

**PROFESSIONAL SERVICES AGREEMENT
FINANCIAL AUDITING SERVICES**

This Professional Services Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between the **CITY OF STONECREST, GEORGIA** ("City"), and **MAULDIN & JENKINS, LLC** _____ ("Contractor").

WITNESSETH:

WHEREAS, Contractor is engaged in the business of providing audit and other financial services; and

WHEREAS, the City of Stonecrest sought proposals from qualified vendors for professional audit and financial services; and

WHEREAS, the City desires to engage **MAULDIN & JENKINS, LLC** and **MAULDIN & JENKINS, LLC** agrees to render certain audit and other financial services to the City pursuant to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual terms, conditions and covenants set forth herein, the parties hereto agree as follows:

1. **SERVICES.** Contractor agrees to provide professional services to the City as detailed in **Exhibit A** ("Services"). If any services to be performed are not specifically listed in Exhibit A or herein, but are reasonably necessary to accomplish the purpose of this Agreement, Contractor agrees to perform such services at the direction and approval of the City Manager or his/her designee. In the event of any conflict between the terms of Exhibit A and this Agreement, the terms of this Agreement shall control.
2. **COMPENSATION.** In consideration for Services, the City shall pay to Contractor a fee not to exceed the amounts indicated in **Exhibit A** ("Services"). The City agrees to pay Contractor's invoices within thirty (30) days of receiving same. As the City is a local government entity and thus exempt from sales taxation, notwithstanding the terms of the proposal, Contractor acknowledges that the City shall not be responsible for payment of any sales taxes on any invoices submitted for the services provided under this Agreement.
3. **TERM.** This Agreement shall commence on the date all parties have executed this Agreement ("Effective Date") and shall terminate absolutely without further obligation on the part of the City by December 31, 2027. ("Term").
4. **RELATIONSHIP OF THE PARTIES.**
 - (a) **Independent Contractors.** Nothing contained herein shall be deemed to create any relationship other than that of independent contractor between the City and Contractor. This Agreement shall not constitute, create, or otherwise imply an employment, joint venture, partnership, agency or similar arrangement between the City and Contractor. It is expressly agreed that Contractor is acting as an

independent contractor and not as an employee in providing the Services under this Agreement.

- (b) Employee Benefits. Contractor shall not be eligible for any benefit available to employees of the City including, but not limited to, workers' compensation insurance, state disability insurance, unemployment insurance, group health and life insurance, vacation pay, sick pay, severance pay, bonus plans, pension plans, or savings plans.
- (c) Payroll Taxes. No income, social security, state disability or other federal or state payroll tax will be deducted from payments made to Contractor under this Agreement. Contractor shall be responsible for all FICA, federal and state withholding taxes and workers' compensation coverage for any individuals assigned to perform the Services for the City.

5. **WARRANTY ON SERVICES RENDERED.** The Contractor warrants its Services and workmanship shall be (i) free from defects; (ii) performed as stipulated in Exhibit A and conform to all specifications; (iii) performed by skilled personnel experienced in and capable of doing the kind of work assigned to them; and (iv) performed in accordance to all applicable federal, state, and local laws, regulations, rules and policies. Upon receipt of written notice of a defect, the Contractor shall repair the defect in a timely manner at no expense to the City.

6. **TERMINATION FOR DEFAULT.**

- (a) The City may, subject to the provisions of subparagraph (c) below, by written notice of default to the Contractor, terminate the whole or any part of this Agreement in any one of the following circumstances; (i) if the Contractor fails to perform this Agreement within the time specified herein or any extension thereof; or (ii) if the Contractor fails to perform any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and does not cure such failure within a period of ten (10) days after receipt of notice from the City specifying such failure.
- (b) In the event the City terminates this Agreement in whole or in part as provided in subparagraph (a) above, the City may procure, upon such terms and in such manner as the City may deem appropriate, services, similar to those so terminated, and the Contractor shall be liable to the City for any excess costs for the same, including without limitation all cost and expenses of the type specified in the "WARRANTY" paragraph of this Agreement; provided, that the Contractor shall continue the performance of this Agreement to the extent not terminated hereunder.
- (c) Except with regard to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform this Agreement arises out of causes beyond the control and without the fault of negligence of the Contractor; such causes may include, but are not limited to, acts of God, or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, flood,

epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule. The term “subcontractor” shall mean subcontractor at any tier.

- (d) If, after notice of termination of this Agreement under the provisions of this paragraph, it is determined for any reason that the Contractor was not in default under the provisions above or that the default was excusable under the provisions of this paragraph, the rights and obligations of the parties shall be the same as if the notice of termination has been issued pursuant to the “Termination for Convenience” paragraph of this Agreement.
- (e) The rights and remedies of the City provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

7. **TERMINATION FOR CONVENIENCE.** The City may at any time by written notice terminate all or any part of this Agreement for the City’s convenience. If this Agreement is terminated, in whole or in part, for the City’s convenience, the Contractor shall be paid an amount, to be mutually agreed upon, which shall be adequate to cover the actual and reasonable cost paid by the Contractor for the actual goods and labor reasonably used by the Contractor to perform the work under this Agreement to the effective date of termination, plus a reasonable profit thereon; provided that no amount shall be paid to the Contractor for (i) any anticipatory profits related to work under this Agreement not yet performed, or (ii) costs incurred due to the Contractor’s failure to terminate work as ordered on the effective date of termination. In no event shall the total amount paid under the provisions of this paragraph exceed the prices set forth in this Agreement for the work terminated.
8. **DISPUTES.** Pending resolution of any dispute hereunder, the Contractor shall proceed diligently with the performance of work in accordance with the City’s direction.
9. **INDEMNIFICATION.** To the fullest extent permitted by law, Contractor agrees to indemnify and hold harmless the City and its governing officials, agents, employees, and representatives (collectively, the “City Indemnitees”) from and against any and all liabilities, demands, losses, damages, fines, penalties, costs or expenses (including reasonable attorney’s fees and costs), incurred by any City Indemnatee as a result of or arising out of (i) the wrongful misconduct or negligence (including fraud) of Contractor or its employees, agents, and representatives in performing this Agreement; (ii) a material breach by Contractor of its covenants; or (iii) failure by Contractor or its employees, agents, and representatives to comply with all applicable federal, state, or local law, rule or regulation in connection with

services provided under this Agreement. These obligations shall survive termination. The City releases, indemnifies, defends, and holds the Contractor harmless from any liability and costs resulting from knowing misrepresentations by City Indemnities, subject to applicable Georgia law and constitutional limitations.

10. RISK MANAGEMENT REQUIREMENTS. The Contractor shall abide by the City's applicable Risk Management Requirements, attached to this Agreement as **Exhibit C** and incorporated herein by reference.

11. STANDARD OF PERFORMANCE AND COMPLIANCE WITH APPLICABLE LAWS.

- (a) Contractor warrants and represents that it possesses the special skill and professional competence, expertise, and experience to undertake the obligations imposed by this Agreement.
- (b) Contractor agrees to perform in a diligent, efficient, competent, and skillful manner commensurate with the highest standards of the profession, and to otherwise perform as is necessary to undertake the Services required by this Agreement, including the requirements set forth in the Certification of Sponsor Drug Free Workplace, attached hereto as **Exhibit D** and the Purchasing Policy Addendum attached hereto as **Exhibit E**.
- (c) Contractor warrants and represents that it will, at all times, observe and comply with all federal, state, local and municipal laws, ordinances, rules, and regulations, relating to the provision of the Services to be provided by Contractor hereunder or which in any manner affect this Agreement.

12. GEORGIA SECURITY AND IMMIGRATION COMPLIANCE ACT: Pursuant to O.C.G.A. Section 13-10-91, for as long as this Agreement remains in effect, Contractor will be registered with and participate in the federal work authorization program to verify the immigration status of newly hired employees ("e-Verify"). Contractor will execute the O.C.G.A. Section 13-10-91 compliance affidavit on **Exhibit F**, attached hereto and incorporated herein.

13. THE CITY'S ASSISTANCE AND COOPERATION. During the Contractor's performance of this Agreement, the City may, but has no obligation to, provide assistance to, or cooperate with, the Contractor in activities that facilitate the proper performance and completion of this Agreement by the Contractor. Such assistance and cooperation may include without limitation: (i) providing engineering or other analysis or advice on correcting problems; (ii) refraining from strict enforcement of time schedule requirements under this Agreement; (iii) permitting use of test materials or documentation not performed or produced under this Agreement. Such assistance or cooperation by the City shall not be construed, and the Contractor agrees that it will not claim that any such assistance or cooperation operates, to relieve the Contractor from complete, proper and punctual performance of all the Contractor's obligations under this Agreement.

14. WORK ON THE CITY'S DESIGNATED PREMISES. In the event that the Contractor, the Contractor's employees or agents or the Contractor's subcontractors enter the City's designated premises for any reason in connection with this Agreement, the Contractor and such other parties shall observe all security requirements and all safety regulations.

15. CONFLICTS OF INTEREST. Contractor warrants and represents that:

- (a) The Services to be performed hereunder will not create an actual or apparent conflict of interest with any other work it is currently performing;
- (b) Contractor is not presently subject to any agreement with a competitor or with any other party that will prevent Contractor from performing in full accord with this Agreement; and
- (c) Contractor is not subject to any statute, regulation, ordinance or rule that will limit its ability to perform its obligations under this Agreement. The parties agree that Contractor shall be free to accept other work during the term hereof; provided, however, that such other work shall not interfere with the provision of Services hereunder.

16. CONFIDENTIAL INFORMATION. Contractor acknowledges that it may have access to and become acquainted with confidential information, including, but not limited to, any information the disclosure of which is limited by state or federal law. Unless approved in advance in writing or is required to be disclosed by court order, subpoena or by law, neither Contractor nor any of its employees, will disclose, transfer, distribute or allow access to any confidential information of the other party to third parties. These obligations shall survive termination.

17. ASSIGNMENT AND SUBCONTRACTING. The Contractor shall not assign this Agreement or any portion of this Agreement, nor shall the Contractor subcontract for goods or completed or substantially completed services purchased hereunder without the prior express written consent of the City. No assignment or subcontract by the Contractor, including any assignment or subcontract to which the City consents, shall in any way relieve the Contractor from complete and punctual performance of this Agreement, including without limitation all of the Contractor's obligations under the warranty provisions of this Agreement.

18. ATTORNEYS' FEES. Both parties agree to pay reasonable attorneys' fees to the other party should either party be required to incur attorneys' fees in enforcing the provisions of this Agreement or in the collection of any monies herein required to be paid by the other party.

19. GOVERNING LAW AND CONSENT TO JURISDICTION. This Agreement is made and entered into in the State of Georgia, and this Agreement and the rights and obligations of the parties hereto shall be governed by and construed according to the laws of the State of Georgia without giving effect to the principles of conflicts of laws. The jurisdiction for resolution of any disputes arising from this Agreement shall be in the State Courts of DeKalb County, Georgia.

- 20. NOTICES.** All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally in hand, or when mailed by certified or registered mail, return receipt requested with proper postage prepaid, addressed to the appropriate party at the following address or such other address as may be given in writing to the parties:

If to the City:

City Manager
City of Stonecrest
3120 Stonecrest Blvd.
Stonecrest, Georgia 30038
Email: cyturner@stonecrestga.gov

With copies to:

City Attorney
Denmark Ashby Matricardi, LLC
100 Hartsfield Centre Pkwy, Ste. 400
Atlanta, Georgia 30354
Email: wdenmark@dam.law

If to the Contractor:
Mauldin & Jenkins, LLC
200 Galleria Parkway S.E., Suite 1700
Atlanta, Georgia 30339
Email:

- 21. NON-WAIVER.** The failure by either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict performance with every provision of this Agreement.
- 22. SEVERABILITY.** If any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement, which shall remain in full force and effect, and enforceable in accordance with its terms.
- 23. INTERPRETATION.** The Parties acknowledge that this Agreement and all the terms and conditions herein have been fully reviewed and negotiated by the Parties. Having acknowledged the foregoing, the Parties agree that any principle of construction or rule of law that provides that, in the event of any inconsistency or ambiguity, an agreement shall be construed against the drafter of the agreement shall have no application to the terms and conditions of this Agreement.
- 24. AMENDMENTS.** Any and all modifications or changes to this Agreement must be in writing and signed by the parties to this Agreement.
- 25. COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall constitute the original, but all of which taken together shall constitute one and the same Agreement. PDF signatures shall constitute original signatures.
- 26. ENTIRE AGREEMENT.** This Agreement, which includes the exhibits attached hereto, contains the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes and replaces any and all prior discussions, representations and understandings, whether oral or written. In case of conflict between any term of the

Contractor's Bid/Proposal and this Agreement, the terms of this Agreement shall control unless otherwise stated herein.

27. CAPTIONS. The captions appearing herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any clause or provision hereof.

IN WITNESS WHEREOF, said parties have hereunto set their seals the day and year written below.

Executed on behalf of:

CITY OF STONECREST, GEORGIA,

BY:



7.21.26

TITLE:

Mayor

[Seal]

ATTEST (sign here):

Name (print):

DATE:

APPROVED AS TO FORM:

City Attorney

[SIGNATURES CONTINUED ON NEXT PAGE]

Executed on behalf of:

CONTRACTOR,

BY (sign here):

Name (print):

Title:

[Corporate Seal]

ATTEST (sign here):

Name (print):

Title:

DATE:

EXHIBIT A
SERVICES



July 6, 2026

Honorable Mayor and Members of the City Council
City of Stonecrest, Georgia
3120 Stonecrest Boulevard
Stonecrest, GA 30038

Attn: Keisha Franklin, Director of Finance and Cathy Turner, City Manager

The following represents our understanding of the services we will provide the City of Stonecrest, Georgia.

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Stonecrest, Georgia (the "City"), as of December 31, 2023, December 31, 2024 and December 31, 2025, and for the years then ended and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

In addition, we will audit the entity's compliance over major federal award programs for the period ended December 31, 2023, December 31, 2024 and December 31, 2025. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting standards generally accepted in the United States of America (U.S. GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis (MD&A).
2. Budgetary comparisons for the General Fund (and other major special revenue funds).

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1. Combining and individual fund statements and budget schedules.
2. Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds.
3. Schedule of Expenditures of Federal Awards (*Applicable for fiscal years requiring a Single Audit*).

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must



be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditor's reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Although we are currently in the planning stage of our audit, we have identified the following significant risk during our audit to date that require special audit consideration:

- Management override of controls is considered an inherent risk according to GAAS.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government*

Auditing Standards. Furthermore, the determination of waste and abuse is subjective and *Government Auditing Standards* does not require auditors to perform specific procedures to detect waste or abuse nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Audit of Major Program Compliance

Our audit of the City's major federal award programs compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these

controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;

11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations, and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence;
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and

22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, including the following:

- Assistance with preparation of the financial statements and related notes.
- Assistance with preparation of the schedule of expenditures of federal awards and related notes (Applicable for fiscal years requiring a Single Audit).

We will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its responsibilities.

The City's management is responsible for: (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control. Furthermore, you acknowledge that the working digital files used to prepare your financial statements constitute proprietary information to us, and we reserve all rights to these files.

Our responsibilities and limitations of the nonattest services are as follows:

- The nonattest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.
- The nonattest services are limited to the *nonattest services* previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the Members of the City Council of the City of Stonecrest, Georgia. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report or, if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state: (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reasons, your personnel are unavailable to provide the

necessary assistance in a timely manner, it may substantially increase the work we have to do to complete our engagement, resulting in an increase in fees over our original estimate. It may also significantly change original timelines for estimated completion of the audit.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

With regard to an exempt offering document with which Mauldin & Jenkins is not involved, you agree to clearly indicate in the exempt offering document that Mauldin & Jenkins is not involved with the contents of such offering document. In the event that Mauldin & Jenkins is requested to be involved with an exempt offering document, you agree that the aforementioned auditor's report or reference to Mauldin & Jenkins will not be included without our prior permission or consent. Furthermore, any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

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

You acknowledge that you will not utilize Mauldin & Jenkins, LLC to store your documents, data, or records on your behalf in accordance with the "Hosting Services" (see ET section 1.295.143) interpretation of the AICPA Code of Professional Conduct. The City of Stonecrest, Georgia is solely responsible for maintaining its own data and records.

In that regard, Suralink is used solely as a method of transferring data to Mauldin & Jenkins, LLC and is not intended for the storage of your information. All information you provide through Suralink is a copy and you maintain original documents and data as part of your records.

In regard to the tax returns and/or financial statements, you acknowledge iChannel is used solely to transfer data and is not intended for the storage of your tax information and financial statements. You are responsible for downloading tax returns, financial statements, and other records from iChannel that you wish to retain for your own records at the completion of the engagement.

Provisions of Engagement Administration, Timing, and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We expect to begin our audit of the 2023 fiscal year on approximately September 1, 2026 and to issue our reports no later than December 31, 2026. Timelines of the 2024 and 2025 fiscal year audits are anticipated to extend approximately six months beyond the 2023 timeline.

Doug Moses is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$75,000 for each fiscal year: December 31, 2023, December 31, 2024 and December 31, 2025. The fee for a single audit of a major federal program will be \$12,500 per program required within the same three year period. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as follows: \$15,000 upon signing the engagement letter and, thereafter, as work progresses. Invoices are payable on presentation; a service charge of 1.5% per month (18% annually) will be added onto any balances not paid within 30 days. In addition, if we have not received payment within 90 days of our invoice, we reserve the right to stop work on your account until it is brought current. You acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary or if there are significant delays in receiving the information needed to complete our audit procedures, the above fee estimate may need to be revised.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Members of the City Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

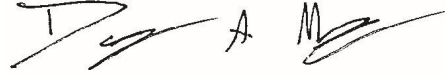
The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Georgia Department of Audits and Accounts or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

MAULDIN & JENKINS, LLC

A handwritten signature in black ink, appearing to read 'Douglas A. Moses', with a stylized flourish at the end.

Douglas A. Moses

RESPONSE:

This letter correctly sets forth the understanding of the City of Stonecrest, Georgia.

By: _____

Title: _____

EXHIBIT B
COST PROPOSAL

(See Exhibit A)

(Intentionally Left Blank)

EXHIBIT C

RISK MANAGEMENT REQUIREMENTS

The Contractor shall provide minimum insurance coverage and limits as per the following: The Contractor shall file with the City Certificates of Insurance, certifying the required insurance coverage and stating that each policy has been endorsed to provide thirty (30) day notice to the City in the event that coverage is cancelled, non-renewed or the types of coverage or limits of liability are reduced below those required. All bonds and insurance coverage must be placed with an insurance company approved by City Management, admitted to do business in the State of Georgia, and rated Secure (“B+” or better) by A.M. Best Company in the latest edition of Property and Casualty Ratings, or rated by Standard & Poors Insurance Ratings, latest edition as Secure (“BBB” or better). Worker’s Compensation self-insurance for individual Contractors must be approved by the Worker’s Compensation Board, State of Georgia and/or Self-Insurance pools approved by the Insurance Commissioner, State of Georgia.

CONTRACTS FOR UP TO \$50,000

Worker’s Compensation – Worker’s Compensation coverage on a statutory basis for the State of Georgia with an Employer’s Liability limit of \$100,000 each Accident, Disease \$100,000 each employee, \$500,000 Disease policy limit.

Automobile Liability – Automobile liability coverage for owned, hired and non-owned vehicles in the amount of \$500,000 combined single limit.

Commercial General Liability – Coverage to be provided on “occurrence” not “claims made” basis. The coverage is to include Contractual liability, Per Project Limit of Liability, losses caused by Explosion, Collapse and Underground (“xcu”) perils, the “City of Stonecrest” is to be added as an Additional Insured and Products and Completed Operations coverage is to be maintained for three (3) years following completion of work.

CONTRACTS FOR MORE THAN \$50,000

Worker’s Compensation – Worker’s Compensation coverage on a statutory basis for the State of Georgia with an Employer’s Liability limit of \$1,000,000. The increased Employer’s Liability limit may be provided by an Umbrella or Excess Liability policy.

Automobile Liability - Automobile liability coverage for owned, hired and non-owned vehicles in the amount of \$1,000,000 combined single limit.

Commercial General Liability – Coverage to be provided on “occurrence” not “claims made” basis. The coverage is to include Contractual liability, Per Project Limit of Liability, losses caused by Explosion, Collapse and Underground (“xcu”) perils, the “City of Stonecrest” is to be added as an Additional Insured and Products and Completed Operations coverage is to be maintained for three (3) years following completion of work.

EXHIBIT C
RISK MANAGEMENT REQUIREMENTS (Cont'd)

CONTRACTS FOR UP TO \$50,000	CONTRACTS FOR MORE THAN \$50,000
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LIMITS OF LIABILITY:

\$1,000,000	Per Occurrence
\$1,000,000	Personal and Advertising
\$50,000	Fire Damage*
\$5,000	Medical Payments*
\$1,000,000	General Aggregate
\$1,000,000	Products/Completed Operations per Occurrence and Aggregate

**These are automatic minimums*

Owner's Protective Liability – The City's Management may, in its discretion, require Owner's Protective Liability in some situations.

Umbrella and/or Excess Liability – The umbrella or Excess Liability Policy may be used to combine with underlying policies to obtain the limits required. The Management of the City may elect to require higher limits.

Owner's Protective Liability – The City's Management may, in its discretion, require Owner's Protective Liability in some situations.

EXHIBIT D

DRUG FREE WORKPLACE

I hereby certify that I am a principal and duly authorized representative of _____, (“Contractor”), whose address is

_____, and I further certify that:

- (1) The provisions of Section 50-24-1 through 50-24-6 of the Official Code of Georgia Annotated, relating to the “Drug-Free Workplace Act” have been complied with in full; and
- (2) A drug-free workplace will be provided for Contractor’s employees during the performance of the Agreement; and
- (3) Each Subcontractor hired by Contractor shall be required to ensure that the subcontractor’s employees are provided a drug-free workplace. Contractor shall secure from that subcontractor the following written certification: “As part of the subcontracting agreement with Contractor, _____ certifies to Contractor that a drug-free workplace will be provided for the Subcontractor’s employees during the performance of this Agreement pursuant to paragraph (7) of subsection (b) of the Official Code of Georgia Annotated, Section 50-24-3”; and
- (4) The undersigned will not engage in unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of the Agreement.

CONTRACTOR: _____

BY: Authorized Officer or Agent
(Contractor Signature)

Date

Title of Authorized Officer or Agent of Contractor

Printed Name of Authorized Officer or Agent

EXHIBIT E
PURCHASING POLICY ADDENDUM

I, _____, hereby certify that I have received a copy of the City of Stonecrest, GA, Financial Management Policies Purchasing Policy and agree to comply with all requirements of the City of Stonecrest, GA Financial Management Policies Purchasing Policy to the extent the policy is applicable to the undersigned.

BY: Authorized Officer or Agent Date
(Contractor Signature)

Title of Authorized Officer or Agent of Contractor

Printed Name of Authorized Officer or Agent

Date

EXHIBIT F

GEORGIA SECURITY AND IMMIGRATION COMPLIANCE ACT AFFIDAVIT

Name: _____

By executing this affidavit, the undersigned person or entity verifies its compliance with O.C.G.A. § 13-10-91, stating affirmatively that the individual, firm, or corporation has registered with, is authorized to participate in, and is participating in the federal work authorization program commonly known as E-Verify* in accordance with the applicable provisions and deadlines.

The undersigned person or entity further agrees that it will continue to use the federal work authorization program throughout the contract period, and it will contract for the physical performance of services in satisfaction of such contract only with subcontractors who present an affidavit to the undersigned with the information required by O.C.G.A. § 13-10-91(b).

The undersigned person or entity further agrees to maintain records of such compliance and provide a copy of each such verification to the City of Stonecrest within five (5) business days after any subcontractor(s) is/are retained to perform such service.

EEV/Basic Pilot Program* User Identification Number

BY: Authorized Officer or Agent
(Contractor Name)

Date

Title of Authorized Officer or Agent of Contractor

Printed Name of Authorized Officer or Agent

SUBSCRIBED AND SWORN BEFORE ME ON
THIS ____ DAY OF _____, 20____

Notary Public

My Commission Expires: _____

* As of the effective date of O.C.G.A. 13-10-91, the applicable federal work authorization program is the "EEV/Basic Pilot Program" operated by the U. S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security, in conjunction with the Social Security Administration (SSA).