & Associates, LLC 1300 Bellevue Avenue Dublin, GA 31021-4152. It shall be Vendor's responsibility to inform the County of any change to this contact address.

2.15. COMPLIANCE WITH LAWS.

The Vendor shall comply with all applicable Federal, State, and local laws, ordinances, rules, and regulations relating to the work, including by not limited to Effingham County building code and permitting requirements and other local requirements as applicable.

2.16. ASSIGNABILITY.

The Vendor shall not assign or transfer any of its rights, obligations, benefits, liabilities, or other interest under this Contract without written consent of the County.

2.17. GOVERNING LAW.

This Contract shall be governed by the laws of Georgia, with venue in Effingham County.

2.18. SCOPE OF WORK

Contractor shall provide annual independent auditing and related financial reporting services for Effingham County, Georgia, for each fiscal year covered by the Contract. Services shall be performed in accordance with Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (Yellow Book), Uniform Guidance when applicable, Governmental Accounting Standards Board (GASB) requirements, applicable State of Georgia requirements, and all other applicable federal, state, and local auditing requirements.

The Contractor's services shall include, but are not limited to:

- **Annual Financial Statement Audit:** Audit the County's governmental activities, business-type activities, major and nonmajor governmental funds, enterprise funds, fiduciary activities, component units, financial statements, note disclosures, and required supplementary information.
- **Enterprise and Component Units:** Perform required audit procedures related to the County's Water and Sewer and Sanitation operations and evaluate the financial reporting of applicable component units, including the Effingham County Hospital Authority and Effingham County Board of Health.
- **Single Audit Services:** When required, perform Single Audit services in accordance with Uniform Guidance, including SEFA preparation and audit, major program determination, internal control and compliance testing, required findings and reports, corrective-action review, and preparation and submission of the Federal Data Collection Form.

- **Internal Controls and Compliance:** Evaluate internal controls over financial reporting and compliance with applicable laws, regulations, grants, and prior audit corrective actions and provide recommendations for improvement.
- **SPLOST/TSPLOST:** Audit applicable SPLOST and TSPLOST projects, expenditures, approved project-list compliance, schedules, and disclosures.
- **Annual Financial Report:** Prepare the County's Annual Financial Report (AFR), including financial statements, notes, supplementary information, combining and budgetary schedules, SPLOST/TSPLOST schedules, federal award schedules, and other required disclosures. Contractor shall also provide assistance related to the GFOA Certificate of Achievement program and applicable GASB implementation and reporting requirements.
- **Capital Assets and Journal Entries:** Review and reconcile capital asset records; maintain and prepare fixed asset, depreciation, reconciliation, and roll-forward schedules; calculate depreciation; and prepare necessary year-end audit, depreciation, capital asset, adjustment, and reclassification journal entries with supporting documentation.
- **State Reporting:** Prepare the annual Report of Local Government Finances (RLGF), reconcile it to the audited financial statements, provide supporting schedules, and assist with related Georgia Department of Community Affairs inquiries.
- **Communications and Presentation:** Maintain regular communication with County management, conduct an exit conference, provide audit status updates, communicate findings and proposed adjustments, and present the completed audit to the Effingham County Board of Commissioners.
- **Debt and Other Audit Assistance:** Upon request and subject to applicable professional standards and independence requirements, provide reasonable audit-related assistance associated with County debt issuances and official statements.
- **Working Papers:** Retain audit working papers and supporting documentation for a minimum of five (5) years following issuance of the applicable audit report, or longer when required by law or regulation, and make such records available to authorized entities as required.

Contractor shall provide all reports, schedules, financial statements, journal entries, management communications, working papers, and other deliverables required by the RFP in electronic formats acceptable to the County.

All services described above are included in the Contractor's proposed fee and shall not be billed separately unless specifically authorized in writing by the County.

2.19. Description of the County and Accounting System

Entity
Effingham County is a local government in Georgia with a population of approximately 74,397.

Funds

The Auditor should make reference to the Effingham County's audit report for the year ended June 30, 2025, which can be viewed on our web site at http://www.Effinghamcounty.org - select 'Departments A-F' select 'Finance and Accounting'. In the box marked 'Documents' choose FY XX-XX Audit from the list.

Grants, Entitlements, and Shared Revenues

A copy of the Schedule of Federal and State Expenditures and a Summary of Auditor's Results showing the major federal programs for the year ended June 30, 20XX can be viewed in the Audit report.

Budgets

The County budgets all funds on the modified accrual basis of accounting as required by Georgia General Statutes. Appropriations are made at the departmental level. The County also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with the accounting system to provide easy comparison with actual expenditures.

Accounting Records

The County maintains all its accounting records at the Finance Office located at 804 S. Laurel Street, Springfield Georgia, 31329. Any department or enterprise specific accounting records can be viewed at the department offices within the County. The County maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on American Data System Financial software.

Other Information

Number of full time & part time employees –638 Frequency of payroll – Bi-Weekly

Estimated number of payroll checks per year - 1,500 and 12,000 direct deposits Estimated number of accounts payable checks per year – 5,000
Estimated number of water bills per month – 4,300 Estimated number of purchase orders per year – 1,500 Number of central depository accounts –40

Assistance Available to the Auditor

The County will make available to the Auditor sufficient help to pull and re-file records, and prepare and mail all necessary confirmations. A trial balance will be made available by the first ten business days of September, 2026.

3. COMPENSATION, FINANCIAL ADMIN AND GUARANTEES

3.1. COMPENSATION FOR CONTRACTOR SERVICES.

The County shall pay the Contractor for his services as detailed in the proposal submitted by the Vendor:

These rates and fees shall remain in effect until 10/18/2026, without exception.
All invoices shall contain the following:
Date services performed
Detailed account of services performed
Location of services performed
Name of employee providing said services
Name of County employee requesting said services

No work shall take place without advanced written approval of the County's Finance Department. If the Vendor commences any work prior to receiving written approval, he does so at his own risk.

No work outside the scope of work contained in the RFP will be performed without the advanced written approval of the County's Board of Commissioners.

Advance payments prior to any work shall not be granted unless specified in writing.

Progress payments or draw shall not be granted unless specified in writing.

Notwithstanding any other payment provisions of this contract, failure of the Vendor to submit required reports when due or failure to perform or deliver required work, supplies, or services, may result in the withholding of payment under this contract unless such failure arises out of causes beyond the control, and without the fault or negligence of the Vendor. The County will immediately notify the Vendor of its intention to withhold payment of any invoice or voucher submitted.

3.2. PAYMENT OF TAXES AND FEES.

The Vendor shall pay the cost of any taxes, permits, fees, or licenses required to complete and satisfy the requirements of this Contract.

3.3. QUANTITIES GUARANTEED.

The Vendor represents, understands and agrees that this is an "ON CALL" / "LUMP SUM" contract, to guarantee pricing for services contained herein.

4. INSURANCE REQUIREMENTS

4.1. INSURANCE PROVISIONS:

Vendor shall be required to procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Vendor, its agents, representatives, employees or subcontractors. Contract work will not proceed unless Effingham County has in their possession, a current Certificate of Insurance. Effingham County invokes the defense of sovereign immunity. The County is not to be included as an additional insured on insurance contracts.

General Information that shall appear on a Certificate of Insurance:

1. Name of Producer (contractor's insurance Broker/Agent).

2. Companies affording coverage (there may be several).

3. Name and address of the Insured (this should be the Company or Parent of the firm Effingham County is contracting with).

4. A Summary of all current insurance for the insured (includes effective dates of coverage).

5. A brief description of the operations to be performed, the specific job to be performed, or contract number.

6. Certificate Holder (This is to always include Effingham County).

Limits of Insurance:
Effective coverage shall have the following limits:

A. Commercial General Liability of $1,000,000 (one million dollars) per occurrence and $2,000,000 (two million dollars) aggregate for bodily and personal injury, sickness, disease or death, injury to or destruction of property, including loss of use resulting there from. Excess or umbrella liability coverage shall be required for contracts pertaining to road construction or repairs, automotive or motor vehicle repairs, or for contracts over $1,000,000.00.
B. Commercial Automobile Liability (owned, non-owned, hired) of $1,000,000 (one million dollars) per occurrence for bodily and personal injury, sickness, disease or death, injury to or destruction of property, including loss of use resulting therefrom.
C. Workers' Compensation limits as required by the State of Georgia and Employers Liability limits of $1,000,000 (one million dollars) per accident or disease.

Special Requirements:

A. **Claims-Made Coverage:** The limits of liability shall remain the same as the occurrence basis, however, the Retroactive date shall be prior to or coincident with the date of any contract, and the Certificate of Insurance shall state the retroactive date and the coverage is claims-made.
B. **Extended Reporting Periods:**The contractor shall provide the County with a notice of the election to

initiate any Supplemental Extended Reporting Period and the reason(s) for invoking this option. Reporting Provisions: Any failure to comply with reporting provisions of the policies shall not affect coverage.
C. **Cancellation/Non-Renewal Notification:** Each insurance policy shall be endorsed to state that it shall not be suspended, voided, or canceled, except after thirty (30) days prior to written notice by certified mail, return receipt, has been given to the County.
D. **Proof of Insurance:** Effingham County shall be furnished with certificates of insurance and original endorsements affecting coverage required by this invitation. The certificates and endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates of insurance are to be submitted prior to, and approved by, the County before services are rendered. The CONTRACTOR must ensure Certificates of Insurance are updated for the entire term of the Contract.
F. **Insurer Acceptability:** Insurance is to be placed with an insurer having an A.M. Best's rating of A and a five (5)year average financial rating of not less than V. If an insurer does not qualify for averaging on a five year basis, the current total Best's rating will be used to evaluate insurer acceptability.
G. **Lapse in Coverage:** A lapse in coverage shall constitute grounds for contract termination by Effingham County Board of Commissioners.
H. **Deductible and Self-Insured Retention:**Any deductibles or self-insured retention must be declared to, and approved by, the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as related to the County, its officials, officers, employees, and volunteers; or the Contractor shall procure a bond guaranteeing payment of related suits, losses, claims and related investigation, claim administration and defense expenses

Additional Coverage for Engineering, Architectural and Surveying Services:

Professional Liability: Insure errors or omission on behalf of architects, engineers, attorneys, medical professionals, and consultants. Minimum Limits: $1,000,000 per claim/occurrence. Coverage Requirement: If “claims made,” retroactive date must precede or coincide with the contract effective date or the date of the Notice to Proceed. The professional must state if “tail” coverage has been purchased and the duration of the coverage.

5. WAIVERS AND EXCEPTIONS

No failure by County to enforce any right or power granted under this Contract, or to insist upon strict compliance by Contractor with this Contract, and no custom or practice of County at variance with the terms and conditions of this Contract shall constitute a general waiver of any future breach or default or affect the County's right to demand exact and strict compliance by Contractor with the terms and conditions of this Contract.

6. GENERAL PROVISIONS

This Contract supersedes any and all agreements, both oral and written, between the parties with respect to the rendering of services by Contractor for County and contains all of the covenants and agreements between the parties with respect to the rendering of these services in any matter whatsoever. Each party acknowledges that no representations, inducements, promises, or agreements, written or oral, have been made by either party, or by anyone acting on behalf of either party, that are not embodied in this Contract. Any modification of this Contract will be effective only if set forth in writing and signed by the party to be charged.

Vendor warrants that it will not, in the performance of this Contract, illegally discriminate on the basis of race, color, sex, or national origin.

This Contract will be governed by and construed in accordance with the laws of the State of Georgia. If any provision in this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

If Vendor dies or is dissolved prior to the completion of this Contract, any moneys that may be due to Vendor from County for services rendered prior to the date of death or dissolution shall be paid to Contractor’s executors, administrators, heirs, personal representative, successors, or assigns.

7. AUTHORITY TO EXECUTE AND ENTER AGREEMENT

By his, her, or their signature(s) below, the person or persons signing on behalf of Vendor warrant that (1) they are authorized to sign on behalf of Vendor; (2) that to the extent Vendor; is an entity rather than an individual, the entity is currently in existence and is validly registered with appropriate government officials; and (3) that the individual and entity contracting herein are in compliance with all Georgia requirements related to federal and state immigration laws and the use of E-Verify and shall remain in compliance during the term of this Contract.

IN WITNESS WHEREOF, the parties hereto acting through their duly authorized agents have caused this Contract to be signed, sealed and delivered.

This ____ day of ____________________, 20___.

TBD

________________________________ ________________________________

Signature Title

________________________________ ________________________________

Witness - Signature Witness - Title

EFFINGHAM COUNTY BOARD OF COMMISSIONERS

________________________________ ________________________________

Signature Title

26-RFP-125

COMMISSION APPROVAL DATE: _____________

Exhibits List

A - Nichols, Cauley and Associates Proposal for RFP 26-RFP-125

Exhibit A

Nichols, Cauley and Associates Proposal for RFP 26-RFP-125

Manage. Protect. Grow.

Cost Proposal

Independent Auditing Services

Prepared for

Effingham County, Georgia

Prepared by

Nichols, Cauley & Associates, LLC

Gregory Chapman, CPA

July 2026

Fee Proposal

The following fee schedule is proposed for the engagement covering fiscal years 2026, 2027, and 2028. Fees reflect the scope and complexity of the County's operations, including eight major governmental funds, Water & Sewer and Sanitation enterprise funds, a landfill post-closure obligation, two component units, active SPLOST and TSPLOST programs, federal grant compliance, and Annual Financial Reporting requirements.

Proposed Fee Schedule — Three-Year Engagement

Service	FY 2028
Audit Services	$43,500
Single Audit (first major program)plus $2,500 per additional major programs	$4,500
Landfill Assurance Reporting	$1,750
Annual Total	**$49,750**

Audit Services include the financial statement audit, Yellow Book compliance reporting, ACFR preparation and GFOA assistance, SPLOST/TSPLOST schedule testing, RLGF preparation, fixed asset and depreciation schedules, capital-asset reconciliation and roll-forward schedules and required journal entries, component-unit evaluation, Georgia Department of Audits and Accounts submission, and presentation to the Board of Commissioners.

Single Audit includes Uniform Guidance major program testing, SEFA review, and Federal Data Collection Form preparation and submission.

Landfill Assurance Reporting covers assurance procedures over the landfill post-closure care obligation. Ten (10) hours per year of accounting and compliance assistance are included at no additional charge.

Optional Services and Hourly Rates

Service	Fee	Notes
Accounting & Compliance Assistance	10 hrs included / yr	Hourly rates apply beyond 10 hours
AFR / ACFR Preparation Assistance	Included	Included in fees above
Bond Issue / Continuing Disclosure	Hourly	Quoted separately as needed
GASB Implementation Advisory	Hourly	See rate schedule below
Status Meetings — As Needed	Included	Included in fees above

Hourly Rate Schedule

Position	Hourly Rate
Partner	$325 – $400 / hr
Senior Manager / Technical Reviewer	$285 – $300 / hr
Manager	$225 – $275 / hr
Senior Associate	$135 – $150 / hr
Associate	$110 – $125 / hr

Fee Terms & Conditions

- Fees quoted are based on our current understanding of Effingham County's operations, fund structure, and audit complexity as reflected in the FY 2025 Annual Financial Report.
- Out-of-pocket expenses (travel, postage, filing fees) are included in the proposed lump-sum fees.
- Should the scope of services change materially, fees will be adjusted with advance written notice.
- Billings are rendered monthly for work in progress and are payable upon receipt.
- Engagement terms and conditions will be formalized in a separate engagement letter upon acceptance.

Nichols, Cauley & Associates, LLC is committed to earning the trust of Effingham County. We welcome the opportunity to discuss this proposal further at your convenience.

Manage. Protect. Grow.

Professional Services Proposal

Independent Auditing Services

Prepared for

Effingham County, Georgia

Prepared by

Nichols, Cauley & Associates, LLC

Gregory Chapman, CPA

July 2026

NICHOLS CAULEY

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NICHOLS CAULEY

Cover Letter

July 20, 2026

Danielle Carver
Procurement & Contracts Manager
Effingham County Board of Commissioners
804 S. Laurel Street
Springfield, GA 31329

Dear Ms. Carver,

We sincerely appreciate the opportunity to present this proposal for independent auditing services to Effingham County. Nichols, Cauley & Associates, LLC has a long-standing track record of serving Georgia counties and municipalities with the commitment to quality, responsiveness, and value-added service that the County deserves — and we are eager to bring that commitment to Effingham County, one of the fastest-growing counties in the State.

Effingham County is a full-service county government with a diverse and complex financial structure, including governmental and enterprise fund operations, active SPLOST and TSPLOST programs, federal grant compliance requirements, two discretely presented component units, and an Annual Financial Report. With approximately $448.2 million in total assets for fiscal year 2025 and a fiscal year ending June 30, our team is well-positioned to serve the County with experienced personnel who understand Georgia county audit requirements from the ground up.

Our firm audits approximately 80 governmental entities annually across Georgia, and our partners and managers have spent decades dedicated to this practice area. We offer consistent engagement personnel, a tailored risk-based audit methodology, and a commitment to minimizing disruption to your staff. The following services are included in our proposed scope:

- Financial Statement Audit — GAAS and *Government Auditing Standards* (Yellow Book)
- Single Audit — Uniform Guidance (2 CFR Part 200) major program testing and reporting
- Annual Financial Report (AFR) preparation and GFOA Certificate of Achievement assistance
- SPLOST and TSPLOST Compliance Testing and Schedule Reporting
- Report of Local Government Finances (RLGF) preparation
- Internal Control and Compliance Reporting
- Evaluation of the Hospital Authority and Board of Health component units
- Submission to the Georgia Department of Audits and Accounts, and presentation to the Board of Commissioners

In accordance with the RFP, we confirm the following commitments: Gregory Chapman, CPA, Engagement Partner, will serve as your primary point of contact; no subconsultants will be used, as all work will be performed by Nichols Cauley personnel; the engagement partner, engagement review partner, technical reviewer, and engagement senior identified in this proposal are committed to the engagement; and this proposal and the fees quoted will remain firm and will not be withdrawn for ninety (90) days from the proposal due date.

We are committed to being the accessible, responsive partner that Effingham County needs. We look forward to discussing how Nichols Cauley can provide exceptional audit services and serve as a trusted long-term advisor to your organization and its leadership.

Respectfully,

Gregory Chapman, CPA
Engagement Partner, Nichols, Cauley & Associates, LLC
gchapman@nicholscauley.com | 800-823-0117

1. Firm Overview

Nichols, Cauley & Associates, LLC is a full-service regional accounting and advisory firm headquartered in Atlanta, Georgia, with offices throughout the state. Founded in 1975, the firm has grown to approximately 300 professionals, including 25 dedicated governmental audit team members.

Our firm has built its reputation on delivering exceptional client service with a direct, hands-on approach. Partners are actively involved in every engagement — ensuring continuity, accountability, and a deep understanding of each client's operations.

Our Mission & Values

- Delivering technical excellence with a practical, results-oriented perspective
- Building long-term relationships founded on trust, integrity, and transparency
- Investing in people and technology to stay ahead of evolving regulatory requirements
- Providing proactive, value-added guidance that benefits our clients and the communities they serve

Service Offerings

Service Area	Key Capabilities
Tax Compliance & Planning	Federal, state, and local tax returns and advisory services
Audit & Assurance	Financial statement audits, reviews, compilations — 80+ governmental entities annually
State & Local Tax (SALT)	Nexus studies, credits & incentives, sales/use tax compliance
Advisory & Consulting	M&A due diligence, valuations, succession planning
International Tax	BKR International network — transfer pricing, cross-border structuring
Outsourced Accounting	Controller services, bookkeeping, payroll administration

AICPA Governmental Audit Quality Center

Nichols Cauley is a member of the AICPA Governmental Audit Quality Center (GAQC), providing timely access to technical guidance, legislative updates, and regulatory changes applicable to governmental audits. This membership reflects our ongoing commitment to quality and continuous improvement in our governmental practice.

2. Governmental Audit Experience

Nichols, Cauley & Associates, LLC audits approximately 80 governmental entities annually across the State of Georgia. Our governmental practice is one of the largest and most experienced among regional firms in the state.

QUALIFICATIONS ALIGNED WITH THE COUNTY'S REQUIREMENTS

- Significant governmental audit experience — 80+ governmental entities audited annually
- Experience auditing Georgia local governments — counties, cities, authorities, and special districts statewide
- Experience with utility systems and enterprise funds — Water/Sewer, Sanitation, Electric, Gas, Landfill, Airport, and Solid Waste
- Experience with SPLOST/TSPLOST-funded projects — annual compliance testing for numerous Georgia local governments
- Experience with federal and state grant compliance — ARPA, CDBG, Clean Water SRF, and numerous other federal programs
- Experience performing Single Audits — Uniform Guidance (2 CFR Part 200) single audits performed annually

Georgia Counties — Last Five Years

Entity	FYE	AFR/ACFR	GFOA Award	Single Audit	Enterprise Funds
Cobb County	Sept 30	✓	✓	✓	✓
Coweta County	Sept 30	✓	✓	✓	✓
Fayette County	June 30	✓	✓	✓	✓
Glynn County	June 30	✓	✓	✓	✓
Houston County	June 30			✓	✓

Georgia Cities — Last Five Years

Entity	FYE	AFR/ACFR	GFOA Award	Single Audit	Enterprise Funds
City of Dublin	June 30	✓	✓	✓	✓
City of Marietta	June 30	✓	✓	✓	✓
City of Newnan	Dec 31	✓	✓	✓	✓
City of Warner Robins	June 30			✓	✓
City of Woodstock	June 30	✓	✓	✓	✓

Other Governmental Entities

Nichols Cauley also serves a broad range of other governmental entities across Georgia:

- Atlanta Regional Commission — annual audit including federal award expenditures exceeding $65 million
- Highland Rivers Community Service Board
- Cobb County and Cherokee County Boards of Health
- Georgia Municipal Association
- Multiple Housing Authorities, Airport Commissions, Development Authorities, and Library Systems
- Over 18 Boards of Health across the State of Georgia

Enterprise Fund and Component Unit Experience

Effingham County's fiscal year 2025 financial report reflects the Water & Sewer and Sanitation enterprise funds, a landfill post-closure obligation, and two discretely presented component units. Nichols Cauley has extensive, direct experience auditing comparable utility, enterprise fund, and component unit structures:

- **Water & Sewer / Sanitation:** Utility billing, revenue recognition, rate compliance, customer receivables and deposits, and capital infrastructure testing for numerous Georgia governmental utility systems.
- **Landfill / Solid Waste:** Fund-level testing including closure and post-closure cost estimation, environmental compliance, and long-term liability assessment.
- **Component Units:** Evaluation and incorporation of discretely presented component units — hospital authorities and boards of health — including review of separately issued audits.
- **Interfund Transfers:** Government-wide reconciliation and elimination of interfund transactions across complex multi-fund environments — a particular focus given the County's $33.8 million in transfers out and $20.7 million in transfers in in FY 2025.

3. Georgia Government References

The following current audit clients are similar in nature to the Effingham County engagement. Each reference can speak directly to our technical quality, responsiveness, and approach to governmental audit services. Contact information for each reference is available upon request.

Client	Contact	Title	Phone / Email	Services & Dates
Fayette County, Georgia	Sheryl Weinmann	Finance Director	770-305-5413 | sweinmann@fayettecountyga.gov	Audit, Single Audit, ACFR 2008 to present
City of Dublin, GA	Blake Daniels	Finance Director	478-277-5003 | danielsb@dublinga.org	Audit, Single Audit, ACFR 1990 to present
Coweta County, Georgia	Hans Wilson	Finance Director	770-254-2607 | hwilson@coweta.ga.us	Audit, Single Audit — 2015 to present
Houston County, GA	Danyelle George	Finance Director	478-542-2115 | dgeorge@houstoncountyga.gov	Audit, Single Audit, ACFR 2024 to present

4. Licensing Information

Nichols, Cauley & Associates, LLC holds an active Certified Public Accounting firm license issued by the Georgia State Board of Accountancy. The following reflects our current licensing status:

Firm Name	Nichols, Cauley & Associates, LLC
License / Certificate Number	ACF001830
State of License	Georgia
License Type	Public Accounting Firm
License Status	Active
License Issue Date	December 15, 1987
License Expiration Date	June 30, 2028
Disciplinary Actions	None reported
Firm Headquarters	Atlanta, Georgia

Independence

The firm members meet the independence requirements of the GAO *Government Auditing Standards*. Neither Nichols, Cauley & Associates, LLC nor any of its employees or owners has had any professional relationship with Effingham County or any of its agencies, component units, elected officials, or primary government in the past five years.

Regulatory Actions and Lawsuits

- No regulatory actions have been taken by any oversight body against the firm or local office during the past three years.
- No reports of Georgia local governments audited by Nichols Cauley have been rejected by the Georgia Department of Audits and Accounts or required to be reissued.

5. Peer Review Report

Nichols, Cauley & Associates, LLC has successfully completed all peer reviews with a rating of pass — the highest possible rating. The most recent system review was conducted for the year ended June 30, 2025, and was accepted by the National Peer Review Committee on April 15, 2026. The next review is due December 31, 2028.

The peer review includes a review of governmental engagements performed under Government Auditing Standards and the Single Audit Act. The complete AICPA Peer Review Acceptance Letter and Independent Peer Review Report follow.

AICPA National Peer Review Committee — Acceptance Letter

AICPA Peer Review Acceptance Letter

AICPA

National Peer
Review Committee

April 21, 2026

Todd Giddens
Nichols, Cauley & Associates, LLC
400 Corder Rd Ste A
Warner Robins, GA 31088-7166

Dear Todd Giddens:

It is my pleasure to notify you that on April 15, 2026, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2028. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Liz Gantnier
Chair, National PRC

+1.919.402.4502

cc: Jonathon Eade, Gregory Chapman

Firm Number: 900010093292 Review Number: 616651

Report on the Firm's System of Quality Control — Jones, Nale & Mattingly PLC

Peer Review Report from Independent Peer Review Firm

JNM

Jones, Nale & Mattingly PLC

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Members of
Nichols, Cauley & Associates, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Nichols, Cauley & Associates, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2025. 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 on in conformity with the requirements of applicable 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.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nichols, Cauley & Associates, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2025, 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*. Nichols, Cauley & Associates, LLC has received a peer review rating of *pass*.

Jones, Nale & Mattingly PLC

Louisville, Kentucky
December 31, 2025

6. Proposed Engagement Partner and Manager

Nichols Cauley assigns a dedicated, consistent team to every engagement. The following individuals will serve as Effingham County's primary team throughout the contract term. We are committed to maintaining personnel continuity — your team will work with the same experienced professionals each year.

Role	Team Member
Engagement Partner	Gregory Chapman, CPA
Engagement Review Partner	William Brackett, CPA
Technical Reviewer	Katherine C. Schoendorf, CPA
Engagement Senior	Victoria Duckels

Gregory Chapman, CPA, CISA, CIA

Engagement Partner

Gregory Chapman is a Member of Nichols, Cauley & Associates, LLC and would serve as the Engagement Partner for Effingham County and the primary partner-level point of contact throughout the engagement. With more than 18 years of experience in governmental auditing spanning single audits, ACFR preparation, and SPLOST/TSPLOST compliance testing, Gregory leads the engagement and provides rigorous, partner-level oversight of all planning, fieldwork, financial statements, and audit reports before issuance. He holds a BBA in Accounting and a Master of Accountancy from Georgia College and State University and is a Certified Public Accountant and a Certified Internal Auditor.

Areas of expertise:

- Georgia county and municipal audits — Bleckley, Coweta, Fayette, Glynn, Hancock, Twiggs, and Upson Counties; Cities of Centerville, Dublin, Ideal, and Warner Robins
- Enterprise fund audits — gas, power, and water/sewer operations for more than 10 years
- Single audit, ACFR preparation, and SPLOST/TSPLOST compliance across 18+ years
- Component units, boards of health, authorities, development authorities, and library systems statewide

Contact: gchapman@nicholscauley.com | Office: 478-275-1163

William Brackett, CPA

Engagement Review Partner

William Brackett is a Member of Nichols, Cauley & Associates, LLC and would serve as the Engagement Review Partner for Effingham County, providing an independent, partner-level concurring review of the engagement's workpapers, financial statements, and reports before issuance. He brings over 10 years of professional experience in governmental auditing, with particular depth in Single Audit compliance and county boards of public health. He holds a BBA in Accounting and a Master of Accountancy from Georgia Southern University and is a Certified Public Accountant.

Areas of expertise:

- Single Audit and Uniform Guidance (2 CFR Part 200) federal grant compliance
- AFR/ACFR preparation and SPLOST compliance testing
- County Boards of Public Health
- Recent engagement partner for Coweta and Polk Counties, the City of Varnell, and numerous authorities and development authorities

Contact: wbrackett@nicholscauley.com | Office: 706-226-8630

Katherine C. Schoendorf, CPA

Technical Reviewer

Katherine brings over 35 years of professional experience in governmental auditing and serves as Technical Reviewer, providing a comprehensive review of all audit documentation, financial statements, and reports before issuance.

Areas of expertise:

- ACFR technical review for Georgia counties and cities
- Single Audit compliance review
- Large-scale county and municipal audit oversight

Contact: kschoendorf@nicholscauley.com | Office: 800-823-0117

Victoria Duckels

Engagement Senior

Victoria Duckels serves as the Engagement Senior and day-to-day field lead for Effingham County throughout planning, interim fieldwork, and year-end fieldwork. She is responsible for coordinating the prepared-by-client request list, managing the engagement timeline, and ensuring fieldwork is completed efficiently and in accordance with professional standards. She brings over 3 years of professional experience, all with the Firm, and holds a BBA in Accounting and a Master of Accountancy from Georgia Southern University.

Areas of expertise:

- Governmental audit fieldwork — counties, cities, and authorities
- Single Audit major program testing
- AFR/ACFR preparation and SPLOST/TSPLOST compliance testing
- Entities with gas, power, water/sewer, and sanitation funds

Contact: vduckels@nicholscauley.com | Office: 478-275-1163

7. Audit Approach, Timeline & Availability

Availability for the FY 2026 Engagement

AVAILABILITY CONFIRMED

- Nichols Cauley confirms full availability for Effingham County's FY 2026 engagement (fiscal year ending June 30, 2026)
- Engagement Partner Gregory Chapman and the full engagement team are available to begin planning immediately upon engagement award
- Interim fieldwork can be scheduled for August 2026 at the County's convenience
- Year-end fieldwork to begin upon availability of the trial balance, targeted for September 2026
- Draft financial statements and final reports targeted for November and December 2026

Audit Strategy — Risk-Based Approach

The audit will be conducted as a risk-based audit in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (Yellow Book). A risk-based audit concentrates effort in areas with higher inherent or control risk, improving both audit effectiveness and the quality of the financial reporting process.

Given the County's FY 2025 profile — approximately $448.2 million in total assets, eight major governmental funds, Water & Sewer and Sanitation enterprise funds, a landfill post-closure obligation, two discretely presented component units, active SPLOST and TSPLOST programs, and federal programs including ARPA — Nichols Cauley will tailor our risk assessment to Effingham's specific operations from day one.

Audit Programs

Nichols Cauley uses Knowledge-Based Audit (KBA) Titles published by Wolters Kluwer, updated annually to incorporate the latest standards. We will utilize the Governmental Audit and Single Audit titles, providing hundreds of audit steps tailored to the County's specific risk profile, fund structure, and compliance requirements.

Four-Stage Delivery Model

Stage 1 — Planning (August, ~1 week)

EXCELLENCE STARTS WITH PLANNING

- Partners and managers take direct ownership of the planning stage
- Risk assessment across all major account balances and fund types, including the eight major governmental funds
- Preliminary analytical procedures and client meeting to finalize the schedule
- Determination of materiality, significant accounts, and risk-responsive procedures
- Prepared-by-client request list tailored to the County's operations

Stage 2 — Interim Fieldwork (August/September, ~1 week on-site)

THE NCA PERSONAL TOUCH

- Internal control walkthroughs — cash management and bank reconciliations, utility billing, accounts payable, payroll, and capital assets
- Tests of operating effectiveness for controls assessed below maximum risk
- Commission minutes review to identify new agreements, contracts, and governance decisions
- Compliance environment assessment for SPLOST, TSPLOST, ARPA, and other federal programs, and constitutional officer accounts

Stage 3 — Year-End Fieldwork (October/November, ~4 weeks, hybrid approach)

Year-end fieldwork completes all substantive testing after year-end close, including:

- Confirmation of significant revenues, taxes, contracts, and debt obligations
- Enterprise fund revenue and rate compliance testing — Water/Sewer and Sanitation
- Landfill post-closure care cost estimate testing and long-term liability evaluation
- Journal entry analysis and interfund transfer verification
- Single Audit major program testing per the OMB Compliance Supplement
- SPLOST and TSPLOST schedule review and compliance testing
- Evaluation and incorporation of the Hospital Authority and Board of Health component units
- Calculation of fund balance, net position, and Annual Financial Report schedules

Stage 4 — Reporting (November/December, ~2 weeks)

QUALITY-DRIVEN DELIVERABLES

- Draft Annual Financial Report prepared and submitted for management review
- Single Audit reports — Internal Control, Compliance for Major Programs, and Schedule of Findings
- Federal Data Collection Form preparation and submission
- SPLOST and TSPLOST schedule reports; Report of Local Government Finances (RLGF)
- Management letter with internal control observations and recommendations
- Presentation to the Board of Commissioners; submission to the Georgia Department of Audits and Accounts

Project Schedule

The following schedule presents the proposed timeline to complete the scope of work, shown both as a bar chart and as a tabular summary. Timing assumes the trial balance is available within the first ten business days of September 2026 and a June 30 fiscal year-end.

Bar Chart

Task / Milestone	Aug ’26	Sep ’26	Oct ’26	Nov ’26	Dec ’26	Jan ’27
Audit Planning	■					
Interim Fieldwork	■	■				
Year-End Fieldwork			■	■		
Draft Report Prep				■	■	
County Review Period					■	
Final Report Delivery					■	■
Board Presentation						■

■ *Active period*

Tabular Summary

Phase / Milestone	Timing	Key Activities
Audit Planning	August 2026	Risk assessment, materiality, prepared-by-client request list, planning meeting
Interim Fieldwork	August–September 2026	Internal control walkthroughs, tests of controls, minutes review
Year-End Fieldwork	September –November 2026	Substantive testing, confirmations, enterprise, component-unit, and Single Audit procedures
Draft Report Preparation	November–December 2026	Draft AFR, Single Audit reports, SPLOST/TSPLOST and RLGF schedules
County Review Period	December 2026	Management review of draft ACFR and reports
Final Report Delivery	December 2026	Issuance of final ACFR, reports, and required communications
Board Presentation	January 2027	Exit conference and presentation of results to the Board of Commissioners

Financial Reporting Assistance

In response to the County's request to indicate financial reporting assistance capabilities, Nichols Cauley confirms the following:

Service	Provided?	Notes
Financial statement / AFR preparation	Yes	Included in scope
SEFA preparation assistance	Yes	Included in Single Audit scope
Federal Data Collection Form	Yes	Prepared and submitted when required
Report of Local Government Finances (RLGF)	Yes	Reconciled to audited statements
Fixed asset & depreciation schedules	Yes	Roll-forward and reconciliation included
GFOA Certificate of Achievement assistance	Yes	Reviewer-comment responses included
GASB implementation assistance	Yes	Advisory on new pronouncements

Technology & Efficiency

- Cloud-based work environment — the entire team can plan, test, and review simultaneously from any location.
- DataSnipper and Audit Sight for automated testing and document verification.
- Secure client portal — 128-bit SSL/TLS encryption, multi-factor authentication, and SOC 1 and SOC 2 examined data centers.

8. Understanding Effingham County

We have reviewed Effingham County's fiscal year 2025 Annual Financial Report (year ended June 30, 2025) to demonstrate our understanding of the County's operations, financial structure, and audit complexity.

County Overview

Effingham County is one of the fastest-growing counties in Georgia, with a population of approximately 74,397, and provides a comprehensive range of governmental and business-type services. The County operates governmental, enterprise, capital project, special revenue, and fiduciary funds, and reports two discretely presented component units.

EFFINGHAM COUNTY — AT A GLANCE (FY 2025)

- Total Assets: $448.2 million | Net Capital Assets: $244.1 million
- Total Net Position: $308.7 million | Total Liabilities: $139.0 million
- Governmental Funds Revenues: $144.8 million | Expenditures: $137.2 million
- Major Governmental Funds: General; Special Tax District; ARPA; Hospital Indigent; 2017/2021 SPLOST; 2021/2023 TSPLOST
- Major Enterprise Funds: Water & Sewer; Sanitation
- Component Units: Effingham County Hospital Authority; Effingham County Board of Health
- Federal Programs: ARPA and others — Single Audit required
- Active Special Programs: SPLOST, TSPLOST

Fund Structure & Key Financial Highlights

The County's FY 2025 financial results reflect continued financial stability:

- **Net Position:** Total primary-government net position was $308.7 million at June 30, 2025, comprising $263.0 million in governmental activities and $45.7 million in business-type activities.
- **Governmental Activities:** Reported an increase in net position of $40.6 million, driven by capital outlay of $44.4 million (against $10.9 million of depreciation) and net transfers.
- **Business-Type Activities:** Reported an increase in net position of $15.3 million, including $13.1 million in net transfers in and $4.0 million in capital contributions supporting Water & Sewer infrastructure.
- **General Fund:** Ended the year with a fund balance of $45.6 million (including $35.8 million unassigned), up $11.4 million, with revenues exceeding the final budget by $5.2 million.

Key Audit Considerations

Enterprise Fund Complexity

- The Water & Sewer and Sanitation funds require separate fund-level statements, notes, and audit procedures, including utility billing revenue, customer receivables, and customer deposits.
- Water & Sewer reported $23.1 million of construction in progress and $18.2 million of outstanding bonds — capital and debt testing will be a focus area.
- Landfill post-closure care costs of $1.94 million (current and long-term) require estimate testing and long-term liability evaluation.

Component Units

- The Effingham County Hospital Authority (total assets approximately $61.6 million) and the Effingham County Board of Health are discretely presented component units; where separately audited, Nichols Cauley will review those reports and perform procedures necessary to support inclusion in the County's Annual Financial Report.

Federal Grant Compliance & Single Audit

- Federal expenditures — including ARPA (the ARPA Fund recognized $7.4 million of intergovernmental revenue) — exceed the Single Audit threshold, requiring SEFA preparation, major program determination, compliance and internal control testing, and the Federal Data Collection Form.

SPLOST and TSPLOST Compliance

- Four active capital-project programs (2017 SPLOST, 2021 SPLOST, 2021 TSPLOST, and 2023 TSPLOST) with combined fund balances exceeding $92 million require project-list compliance testing and supplementary schedule reporting.

Capital Assets, Debt & Interfund Activity

- Governmental capital assets total $381.5 million at cost ($193.2 million accumulated depreciation); Nichols Cauley will maintain fixed asset and depreciation schedules and prepare roll-forward and reconciliation schedules and journal entries.
- Long-term debt includes $81.1 million of governmental bonds, $6.5 million of leases, and subscription liabilities; principal, interest, and amortization will be confirmed and tested.
- FY 2025 interfund transfers ($33.8 million out and $20.7 million in) require transfer testing and government-wide elimination procedures.

Budget Compliance and Comparisons

Georgia law requires counties to adopt annual budgets and present budgetary comparison information as part of their financial reporting. Our audit procedures will include a focused review of the County's budgetary compliance and the presentation of required budgetary comparisons, including the following considerations:

- **Budgetary Comparison Schedules:** The County prepares annual budgetary comparison schedules for its major governmental funds; we will audit these schedules to confirm actual results are presented on a basis consistent with the legally adopted budget and that significant variances are properly explained.
- **Legal Compliance with Appropriations:** Georgia's budget law requires that expenditures not exceed legally adopted appropriations at the departmental level; we will perform procedures to identify any over-expenditure and communicate findings as required by Government Auditing Standards.
- **Budget Basis of Accounting:** The County budgets on the modified accrual basis with an integrated encumbrance system; we will document and test the reconciliation between the budgetary basis and GAAP basis of accounting.
- **Custodial Funds:** We will perform procedures over custodial (fiduciary) fund activity, including $98.1 million of tax collections for other governments.